

**Annual Report 2022 - 23**





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# Corporate Information

## **BOARD OF DIRECTORS**

**Shri. Rajiv Agarwal**  
Chairman of the Board & MD

**Shri. Dilip J. Thakkar**  
Independent Director

**Capt. B. S. Kumar**  
Independent Director

**Shri. Nikhil Naik**  
Nominee Director

**Shri. Amit Bapna**  
Wholetime Director

## **CHIEF FINANCIAL OFFICER**

**Shri. Amit Bapna**

## **COMPANY SECRETARY**

**Smt. Simran Ajmani**

## **AUDITORS**

M S K A & Associates, Chartered Accountants  
Floor 2, Enterprise Centre, Nehru Road,  
New Domestic Airport, Vile Parle (E),  
Mumbai - 400 099

## **AUDIT COMMITTEE**

**Shri. Dilip J. Thakkar** (Chairman)

**Shri. Nikhil Naik**

**Capt. B. S. Kumar**

## **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

**Shri. Rajiv Agarwal** (Chairman)

**Capt. B. S. Kumar**

**Shri. Nikhil Naik**

## **NOMINATION AND REMUNERATION COMMITTEE**

**Capt. B.S. Kumar** (Chairman)

**Shri. Dilip J. Thakkar**

**Shri. Nikhil Naik**

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

**Shri. Rajiv Agarwal** (Chairman)

**Shri. Nikhil Naik**

**Capt. B. S. Kumar**

**Shri. Amit Bapna**

## **REGISTRARS & TRANSFER AGENTS**

Data Software Research Company Private Limited  
19, Pycroft Garden Road,  
Off Haddows Road Nungambakkam  
Chennai 600006  
Tel: + 91 44 2821 3738, 2821 4487  
Fax: +91 44 2821 4636  
e-mail: [essar.ports@dsrc-cid.in](mailto:essar.ports@dsrc-cid.in)

## **CORPORATE INFORMATION REGISTERED OFFICE**

Salaya Administrative Building  
ER-2 Building, Salaya, Taluka Khambhalia  
District Devbhumi Dwarka,  
Jamnagar Gujarat 361 305  
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Fax: +91 2833 661366  
e-mail: [epl.secretarial@essarport.co.in](mailto:epl.secretarial@essarport.co.in)

## **CORPORATE OFFICE**

Essar House, 11, K. K. Marg, Mahalaxmi  
Mumbai 400 034  
Tel: +91 22 6660 1100 / 4001 1100  
Fax: +91 22 2354 4330  
e-mail: [epl.secretarial@essarport.co.in](mailto:epl.secretarial@essarport.co.in)



## M.D.'s Message

### Factors that drive the Global Economy

The business environment is facing a myriad of challenges. The Global economy faces unprecedented challenges of increasing debt burden, high inflation, disruptions in global supply chains, burning issue of the moment Russia – Ukraine war and its impact, geopolitical tensions, which all play a major role on how global supply chains will evolve.

In the coming era of supply chain disruptions and infusion of new technologies, infrastructure and service levels must keep pace to deliver the desired results. India can be a solution as an alternate manufacturing hub to the world. However, the same will need support of policy and speed of implementation.

At the same time Carbon-neutrality with energy transition will see adoption of green infrastructure with sustainability at the core (mechanized terminals, hydrogen & green economy and EV will gain prominence). In the wake of this our Ports and Terminals need to be ready for this shift with multimodal connectivity, green ports with integration of renewable energy, hydrogen transportation through Ammonia and digitization of supply chain.

We are focused on reinvesting in our existing operations and in **building new assets, with more efficient, carbon neutral and new-age technologies**, which will be sustainable and aligned to Essar's theme of Energy Transition.

### Indian Ports Sector performance and what's in store?

Ports infrastructure investments particularly have a significant influence on a nation's GDP and competitiveness. Indian Government has been playing significant role in boosting the maritime sector and has taken several measures to promote efficiency of ports through various policy initiatives.

During 2022-2023, on all India basis Indian Ports handled ~1445 MMT of cargo registering a growth of ~9.5% where the Indian Major Ports handled ~790 MMT of traffic, with a growth of ~10.4%. The year also saw JNPT becoming the first 100% landlord port of the Country.

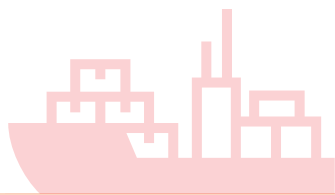
As India charts its way to USD 5 trillion economy and more, the focus will be on reducing logistics cost & enhancing efficiency, thereby improving India's competitiveness in the world economy and positioning India as global manufacturing & services hub.

### Your Company Performance

Essar Ports Ltd., is the holding company of Essar Vizag Terminals Ltd. which operates the 24 MTPA Iron Ore Terminal in Vizag Terminal. Your Company has delivered a robust performance by registering a throughput of 11.87 MMT & Revenue of INR ~208.9 Cr. for the year. The focus on driving operational efficiencies and optimizing operations has helped Essar Vizag Terminal ensuring resilience in operations despite various challenges. Essar Ports not only specializes in the development and operations of ports and terminals for handling variety of cargo like liquid, dry bulk, break bulk and general cargo, but also offers end-to-end logistics by leveraging on technology and innovation

### Iron Ore & Steel Industry – Anchoring Progress

Iron ore and steel sector serves as key customer for Essar Ports' facilities. India is world's second largest steel



producer after China. The per capita steel consumption in the World is around 233 kg. However, the per capita consumption of steel in India is around 77.2 kg, gone up by 50% in last 8 years, which is 1/3rd of the average world per capita steel consumption. Demand outlook for near future remains stable and the sector is likely to register a modest growth driven by moderate automobiles, real estate, and manufacturing demand. The same will need to be supplemented by iron ore handling at Indian ports and our Vizag terminal is well-positioned to cater to this demand.

#### **Committed to Health, Safety & Environment**

Essar Ports is focused on developing and operating assets that are environmentally friendly and offer world class infrastructure. The Company has an exemplary track record in health, safety and environment. The fact that it has achieved zero Loss Time Injury (LTI) during the year shows the benchmarked safety protocols in its operations.

#### **Transformation and Creation**

We endeavor to create value for our stakeholders. I would like to express my sincere gratitude to the Board of Directors for their support and guidance, and to all stakeholders for their unwavering support during the year. We are well-positioned to continue to deliver value propositions through our state of the art services and end to end logistics solutions which will also ensure the growing needs of the economy are met. Let's begin our transformation journey.

**Stay safe | Be Committed | Remain Focused**

**Rajiv Agarwal**  
Managing Director

# ESSAR PORTS - DELIVERING LOGISTICS EXCELLENCE

Essar Ports Limited (“the Company”) is a public limited company domiciled in India and incorporated under the Companies Act, 1956. The Company was incorporated on April 05, 1975 and has CIN: U85110GJ1975PLC054824. The Company was listed on Bombay Stock Exchange Limited (NSE) and the National Stock Exchange of India Limited (NSE) till 31st December, 2015. The Company through its subsidiaries develops and operates ports and terminals for handling bulk and general cargo. The Company through its subsidiary has an existing capacity of 24 MTPA at its facility located at Visakhapatnam Port in the State of Andhra Pradesh on the east coast of India. Essar through its more than 50 Years of experience has pioneered the art of End to End to Supply Chain management and offers solutions in wide range of areas.

The Company positively impacts the lives of all stakeholders including employees and the communities living close to its facilities. Community initiatives aim to enhance livelihoods through programs focused on entrepreneurship, education, empowering women, infrastructure, environment and health. It sees involving community leaders as key to success. Essar has transformed the neighboring areas of its operations by planting thousands of trees and laying water pipelines. Essar generates direct and indirect employment for thousands of people in the region it operates. The Company adheres to stringent Health, Safety & Environment standards wherever they operate.

- The Company is now focused on reinvesting in its existing operations and in building new assets, with more efficient, carbon neutral and new-age technologies, which will be sustainable and aligned to Essar's theme of Energy Transition.
- Diversifying cargo profile and expansion at is planned with multimodal connectivity, Green Energy (LNG & Green Ammonia) and clean commodities handling being next steps.
- The Company is incorporating digital transformation and technology to provide its customers with a sustainable competitive edge.



# VIZAG TERMINAL (24MMTPA - OPERATIONAL)

Post winning the bid for mechanization and upgradation of iron ore berths at Visakhapatnam port on Design-Build-Finance-Operate-Transfer (DBFOT) basis for a concession period of 30 years, The Company took over the Ore Handling Complex (Outer Harbour Berths) from Visakhapatnam Port Trust in May, 2015. Post upgradation of the Terminal in 2018, the Vizag Terminal is now India's largest Ore handling complex and delivers the best performance which can be benchmarked across the globe. The Terminal has a comprehensive mechanized system ranging from wagon tippers, Stackers, Reclaimers, closed conveying systems and largest ship loader which has been enabling cost effective iron ore exports from India.



24 MMTPA Ore Handling Terminal at Vizag Port is an all-weather deep draft facility that has the wherewithal to serve the rapidly growing markets of South-East Asia, including China, Japan, and Korea. It can accommodate super capesize vessels and has dedicated rail-connectivity with Bachel & Kirandal Mining sources by which the facility has an advantage to serve western-sector of India. It is also integrated with a pellet plant in Vizag through a fully mechanized conveying facility with 6.7 km shipping conveyor system.

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## SECTOR INNOVATION- EFFICIENT HANDLING AND ENVIRONMENT FRIENDLY SYSTEMS

Essar Ports has been a pioneer in investing in technologies and developing environment friendly and efficient handling systems. Some of them include:

- Integrated Mechanized systems comprising of wagon tippers, stackers and Reclaimers, ship loaders and unloaders eliminating non mechanized handling for customers
- Deeper drafts leading to economies of scale and bigger parcels reducing carbon footprint of shipping
- Covered & Closed Conveyors to avoid dust pollution
- Cold-fog system is the advanced technology which uses ruby-orifice nozzles that create extremely fine water particles droplets i.e. 1-15 microns, unlike in typical water sprinkling seen with droplet size of 100-250 microns
- Dust separation and water sprinkling systems in transport corridors and stockyards
- Investing in systems to eliminate spillages along conveyor corridors
- Minimal human intervention enhancing safety and security of facility
- VFD technology reducing power consumption for movement of cargo through conveyors

# AWARDS & RECOGNITIONS

- ★ CII SCALE Award for Excellence in Terminal Operations Category – 2021,2020,2017, 2016, 2015
- ★ CIA Award for Best Company in Ports & Shipping – 2021,2019
- ★ Environmental Protection Award at the Maritime Standard Award, 2019
- ★ Corporate Social Responsibility Award at the Seatrade Maritime Awards, 2019
- ★ Port of the Year in HSE Category for Best Practices - 2018
- ★ Indian Maritime Award for Dry Bulk Port of the Year 2018 – Runner up
- ★ Maritime & Logistics Award for CSR Activities
- ★ Maritime Standard Award, Dubai for CSR Activities
- ★ Gujarat Star Award for CSR Activities
- ★ Recognitions in International Bulk Journal, Seatrade and other leading publications for exemplary performance in Ports Sector

## FACILITY

### ● Berth

Two Outer Harbour berths which can handle vessels up to ~200,000 DWT with 18-metre draft

### ● Conveyor facilities

~9.5km conveyor stream, equipped with Cold Fog System reducing dust pollution ensuring clean environment

### ● Loading

The Vizag facility is the largest ship loader with 8000 TPH capacity boosting Exports and Coastal Movement of Nation

### ● Storage

1 MMT stacking capacity of stockyard

### ● Wagon Tippers, Stackers and Reclaimers

- 2 X 27 Tips per hour twin tippler
- 30 Tips per hour rotary tippler
- Stackers – 2 X 2700 TPH
- Reclaimers – 3 X 4000 TPH





# VIZAG:

GATEWAY FOR IRON-ORE EXPORTS & COASTAL SHIPPING ON EAST COAST OF INDIA

INDIA'S LARGEST IRON ORE HANDLING COMPLEX

- ★ **24 MMTPA Capacity**
- ★ **Capable of berthing ~200,000 DWT vessels**
- ★ **Revenue recorded for 11.87 Million Tonnes of cargo in FY23**
- ★ **Strategically located for exports and coastal traffic**
- ★ **Fully mechanized terminal and eco-friendly cargo handling**
- ★ **Enabling competitiveness of Iron Ore Exports of the Nation**
- ★ **Boosting Coastal Shipping for Indian Steel Industries**
- ★ **Public Private Partnership Project awarded by Vizag Port on Design Build Finance Operate and Transfer basis for 30 years in 2015**
- ★ **Integrated with 8 MMTPA Pellet Plant**

## DESCRIPTION

The 24 MMTPA iron ore terminal is the largest ore handling complex in India and delivers performance which can be benchmarked with the best across the globe. It is located within one of the 13 designated 'Major Ports' in India and is at a critical location for the export/coastal movement of iron ore. It has a fully mechanized ecofriendly infrastructure and has the potential to attract higher cargo throughput on account of enabling lower logistics cost for customers. The Terminal is an all-weather deep draft facility that has the wherewithal to serve the rapidly growing markets of South-East Asia, including China, Japan, and Korea in addition to coastal movement along India.

It can accommodate super capesize vessels and has dedicated rail connectivity with high-grade iron-ore sources in Bachel & Kirandul, due to which the facility has an advantage to serve the western-sector of India. The facility is integrated with an 8 MTPA pellet plant.

Commissioned in May, 2018



# FACILITIES

★ **BERTH**

Two Outer Harbour berths which can handle vessels up to ~200,000 DWT with 18-metre draft

★ **CONVEYOR FACILITIES**

~9.5km conveyor stream, equipped with Cold Fog System reducing dust pollution ensuring clean environment

★ **LOADING**

The Vizag facility is the largest ship loader with 8000 TPH capacity boosting Exports and Coastal Movement of Nation

★ **STORAGE**

1 MMT stacking capacity of stockyard

★ **WAGON TIPLERS, STACKERS AND RECLAIMERS**

- o 2 X 27 Tips per hour twin tipler
- o 30 Tips per hour rotary tipler
- o Stackers – 2 X 2700 TPH
- o Reclaimers – 3 X 4000 TPH

# SERVICES

**Cargo Handling (Rake receipt to Loading)**

Rakes are received by the terminal from the Indian railways at an exchange yard and are tippled through a system of three wagon unloaders for onwards mechanized conveying. The fully mechanized stock yard handles cargo through a string of stackers and reclaimed through reclaimers for onward loading of vessels at a speed of 8000 TPH in the most efficient manner.

**Integrated Cargo Handling**

The terminal is fully integrated with a Pellet Plant in Vizag through a fully mechanised facility. The berths in the outer harbour are capable of berthing cape size vessels up to 200,000 DWT.

**Emission Control**

The Vizag terminal's state-of-the-art sprinkler systems and Cold Fog System ensures the suppression and containment of dust in the most eco-friendly manner possible.

**Pilotage, tug and tow services**

The Vishakhapatnam Port Trust provides various vehicle-related services such as pilotage, tug and towing services.

# CONNECTIVITY



**ROAD:**

Vizag Port is connected to northern and southern India via National Highway NH5, which runs from Chennai to Kolkata.



**AIR:**

Visakhapatnam Airport is 10 kms from the Port, which is well connected to all major domestic and international airports.

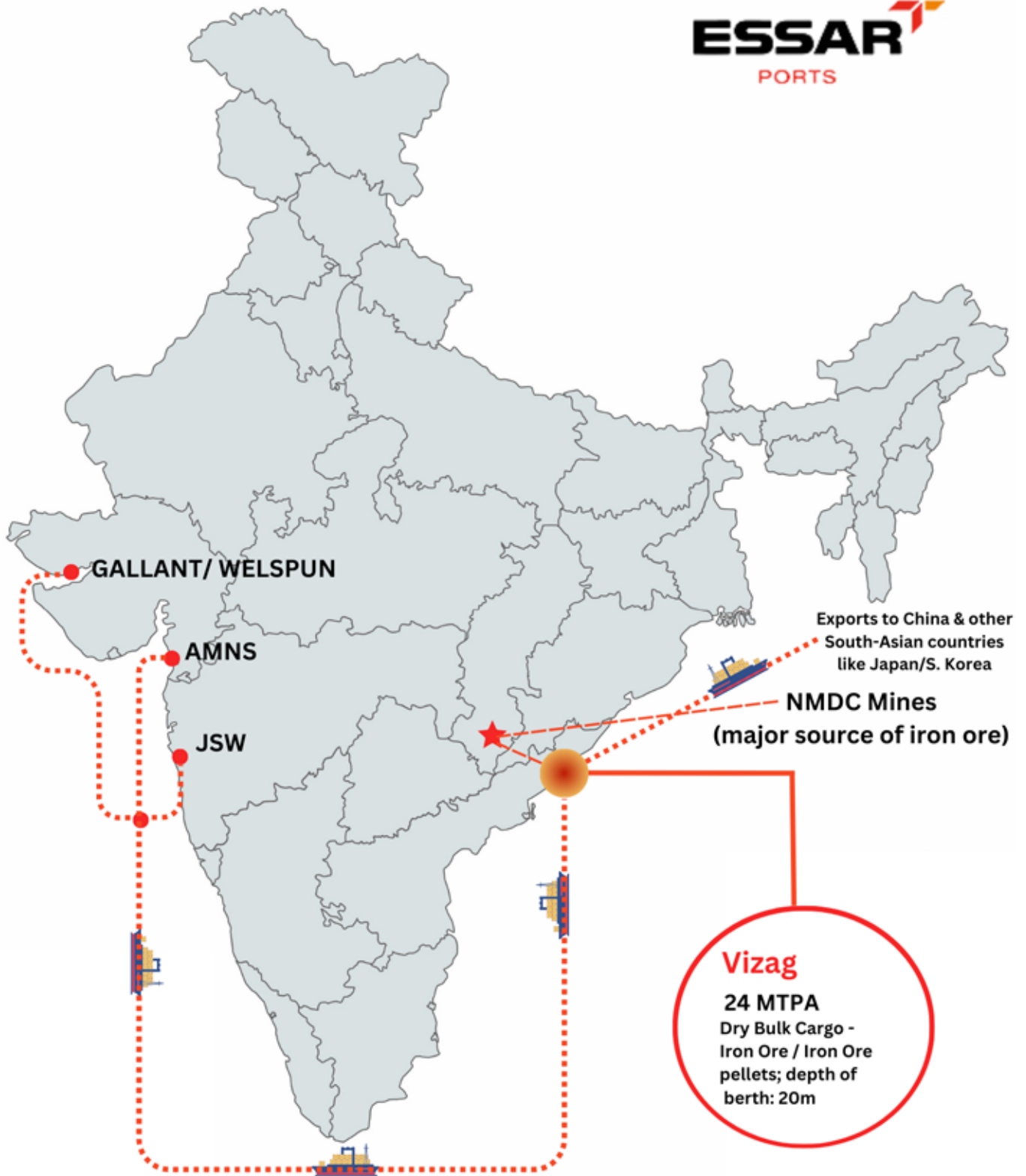
**RAIL:**

Terminal is connected to the national network of "Chennai-Visakhapatnam-Howrah" rail corridor. The rake receiving facility provides direct connectivity to the mining operators.



# MILESTONES IN 2023

- ★ Cumulative cargo handling crosses **83.30 MMT** since takeover of Project
- ★ Cumulative ships handled crosses **1176 Nos** since takeover of Project
- ★ Cumulative rakes handled crosses **10,340 Nos** since takeover of Project



**Coastal Movement from Eastern Sector to Western Sector (Major Customers)**



**Essar Ports Limited**  
Essar House, 11,  
K. K. Marg, Mahalaxmi,  
Mumbai - 400034