



**Essar Ports Limited**  
Annual Report 2014-15



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**P. K. Srivastava**  
Chairman

**Dilip J. Thakkar**  
Independent Director

**Deepak Kumar Varma**  
Independent Director

**T. S. Narayanasami**  
Independent Director

**N. C. Singhal**  
Independent Director

**Michael P. Pinto**  
Independent Director

**Dr. Jose Paul**  
Independent Director

**Jesper Kjaedegaard**  
Independent Director

**Rajiv Agarwal**  
CEO & Managing Director

**K. K. Sinha**  
Wholetime Director

**A. S. Bali**  
Director Finance

**S. Gayathri**  
Director

## COMPANY SECRETARY

Manoj Contractor

## AUDITORS

Deloitte Haskins & Sells

## AUDIT COMMITTEE

T. S. Narayanasami - Chairman

Deepak Kumar Varma

Michael P. Pinto

Dr. Jose Paul

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

Dr. Jose Paul - Chairman

Deepak Kumar Varma

Rajiv Agarwal

## NOMINATION AND REMUNERATION COMMITTEE

Michael P. Pinto - Chairman

Dilip J. Thakkar

Deepak Kumar Varma

P. K. Srivastava

## CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY COMMITTEE

N. C. Singhal - Chairman

P. K. Srivastava

Rajiv Agarwal

## SHARE TRANSFER AGENTS

Data Software Research Company Private Limited

19, Pycrofts Garden Road

Off Haddows Road

Nungambakkam

Chennai 600006

Tel: (044) 2821 3738, 2821 4487 Fax: (044) 2821 4636

e-mail: [essar.ports@dsrc-cid.in](mailto:essar.ports@dsrc-cid.in)

## REGISTERED OFFICE

Administration Building

Essar Refinery Complex

Okha Highway (SH-25)

Taluka Khambhalia

District Jamnagar, Gujarat 361 305

Tel: 02833 661449 - Fax: 02833 662929

e-mail: [epl.secretarial@essar.com](mailto:epl.secretarial@essar.com)

## CORPORATE OFFICE

Essar House

11, K. K. Marg

Mahalaxmi

Mumbai 400 034

Tel: (022) 6660 1100 / 4001 1100

Fax: (022) 2354 4330

e-mail: [epl.secretarial@essar.com](mailto:epl.secretarial@essar.com)

## NOTICE TO MEMBERS

Notice is hereby given that the Thirty-Ninth Annual General Meeting of Essar Ports Limited will be held at the Registered Office of the Company at Administration Building, Essar Refinery Complex, Okha Highway (SH – 25), Taluka Khambhalia, Distt. - Jamnagar, Gujarat 361305 on Wednesday, September 23, 2015 at 2.00 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt :
  - a. the Audited Profit and Loss Account for the year ended March 31, 2015 and the Audited Balance Sheet and Cash Flow Statement as on that date together with the schedules and notes thereto and the Reports of the Board of Directors and Auditors thereon.
  - b. the Audited Consolidated Profit and Loss Account for the year ended March 31, 2015 and the Audited Balance Sheet and Cash Flow Statement as on that date together with the schedules and notes thereto.
2. To appoint a Director in place of Shri. P. K. Srivastava (DIN 00843258), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
 

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, Messrs. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad having Registration No. 117365W, be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Forty-First AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM) at such remuneration plus out-of-pocket, travelling and other expenses, as may be mutually agreed to between the Board of Directors of the Company and the Auditors.”

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 

“RESOLVED THAT pursuant to Section 149 and other applicable provisions if any, of the Companies Act, 2013 ('Act') and the rules made thereunder, Smt. S. Gayathri (DIN 07115908) who was appointed as an Additional Director of the Company by the Board of Directors with effect from March 30, 2015 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”
5. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
 

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Shri. Dilip J. Thakkar (DIN 00007339), be and is hereby appointed as an Independent Director of the Company to hold office for a term of three consecutive years commencing from September 23, 2015.”

6. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
 

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Shri. T. S. Narayanasami (DIN 01786981), be and is hereby appointed as an Independent Director of the Company to hold office for a term of three consecutive years commencing from September 23, 2015.”
7. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
 

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Shri. Deepak Kumar Varma (DIN 00213394), be and is hereby appointed as an Independent Director of the Company to hold office for a term of three consecutive years commencing from September 23, 2015.”
8. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
 

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Shri. N. C. Singhal (DIN 00004916), be and is hereby appointed as an Independent Director of the Company to hold office for a term of three consecutive years commencing from September 23, 2015.”
9. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
 

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Shri. Michael Pinto (DIN 00021565), be and is hereby appointed as an Independent Director of the Company to hold office for a term of three consecutive years commencing from September 23, 2015.”
10. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
 

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Dr. Jose Paul (DIN 01256347), be and is hereby appointed as an Independent Director of the Company to hold office for a term upto three consecutive years commencing from September 23, 2015.”
11. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:
 

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Shri. Jesper Kjaedegaard (DIN 00529039), be and is hereby appointed as an Independent Director of the Company to hold office for a term of three consecutive years commencing from September 23, 2015.”
12. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
 

“RESOLVED THAT pursuant to the provisions of Sections 41, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and in accordance with the guidelines issued by the Government of India (GOI), the Reserve Bank of India (RBI),

the Securities and Exchange Board of India (SEBI) and / or any other competent authorities and clarifications thereof, issued from time to time, the applicable provisions of Foreign Exchange Management Act, 1999 ("FEMA"), Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to such approvals, permissions, consents and sanctions, as may be necessary from the GOI, RBI, SEBI and / or other competent authorities and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include any committee constituted / to be constituted by the Board for exercising the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and / or competitive basis, for such part of issue and for such categories of persons including employees of the Company as may be permitted), in one or more tranches, Equity Shares and / or Equity Shares through Global Depository Securities (GDSs) / Receipts (GDRs) and / or American Depository Receipts (ADRs) and / or Optionally / Compulsorily Convertible / Foreign Currency Convertible Bonds (FCCBs) and / or Convertible Bonds, Convertible Debentures, fully or partly and / or any other instruments / securities, convertible into or exchangeable with Equity Shares and / or securities convertible into Equity Shares at the option of the Company and / or the holder(s) of such securities and / or securities linked to Equity Shares and / or securities with or without detachable / non detachable warrants and / or warrants with a right exercisable by the warrant holders to subscribe to Equity Shares and / or any instruments (hereinafter referred to as 'Securities' which terms shall inter alia include Equity Shares) or combination of Securities, with or without premium as the Board may, at its sole discretion decide by way of one or more public and / or private offerings in domestic and / or one or more international markets(s), with or without green shoe option, and / or private placement or issue through Prospectus, Institutional Placement Programme, Qualified Institutions Placement in accordance with the Guidelines for Qualified Institutions Placement prescribed under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended or by any one or more or a combination of the above modes / methods or otherwise and at such time or kinds, with or without an over allotment offer, and in one or more tranches, aggregating to an amount not exceeding US\$ 1,000,000,000.00 (United States Dollars One Billion only) or in equivalent Indian Rupees or any other currency to Domestic / Foreign Investors / Qualified Institutional Buyers / Institutional Investors / Foreign Institutional Investors / Members / Employees / Non-Resident Indians / Companies / Bodies Corporate / Trusts / Mutual Funds / Banks / Financial Institutions / Insurance Companies / Pension Funds / Individuals or otherwise, whether shareholders of the Company or not and on such terms and conditions, as the Board may, at its sole discretion, at any time hereinafter decide."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board, in consultation with Lead Managers, Underwriters, Advisors, Merchant Bankers and / or other persons as appointed by the Company be and is hereby authorised to finalise the timing of the issue(s) / offering(s), including the investors to whom the Securities are to be allotted and accept any modifications to the terms of the issue as may be required and any other matter in connection with or incidental to the issue."

"RESOLVED FURTHER THAT the Company and / or any entity, agency or body, authorised and / or appointed by the Company, may issue depository receipts representing the underlying Securities issued by the Company in negotiable, registered or bearer form with such features and attributes as are prevalent in domestic / international capital markets for instruments of this nature and to provide for the tradability

and free transferability thereof as per practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the domestic / international markets."

"RESOLVED FURTHER THAT:

- i. The equity shares issued and allotted directly or upon conversion, exchange, redemption or cancellation of other Securities when fully paid up, shall rank pari-passu with the existing equity shares of the Company;
- ii. The Relevant Date for determining the pricing of the Securities (whether on Qualified Institutions Placement to QIBs as per provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended or issue of equity shares underlying the GDSs / GDRs / ADRs or securities issued on conversion of FCCB(s) shall be the date of the meeting in which the Board decides to open the proposed issue or such date as may be notified by SEBI or RBI or any other authority from time to time; and
- iii. For the purpose of giving effect to this resolution the Board be and is hereby authorised to do all such acts, deeds, matters and things as the Board may in its absolute discretion consider necessary, proper, expedient, desirable or appropriate for making the said issue as aforesaid and to settle any question, query, doubt or difficulty that may arise in this regard including the power to allot under subscribed portion, if any, in such manner and to such person(s) as the Board, may deem fit and proper in its absolute discretion to be most beneficial to the Company."

"RESOLVED FURTHER THAT such of these Securities to be issued, which are not subscribed, may be disposed off by the Board in such manner and on such terms including offering / placing them with Banks / Financial Institutions / Mutual Funds or otherwise as the Board may deem fit and proper in its absolute discretion."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution on it, to any Committee or Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this resolution."

13. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and the rules made thereunder, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include any Committee constituted / to be constituted by the Board for exercising the powers conferred on the Board by this Resolution) for making investments in equity / preference shares or such other securities of bodies corporate including non-wholly owned subsidiaries upto an amount not exceeding ₹ 2000 crore (Rupees Two Thousand crore only) over and above the investments already made by the Company as on date, in one or more tranches."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution on it, to any Committee or Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this resolution."

Mumbai  
August 13, 2015

By Order of the Board

Manoj Contractor  
Company Secretary

**Registered Office:**  
Administration Building, Essar Refinery Complex  
Okha Highway (SH – 25)  
Taluka Khambhalia, District Jamnagar  
Gujarat 361 305

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxy forms in order to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
3. Members / Proxies should bring the attendance slip duly filled in for attending the meeting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, September 17, 2015 to Wednesday, September 23, 2015, (both days inclusive) for the purpose of Annual General Meeting.
5. The Explanatory Statement pursuant to section 102(1) of the Companies Act, 2013 relating to the Special Business at item Nos. 6 to 8 of the accompanying Notice is annexed.
6. Members desiring any information regarding the accounts are requested to write to the Company at "Essar House", 11, K. K. Marg, Mahalaxmi, Mumbai 400 034 at least 7 days before the date of the Meeting to enable the Company to keep the information ready.
7. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email addresses are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent by the permitted mode to those Members who have not registered their email address with the Company or Depository Participant(s).
8. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at the AGM by electronic means through the e-voting platform of Central Depository Services (India) Limited (CDSL). The Members, whose names appear in the Register of Members / list of Beneficial Owners as on September 16, 2015, i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice. The members may cast their votes on electronic voting system from place other than the venue of the meeting. The e-voting period will commence at 9.00 a.m. on September 17, 2015 and will end at 6.00 p.m. on September 19, 2015. The Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed CS Martinho Ferrao of M/s. Martinho Ferrao & Associates, Practising Company Secretaries, to act as the Scrutinizer, to scrutinize the entire voting process in a fair and transparent manner.
9. **The instructions for members voting electronically are as under:**
  - (i) The voting period begins at 9.00 a.m. on September 17, 2015 and ends at 6.00 p.m. on September 19, 2015. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 16, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) Members who have already voted prior to the meeting date would not be entitled to vote at the AGM venue.
  - (iii) The members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iv) Click on Shareholders.
  - (v) Now Enter your User ID
    - a. For CDSL: 16 digit beneficiary ID;

- b. For NSDL: 8 Character DP ID followed by 8 digits Client ID;
  - c. Members holding shares in Physical Form should enter the Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
  - (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number</li> </ul>
	<p>of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for Essar Ports Limited to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

- (xviii) If a demat account holder has forgotten the login ID and password, then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xix) **Note for Non – Individual Members and Custodians**
- Non-Individual members (i.e. other than individuals, HUF, NRI, etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## ANNEXURE TO NOTICE:

### Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

#### Item No. 4

The Board of Directors of your Company have appointed Smt. S. Gayathri (DIN No. 07115908) as an Additional Director on the Board of the Company with effect from March 30, 2015.

Smt. S. Gayathri is a Commerce graduate and a Fellow of the Institute of Chartered Accountants of India.

Smt. Gayathri joined the Essar Group in November, 2009 as Group Head, Direct Taxes. In this role, she managed a corporate team that handled tax matters for six businesses and multiple tax jurisdictions in the areas of tax strategies and planning, transactions and structuring, transfer pricing, litigation and day to day advisory, besides driving tax related systems and process improvements and currently serves as Senior Vice President and Head-Direct and Indirect Taxes and Regulatory of Essar Energy.

She carries with her 27 years of post-qualification experience and prior to joining the corporate domain, her career was in the area of consultancy services. Immediately prior to joining Essar, she was Partner, Tax and Regulatory services at Grant Thornton, and before that, she worked with KPMG and A. F. Ferguson & Co. She has serviced various clients belonging to a spectrum of industries in challenging assignments in the areas of domestic and international tax, inbound and outbound investments, Joint Ventures, Transfer Pricing, and Litigation support. She identified opportunities and led initiatives in the areas of Transfer Pricing, Special Economic Zones and Education Sectors.

She has been a speaker at various tax based conferences, and presently, is a member of the Direct Tax Committee of CII, Indian Merchants' Chambers, ICAI and FICCI and has been involved in making representations to the Government on various proposed legislations and the annual budget exercise, besides to the OECD on the recent slew of anti-tax avoidance measures proposed by them.

In terms of Section 149 of the Companies Act, 2013 and the Articles of Association of the Company, Smt. Gayathri will hold the office as an Additional Director upto the date of the ensuing Annual General Meeting of the Company.

The Company has received a notice from a member under Section 160 of the Companies Act, 2013, with requisite deposit proposing the name of Smt. S. Gayathri as a candidate for the office of Director of the Company.

The Board is of the opinion that the appointment of Smt. Gayathri would be in the best interest of the Company. The Board accordingly recommends the resolution at item No. 4 of the accompanying notice for your approval.

None of the Directors other than Smt. Gayathri are concerned or interested in the resolution at item No. 4 of the accompanying notice.

#### Item No. 5 to 11

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a fixed term not exceeding five consecutive years and are not liable to retire by rotation. In view of the same, it is proposed to appoint Shri. Dilip J. Thakkar, Shri. T. S. Narayanasami, Shri. Deepak Kumar Varma, Shri. N. C. Singhal, Shri. Michael Pinto, Dr. Jose Paul and Shri. Jesper Kjaedegaard as Independent Directors for a fixed term of upto three consecutive years from the date of the ensuing Annual General Meeting and shall not be liable to retire by rotation at every AGM. A brief profile of the proposed Independent Directors, including nature of their expertise is annexed hereto.

Notices have been received from members proposing the candidature of the above Directors for the office of the Independent Directors of the Company. The aforesaid Directors fulfil the conditions specified in the Companies Act, 2013, and the Rules made thereunder for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors setting out the terms and conditions for their appointment, is available for inspection at the Registered Office of the Company and also on the website of the Company.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than the Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these resolutions. The Board recommends the Ordinary Resolutions set out at item Nos. 5 to 11 for approval of the members.

#### Item No. 12

Your Company develops and operates ports and terminals and is one of India's largest private-sector port company by capacity and throughput. Your Company provides these services through its subsidiaries which provide port and terminal services for liquid, dry bulk, break bulk, general cargo and small volumes of container cargo for specialised project equipment, with an existing aggregate capacity of 104 million metric tons per annum (MMTPA) across facilities located at Vadinar and Hazira in the State of Gujarat, Paradip in the State of Odisha and Visakhapatnam in the State of Andhra Pradesh and which capacity is planned to be increased to 194 MMTPA. Your Company also has projects under implementation at Salaya in Gujarat and Paradip in Odisha.

Execution of various projects of the subsidiary companies require considerable amount of equity.

In order to meet the funding needs for the expansion plans mentioned above, including but not limited to meeting the equity needs of the Company for further organic and inorganic expansions and reducing the debt, the Company is exploring various options to raise fresh capital by issuance of either Equity Shares and / or Global Depository Receipts (GDRs), Foreign Currency Convertible Bonds (FCCBs) or any other security ("Securities") of the Company either by way of a public issue or a private placement (including a Qualified Institutional Placement in accordance with Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, Institutional Placement Programme or such other mode / methods as may be permitted.

The detailed terms and conditions for the issue / offering will be determined in consultation with the lead managers, consultants, advisors and / or such other intermediaries as may be appointed for the issue / offer. Wherever necessary and applicable, the pricing of the issue / offer will be finalised in accordance with applicable guidelines in force, of the Government of India, Securities and Exchange Board of India, Reserve Bank of India and other appropriate authorities.

The size of any of the above issue / offering of Securities is proposed to be upto an aggregate amount not exceeding US\$ 1,000,000,000.00 (United States Dollars One Billion only) or equivalent amount in Indian or any other currency (inclusive of such premium as may be determined) to be issued in one or more tranches.

The Securities issued pursuant to the issue / offering may be listed on the Indian stock exchange(s) and / or internationally recognised stock exchange(s).

Section 42 of the Companies Act, 2013 provides, inter alia, that whenever the Company proposes to increase its subscribed capital by further issue / offer and allotment of shares, such shares shall be offered to the existing members of the Company in the manner laid down in the said Section, unless the members decide otherwise by a special resolution.

Accordingly, the consent of the members is being sought pursuant to the provisions of Section 42 and all other applicable provisions of the Companies Act, 2013 and in terms of the provisions of the Listing Agreement(s) executed by the Company with the stock exchange(s), authorising the Board of Directors and / or a Committee thereof to issue the Securities, as stated in the resolution, which would result in issuance of shares of the Company to persons other than the existing members of the Company.

None of the Directors of the Company is in any way concerned or interested in the proposed resolution. The Board recommends the Special Resolution at item No. 12 of the accompanying notice for your approval.

**Item No. 13**

Your Company is categorized as a company providing Infrastructural Facilities under the Companies Act, 2013 and hence the provisions of Section 186 of the Companies Act, 2013 dealing with granting of loans, providing guarantees and security on behalf of other companies and making investments in wholly owned subsidiaries is not applicable to your Company.

However, for making investments in non-wholly owned subsidiaries and joint venture companies, the Company will require the approval of the Members by way of Special Resolution if the amount of said investments exceeds 60% of the paid up share capital, free reserves and securities premium account or 100% of the free reserves and securities premium account of the Company whichever is higher.

While calculating the limits, as mentioned above, companies have to take into account the amount of total investments already made in all companies and if the amount of total investments exceed the said limits, approval of the members is required for making fresh investments including in non-wholly owned subsidiaries and joint venture companies.

Since your Company implements the projects through special purpose vehicles, the Board of your Company recommends fixing the limit of investments in bodies corporate and non-wholly owned subsidiaries upto an amount not exceeding ₹ 2000 core (Rupees Two Thousand crore) over and above the investments already made by the Company as on date.

Accordingly, the consent of the members is being sought pursuant to the provisions of Section 186 of the Companies Act, 2013 and all other applicable provisions, if any, for making investments in bodies corporate and non-wholly owned subsidiary companies upto ₹ 2000 crore.

The Directors of your Company may be deemed to be concerned or interested in the proposed resolution only to the extent that they may be on the Board of the companies where the Company may propose to make investments. The Board recommends the Special Resolution at item No. 13 of the accompanying notice for your approval.

Mumbai  
August 13, 2015

By Order of the Board

Manoj Contractor  
Company Secretary

**Registered Office:**  
Administration Building  
Essar Refinery Complex  
Okha Highway (SH – 25)  
Taluka Khambhalia, District Jamnagar  
Gujarat 361 305

## Details of Directors seeking appointment / re-appointment at the Thirty-Ninth Annual General Meeting in pursuance of Clause 49 of the Listing Agreement

### SHRI. P. K. SRIVASTAVA

Shri. P. K. Srivastava (DIN No. 00843258) has done his M.Sc., (Physics) from University of Lucknow (India) and M.A., (Management Studies) from University of Leeds (UK) and has been consistently placed in First Class / Distinction in academics.

Shri. Srivastava has a rich experience of 47 years in various commercial organisations in India and abroad (mainly Public Sector undertakings in India and Kingdom of Saudi Arabia) with about 15 years as Director on the Board and 10 years as the Chairman and Managing Director of Shipping Corporation of India Limited, a group "A" Public Sector Undertaking in India with an annual turnover in excess of USD 1 billion.

Shri. Srivastava thereafter joined Emirates Trading Agency L.L.C., Dubai, UAE as Group Advisor (Trading & Shipping Division). Shri. Srivastava was responsible for the overall management of large business enterprises mainly in the fields of Shipping, Oil Transportation and Infrastructure Development.

He also served as President of Indian National Shipowners' Association and Association of Multimodal Transport Operators of India.

He was also the Chairman of Irano-Hind Shipping Company Limited and Indian National Committee of American Bureau of Shipping (ABS) & Member of ABS and its council. He was also a Director on the Board of Steamship Mutual Underwriting Association Limited (SMUL), London, Indian Register of Shipping and Cochin Shipyard Limited. He also held the position of Chairman of India, Pakistan, Bangladesh, Ceylon Conference. Mr. Srivastava was also a member of Institute of Public Enterprises, Hyderabad, Board of Governors and World Maritime University and National Shipping Board.

Shri. Srivastava is also a Director on the Board of various other Indian companies such as Vadinar Oil Terminal Limited, Essar Bulk Terminal Limited, Essar Oilfield Services India Limited, Essar Shipping Limited, Essar Bulk Terminal Paradip Limited, Essar Paradip Terminals Limited, Essar Bulk Terminal (Salaya) Limited, Vadinar Ports & Terminals Limited and Essar Vizag Terminals Limited.

Shri. Srivastava is also a member of the Compensation Committee of Essar Shipping Limited.

Shri. Srivastava does not hold any shares in the Company.

### Smt. S. GAYATHRI

Smt. S. Gayathri (DIN No. 07115908) is a Commerce graduate and a Fellow of the Institute of Chartered Accountants of India.

Smt. Gayathri joined the Essar Group in November, 2009 as Group Head, Direct Taxes. In this role, she managed a corporate team that handled tax matters for six businesses and multiple tax jurisdictions in the areas of tax strategies and planning, transactions and structuring, transfer pricing, litigation and day to day advisory, besides driving tax related systems and process improvements and currently serves as Senior Vice President and Head, Direct and Indirect Taxes and Regulatory of Essar Energy.

She carries with her 27 years of post-qualification experience and prior to joining the corporate domain, her career was in the area of consultancy services. Immediately prior to joining Essar, she was Partner, Tax and Regulatory services at Grant Thornton, and before that, she worked with KPMG and A. F. Ferguson & Co. She has serviced various clients belonging to a spectrum of industries in challenging assignments in the areas of domestic and international tax, inbound and outbound investments, Joint Ventures, Transfer Pricing, and Litigation support. She identified opportunities and led initiatives in the areas of Transfer Pricing, Special Economic Zones and Education Sectors.

She has been a speaker at various tax based conferences, and presently, is a member of the Direct Tax Committee of CII, Indian Merchants' Chambers, ICAI and FICCI and has been involved in making representations to the Government on various proposed legislations and the annual budget exercise, besides to the OECD on the recent slew of anti-tax avoidance measures proposed by them.

Smt. Gayathri is also a Director on the Board of various other Indian Public Limited companies such as Essar Power Limited, Essar Projects (India) Limited, Essar Offshore Subsea Limited, Essar Steel India Limited, Essar Shipping Limited, Essar Power Hazira Limited, Essar Power Gujarat Limited and Essar Power M P Limited.

Smt. Gayathri is also a member of the Audit Committee of Essar Offshore Subsea Limited, Essar Power Limited and Essar Shipping Limited. She is also a member of Nomination and Remuneration Committee of Essar Offshore Subsea Limited.

Smt. Gayathri does not hold any shares in the Company.

### SHRI. DILIP J. THAKKAR

Shri. Dilip J. Thakkar (DIN No. 00007339) is a practicing Chartered Accountant by profession for the last 55 years. Shri. Thakkar is a Partner of M/s. Jayantilal Thakkar & Co. and Jayantilal Thakkar Associates, Chartered Accountants, Mumbai.

Shri. Thakkar has vast experience in the fields of Accounts, Finance, Taxation and FEMA.

Shri. Thakkar is also a Director on the Board of various Indian public limited companies such as Poddar Developers Limited, Essar Oil Limited, Himatsingka Seide Limited, Indo Count Industries Limited, Walchandnagar Industries Limited, Premier Limited and Westlife Development Limited.

Shri. Thakkar is also a member of the Audit Committee of Premier Limited and Westlife Development Limited and Investor Relations Committee of Essar Oil Limited and Shareholders Grievance Committee of Walchandnagar Industries Limited. Shri. Thakkar is the Chairman of the Audit Committee of Essar Oil Limited, Himatsingka Seide Limited and Walchandnagar Industries Limited.

Shri. Thakkar does not hold any shares in the Company.

### SHRI. T. S. NARAYANASAMI

Shri. T. S. Narayanasami (DIN No. 01786981) has over 44 years experience in the field of Banking and Finance.

Shri. Narayanasami was associated with Bank of India as Chairman and Managing Director. Prior to that, he was the Chairman & Managing Director of Indian Overseas Bank. He was also the Chairman & Managing Director of Andhra Bank. He has served as Executive Director of Punjab National Bank. He began his career with Union Bank of India and was General Manager prior to moving to Punjab National Bank. He was the Chairman of Experian Credit Information Company of India Pvt. Ltd.

He has held various positions as Chairman of Managing Committee of Indian Banks' Association, Director General - Insurance Corporation of India, President of the Governing Council of Indian Institute of Banking and Finance and Chairman of the Governing Board of Institute of Banking Personnel Selection, Member of Board of Trustees of Credit Guarantee Fund Trust for Micro and Small Enterprises, Member - Governing Council, Institute for Development and Research in Banking Technology, Member - Governing Council, National Institute of Bank Management and Member - Primary Market Advisory Committee, Securities and Exchange Board of India.

Shri. Narayanasami is also on the Board of various public limited companies such as Axis Asset Management Co. Limited, Central Depository Services (India) Limited, LICHL Asset Management Company Limited, Indraprastha Medical Corporation Limited and Empee Hotels Limited.

Shri. Narayanasami is also a member of Audit Committee of Axis Asset Management Company Limited, Central Depository Services (India) Limited, LICHL Asset Management Company Limited, Indraprastha Medical Corporation Limited and Empee Hotels Limited and Nomination & Remuneration Committee of Axis Asset Management Company Limited and Chairman of Nomination Committee of Central Depository Services (India) Limited.

Shri. Narayanasami does not hold any shares in the Company.



**SHRI. DEEPAK KUMAR VARMA**

Shri. Deepak Kumar Varma is B.E. (Mechanical) and MBA by qualification. He is a Management Consultant and Arbitrator by profession and is a member of the Indian Council of Arbitrators.

During his career Shri. Varma has held various senior management positions in Steel Authority of India Limited, Chairman and Managing Director of Hindustan Shipyard Limited, Chairman and Managing Director of Cochin Shipyard Limited, Managing Director of National

Ship Design & Research Centre (NSDR), Chairman and Managing Director of Rashtriya Chemical & Fertilizers Limited, Chairman and Managing Director of Fertilizers & Chemicals (Cochin), Director & Group Leader of Oman India Fertilizers (OMIFCO), Chairman of the Standing Conference of Public Enterprises, the Apex Body of all Central PSU's.

Shri. Varma has rich experience in the fields of Construction, Project Implementation (Marine, Shipping, Shipbuilding & Offshore Construction), Oil Field Equipments Manufacturing (Steel, Chemical and Fertilizer / Petrochemical), Communication and Corporate Governance.

Shri. Varma is also a Director on the Board of various other Indian public limited companies such as Matix Fertilisers and Chemicals Limited, Essar Bulk Terminal Limited, Essar Bulk Terminal Paradip Limited and Essar Oil Limited.

Shri. Varma is also a member of the Audit Committee of Essar Bulk Terminal Limited, and Essar Bulk Terminal Paradip Limited, Vadinar Ports & Terminals Limited, Essar Paradip Terminals Limited, Essar Vizag Terminals Limited and Matix Fertilisers and Chemicals Limited.

Shri. Varma does not hold any shares in the Company.

**SHRI. N. C. SINGHAL**

Shri. Singhal is a Postgraduate in Economics, Statistics & Administration and is professionally educated from IIM, Ahmedabad and Kolkata and IIT, Kanpur.

Shri. Singhal had founded the erstwhile SCICI Limited and served as its Chief Executive Officer and Managing Director. Shri. Singhal has also served as a Senior Executive of The Industrial Credit & Investment Corporation of India Limited (since renamed as ICICI Limited) for 15 years and Oil & Natural Gas Commission. He has vast experience in the field of Banking and Finance.

Shri. Singhal has been a Banking Expert to the Industrial Development Bank of Afghanistan, Kabul and Consultant and Management Specialist with the Asian Development Bank, Manila.

Shri. Singhal is currently a director on the Board of following other public limited companies viz., Deepak Fertilisers and Petrochemicals Corporation Limited, Max India Limited, Birla Sunlife Asset Management Company Limited, Tolani Shipping Company Limited, Binani Industries Limited, Capital First Limited, Essar Bulk Terminal Limited and Shapoorji Pallonji Forbes Shipping Limited.

Shri. Singhal is also Chairman of the Audit Committee of Deepak Fertilisers and Petrochemicals Corporation Limited and Max India Limited and member of the Audit Committee of Binani Industries Limited and Capital First Limited. Mr. Singhal is also member of the Shareholders' Grievance Committee of Max India Limited and Binani Industries Limited.

Shri. Singhal does not hold any shares in the Company.

**SHRI. MICHAEL PINTO**

Shri. Pinto graduated in BA (Political Science) from University of Madras and M.A. (Sociology) from University of Delhi. He also holds the degree of MPA (Master of Public Administration) from Harvard.

Shri. Pinto began his working career as a management trainee with Hindustan Lever in 1966. On his selection into the Indian Administrative Service (IAS) he joined the Government and served with them till his superannuation in 2003.

The several assignments that he held include:

- CEO of the Maharashtra Industrial Development Corporation (MIDC)
- VC and MD of the Maharashtra State Road Transport Corporation
- CMD, Handicrafts and Handlooms Export Corporation of India (HHEC)
- Chairman of the Central Cottage Industries Corporation (CCIC)
- MD, Maharashtra State Finance Corporation, Minister (Economic) Embassy of India, Paris
- Chairman, Maharashtra State Electricity Board (MSEB)
- Director General (Shipping) Government of India
- Chairman, Jawaharlal Nehru Port
- Secretary (Shipping) Government of India.

The blend of experience, in the private sector where he started his career, as well as the several public enterprises, both at the state and the centre in which he served has given him a unique insight into private public partnerships and how they can be harnessed to increase welfare and improve economic conditions especially in developing countries.

A few among the many achievements of Shri. Pinto are as under:

At MSEB, following the Government's decision to order the stoppage of work on the Dhabol power project, Shri. Pinto assisted a special committee, appointed by the Government of Maharashtra, to re-frame the outlines of the project in a form that was more acceptable to the authorities concerned. All this was accomplished at a time when private power generation and the guidelines under which it could be allowed were still in their infancy.

As Director General of Shipping, Shri. Pinto was asked to head a National Shipping Policy Committee to formulate a long term perspective plan for Indian shipping. The report led to several new policy initiatives, notably the opening up of training in the maritime sector to private investment and also created an environment in which development and growth of the Indian fleet was placed on top of government's agenda.

Shri. Pinto's next assignment was with the Jawaharlal Nehru Port (JNP), India's largest container port and one that has placed India on the world map in the port sector. Both as Chairman of JNP as well as the Indian Ports Association (IPA) Shri. Pinto played a stellar role in opening the port sector to private investment and in popularising the concept of the landlord port. Thanks largely to these efforts, a sector that was long considered to be a government monopoly has attracted private investment, both private and foreign, of more than US\$ 2 billion.

Shri. Pinto also headed a committee of management that successfully negotiated a settlement with workers of all major ports. For the first time in the history of the port sector, the agreement was for 10 years instead of the customary 4.

As Secretary to the Govt. of India Shri. Pinto helped shape maritime policy and ensure a greater role for private investment in this sector.

He forcefully articulated India's stand at several international fora like the IMO, the OECD and the International Association of Ports and Harbours (IAPH). He has been a speaker on port and shipping related matters at several international seminars. Shri. Pinto was the first (and so far the only) Indian to be elected as Vice Chairman of the council of the IMO.

After his retirement from government in 2003, Shri. Pinto was requested by the Government of Maharashtra to chair an expert group to prepare the case of the state government for enhanced assistance from the 12th Finance Commission. After this assignment was successfully completed, he was requested to chair the Maharashtra Board for Reconstruction of State Enterprises which he did till April 2005.

He was, till recently, the Vice Chairman of the National Commission for Minorities in the rank and status of Union Minister of State.

Shri. Pinto is currently a Director on the Board of following other public limited companies viz., Star Paper Mills Limited, Gateway Distriparks Limited,

Infrastructure Leasing and Financial Services Limited, Gateway Distriparks (Kerala) Limited, Ashoka Buildcon Limited, Tolani Shipping Company Limited, Shapoorji Pallonji Forbes Shipping Limited, Snowman Logistics Limited and Dharti Dredging and Infrastructure Limited.

Shri. Pinto is also Chairman of the Audit Committee of Shapoorji Pallonji Forbes Shipping Limited and Member of the Audit Committee of Gateway Distriparks Limited, Infrastructure Leasing and Financial Services Limited, Ashoka Buildcon Limited and Snowman Logistics Limited and member of the Shareholders' Relations Committee of Ashoka Buildcon Limited, Gateway Distriparks Limited, Snowman Logistics Limited and Star Paper Mills Limited .

Shri. Pinto does not hold any shares in the Company.

#### **DR. JOSE PAUL**

Dr. Jose Paul is a post-graduate in M.A. (Political Science) of the University of Mysore and has secured a PhD degree in Port Management of the University of Wales, Cardiff, United Kingdom with considerable credit.

Dr. Paul is also a Fellow of the British Institute of Management (FBIM) and Chartered Institute of Transport, London (FCIT).

Dr. Paul has also published a number of papers on port and shipping in national and international magazines and journals.

Dr. Paul has won many awards and prizes, to mention a few, First Prize and the "Akiyama Award" in the International Essay Competition organised by the International Association of Ports and Harbours, Tokyo, Japan in 1986, Silver Medal and a Scroll at the World Port Conference held in Seoul, South Korea in May 1987 and the LIFETIME ACHIEVEMENT AWARD instituted by EXIM INDIA Shipping Times received at Taj Coromandel, Chennai in July 2010 from Secretary (Shipping), Government of India for significant contribution made in the Maritime sector.

Dr. Paul was the Deputy Chairman, New Mangalore Port Trust from 1989 to 1994, Deputy Chairman & Acting Chairman, Jawaharlal Nehru Port Trust, New Mumbai from 1994 to 1997, Chairman, Mormugao Port Trust, Goa from 1997 to 2001 and Member, Executive Council, Indian Maritime University, Chennai for the period April 1, 2009 – March 31, 2011.

He was the only speaker invited from India by the International Association of Ports and Harbours to speak in the 21st World Port Conference held in May 1999 in Kuala Lumpur, Malaysia and again in the 22nd World Port Conference held in May 2001 in Montreal, Canada.

On the invitation of the UNCTAD, Dr. Paul attended the Expert Group meeting on globalisation of port logistics: opportunities and challenges for developing countries held on December 12, 2007.

Dr. Paul was also a part-time Lecturer, Department of Maritime Studies, University of Wales, Cardiff, UK (1985 – 1987) and Visiting Professor to Kellogg School of Management, Evanston, Illinois, US and prepared a profile of a research project on "The US legislation on advance presentation of vessel cargo manifest" (May to July 2003).

Currently, Dr. Paul is also a Director on the Board of Vadinar Oil Terminal Limited, Vadinar Ports & Terminals Limited, Essar Paradip Terminals Limited and Essar Vizag Terminals Limited.

Dr. Paul is also a member of the Audit Committee of Vadinar Oil Terminal Limited, Vadinar Ports & Terminals Limited, Essar Paradip Terminals Limited and Essar Vizag Terminals Limited

Dr. Paul does not hold any shares in the Company.

#### **SHRI. JESPER KJAEDGEAARD**

Shri. Kjaedegaard has more than 35 years of experience in shipping and ports industry and was C.E.O of the Maersk Company UK Ltd.

Before he left the A. P. Moller Group in 2008. He was thereafter appointed as the President of the British Chamber of Shipping and Chairman of Maritime UK, an industry body representing ports, shipowners and companies, maritime insurance, brokers, classification societies and all other aspects of shipping in the UK.

Parallel to this he also joined several Boards as a Non-Executive Director/ Chairman of both listed (FTSE) and privately owned companies in UK, Norway, Denmark and Brazil.

Shri. Kjaedegaard started his own Maritime Consulting business in 2008 and now works extensively with ports and investors around the world to build and develop port assets.

Shri. Kjaedegaard has deep experience with projects in India where he served on the Board of Maersk India Pvt. Ltd., for many years and was deeply involved in the development of both Gujarat Pipavav Port Limited in Pipavav and Gateway Terminals in Mumbai. He was also the first Chairman of the Board of Gateway Terminals.

Shri. Kjaedegaard does not hold any shares in the Company.

# DIRECTORS' REPORT

To the Members of Essar Ports Limited

Your Directors take pleasure in presenting the Thirty-Ninth Annual Report of your Company together with the Audited Accounts for the year ended March 31, 2015.

## 1. FINANCIAL RESULTS

The summary of consolidated and standalone financial results of your Company for the year ended March 31, 2015 are furnished below:

(₹ in crore)

Particulars	Consolidated		Standalone	
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
Total Revenue	1,776.94	2,214.88	88.40	84.26
Total Expenses	361.15	887.76	52.14	52.22
EBITDA	1,415.79	1,327.12	36.26	32.05
Profit / (Loss) for the year	391.20	383.74	0.60	(25.75)

## 2. DIVIDEND

Since your Company have committed capital expenditure which necessitates the operating profits to be ploughed back towards CAPEX, your Directors have not recommended any dividend for the year ended March 31, 2015.

## 3. MANAGEMENT DISCUSSION & ANALYSIS

The discussion and analysis below covers the financial results and business outlook of Essar Ports Limited and its subsidiaries for the financial year 2014-15. This outlook is based on assessment of the current business environment and Government policies. The change in future economic and other developments are likely to cause variation in this outlook.

### Indian Economy and Infrastructure Sector

Economic expansion in India has picked up in recent years. Inflation markedly declined helped by policy initiatives and lower global oil prices. The Indian Economy grew in excess of 7.2% in the financial year FY2015 as against a growth of 4.7% in FY2014.

The Reserve Bank of India (RBI) has recently softened repo rates by 25bps in two tranches last year, given the easing inflation numbers. There is an expectation of further cuts in interest rates, resulting in a revival of investor sentiment in the country. The recent positive measures by the Government aimed at addressing inflation, keeping external balances in check, simplifying the regulatory regime for investors, increasing foreign direct investment, and facilitating infrastructure development also led to Moody's affirming Government of India's sovereign rating of Baa3 and changed rating outlook to Positive.

Based on the overall cues of economy growth and improving investment scenario, it is believed that a further pickup in

economic growth is expected. GDP growth is expected to improve to 7.5% backed on policy initiatives focused on attracting FDI inflows.

Infrastructure sector in India looks well placed to attract investments and experience high growth. Infrastructure sector is core to the Indian growth story due to massive historic shortfall in physical infrastructure and growing economic activity. The sector is expected to be resilient and continue to attract investor interest.

RBI has over the past 1.5 – 2 years taken several initiatives like 5/25 financing scheme for elongated maturity, infrastructure bonds and encouraging infrastructure debt funds to facilitate flow of funds to the sector. These initiatives are aimed at easing financing terms for infrastructure projects which will increase the pace of investments into the sector.

### Ports Sector

Major ports continued to suffer from capacity constraint and thus, congestion at these ports resulted in higher cost for industry. In view thereof, a large part of the incremental traffic has shifted to non-major ports over the period. This has resulted in significant increase in share of non-major ports in total traffic. Non-major ports handled about 43% of total traffic in 2014-15 as compared to 43% during 2013-14.

The traffic at Indian ports has increased at a slow pace of 4.4% CAGR during the last five years from 850 MMT during 2009-10 to 1052 MMT during 2014-15. Slow growth in traffic was caused by the ban on iron ore mining and exports since 2011, due to which the traffic declined. POL continues to account for the largest share of traffic at Indian ports in 2014-15. The share of coal traffic increased to account for about a fifth of the total traffic. The surge in coal traffic can be attributed to the increase in thermal coal imports since

domestic coal production failed to meet the growing demand, mainly from the power sector. Between 2009-10 and 2014-15, traffic at non-major ports has grown by about 10.3% CAGR as compared to about 0.7% at major ports.

Series of steps have been taken by the current government to increase private participation in the ports industry development viz, PPP projects, Private sector participation in Major Ports, Sagar Mala Project for tourism development and JV with foreign ports.

### Performance Overview

During the year under review, your Company has delivered consistent growth and results were in line with the targets. The Company is now well poised for next level of growth and continues to be the 2nd largest private sector port operator in India by handling 53.1 MMT of cargo in FY 2014-15 across all its ports.

Your Company has delivered another year of consistent growth in financial performance. The emphasis continues to be on development of world class facilities and to complete the projects under implementation in time. Your Company has now received all pending approvals related to environment and land clearances. Your Company is also happy to announce takeover of operations of Vizag outer harbor iron ore terminal which is an existing operational project with no gestation period.

### Performance Highlights:

Your Company has current capacity of 120 MMTPA. The capacity is being expanded to 194 MMTPA over the next few years.

Your Company has four operational port terminals at Hazira, Vadinar, Paradip and Vizag. The Hazira port is an all-weather, deep-draft port with 30 MMTPA of dry bulk and break bulk cargo handling capacity. Vadinar is also an all-weather, deep-draft port with 58 MMTPA of liquid cargo handling capacity. The Paradip dry bulk terminal is also an all-weather, deep-draft port with 16 MMTPA of dry bulk cargo handling capacity. The Vizag terminal is an operational berth taken over on May 14, 2015 having capacity of 16 MMTPA.

Your Company is also setting up a dry bulk terminal at Salaya with a capacity of 20 MMTPA. Additionally, the Company plans to expand its Hazira port capacity by 20 MMTPA – taking its capacity at Hazira to 50 MMTPA. Your Company is also undertaking capacity addition by developing additional iron ore berths at Visakhapatnam Port with a total capacity of 16 MMTPA and development of a coal terminal at Paradip with 18 MMTPA capacity.

### Key Performance highlights for the year are as below:

- Total Revenue (excluding trade revenues to fulfill export obligations) contribution on consolidated basis increased by 6% to ₹ 1,741.4 crore from ₹ 1,637.4 crore for the previous year.
- EBITDA for the year increased by 7% to ₹ 1,415.8 crore from ₹ 1,327.1 crore for the previous year.

- Net Profit for the year increased by 2% to ₹ 391.2 crore from ₹ 383.7 crore for the previous year.
- Earnings Per Share for the year was ₹ 9.14 as against ₹ 8.97 for previous year.

### Strategic developments / Approvals received during the year

- Your Company's subsidiary, Vadinar Liquid Terminals Limited received approval from Kandla Port Trust for development and operation of 2nd SPM & 2 product berths at Vadinar. Concession Agreement has also been signed.
- Your Company's Hazira terminal is in receipt of in-principle approval from GMB for 1100m berth expansion contiguous to the existing 550m berth. Hazira terminal has also received environment clearance for development of mega port with 4.8 km waterfront.
- During the financial year, Salaya terminal received all pending regulatory approvals including Forest clearance, Govt./Gauchar land approval and mining approval for construction of bund. All required clearances for the project are now in place.
- Outer harbour iron ore terminal at Vizag Port was taken over by Company's subsidiary - Essar Vizag Terminals Limited on 14th May 2015. The terminal is an existing operational terminal with all relevant approvals in place.

### Awards and Accolades

Your Company has been awarded over the year by various institution for best practices in Health, Safety, Environment and Quality related categories. Below is the list of awards and accolades won by your Company:

- Your Company's Vadinar terminal won the following awards during the year:
  - Won Greentech Safety Award in Gold Category;
  - Was accorded Port/Terminal of the Year (HSE) in Gujarat Star Awards; and
  - Won Environment Award – Lloyd's List (Middle East & Indian Subcontinent) Award.
- Your Company's Hazira terminal received Silver award for Outstanding achievement in Training Excellence, 2014.
- Your Company's Paradip dry bulk terminal won the following awards during the year:
  - Won outstanding project execution award under Dun & Bradstreet's Infra Awards 2014;
  - Won 4th Annual Greentech CSR Award; and
  - Won 15th Annual Greentech Environment Award.

### Operational Performance Highlights

- Vadinar terminal handled 41.25 MMT of cargo during FY2014-15 as against 40.91 MMT during FY2013-14.
- Hazira terminal handled 10.63 MMT during FY2014-15 as against 10.26 MMT during FY2013-14.
- Paradip dry bulk terminal handled 1.05 MMT cargo during FY2014-15 as against 1.07 MMT during FY2013-14.

- Jetty Construction of Salaya terminal has been completed. A total of 3.5 km out of 5.5 km of bund construction was completed as on date of this report. The terminal is expected to be commissioned by March 2016.
- Vizag ironore terminal achieved financial closure and was taken over from Visakhapatnam Port Trust on May 14, 2015.
- Paradip Port Trust has cleared all encumbrances from project site earmarked for Paradip Coal terminal and has expressed readiness to handover the land. The site is expected to be taken over during FY2015-16.

#### Update on Delisting

Your Company based on an intimation received from a majority stakeholder for voluntary delisting of the equity shares had sought the approval of the members and the stock exchanges. Post the approval of the members, the in principle approval from BSE Limited and National Stock Exchange of India Limited has been obtained.

#### 4. RISK MANAGEMENT & INTERNAL CONTROL

Implementation and operation of port and terminal facilities are dependent on various regulatory approvals and government policies. Changes in macro economic factors like inflation, interest rate, world trade and natural catastrophies also play an important role in the trade of goods and cargo.

Any adverse change in the above may affect the performance of your Company. Your Company periodically reviews the risks associated with the business and takes steps to mitigate and minimise the impact of risks.

Your Company has a Risk Assessment and Mitigation procedure in place. Major risks identified by the businesses and functions if any are systematically addressed through mitigating actions on a continuing basis.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested by the Internal Auditor and cover all key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

The details of foreign exchange earnings and outgo as required under Section 134 and Rule 8(3) of Companies (Accounts) Rules, 2014 are mentioned below:

#### Foreign Exchange Earnings & Outgo

(₹ crore)

Particulars	For the year ended 31st March, 2015
Foreign Exchange earnings	2.29
Foreign Exchange outgo	18.53

#### 5. CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of Section 135 of Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee. The composition and terms of reference of the Corporate Social Responsibility Committee is provided in the Corporate Governance Report.

Your Company has also formulated a Corporate Social Responsibility Policy which is available on the websites of the Company at [www.essar.com](http://www.essar.com) and [www.essarports.com](http://www.essarports.com). The Company statutorily is not required to incur CSR spend, as the Company has negative profits. The Company has initiated CSR activities through its subsidiaries. Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as Annexure to this Report.

#### 6. BOARD INDEPENDENCE

Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all Independent Directors comply with the Independence criteria in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013.

#### 7. DIRECTORS, APPOINTMENT AND TENURE

The Directors of the Company are appointed by Members at the General Meetings. In accordance with the Articles of Association of the Company two-third of the Directors of the Board are liable to retire by rotation. Out of this, one-third of the eligible Directors retire every year. The appointment and tenure of Independent Directors are consistent with the Companies Act, 2013 and the Listing Agreement.

Shri. P. K. Srivastava (DIN 00843258) retires at the ensuing Annual General Meeting of the Company and being eligible, offer himself for re-appointment.

Smt. S. Gayathri (DIN 07115908) has been appointed as an Additional Director on March 30, 2015. The Company has received notice from a member proposing the appointment of Smt. Gayathri as a Director of your Company.

It is proposed to appoint Shri. Dilip J. Thakkar (DIN 00007339), Shri. T. S. Narayanasami (DIN 01786981), Shri. Deepak Kumar Varma (DIN 00213394), Shri. N. C. Singhal (DIN 00004916), Shri. Michael Pinto (DIN 00021565), Dr. Jose Paul (DIN 01256347) and Shri. Jesper Kjaedegaard (DIN 00529039) as Independent Directors for a consecutive period of three years from the date of the ensuing Annual General Meeting.

Shri. Jan Adam has resigned from the directorship of your Company with effect from December 19, 2014. Your Board places on record its appreciation for the valuable contributions made by Shri. Adam in the growth and progress of the Company during his tenure as Director.

#### 8. HUMAN RESOURCE

Human resources have always been the key to success of your Company's business. A balance of internal and external talent was maintained to ensure right skills are available to

initiate project activities. A large number of fresh talent comprising engineers and management graduates were deployed to nurture future ports facilities of the Company being implemented by subsidiaries. Your Company is known for developing future leaders and having the best people practices. This coupled with the ability to attract the best talent, provides a competitive edge to the organisation.

## 9. INFORMATION TECHNOLOGY

Your Company successfully implemented SAP in its financial and related systems. For dry bulk as well as oil terminals, systems have been implemented to capture end-to-end workflow covering all activities from pre-arrival intimations to actual departure of vessels. Expected berth occupancy is being plotted, thereby optimising the berth utilisation and increasing berth efficiency. Various dashboard reports have been implemented in the system for berth performance and resource monitoring.

## 10. SUBSIDIARIES

As on March 31, 2015, the following were the subsidiaries of your Company:

1. Vadinar Oil Terminal Limited
2. Vadinar Ports & Terminals Limited
3. Essar Vizag Terminals Limited
4. Essar Bulk Terminal Limited
5. Essar Bulk Terminal Paradip Limited
6. Essar Bulk Terminal (Salaya) Limited
7. Essar Paradip Terminals Limited
8. Petro Tankages India Limited
9. Essar Dredging Limited
10. Vadinar Liquid Terminals Limited

## 11. AUDITORS

Your Company's Auditors, Messrs. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Since Messrs. Deloitte Haskins & Sells have been functioning as Auditors of your Company for more than ten years, as per Section 139 of the Companies Act, 2013, they can be appointed for a maximum period of further two years.

Suitable resolution for their re-appointment has been included in the Notice convening the ensuing Annual General Meeting.

The Report given by the Auditors on the financial statements of the Company forms part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

## 12. CORPORATE GOVERNANCE

During the year, your Company has adopted new policies and amended existing policies such as Policy on Related Party Transactions, CSR Policy, Whistle Blower Policy, Policy on

Material Subsidiaries and Prevention of Sexual Harassment Policy in line with new governance requirements. These policies are available on the websites of the Company at [www.essar.com](http://www.essar.com) and [www.essarports.com](http://www.essarports.com).

A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Equity Listing Agreement with the Stock Exchange(s).

## 13. DISCLOSURES WITH RESPECT TO THE REMUNERATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013

A statement of Disclosure of Remuneration Under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached and forms part of this Report.

The details of Sitting Fees paid to the Independent Directors for attending the Meetings of the Board and its Committees and the remuneration paid to the Managing Director and the Wholtime Directors are furnished in the Corporate Governance Section of this report.

## 14. SECRETARIAL AUDIT REPORT

During the year, your Company has undertaken the Secretarial Audit for the year 2014-15, which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Agreement and Regulations and Guidelines prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999.

The Secretarial Audit was carried out by CS. Martino Ferrao of M/s. Martino Ferrao Associates, Company Secretaries, the Secretarial Auditor of the Company for the financial year 2014-15. The detailed report on Secretarial Audit is appended as an Annexure to this Report.

## 15. EXTRACT OF ANNUAL RETURN

The extract of annual return in Form MGT 9 as required under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an Annexure to this Report.

## 16. AFFIRMATION AND DISCLOSURE

The Company has framed a specific Code of Conduct for the members of the Board and the Senior Management personnel of the Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges to further strengthen corporate governance practices in the Company.

All the members of the Board and Senior Management Personnel have affirmed their compliance with the Code of Conduct as on March 31, 2015 and a declaration to that effect, signed by the Managing Director & CEO, is attached and forms part of this Report.

## 17. BOARD EVALUATION

The Nomination and Remuneration Committee of the Company has approved an evaluation policy, which was

adopted by the Board of Directors. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. The Policy provides that evaluation of the performance of the Board, Board Committees and Directors shall be carried out on an annual basis. Your Company has initiated the process of Board evaluation which is underway. The results of the evaluation will be shared with the Board, post which action plan will be drawn to improve the identified parameters.

#### **18. RELATED PARTY TRANSACTIONS**

In line with the requirements of the Companies Act, 2013 and Listing Agreement, your Company has formulated a Policy on Related Party Transactions which is also available on Company's websites at [www.essar.com](http://www.essar.com) and [www.essarports.com](http://www.essarports.com). The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. The disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is annexed to this report.

#### **19. DISCLOSURES PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT AND SECTION 186 OF THE COMPANIES ACT, 2013**

Details of loans, guarantee or investments made by your Company under Section 186 of the Companies Act, 2013 during the financial year 2014-15 are appended as Annexure to this Report.

#### **20. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which this financial statements relate and the date of this Report.

#### **21. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

As per the requirement of The Sexual Harassment of Women

at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has framed the Policy for Prevention of Sexual Harassment.

#### **22. STATEMENT OF DIRECTORS RESPONSIBILITIES**

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013 and based on the information provided by the Management your Directors state 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) accounting policies selected were applied consistently and made judgments 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 and of the profit or loss of the Company for that period;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts of the Company have been prepared on a going concern basis;
- e) the Company had laid down internal financial controls to be followed by the companies and that such internal financial controls are adequate and were operating effectively; and
- f) Proper systems are in place to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

#### **23. APPRECIATION AND ACKNOWLEDGEMENTS**

Your Directors express their sincere thanks and appreciation to all the employees for their commendable team work and contribution to the growth of the Company.

Your Directors also thank its bankers and other business associates for their continued support and co-operation during the year.

For and on behalf of the Board

Mumbai  
August 13, 2015

**Rajiv Agarwal**      **A. S. Bali**  
Managing Director      Director Finance

## ANNEXURES TO THE DIRECTORS' REPORT

### Statement of Disclosure of Remuneration Under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2014-15, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2014-15.

Sr. No	Name of Director/KMP	Designation	Ratio of remuneration of each Executive Director & KMP to median remuneration of Employees	Percentage increase in Remuneration
1.	Mr. Rajiv Agarwal	Managing Director & CEO – Executive Director	5.6	7.4
2.	Mr. Kamla Kant Sinha	Wholetime Director – Executive Director	2.4	12.3
3.	*Mr. A. S. Bali	Director Finance – Executive Director	3.0	N.A.
4.	Mr. Manoj Contractor	Company Secretary	1.0	6.5

\* appointed w.e.f. May 15, 2014.

#### Note :

- a) The Non-Executive Directors of the Company are entitled for sitting fee as per limit approved by the Board of Directors. The details of Sitting Fees of Non-Executive Directors forms part of the Corporate Governance Report.
- b) Percentage increase in remuneration indicates annual target total compensation increases, as approved by the Nomination and Remuneration Committee of the Company during the financial year 2014-15.
- c) Employees for the purpose above includes all employees.
- ii. The percentage increase in the median remuneration of employees for the financial year was 7%.
- iii. The Company has 7 permanent employees on the rolls of Company as on March 31, 2015.
- iv. **Relationship between average increase in remuneration and Company's performance:**

The salary increases for the Company are decided on the basis of the performance of the employees against the set KPIs and overall business performance.

Similar approach was followed to establish the remuneration increases to the employees. Variable compensation is an integral part of the total reward package and is directly linked to individual performance rating and business performance. Salary increases during the year were in line with Company's performance.

- v. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

The remuneration to employees and Key Managerial Personnel are directly linked to individual performance as well as that of the business.

During the year, the Company's revenue on a Consolidated basis was around ₹ 1,776.95 crore. The Profit before interest

and tax was ₹ 1,176.55 crore, an increase of 12.06%. PAT grew by 1.95%.

Based on the business performance and the performance rating of the Key Managerial Personnel against their KPIs, increase or variable pay have been awarded to the Key Managerial Personnel for the current year, which was approved by the Nomination & Remuneration Committee of the Company.

- vi. The Market Capitalisation of the Company as on 31st March, 2015 was ₹ 5,391 crore as compared to ₹ 2,225 crore as on 31st March, 2014.
- vii. The average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 7% whereas the increase in the managerial remuneration was 8.73%.
- viii. Variable compensation is an integral part of our total reward package for all Employees including Executive Directors. variable pay is directly linked to an individual performance rating and business performance. At the beginning of the year, all the employees, including Executive Directors decide their KPAs which are reviewed on half yearly basis.
- ix. The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year : Not Applicable
- x. It is hereby affirmed that the remuneration paid during the year is as approved by the Nomination & Remuneration Committee of the Company.

For and on behalf of the Board

Mumbai  
August 13, 2015

**Rajiv Agarwal**      **A. S. Bali**  
Managing Director      Director Finance



## SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

The Board of Directors  
Essar Ports Limited  
CIN No. L85110GJ1975PLC054824  
Essar House  
11, K. K. Marg  
Mahalaxmi, Mumbai 400 034

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Essar Ports Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Essar Ports Limited** 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, 2015**, 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 have examined the books, papers, minute books, forms and returns filed and other records maintained by **Essar Ports Limited** ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable to the Company:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011);
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1993;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option and Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:- **Not applicable as the Company has not issued ESOPs during the year.**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008:- **Not applicable as the Company has not listed its Debt Securities.**
  - (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 as the Company is not registered as Registrar to an issue and Share Transfer Agent during the financial year under review.**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not applicable as the Company has not bought back any of its securities during the financial year under review.
- (vi) We have also examined the compliances of the provisions of the following other laws applicable specifically to the Company wherein we have also relied on the compliance certificates issued by the head of the respective departments in addition to the checks carried out by us:
  - 1) The Air (Prevention and Control of Pollution) Act, 1981.
  - 2) Water (Prevention and Control of Pollution) Act, 1974.
  - 3) Environment Protection Act, 1986.
  - 4) Hazardous Waste (Management and Handling) Rules, 1989.
  - 5) E-Waste (Maintenance & Handling) Rules 2011.
  - 6) Coastal Regulation Zone Notification 2011.

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

  - (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (not applicable for the period under review).
  - (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

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 its authorized representatives during the conduct of Secretarial Audit we hereby report that in our opinion during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned.

**We further report that:**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition 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. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and 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. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the Company has:

1. taken approval of shareholders at the AGM held on 26th September, 2014 under section 180(1)(c) for borrowing limits upto ₹ 8000 Crores (Rupees Eight Thousand Crores only).
2. taken approval of shareholders at the AGM held on 26th September, 2014 under section 41, 42, 62 and 71 for issue of Equity Shares and / or Equity Shares through Global Depository Securities (GDSs) / Receipts (GDRs) and / or American Depository Receipts (ADRs) and / or

Optionally / Compulsorily Convertible / Foreign Currency Convertible Bonds (FCCBs) and / or Convertible Bonds, Convertible Debentures, fully or partly and / or any other instruments / securities aggregating to an amount not exceeding US\$ 1,000,000,000 (United States Dollar One Billion only).

3. Adopted new set of Articles of Association as per Companies Act, 2013 at the AGM held on 26th September, 2014.
4. taken approval of shareholders through Postal Ballot resolution on October 6, 2014 under section 180(1)(a), of the Companies Act, 2013, for selling, leasing or disposing of undertaking of the Company and creation of charge/ mortgage over the assets/ properties of the Company for an amount not exceeding ₹ 8000 Crores (Eight Thousand Crores only).
5. taken approval of shareholders through Postal Ballot resolution on 18th November, 2014 for voluntary delisting of the Equity Shares of the Company from BSE Limited and National Stock Exchange of India Limited under the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

**For Martinho Ferrao & Associates**  
Company Secretaries

**Martinho Ferrao**  
Proprietor  
FCS No. 6221  
C.P. No. 5676

Place : Mumbai  
Dated : May 18, 2015

**Information as per Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors Report for the financial year ended March 31, 2015**

Name of the Employee	Designation	Remuneration Received (Rs.)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Age of Employee	Last Employment	% of equity shares held in the company	Whether such employee is a relative of any Director or manager
Mr. Rajiv Agarwal	Managing Director & CEO	3,63,62,083	Permanent	ACA, ICWA, ACS	27-05-2010	52	The Mobile Store Limited	Nil	NA
Mr. K. K. Sinha	Executive Director	1,55,39,056	Permanent	MBA, B.Sc. Engg. (Mech)	04-07-2011	67	Essar Oil Limited	Nil	NA
* Mr. A. S. Bali	Director Finance	1,96,44,000	Permanent	MBA, MS (Finance) USA	15-05-2014	50	Essar Services India Limited	Nil	NA
* Mr. Shailesh Sawa	Director Finance	1,02,24,117	Permanent	ACA, ICWA	24-07-2010	52	Essar Oil Limited	Nil	NA

\* were employed for part of the year

For and on behalf of the Board

Mumbai  
August 13, 2015

**Rajiv Agarwal**  
Managing Director

**A. S. Bali**  
Director Finance

## EXTRACT OF ANNUAL RETURN

### Form No. MGT-9

(As on the Financial Year ended on 31st March, 2015)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L85110GJ1975PLC054824
ii)	Registration Date	:	April 5, 1975
iii)	Name of the Company	:	ESSAR PORTS LIMITED
iv)	Category / Sub-Category of the Company	:	Public Company / Subsidiary of Foreign Company limited by shares
v)	Address of the Registered Office and contact details	:	Administration Building, Essar Refinery Complex, Okha Highway (SH-25), Khambalia Taluka, Dist. Jamnagar Gujarat 361 305
vi)	Whether listed company	:	Yes
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	:	Data Software Research Company Pvt. Ltd., Unit – Essar Ports Limited 19, Pycrofts Garden Road, Off Haddows Road Nungambakkam, Chennai 600 006 Phone : (044) 2821 3738, 2821 4487 Fax : (044) 2821 4636 E-mail : essar.ports@dsrc-cid.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Development and operation of Ports and Terminals.

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

HOLDING COMPANY			
SI No.	Name and address of the company	CIN/GLN	% of shares held
1.	ESSAR PORT HOLDINGS MAURITIUS LIMITED Essar House, 10, Frere Felix, De Valois Street, Port Louis, Mauritius.	NA	61.15%
*SUBSIDIARY COMPANIES			
SI. No.	Name and address of the company	CIN/GLN	% of shares held
1.	ESSAR BULK TERMINAL LIMITED 27th KM, Surat Hazira Road, Gujarat 394 270	U13100GJ2004PLC043477	74.00%
2.	ESSAR BULK TERMINAL (SALAYA) LIMITED Equinox Business Park, Tower II (1st Floor) L.B.S. Marg, Kurla (West), Mumbai 400 070	U63032MH2007PLC176225	74.00%
3.	ESSAR BULK TERMINAL PARADIP LIMITED Essar House, Opp. Gujarat College Near Hotel Inder Residency, Ellisbridge Ahmedabad, Gujarat 380 006	U63000GJ2009PLC058496	100.00%
4.	ESSAR PARADIP TERMINALS LIMITED Equinox Business Park, Tower II (1st Floor) L.B.S. Marg, Kurla (West), Mumbai 400 070	U63000MH2009PLC196857	90.00%
5.	VADINAR OIL TERMINAL LIMITED Essar Refinery Site, 39, KM Stone Okha Highway (SH-25), Taluka Khambalia District Jamnagar, Gujarat 361 305	U35111GJ1993FLC053434	100.00%

\* includes indirect subsidiaries also.

SUBSIDIARY COMPANIES			
Sl. No.	Name and address of the company	CIN/GLN	% of shares held
6.	VADINAR PORTS & TERMINALS LIMITED Essar Refinery Site, 39, KM Stone Okha Highway (SH-25), Taluka Khambalia District Jamnagar, Gujarat 361 305	U63023GJ2009FLC056684	100.00%
7.	ESSAR VIZAG TERMINALS LIMITED Essar House, Opp. Gujarat College Near Hotel Inder Residency, Ellisbridge Ahmedabad, Gujarat 380 006	U63030GJ2013PLC075687	100.00%
8.	ESSAR DREDGING LIMITED Essar House, 11, K. K. Marg, Mahalaxmi, Mumbai 400 034	U63032MH2009PLC189497	74.00%
9.	PETRO TANKAGES INDIA LIMITED Salaya Administrave Building, 44 KM, Mile Stone, Okha Highway, Jam Khambhaliya, Khajurda, Gujarat 361 305	U74140GJ2014PLC080508	100.00%
10.	VADINAR LIQUID TERMINALS LIMITED Salaya Administrave Building, 44 KM, Mile Stone, Okha Highway, Jam Khambhaliya, Khajurda, Gujarat 361 305	U74140GJ2014PLC082393	100.00%

### III. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

#### i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 2014				No. of Shares held at the end of the year 2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1 Indian</b>									
(a) Bodies Corporate	59083387		59083387	13.81	59083387	0	59083387	13.81	0.00
<b>Sub-Total (A)(1)</b>	<b>59083387</b>		<b>59083387</b>	<b>13.81</b>	<b>59083387</b>	<b>0</b>	<b>59083387</b>	<b>13.81</b>	<b>0.00</b>
<b>2 Foreign</b>									
(a) Bodies Corporate	261697754		261697754	61.16	261697754	0	261697754	61.16	0.00
<b>Sub-Total (A)(2)</b>	<b>261697754</b>		<b>261697754</b>	<b>61.16</b>	<b>261697754</b>	<b>0</b>	<b>261697754</b>	<b>61.16</b>	<b>0.00</b>
<b>Total Promoter Shareholding = (A)(1) + (A)(2)</b>	<b>320781141</b>		<b>320781141</b>	<b>74.97</b>	<b>320781141</b>	<b>0</b>	<b>320781141</b>	<b>74.97</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1 Institutions</b>									
(a) Mutual Funds/ UTI	3481	32130	35611	0.01	3481	32130	35611	0.01	0.00
(b) Financial Institutions/ Banks	2489	35280	37769	0.01	47521	34918	82439	0.02	-0.01
(c) Insurance Companies	5753376	33	5753409	1.34	5753376	33	5753409	1.34	0.00
(d) Foreign Institutional Investors	40006344	12323	40018667	9.35	44133692	12323	44146015	10.32	-0.96

Category of Shareholders	No. of Shares held at the beginning of the year 2014				No. of Shares held at the end of the year 2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(e) Qualified Foreign Investor									
(i) Any other (Specify)									
(ii) Foreign Bank	956	14159	15115	0.00	956	13959	14915	0.00	0.00
<b>Sub-Total (B)(1)</b>	<b>45766646</b>	<b>93925</b>	<b>45860571</b>	<b>10.72</b>	<b>49939026</b>	<b>93363</b>	<b>50032389</b>	<b>11.69</b>	<b>-0.97</b>
<b>2 Non-Institutions</b>									
(a) Bodies Corporate	22175260	90,685	22265945	5.20	21470144	89632	21559776	5.04	0.17
(i) Indian									
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	9795552	4800685	14596237	3.41	8152752	4609440	12762192	2.98	0.43
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	6229160	138873	6368033	1.49	4756025	98459	4854484	1.13	0.35
(c) Others									
(i) Qualified Foreign Investor									
– Non Resident Individuals	450391	133234	583625	0.14	335372	130198	465570	0.11	0.03
– Non Domestic Company	17432446	0	17432446	4.07	17432446	0	17432446	4.07	0.00
<b>Sub-Total (B)(2)</b>	<b>56082809</b>	<b>5163477</b>	<b>61246286</b>	<b>14.31</b>	<b>52146739</b>	<b>4927729</b>	<b>57074468</b>	<b>13.34</b>	<b>0.97</b>
<b>Total Public Shareholding (B)=(B)(1)+B(2)</b>	<b>101849455</b>	<b>5257402</b>	<b>107106857</b>	<b>25.03</b>	<b>102085765</b>	<b>5021092</b>	<b>107106857</b>	<b>25.03</b>	<b>0.00</b>
<b>TOTAL (A) + (B)</b>	<b>422630596</b>	<b>5257402</b>	<b>427887998</b>	<b>100.00</b>	<b>422866906</b>	<b>5021092</b>	<b>427887998</b>	<b>100.00</b>	<b>0.00</b>
<b>C. Shares held by Custodians and against which Depository Receipts have been issued</b>	–	–	–	–	–	–	–	–	–
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>422630596</b>	<b>5257402</b>	<b>427887998</b>	<b>100.00</b>	<b>422866906</b>	<b>5021092</b>	<b>427887998</b>	<b>100.00</b>	<b>0.00</b>

## ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 2014			Shareholding at the end of the year 2015			% change in share holding during the year
		No. of Shares	% of Shares total of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Shares total of the company	% of Shares Pledged/ encumbered to total shares	
1	Essar Port Holdings Mauritius Limited	–	–	–	261664301	61.15	–	61.15
2	Essar Shipping & Logistics Limited	261697688	61.16	61.15	33,387	0.01	–	-61.15
3	Essar Projects (India) Limited	56397000	13.18	13.01	56397000	13.18	13.01	0.00
4	Essar Steel India Limited	2547223	0.60	0.60	2547223	0.60	0.60	0.00
5	Essar Global Limited	66	0.00	–	66	0.00	–	0.00
6	Imperial Consultants And Securities Private Limited	92032	0.02		139164	0.03		0.01
7	Essar Investments Limited	47132	0.01			0.00		-0.01
	<b>Total</b>	<b>320781141</b>	<b>74.97</b>	<b>74.76</b>	<b>320781141</b>	<b>74.97</b>	<b>13.61</b>	<b>0.00</b>

iii) Shareholding Pattern of top ten Shareholders (others than Directors, Promoters and Holders of Foreign Currency Convertible bonds) as on 31st March, 2015

Sr. No.	Name of Shareholders	Shareholding		Date +	Increase/ Decrease (No. of shares)+	Reasons +	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Port of Antwerp International UK Limited							
	At the beginning of the year	17432446	4.07	01.04.2014				
	Bought during the year	–						
	Sold during the year	–						
	At the end of the year	17432446	4.07	31.03.2015			17432446	4.07
2	India Max Investment Fund Limited							
	At the beginning of the year	17260867	4.03	01.04.2014				
	Bought during the year	–						
	Sold during the year	–						
	At the end of the year	17260867	4.03	31.03.2015			17260867	4.03
3	The Royal Bank of Scotland Asia Merchant Bank (SINGAPORE) Limited							
	At the beginning of the year	6200000	1.45	01.04.2014				
	Bought during the year	–						
	Sold during the year	6200000	1.45	16.09.2014				
	At the end of the year	0	0.00				0	0.00
4	Life Insurance Corporation of India							
	At the beginning of the year	5753376	1.34	01.04.2014				
	Bought during the year	–						
	Sold during the year	–						
	At the end of the year	5753376	1.34	31.03.2015			5753376	1.34
5	Arum Investments Pvt. Ltd.							
	At the beginning of the year	5660000	1.32	01.04.2014				
	Bought during the year	–						
	Sold during the year	5660000	1.32	23.01.2015			0	0.00
	At the end of the year	0	0.00					
6	Leena Investments Consultancy LLP							
	At the beginning of the year	5578621	1.30	01.04.2014				
	Bought during the year	–						
	Sold during the year	3060967	0.72	16.01.2015	3060967	Sold		
	At the end of the year	2517654	0.59	31.03.2015			2517654	0.59
7	Em Resurgent Fund							
	At the beginning of the year	4400000	1.03	01.04.2014				
	Bought during the year							
	Sold during the year	500000	0.12	31.12.2014	500000	Sold		
	At the end of the year	3900000	0.91	31.03.2015			3900000	0.91

Sr. No.	Name of Shareholders	Shareholding		Date +	Increase/ Decrease (No. of shares)+	Reasons +	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
8	Emerging India Focus Funds							
	At the beginning of the year	2988900	0.70	01.04.2014				
	Bought during the year	1425914	0.33	22.08.2014	1425914	Bought		
	Sold during the year	–						
	At the end of the year	4414814	1.03	31.03.2015			4414814	1.03
9	Sainath Trading Company Private Limited							
	At the beginning of the year	2850000	0.67	01.04.2014				
	Bought during the year	3998958	0.93	31.03.2015	3998958	Bought		
	Sold during the year							
	At the end of the year	6848958	1.60	31.03.2015			6848958	1.60
10	Nemish S Shah							
	At the beginning of the year	2500000	0.58	01.04.2014				
	Bought during the year							
	Sold during the year	2500000	0.58	30.07.2014				
	At the end of the year	0	0.00				0	0.00

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Rajiv Agarwal	NIL	–	NIL	–
	At the beginning of the year				
	Bought during the year				
	Sold during the year				
	At the end of the year				
2	Mr. K. K. Sinha	NIL	–	NIL	–
	At the beginning of the year				
	Bought during the year				
	Sold during the year				
	At the end of the year				
3	Mr. A. S. Bali	NIL	–	NIL	–
	At the beginning of the year				
	Bought during the year				
	Sold during the year				
	At the end of the year				
4	Mr. Manoj Contractor				
	At the beginning of the year	5	–	5	–
	Bought during the year				
	Sold during the year				
	At the end of the year	5	–	5	–

#### IV. INDEBTEDNESS

The Company had no indebtedness with respect to Secured or Unsecured Loans or Deposits during the financial year 2014-15.

#### V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD			Total Amount
		Mr. Rajiv Agarwal	Mr. K. K. Sinha	*Mr. A. S. Bali	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	356.42	148.74	192.84	698.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–
2.	*Stock Option	–	–	–	–
3.	Sweat Equity	–	–	–	–
4.	Commission	–	–	–	–
5.	Others (Contribution to PF & Superannuation)	7.20	6.65	3.60	17.45
	<b>Total (A)</b>	<b>363.62</b>	<b>155.39</b>	<b>196.44</b>	<b>715.45</b>
	Ceiling as per the Act	** ₹ ..... lakhs (being 10% of Net Profits of the Company has calculated as per Section 198 of the Companies Act, 2013)			

\* from May 15, 2015.

##### B. Remuneration to other Directors:

(₹ lakhs)

Particulars of Remuneration	Name of Director Independent Directors							Total Amount
	Dilip J. Thakkar	Deepak Kumar Varma	T. S. Narayanasami	N. C. Singhal	Michael Pinto	Jesper Kjaedegaard	Dr. Jose Paul	
Fee for attending Board / Committee meetings	1.90	4.30	1.75	3.15	5.15	2.00	5.95	24.20
Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total (B)</b>	<b>1.90</b>	<b>4.30</b>	<b>1.75</b>	<b>3.15</b>	<b>5.15</b>	<b>2.00</b>	<b>5.95</b>	<b>24.20</b>
Ceiling as per the Act	** ₹ ..... lakhs (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)							
Total Managerial Remuneration = (A+B)	739.65							
Overall Ceiling as per the Act	** ₹ ..... lakhs (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)							

\*\* The Company has negative profits on a standalone basis.



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

(₹ lakhs)

Particulars of Remuneration	Key Managerial Personnel
	Mr. Manoj Contractor
Gross salary	59.83
Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–
Value of perquisites u/s 17(2) Income-tax Act, 1961	–
Profits in lieu of salary under section 17(3) Income tax Act, 1961	–
Stock Option	–
Sweat Equity	–
Commission	–
Provident Fund	2.68
<b>Total</b>	<b>62.51</b>

**VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board

 Mumbai  
August 13, 2015

**Rajiv Agarwal**  
Managing Director

**A. S. Bali**  
Director Finance

**Particulars of Loans, Guarantees or Investments**
**Amount outstanding as at 31st March, 2015**

(₹ crore)

Particulars	Amount
Loans given	–
Guarantee given	2,646.86
Investments made	3,265.11

**Loan, Guarantee and Investments made during the Financial Year 2014-15**

Name of Entity	Relation	Amount (in Crore)	Particulars of loan, guarantee and investments	Purpose for which the loans, guarantee and investments are proposed to be utilized
<b>Guarantees</b>				
Essar Vizag Terminals Limited	Wholly Owned Subsidiary	675.00	Corporate Guarantee	To secure the Term Loan granted to Essar Vizag Terminals Limited for the project being set up by them.
New Coal Terminal Beira S.A.	Joint venture	US\$ 4 million	Corporate Guarantee	Against bank Guarantee issued by Moza Banco S.A.
<b>Investments</b>				
Vadinar Liquid Terminals Limited	Wholly Owned Subsidiary	0.03	Equity	Equity infusion
New Coal Terminal Beira S.A.	Joint venture	0.68	Equity	Equity infusion
Essar Paradip Terminals Limited	Subsidiary	31.75	Equity	Equity infusion
Essar Vizag Terminals Limited	Wholly Owned Subsidiary	88.59	Equity	Equity infusion

For and on behalf of the Board

 Mumbai  
August 13, 2015

**Rajiv Agarwal**  
Managing Director

**A. S. Bali**  
Director Finance

**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 contacts/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 transactions under third proviso thereto.

1. Details of contacts or arrangements or transactions not at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts/ arrangements/ transactions	Salient features of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL								

Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Rs. In lakhs)	Date(s) of approval by the Board, if any	Amount paid as advances, if any (₹ In lakhs)
1	Vadinar Oil Terminal Limited	Wholly Owned Subsidiary	Advance received for sale of investments	1 year	Towards sale of investments in Vadinar Ports & Terminals Limited based on third party valuation report.	11/05/2015	23,000
			Refund of advances received for services to be rendered	Completed	Advances received were refunded.	11/05/2015	25,495
2	Essar Vizag Terminals Limited	Wholly Owned Subsidiary	Guarantee given on behalf of Essar Vizag Terminals Limited	31/12/2035	To secure the Term Loan granted to Essar Vizag Terminals Limited for the project being set up by them.	15/05/2014	67,500

For and on behalf of the Board

Mumbai  
August 13, 2015

**Rajiv Agarwal**  
Managing Director

**A. S. Bali**  
Director Finance

## Annual Report on CSR Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects and programs.

The vision of Essar Ports Limited CSR Policy is to empower the communities around our areas of Operation towards development that is collaborative, progressive, inclusive and sustainable through optimal realization of human potential and responsible utilization of resources. The objectives of the policy are:

- To undertake sustainable initiatives under agreed thematic areas that lead to measurable progress in the targeted human development indicators especially in areas of education, maternal and child health indicators and environment.
- To initiate and fuel the entrepreneurial aptitude among the people and institutions we associate with towards substantial economic development of communities boosting the annual family income of targeted population.
- To ensure care and support to the marginalised and vulnerable sections of the communities especially the elderly, women and children towards leading a life of dignity and self-dependence.
- To undertake responsible business practices and ensure safety of communities around our operational areas following standard safety practices.

The focus is on undertaking various projects or activities including Health, Promoting Education Programmes, Strengthen capacities of Differently Abled and Livelihoods Generation.

It has been decided that the CSR activities of Essar Ports Limited will be implemented by "Essar Group Foundation" of which the Company is a Trustee.

Web-links: [http://www.essarports.com/section.aspx?cont\\_id=wgtuwoAhP6U=](http://www.essarports.com/section.aspx?cont_id=wgtuwoAhP6U=)  
<http://www.essarports.com/upload/pdf/CSR-policy-2015.pdf>

2. The composition of the CSR Committee.

Sl. No.	Name	Chairman / Members
1	Shri. N. C. Singhal	Chairman
2	Shri. P. K. Srivastava	Member
3	Shri. Rajiv Agarwal	Member

3. Average Net Profit of the Company for last three financial years.

(₹ in crore)

	2013-14	2012-13	2011-12	Average
Net Profit / (Loss) as per P & L	(25.75)	(38.37)	(71.00)	N.A.

4. Prescribed CSR Expenditure(two percent of the amount as per item 3 above)

As the Company does not have positive average profits for the last three financial years and hence the Company is not required to incur any CSR expenditure during the year 2014 - 15 as per regulations. However, the Company has undertaken CSR activities through its subsidiaries as under:

5. Details of CSR spent during the financial year;

- (a) Total amount to be spent for the financial year; ₹ 68.61 lakhs
- (b) Amount unspent if any; none
- (c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on 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	<ul style="list-style-type: none"> <li>Creative Methods of Education (provided educational materials).</li> <li>Career Counselling.</li> <li>Initiated program on improving quality of education, teachers' capacity building and technological interventions for effectiveness in teaching and learning.</li> <li>Mainstreaming of differently abled children through vocational training and organizing exhibition for their products</li> <li>Use of cultural programmes for building self-confidence of special children.</li> </ul>	Promotion of education, employment enhancing vocation skills among differently abled	Surat (Gujarat)	₹ 17.34 lakhs	₹ 9.09 lakhs Direct expenditure on the projects. ₹ 8.25 lakhs on overheads	₹ 17.34 lakhs	Through Essar Foundation
2	<ul style="list-style-type: none"> <li>Tele-ophthalmology services.</li> <li>Support to Intensifies Pulse Polio Campaign</li> <li>Capacity Building.</li> </ul>	Promoting preventive & curative healthcare	Surat (Gujarat); Jagatsinghpur (Odisha)	₹ 24.63 lakhs	₹ 12.76 lakhs Direct expenditure on the projects. ₹ 11.87 lakhs on overheads	₹ 24.63 lakhs	Through Essar Foundation
3	<ul style="list-style-type: none"> <li>Skills Training Projects</li> <li>Supporting rural artisans.</li> </ul>	Livelihood enhancement projects	Surat (Gujarat); Devbhoomi Dwarka; (Gujarat);	₹ 26.64 lakhs	₹ 13.78 lakhs Direct expenditure on the projects. ₹ 12.86 lakhs on overheads	₹ 26.64 lakhs	Through Essar Foundation
<b>Total</b>				<b>₹ 68.61 lakhs</b>	<b>₹ 68.61 lakhs</b>	<b>₹ 68.61 lakhs</b>	

\* Give details of the Implementing Agency:

6. In case the Company has failed to spend the two percent 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.

This is to declare hereby declare that all the information provided in the document is in sync with the implementation of the CSR policy along with its monitoring, which in turn is in compliance with CSR objectives and policy of the Company.

Sd/-  
(Managing Director)

Sd/-  
(Chairman CSR Committee)

# CORPORATE GOVERNANCE REPORT

## 1. Company's philosophy on Code of Corporate Governance

Your Company believes that adhering to global standards of Corporate Governance is essential to enhance shareholders value and achieve long term corporate goals. The Company's philosophy on Corporate Governance stresses the importance of transparency, accountability and protection of shareholder interests. The Board oversees periodic review of business plans, monitors performance and ensures compliance of regulatory requirements including SEBI Regulations and Listing requirements.

## 2. The Board of Directors

### A. Composition, Category, Attendance and Number of other Directorships of the Directors are furnished below:

As at March 31, 2015 the Board consisted of twelve members. The composition, category of directors and directorships held in other companies was as under. The number of Directorships, Committee Memberships / Chairmanships of all Directors is within respective limits prescribed under the Companies Act, 2013 and Listing Agreement.

Name of Director	Category of Director	* No. of outside Directorships in other Indian public companies	**No. of Committee positions held in other public companies	
			Chairman	Member
Mr. Dilip J. Thakkar	Independent – Non-Executive	7	3	5
Mr. Deepak Kumar Varma	Independent – Non-Executive	4	–	6
Mr. T. S. Narayanasami	Independent – Non-Executive	7	–	5
Mr. N. C. Singhal	Independent – Non-Executive	8	2	4
Dr. Jose Paul	Independent – Non-Executive	1	–	1
Mr. Michael Pinto	Independent – Non-Executive	8	1	8
Mr. Jesper Kjaedegaard	Independent – Non-Executive	–	–	–
Mr. P. K. Srivastava	Non-Promoter – Non-Executive	9	–	–
Mr. Rajiv Agarwal (Managing Director & CEO)	Non-Promoter – Executive	8	–	6
Mr. K. K. Sinha (Executive Director)	Non-Promoter – Executive	9	–	1
Mr. A. S. Bali (Director Finance)	Non-Promoter – Executive	9	–	2
#Ms. S. Gayathri	Non-Promoter – Non-Executive	8	–	3

\* excludes foreign companies, private limited companies, Section 8 companies and Alternate Directorships.

\*\* includes membership of Audit and Stakeholders Relationship Committee only.

# was appointed as an Additional Director w.e.f. March 30, 2015.

### B. Details of Board Meetings held during the year:

Sr. No.	Date	Board Strength	No. of Directors present
1	May 15, 2014	12	9
2	July 23, 2014	12	10
3	October 11, 2014	12	8
4	November 14, 2014	12	8
5	January 22, 2015	11	10

**C. Attendance of Directors at Board Meetings and at the last Annual General Meeting:**

Director	No. of Board Meetings attended	Attendance at last AGM
Mr. Dilip J. Thakkar	2	No
Mr. Deepak Kumar Varma	3	No
Mr. T. S. Narayanasami	2	No
Mr. N. C. Singhal	4	Yes
Dr. Jose Paul	5	No
Mr. Michael Pinto	5	No
Mr. Jesper Kjaedegaard	3	No
Mr. P. K. Srivastava	5	Yes
Mr. Rajiv Agarwal	5	No
Mr. K. K. Sinha	5	No
Mr. A. S. Bali	4	Yes
Mr. Shailesh Sawa *	1	No
Ms. S. Gayathri **	0	NA

\* ceased to be a Director w.e.f. May 15, 2014

\*\*appointed as Director w.e.f. March 30, 2015

**3. Audit Committee:**

The Audit Committee of the Company inter alia performs all the functions specified under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**Composition:**

As on March 31, 2015, the Committee comprised of four Independent Directors. The Chairman of the Audit Committee is an Independent Director. The Chairman of the Audit Committee was unable to attend the Annual General Meeting held on September 26, 2015 as he was not well and was advised not to travel. All the members of the Committee are financially literate and have relevant financial management and/or audit exposure. The Managing Director, Chief Executive Officer, Director Finance, Statutory Auditors and Internal Auditors attend the meetings. The Company Secretary is the Secretary to the Committee.

**Details of Audit Committee Meetings held during the year:**

Sr. No.	Date	Committee Strength	No. of Members present
1	May 14, 2014	4	4
2	July 22, 2014	4	2
3	November 13, 2014	4	4
4	January 21, 2015	4	3

**Attendance at Audit Committee Meetings:**

Director	No. of meetings held	No. of meetings attended
Mr. T. S. Narayanasami (Chairman)	4	2
Mr. Deepak Kumar Varma	4	3
Mr. Michael Pinto	4	4
Dr. Jose Paul	4	4

**4. Nomination and Remuneration Committee:**

The Committee comprises of four non-executive Directors of which three are Independent Directors with the Company Secretary as the Secretary of the Committee. The Committee is empowered to formulate and recommend to the Board from time to time, the compensation structure for Managing/Executive/Wholetime Directors and Key Managerial Personnel. The Committee also administers and supervises the Employee Stock Option Schemes, whenever applicable. The Committee is in the process of framing the remuneration policy.

#### Attendance at the Nomination and Remuneration Committee Meetings:

Director	No. of meetings held	No. of meetings attended
Mr. Michael Pinto (Chairman)	2	2
Mr. Deepak Kumar Varma	2	1
Mr. Dilip Thakkar	2	1
Mr. P. K. Srivastava	2	2

#### Remuneration to Directors:

Details of Remuneration paid to the Managing Director and Wholetime Directors during the year ended March 31, 2015 is as under:

Name of Director	Basic Salary	Allowances, Perquisites and other benefits	Contribution to Provident & Superannuation Fund	Total
Mr. Rajiv Agarwal CEO & Managing Director	60,00,000	2,96,42,083	7,20,000	3,63,62,083
Mr. K. K. Sinha Chief Executive Officer	55,45,680	93,27,894	6,65,482	1,55,39,056
Mr. Shailesh Sawa * Director Finance	12,00,000	88,80,117	1,44,000	1,02,24,117
Mr. A. S. Bali ** Director Finance	30,00,000	1,62,84,000	3,60,000	1,96,44,000

\* ceased to be a Director w.e.f. May 15, 2014

\*\* appointed as Director w.e.f. May 15, 2014

The services of the aforesaid Executive Directors can be mutually terminated by giving three month's notice or three month's salary in lieu thereof.

#### Stock Options

During the year no Stock Options have been granted to any of the employees of the Company.

Details of sitting fees paid to Non-Executive Directors for the meetings held during the year ended March 31, 2015:

Non-Executive Directors	Sitting Fees paid for Board/Committee meetings (₹)
Mr. Dilip J. Thakkar	1,90,000/-
Mr. Deepak Kumar Varma	4,30,000/-
Mr. T. S. Narayanasami	1,75,000/-
Mr. N. C. Singhal	3,15,000/-
Mr. Michael Pinto	5,15,000/-
Dr. Jose Paul	5,95,000/-
Mr. Jesper Kjaedegaard	2,00,000/-

No shares or convertible instruments are held by any non-executive Directors in the Company.

## 5. Stakeholders Relationship Committee:

#### Terms of Reference:

To redress grievances and complaints of members on all matters pertaining to their shareholding in the Company and to oversee the functioning of the Share Transfer Agent and ensure that the process of share transfers, transmission, etc. is effective and efficient.

#### Composition:

As on March 31, 2015 the Committee comprised of Dr. Jose Paul (Chairman), Mr. Deepak Kumar Varma and Mr. Rajiv Agarwal. The Company Secretary acts as the Compliance Officer of the Company.

Mr. Shailesh Sawa resigned from the Committee w.e.f. May 15, 2014.

The committee met 4 times during the year ended March 31, 2015.

**Details of shareholders complaints received, solved and pending share transfers:**

There were no complaints pending at the beginning of the year. A total of 76 complaints were received during the year ended March 31, 2015, most of which being non-receipt of share certificates and annual reports. All the complaints were redressed under the supervision of the Committee and no complaints were outstanding as on March 31, 2015.

All the valid share transfer requests received during the year were duly attended to and processed in time. There were no valid requests pending for share transfers as on March 31, 2015.

**6. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee comprises of Mr. N. C. Singhal, Mr. P. K. Srivastava and Mr. Rajiv Agarwal as members of the Committee. The role of Corporate Social Responsibility Committee inter-alia comprise of formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of the Company in area of CSR, providing external and independent oversight and guidance on the environmental and social impact of how the Company conducts its business, monitoring CSR Policy of the Company from time to time and monitoring the implementation of the CSR projects and programs undertaken by the Company.

During the Financial Year ended 31st March, 2015, the Committee met once on January 21, 2015.

**7. General Body Meeting:****(a) Details of General Meetings held in last three years:**

Financial year	Meeting	Date	Time	Location
2011-12	AGM	27-09-12	02.30 PM	Administration Building
2012-13	AGM	26-09-13	02.30 PM	Essar Refinery Complex
2013-14	AGM	26-09-14	02.00 PM	Okha Highway (SH-25) Jamnagar Gujarat 361 305

**(b) Special Resolutions passed in the previous three Annual General Meetings:**September 27, 2012:

- To issue Equity Shares, Foreign Currency Convertible Bonds, Global Depository Receipts, etc.
- To increase the maximum number of Options to be issued per employee under the Essar Ports Employees Stock Options Scheme – 2011.
- Amendment to the Articles of Association of the Company.

September 26, 2013:

- Re-appointment and payment of remuneration to Mr. Rajiv Agarwal as Managing Director.
- Re-appointment and payment of remuneration to Mr. Shailesh Sawa as Wholetime Director.
- To issue Equity Shares, Foreign Currency Convertible Bonds, Global Depository Receipts, etc.

September 26, 2014:

- Re-appointment and payment of remuneration to Mr. Kamla Kant Sinha, Wholetime Director.
- Appointment and payment of remuneration to Mr. A. S. Bali, Director Finance.
- To issue Equity Shares, Foreign Currency Convertible Bonds, Global Depository Receipts, etc.
- Amendment to the Articles of Association of the Company.
- Borrowing upto ₹ 8,000 crore in excess of the paid up share capital and free reserves.

**(c) No resolutions are proposed to be passed at the ensuing Annual General Meeting which will require approval of members through Postal Ballot.****(d) Approval sought through Postal Ballot during financial year 2014-15:**

- Approval of the members for making investments in New Coal Terminal Beira, S.A. (NCTB) for an amount not exceeding USD 25 million and for providing a corporate guarantee / security for an amount not exceeding USD 10 million on behalf of NCTB. The result of the Postal Ballot was declared on April 28, 2014 with 99.48% votes in favour of the resolution.
- Approval of the members for passing the resolution under Section 180(1)(a) and 180(2) of the Companies Act, 2013 by way of Special Resolution for creation of charge/mortgage on the assets of the Company to secure the borrowings of the Company /



its subsidiaries / affiliates / associate companies. The result of the Postal Ballot was declared on October 6, 2014 with 99.439% votes in favour of the resolution.

- Approval of members for delisting the equity shares of the Company from the Stock Exchanges under the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. The result of the Postal Ballot was declared on November 18, 2014 with 99.587% votes in favour of the resolution.

CS Bhavin Mehta, Practicing Company Secretary acted as Scrutinizer for the above Postal Ballots.

#### 8. Disclosures:

- There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their relatives, its subsidiaries, etc. that may have potential conflict with the interest of the Company at large.
- Transactions with related parties during the year are disclosed in Note No.31 forming part of the financial statements in the Annual Report.
- During the last three years no penalty or stricture has been imposed on the Company by Stock Exchanges/SEBI/Statutory Authorities on matters related to Capital Markets.
- The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees and Directors to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee.

#### 9. Means of Communication:

Financial results and other information about the Company	The quarterly and annual financial results are submitted to the BSE Limited and National Stock Exchange of India Limited which is uploaded on their websites. These results are also displayed on the Company's websites: <a href="http://www.essar.com">www.essar.com</a> and <a href="http://www.essarports.com">www.essarports.com</a>
Publication of financial results	Published in major newspapers such as Business Standard and Jai Hind.
Presentation to Institutional Investors and to the Analyst	Press releases and presentations made to Institutional Investors and Analysts are displayed on the Company's websites: <a href="http://www.essar.com">www.essar.com</a> and <a href="http://www.essarports.com">www.essarports.com</a>
Management Discussion & Analysis	Forms part of the Annual Report, which is mailed to the members of the Company

#### 10. General Shareholders information:

##### A. Annual General Meeting details:

Date	September 23, 2015
Venue	Administration Building, Essar Refinery Complex, Okha Highway (SH - 25), Taluka Khambhalia, Dist. - Jamnagar, Gujarat 361305
Time	2.00 p.m.
Book Closure	September 17, 2015 to September 23, 2015 (both days inclusive)

##### B. Financial Calendar:

Financial year of Company	April 1, 2015 to March 31, 2016
First Quarter results	On or before August 14, 2015
Second Quarter results	On or before November 14, 2015
Third Quarter results	On or before February 14, 2016
Annual results for the year	On or before May 30, 2016

**C. Share Transfer Agents:**

Data Software Research Company Private Limited  
 19, Pycrofts Garden Road, Off Haddows Road  
 Nungambakkam, Chennai - 600 006  
 Tel: (044) 2821 3738, 2821 4487 • Fax: (044) 2821 4636 • E-Mail: [essar.ports@dsrc-cid.in](mailto:essar.ports@dsrc-cid.in)

**D. Share Transfer System:**

To expedite the process of share transfers, transmission, etc., the Board of your Company has delegated these powers to the Executive Directors and the Company Secretary.

All valid share transfer requests received by the Company in physical form are registered within an average period of 15 days. The Company dematerialises the shares after getting the dematerialisation requests being generated by the Depository Participant.

**E. Listing on Stock Exchanges:**

The Company's securities are listed on the following Stock Exchanges:

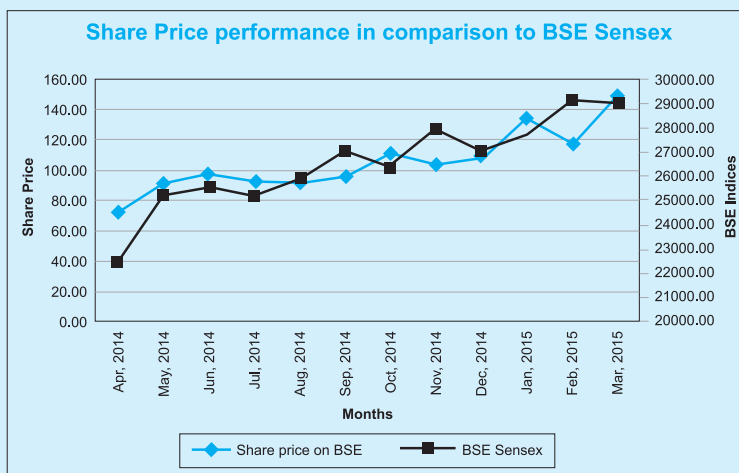
BSE Ltd.	National Stock Exchange of India Ltd.
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023. Code : 500630	Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051. Code : ESSARPORTS

Annual Listing fee for the year 2014-15 has been paid.

**Market price data (High/Low) during each month in the year 2014-2015 on the BSE Limited and National Stock Exchange of India Limited:**

BSE Ltd.			National Stock Exchange of India Ltd.		
Month	Highest	Lowest	Month	Highest	Lowest
April, 2014	72.70	50.75	April, 2014	72.50	50.40
May, 2014	90.95	58.05	May, 2014	91.10	58.05
June, 2014	98.00	72.80	June, 2014	98.90	72.50
July, 2014	92.45	73.15	July, 2014	92.50	73.00
August, 2014	92.50	84.60	August, 2014	92.35	84.75
September, 2014	97.40	86.70	September, 2014	97.25	78.25
October, 2014	110.00	86.00	October, 2014	110.35	85.20
November, 2014	104.15	91.40	November, 2014	104.45	92.40
December, 2014	109.40	95.70	December, 2014	109.95	96.00
January, 2015	133.85	101.00	January, 2015	123.55	102.25
February, 2015	119.00	103.55	February, 2015	117.50	102.80
March, 2015	150.40	109.10	March, 2015	150.00	110.00

**Scrip Code : 500630** **Scrip Code : ESSARPORTS**



**F. Shareholding Pattern as on March 31, 2015:**

Shareholding By	No. of Shares	%
Promoters	32,07,81,141	74.97
Financial Institutions/Mutual Funds/Banks/Insurance Companies	58,71,459	1.37
Domestic Corporate Bodies	2,15,59,776	5.04
Foreign Institutional Investors	4,41,46,015	10.32
Non-Resident Individuals	4,65,570	0.11
Non-Domestic Companies	1,74,47,361	4.08
Public	1,76,16,676	4.11
<b>Total</b>	<b>42,78,87,998</b>	<b>100.00</b>

**G. Distribution of Shareholding as on March 31, 2015:**

No. of equity shares held	Number of shareholders	% of shareholders	Total number of shares	% of holding
Upto 5000	88,919	99.62	1,25,92,050	2.94
5001-10000	160	0.18	11,55,132	0.27
10001-20000	55	0.06	7,80,746	0.18
20001-30000	25	0.03	6,16,189	0.14
30001-40000	23	0.03	8,05,658	0.19
40001-50000	14	0.01	6,57,408	0.15
50001-100000	17	0.02	12,71,693	0.30
100001 and above	47	0.05	41,00,09,122	95.83
<b>TOTAL</b>	<b>89,260</b>	<b>100.00</b>	<b>42,78,87,998</b>	<b>100.00</b>

**H. Compliance Officer** : Mr. Manoj Contractor, Company Secretary

**I. Registered Office** : Administration Building, Essar Refinery Complex, Okha Highway (SH - 25)  
Taluka Khambhalia, Dist. – Jamnagar, Gujarat 361305

**J. Administration Office** : Essar House, 11, K. K. Marg, Mahalaxmi, Mumbai 400 034  
Tel : (022) 6660 1100 Fax: (022) 2354 4330 e mail: epl.secretarial@essar.com

**K. Status of Dematerialisation of shares as on March 31, 2015:**

Mode	No. of shares	No. of folios	%
Physical	50,21,092	50,130	1.17
Demat	42,28,66,906	39,130	98.83
<b>TOTAL</b>	<b>42,78,87,998</b>	<b>89,260</b>	<b>100.00</b>

**11. Nomination Facility:**

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 are requested to submit to the R&T Agent of the Company the prescribed nomination form.

**12. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

As on March 31, 2015 there are no convertible instruments outstanding.

**13. Secretarial Audit:**

A qualified practicing Company Secretary carries out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

**14. Separate Independent Directors' Meetings**

During the Financial Year ended March 31, 2015, the Independent Directors met on December 18, 2014 and inter-alia discussed the quality and timeliness of flow of information between the Company management and the Board which is essentially required for the

Board to effectively and reasonably perform their duties, the performance of non-Independent Directors and the Board as a whole and the performance of the Chairperson of the Company taking into account the views of Executive Directors and Non-Executive Directors.

#### 15. Non-mandatory requirements:

##### A. Shareholders right:

Quarterly financial results are available on the websites of the Company i.e., [www.essar.com](http://www.essar.com) and [www.essarports.com](http://www.essarports.com). No separate financials are sent to members of the Company.

##### B. Application of Technology

With a view to leverage technology and reducing paper consumption, the Company has adopted a web-based application for transmitting Board / Committee Agenda. The Directors of the Company receive the Agenda in electronic form through this application, which can be accessed through iPads. The application meets high standards of security and integrity that is required for storage and transmission of Board / Committee Agenda in electronic form.

##### C. Audit qualifications:

There are no audit qualifications in the Auditor's report on the financial statements to the Members of the Company.

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

#### The Members of Essar Ports Limited

We have examined the compliance of conditions of Corporate Governance by Essar Ports Limited ("the Company") for the year ended March 31, 2015, as stipulated in clause 49 of the Listing Agreement entered into by the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of 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 and based on the representations made by the Directors and the Management, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement except that the Chairman of the Audit Committee was not present at the Annual General Meeting of the Company held on September 26, 2014.

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

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm Regn. No. 117366W)

**Samir R. Shah**  
Partner

(Membership No. 101708)

Mumbai  
August 13, 2015

## DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT TO THE MEMBERS OF ESSAR PORTS LIMITED

The Company has framed a specific Code of Conduct for the members of the Board and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges to further strengthen Corporate Governance practices in the Company.

All the members of the Board and the Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non-compliance thereof during the year ended March 31, 2015.

Mumbai  
August 13, 2015

**Rajiv Agarwal**  
CEO & Managing Director

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF ESSAR PORTS LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ESSAR PORTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

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

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

financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by Section 143(3) of the Act, we report that:
  - 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.
  - 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.
  - The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
  - 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 :
    - The Company does not have any pending litigations which would impact its financial position;
    - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Samir R. Shah**  
Partner

Mumbai,  
May 14, 2015

Membership No. 101708

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified in the previous year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) According to the information and explanations given to us and having regard to the nature of the Company's business, the Company does not have any inventories at the balance sheet date since procurements are issued directly for consumption and therefore, the question of reporting on whether physical verification has been carried out at reasonable intervals; procedures of physical verification of inventories were reasonable and adequate; and discrepancies noticed on physical verification were material, does not arise. On the basis of our examination of records of inventories, in our opinion, the Company has maintained proper records of its inventories.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of services, and during the course of our audit we have not observed any continuing failure to correct major weakness in such internal control system. The activities of the Company do not involve sale of goods.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act.
- (vi) The Company is not required to maintain cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. As informed to us, the provisions for Employee's State Insurance and Excise duty were not applicable to the Company during the year.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax and Cess which have not been deposited as on 31st March, 2015 on account of disputes.
- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (viii) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit but has incurred cash losses in the immediately preceding financial year.
- (ix) Delay in repayment of dues (including interest) to a financial institution aggregating to ₹ 534 lakhs have been regularised within 92 days from due date. There are no outstanding dues to financial institutions as at 31st March, 2015. There were no dues to banks and the Company has not borrowed any sum through issue of debentures.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Samir R. Shah**  
Partner  
Membership No. 101708

Mumbai,  
May 14, 2015

## Balance Sheet as at 31 March, 2015

₹ in lakhs

Particulars	Note No.	As at 31 March, 2015	As at 31 March, 2014
<b>(I) EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	42,801.85	42,801.85
(b) Reserves and surplus	4	225,694.36	224,612.48
		<u>268,496.21</u>	<u>267,414.33</u>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	16,670.70	24,039.92
(b) Deferred tax liabilities (net)	6	376.20	–
(c) Other long-term liabilities	7	4,340.80	30,731.74
		<u>21,387.70</u>	<u>54,771.66</u>
<b>3 Current liabilities</b>			
(a) Trade payables	8	2,249.83	1,845.12
(b) Other current liabilities	7	51,106.98	4,991.23
(c) Short-term provisions	9	171.41	2,434.34
		<u>53,528.22</u>	<u>9,270.69</u>
<b>TOTAL</b>		<b><u>343,412.13</u></b>	<b><u>331,456.68</u></b>
<b>(II) ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
– Tangible assets	10	6,599.09	7,347.79
(b) Non-current investments	11	311,531.94	314,406.87
(c) Long-term loans and advances	13	5,565.92	5,661.85
		<u>323,696.95</u>	<u>327,416.51</u>
<b>2 Current assets</b>			
(a) Current investments	12	14,979.06	–
(b) Trade receivables	14	613.19	588.93
(c) Cash and bank balances	15	357.85	209.72
(d) Short-term loans and advances	13	1,110.25	855.62
(e) Other current assets	16	2,654.83	2,385.90
		<u>19,715.18</u>	<u>4,040.17</u>
<b>TOTAL</b>		<b><u>343,412.13</u></b>	<b><u>331,456.68</u></b>
<b>See accompanying notes forming part of the financial statements</b>			

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Samir R. Shah**  
Partner

Mumbai  
May 14, 2015

For and on behalf of the Board of Directors

**Rajiv Agarwal**  
Managing Director

**T. S. Narayanasami**  
Director

Mumbai  
May 14, 2015

**A.S. Bali**  
Director Finance

**Manoj Contractor**  
Company Secretary

## Statement of Profit and Loss for the year ended 31 March, 2015

₹ in lakhs

Particulars	Note No.	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>Income</b>			
Revenue from operations	17	3,462.92	4,013.43
Other income	18	5,377.33	4,412.87
<b>Total revenue</b>		<b>8,840.25</b>	<b>8,426.30</b>
<b>Expenses</b>			
Operating expenses	19	883.95	1,512.91
Employee benefits expense	20	1,003.91	954.69
Other expenses	21	3,326.21	2,754.02
<b>Total expenses</b>		<b>5,214.07</b>	<b>5,221.62</b>
<b>Profit before finance costs, depreciation expense and tax</b>		<b>3,626.18</b>	<b>3,204.68</b>
Finance costs	22	2,338.34	5,169.79
Depreciation expense	10	752.52	758.77
<b>Profit / (Loss) before tax and exceptional item</b>		<b>535.32</b>	<b>(2,723.88)</b>
<b>Exceptional item</b>			
Net gain on sale of non-current investments		–	149.33
<b>Profit / (Loss) before tax</b>		<b>535.32</b>	<b>(2,574.55)</b>
<b>Tax expense</b>			
Current tax (Minimum alternate tax (MAT) and tonnage tax)		300.88	0.50
Mat credit entitlement		(201.84)	–
Deferred tax (net)		376.20	–
<b>Profit / (Loss) for the year</b>		<b>60.08</b>	<b>(2,575.05)</b>
<b>Earnings per share (face value ₹ 10/- per share)</b>	26		
Basic and diluted (in ₹)		0.01	(0.60)
<b>See accompanying notes forming part of the financial statements</b>			

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants**Samir R. Shah**  
PartnerMumbai  
May 14, 2015

For and on behalf of the Board of Directors

**Rajiv Agarwal**  
Managing Director**T. S. Narayanasami**  
DirectorMumbai  
May 14, 2015**A.S. Bali**  
Director Finance**Manoj Contractor**  
Company Secretary



## Cash Flow Statement for the year ended 31 March 2015

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>I Cash flow from operating activities</b>		
<b>Profit / (Loss) before tax</b>	535.32	(2,574.55)
Adjustments for :		
Depreciation expense	752.52	758.77
Finance costs	2,338.34	5,169.79
Interest income on bank deposits	(11.21)	(10.27)
Interest income on loans and advances to a related party	(20.97)	–
Interest income on overdue receivable	(212.81)	–
Net gain on sale of non-current investments	–	(149.33)
Dividend from a subsidiary	(2,208.05)	(2,208.22)
Net unrealised gain on foreign currency translation and transactions	(77.63)	(148.16)
Amortisation of foreign currency monetary items translation difference account (FCMITDA)	2,018.20	1,589.23
<b>Operating profit before working capital changes</b>	<b>3,113.71</b>	<b>2,427.26</b>
<b>Changes in working capital</b>		
Changes in receivable, loans and advances and other current assets	(864.83)	(400.59)
Changes in payables, other liabilities and provisions	(24,595.63)	(468.01)
<b>Cash (used) / generated from operations</b>	<b>(22,346.75)</b>	<b>1,558.66</b>
Taxes (paid) / refund, net	(123.30)	(262.71)
<b>Net cash (used in) / generated flow from operating activities (I)</b>	<b>(22,470.05)</b>	<b>1,295.95</b>
<b>II Cash flow from investing activities</b>		
Payment for acquisition of fixed assets / to capital creditors	(3.82)	(568.52)
Advances received against sale of investments	33,611.00	–
Purchase of non-current investments	(67.97)	–
Proceeds from sale of non-current investments	–	40,134.46
Advance received for sale of asset refunded	–	(2,492.68)
Advance received against sale of investments repaid	–	(3,110.00)
Investment in shares of subsidiaries	(12,036.15)	–
Share application money given to subsidiaries	(359.50)	(3,630.00)
Refund of share application money given to subsidiaries	1,069.30	14,399.00
Dividend received from a subsidiary	2,208.05	2,208.22
Proceeds from maturity of fixed deposits	–	343.72
Fixed deposits placed for a period of more than three months	(154.91)	(180.25)

## Cash Flow Statement for the year ended 31 March 2015

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Interest received on loans and advances given	20.97	–
Interest received on fixed deposits	4.78	14.63
<b>Net cash generated from investing activities (II)</b>	<b>24,291.75</b>	<b>47,118.58</b>
<b>III Cash flow from financing activities</b>		
Repayment of long-term borrowing	(500.00)	(37,000.00)
Repayment of short term borrowing	–	(3,500.00)
Repayment of unsecured loan from a related party	(325.00)	–
Proceeds from unsecured loan from a related party	2,911.77	–
Dividend paid (including corporate dividend tax)	(2,139.44)	(2,139.44)
Finance costs paid	(1,775.81)	(5,835.34)
<b>Net cash used in financing activities (III)</b>	<b>(1,828.48)</b>	<b>(48,474.78)</b>
<b>Net (decrease) in cash and cash equivalents for the year (I + II + III)</b>	<b>(6.78)</b>	<b>(60.25)</b>
Cash and cash equivalents at the beginning of the year	118.04	178.29
<b>Cash and cash equivalents at the end of the year</b>	<b>111.26</b>	<b>118.04</b>

### Notes :

	As at 31 March, 2015	As at 31 March, 2014
1 Reconciliation between closing cash and cash equivalents and cash and bank balances		
Cash and cash equivalents as per cash flow statement	111.26	118.04
Add : Margin money deposits not considered as cash and cash equivalents as per AS-3	246.59	91.68
<b>Cash and bank balances as per note 15</b>	<b>357.85</b>	<b>209.72</b>

2 During the year the company has converted advance received against provision of services in to intercorporate deposit amounting to ₹ 2,300.00 lakhs.

3 Cash flow statement has been prepared under the indirect method as set out in "Accounting Standard 3 - Cash Flow Statement" specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

### See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Samir R. Shah**  
Partner

Mumbai  
May 14, 2015

For and on behalf of the Board of Directors

**Rajiv Agarwal**  
Managing Director

**T. S. Narayanasami**  
Director

Mumbai  
May 14, 2015

**A.S. Bali**  
Director Finance

**Manoj Contractor**  
Company Secretary

## Notes forming part of the financial statements

### 1. CORPORATE INFORMATION

Essar Ports Limited (“the Company”) is a public limited company domiciled in India and incorporated under the Companies Act, 1956. The Company is engaged in business of providing fleet operating and chartering services. The Company is listed on BSE Limited and the National Stock Exchange of India Limited (NSE). The Company through its subsidiaries develops and operates ports and terminals for handling liquid, dry bulk, break bulk and general cargo, with an existing aggregate capacity of 120 MTPA across facilities located at Vadinar and Hazira in the State of Gujarat on the west coast of India, Paradip in the State of Odisha and Visakhapatnam in the State of Andhra Pradesh on the east coast of India. The facilities at Vadinar, Hazira, Paradip and Visakhapatnam are used primarily by affiliated customers for the receipt of raw materials such as crude oil, iron ore / pellets, limestone, dolomite and coal and for the dispatch of finished goods such as petroleum products and steel products. The Company through its subsidiaries is in the process of increasing its aggregate ports capacity to 194 MTPA with expansion projects at Hazira, a new port at Salaya in Gujarat, one terminal at Paradip and one iron ore berth at Visakhapatnam. The ports expansion projects have been undertaken, in part, to accommodate the increase in traffic expected to arise from plant expansions planned to be carried out by the Company’s affiliated customers, and in part to support the increase in business from non-affiliated customers.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”). The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 2.4.

#### 2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the

actual results and the estimates are recognised in the periods in which the results are known/ materialise.

#### 2.3 Fixed assets

Fixed assets are recorded at cost or at revalued amounts less accumulated depreciation, amortisation and impairment loss, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure including brokerage and start-up costs on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Subsequent expenditure on fixed assets after its purchase/ completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

#### 2.4 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Nature of fixed asset	Useful life
Plant and machinery (floating cranes)	32-35 years

Assets costing less than ₹ 5,000/- are fully depreciated in the year of capitalization. Depreciation on additions/ deductions to fixed assets made during the year is provided on a pro-rata basis from / up to the date of such additions /deductions, as the case may be.

#### 2.5 Impairment of assets

The carrying values of assets (cash generating units) at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss,

## Notes forming part of the financial statements

unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

### 2.6 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### 2.7 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

### 2.8 Foreign currency transactions

Foreign currency transactions are accounted at the exchange rate normally prevailing on the transaction date. Monetary items denominated in foreign currency are translated at the exchange rate prevailing as at the balance sheet date. Exchange differences arising on

settlement or conversion of short term foreign currency monetary items are recognised in the Statement of Profit and Loss. Exchange differences relating to long term foreign currency monetary items are accounted as under:

- (i) in so far as they relate to the acquisition of a depreciable capital asset, such differences are added to / deducted from the cost of such capital asset and depreciated over the balance useful life of the asset.
- (ii) in other cases, such differences are accumulated in 'Foreign Currency Monetary Items Translation Difference Account' and amortised in the Statement of Profit and Loss over the balance life of the long term foreign currency monetary item.

### 2.9 Taxation

Current tax is the amount of tax payable as per special provisions relating to income of shipping companies under the Income Tax Act, 1961 on the basis of deemed tonnage income of the Company and tax payable on other taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right

## Notes forming part of the financial statements

for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

### 2.10 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, the existence of which will be confirmed by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because a reliable estimate of the liability cannot be made or the likelihood of an outflow of economic resources is remote. Contingent liabilities are disclosed in the notes to financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements.

### 2.11 Revenue recognition

Revenue from operation represents income from charter hire of fleet. Revenue on transactions of rendering services is recognised under the completed service contract method. Performance is regarded as achieved when the services are rendered and no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services.

### 2.12 Other income

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable (accrual basis). Dividend income is recognised when the right to receive it is established.

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

### 2.13 Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in

the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss or Expenditure during construction, as applicable, on a straight-line basis over the lease term.

### 2.14 Employee benefits

a) The Company (employer) and the employees contribute a specified percentage of eligible employees' salary- currently 12%, to the employer established provident fund "Essar Ports Limited Provident Fund" set up as an irrevocable trust by the Company. The Company is generally liable for annual contributions and any shortfall in the fund assets based on government specified minimum rates of return – currently - 8.75%, and recognises such provident fund liability, considering fund as the defined benefit plan, based on an independent actuarial valuation carried out at every financial year end using the Projected Unit Credit Method.

b) Post-employment benefit plans

Contribution to defined contribution retirement benefit schemes are recognised as expense in the Statement of Profit and Loss, when employees have rendered services entitling them to contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss, for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and is otherwise amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the

## Notes forming part of the financial statements

defined benefit obligation and is adjusted both for unrecognised past service cost, and for the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme, if lower.

c) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services.

d) Long-term employee benefits

Compensated absences for the privilege leave which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the balance sheet date as against the accounting policy of previous year wherein compensated absences for all the leaves were recognised as a liability. The compensated absences will be recognised as a liability only for the privilege leave accumulated till December 31, 2015 after which all the leave outstanding at the end of the each calendar year will be lapsed. The privilege leave accumulated as of December 31, 2015 will be encashed on the basis of December 31, 2015 salary, only when the employee separates from the Company.

e) Employee Stock Option Scheme

Stock options granted to employees under the employees' stock option scheme (ESOS) are accounted by adopting the intrinsic value method in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on accounting for employee share based payments issued by the ICAI. Accordingly, the excess of market price of the shares over the exercise price is recognised as deferred employee compensation and is charged to the Statement of Profit and Loss on straight-line basis over the vesting period. The number of options expected to vest is based on the best available estimate and are revised, if necessary, if subsequent information indicates that the number of stock options expected to vest differs from previous estimates.

### 2.15 Cash and cash equivalents (for the purposes of Cash Flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 2.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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.

### 2.17 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### 2.18 Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## Notes forming part of the financial statements

### 3. SHARE CAPITAL

(a) Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number	₹ in lakhs	Number	₹ in lakhs
<b>Authorised</b>				
Equity shares of ₹ 10/- each	1,000,000,000	100,000.00	1,000,000,000	100,000.00
Redeemable cumulative preference shares of ₹ 100/- each	1,050,000	1,050.00	1,050,000	1,050.00
		<b>101,050.00</b>		<b>101,050.00</b>
<b>Issued and subscribed</b>				
Equity shares of ₹ 10/- each	428,134,646	42,813.46	428,134,646	42,813.46
<b>Paid up</b>				
Equity shares of ₹ 10/- each (refer note below)	427,887,998	42,788.80	427,887,998	42,788.80
Forfeited equity shares	246,648	13.05	246,648	13.05
		<b>42,801.85</b>		<b>42,801.85</b>

Of above 171,887,182 equity shares were allotted as fully paid up equity shares for consideration other than cash pursuant to the scheme of amalgamation during the financial year 2008-09.

#### (b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number	₹ in lakhs	Number	₹ in lakhs
<b>Equity shares of ₹ 10/- each</b>				
At the beginning of the year	427,887,998	42,788.80	427,887,998	42,788.80
Add: Issue of shares during the year	–	–	–	–
<b>Outstanding at the end of the year</b>	<b>427,887,998</b>	<b>42,788.80</b>	<b>427,887,998</b>	<b>42,788.80</b>

#### (c) Terms of / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each share holder of equity share is eligible to one vote per share held. In the event of liquidation, the holder of equity share is entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

#### (d) Shares held by holding company, the ultimate holding company, their subsidiaries and associates

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Number	₹ in lakhs	%	Number	₹ in lakhs	%
<b>Equity shares of ₹ 10/- each</b>						
Essar Ports & Shipping Limited, Mauritius, the immediate holding company	261,664,301	26,166.43	61.15	–	–	–
Essar Shipping & Logistics Limited, Cyprus, subsidiary of the ultimate holding company	33,387	3.34	0.01	261,697,688	26,169.77	61.16
Essar Global Fund Limited, Cayman island, the ultimate holding company	66	0.01	0.00	66	0.01	0.00
Essar Projects (India) Limited, subsidiary of the ultimate holding company	56,397,000	5,639.70	13.18	56,397,000	5,639.70	13.18
Essar Steel India Limited, subsidiary of the ultimate holding company	2,547,223	254.72	0.60	2,547,223	254.72	0.60
	<b>320,641,977</b>	<b>32,064.20</b>	<b>74.94</b>	<b>320,641,977</b>	<b>32,064.20</b>	<b>74.94</b>

There are no other shareholders holding more than 5% shares in the Company other than as disclosed in (d) above.

## Notes forming part of the financial statements

### (i) Stock options :

In the annual general meeting held on September 9, 2011, the shareholders have approved the issue of upto 1% options under the "Essar Ports Employee Stock Options Scheme 2011" to be issued in one or more tranches.

Out of above, 740,334 and 1,292,746 options (convertible into equivalent number of equity shares of ₹ 10/- each of the Company, in three equal installments i.e. at the end of 3rd / 4th / 5th years from the grant date have been granted to the eligible employees and executive directors of the Company pursuant to Essar Ports Employee Stock Option Scheme 2011 on 28 November 2011 and 22 January 2014 respectively. The exercise period for the options is 7 years from the date of vesting.

These stock options have been granted at an option value of ₹ 71.10 and ₹ 57.75 respectively per equity share of the face value of ₹ 10/- each (i.e. the closing price of the equity shares of the Company on 1 December 2011 and 21 January 2014 at the National Stock Exchange of India Limited, being the exchange having the higher quantity of trading of Company's shares). Out of above, 2,033,080 options were outstanding as on 31 March 2015.

- (ii) 5% Foreign Currency Convertible Bonds are convertible into 20,475,463 equity shares at the option of the holders, (as at 31 March 2014, 20,475,463 equity shares) of ₹ 10/- each at ₹ 91.70 per share (refer footnote (ii) to note 5).

## 4. RESERVES AND SURPLUS

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>a. General reserve</b>		
As per last balance sheet	70,035.74	70,035.74
<b>b. Securities premium account</b>		
As per last balance sheet	15,461.11	15,461.11
<b>c. Revaluation reserve</b>		
Opening balance	72.02	83.18
Less: Utilised for set off against depreciation expense	–	(11.16)
<b>Closing balance</b>	<b>72.02</b>	<b>72.02</b>
<b>d. Tonnage tax reserve</b>		
Opening balance	750.00	500.00
Add: Transferred from surplus in Statement of Profit and Loss	250.00	250.00
<b>Closing balance</b>	<b>1,000.00</b>	<b>750.00</b>
<b>e. Foreign currency monetary items translation difference account</b>		
Opening balance	(3,390.61)	(2,695.64)
Add: Effect of foreign currency rate variations during the year	(996.40)	(2,284.20)
Less: Amortised during the year	2,018.20	1,589.23
<b>Closing balance</b>	<b>(2,368.81)</b>	<b>(3,390.61)</b>
<b>f. Surplus in Statement of Profit and Loss</b>		
Opening balance	141,684.22	146,648.71
Less: Profit / (loss) for the year	60.08	(2,575.05)
Less: Dividends proposed / paid on equity shares (₹ Nil per share (previous year ₹ 0.50 per share))	–	(2,139.44)
Less: Transferred to tonnage tax reserve	(250.00)	(250.00)
<b>Closing balance</b>	<b>141,494.30</b>	<b>141,684.22</b>
<b>Total</b>	<b>225,694.36</b>	<b>224,612.48</b>



## Notes forming part of the financial statements

### 5. LONG-TERM BORROWINGS

₹ in lakhs

Particulars	Non-current		Current	
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
<b>Secured</b>				
Rupee term loan from a financial institution (refer footnote (i) below)	–	–	–	500.00
<b>Total secured loan [A]</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>500.00</b>
<b>Unsecured</b>				
(a) 5% Foreign currency convertible bonds (FCCB) (refer footnote (ii) below)	11,624.01	24,039.92	13,412.31	–
(b) Rupee term loan from a related party (refer footnote (iii) below) and (refer note 31)	5,046.69	–	–	–
<b>Total unsecured loans [B]</b>	<b>16,670.70</b>	<b>24,039.92</b>	<b>13,412.31</b>	<b>–</b>
<b>Total [A + B]</b>	<b>16,670.70</b>	<b>24,039.92</b>	<b>13,412.31</b>	<b>500.00</b>
Less: Amount disclosed under the head 'other current liabilities' (refer note 7)	–	–	(13,412.31)	(500.00)
<b>Long-term borrowings</b>	<b>16,670.70</b>	<b>24,039.92</b>	<b>–</b>	<b>–</b>

- Secured rupee term loan from a financial institution is repayable on 30 June 2014. The loan is secured against movable fixed assets and all the cash inflows including dividend received / to be received and receivables of the Company.
- FCCBs of US\$ 18,571,428 (Series - B) due on 24 August 2017 and US\$ 21,428,572 (Series - A) due on 24 August 2015 carry interest @ 5% per annum payable semi annually. The FCCBs are convertible into 20,475,463 fully paid equity shares of ₹ 10 each of the Company, any time upto the date of maturity, at the option of the FCCBs holders at conversion price of ₹ 91.70 per share at a predetermined exchange rate of ₹ 46.94 per USD. The FCCBs, if not converted, till the maturity date will be redeemed at par.
- Unsecured loan from a related party has been received in tranches during the period 24 July, 2014 to 30 March, 2015 and is repayable at the end of the 25th month from the date of receipt of each tranche.
- The classification of loans between current liabilities and non-current liabilities continues based on repayment schedule under respective loan agreements as no loans have been recalled by the lenders due to non compliance of conditions under any of the loan agreement.

### 6. DEFERRED TAX LIABILITIES (NET)

₹ in lakhs

Particulars		As at 31 March, 2015	As at 31 March, 2014
<b>Tax effect of items constituting deferred tax liabilities</b>			
On difference between book balance and tax balance of fixed assets		376.20	324.53
	<b>(A)</b>	<b>376.20</b>	<b>324.53</b>
<b>Tax effect of items constituting deferred tax assets</b>			
Unabsorbed depreciation carried forward		–	324.53
	<b>(B)</b>	<b>–</b>	<b>324.53</b>
<b>Deferred tax liabilities (net)</b>	<b>(A-B)</b>	<b>376.20</b>	<b>–</b>

The Company had recognised deferred tax asset in previous year on unabsorbed depreciation to the extent of the corresponding reversible deferred tax liability on the difference between the book balance and the written down value of fixed assets under income tax.

## Notes forming part of the financial statements

### 7. OTHER LONG-TERM / CURRENT LIABILITIES

₹ in lakhs

Particulars	Non-current		Current	
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
Advances received towards sale of Investments (refer note 31)	–	–	33,611.00	–
Advances from related parties (refer note 31)	–	30,590.94	1,688.93	2,630.44
Current maturities of long-term borrowings (refer note 5)	–	–	13,412.31	500.00
Interest accrued but not due on borrowings	–	–	121.71	341.86
Interest accrued and due on borrowings	–	–	622.76	–
Security deposits received (refer note 31)	4,340.80	140.80	1,067.00	1,067.00
Other liabilities (including statutory dues for service tax, VAT and tax deducted at source)	–	–	502.57	378.25
Others current liabilities (refer note 31)	–	–	80.70	73.68
<b>Total</b>	<b>4,340.80</b>	<b>30,731.74</b>	<b>51,106.98</b>	<b>4,991.23</b>

### 8. TRADE PAYABLES

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
Trade payables - other than acceptances (refer note 29)	2,249.83	1,845.12
<b>Total</b>	<b>2,249.83</b>	<b>1,845.12</b>

### 9. SHORT-TERM PROVISIONS

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>(a) Provision for employee benefits</b>		
Gratuity (refer note 30)	3.57	3.96
Compensated absences (refer note 30)	62.10	164.88
Provision for superannuation	3.94	–
<b>(b) Others</b>		
Provision for taxation [net of advance tax of ₹ 1,673.11 (previous year ₹ 1,838.58 lakhs)]	101.80	126.06
Proposed dividend on equity shares	–	2,139.44
<b>Total</b>	<b>171.41</b>	<b>2,434.34</b>

## Notes forming part of the financial statements

### 10. TANGIBLE ASSETS

₹ in lakhs

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 01 April, 2014	Additions during the year	As at 31 March, 2015	As at 01 April, 2014	Depreciation for the year	As at 31 March, 2015	As at 31 March, 2015	As at 31 March, 2014
Fleet	6,222.81	–	6,222.81	2,901.95	408.23	3,310.18	2,912.63	3,320.86
	(6,222.81)	–	(6,222.81)	(2,462.62)	(439.33)	(2,901.95)	(3,320.86)	(3,760.19)
Plant and equipment	5,002.50	–	5,002.50	975.57	342.87	1,318.44	3,684.06	4,026.93
	(5,002.50)	–	(5,002.50)	(644.97)	(330.60)	(975.57)	(4,026.93)	(4,357.53)
Computer and IT equipments	–	3.82	3.82	–	1.42	1.42	2.40	–
	–	–	–	–	–	–	–	–
<b>Total tangible assets</b>	<b>11,225.31</b>	<b>3.82</b>	<b>11,229.13</b>	<b>3,877.52</b>	<b>752.52</b>	<b>4,630.04</b>	<b>6,599.09</b>	<b>7,347.79</b>
<b>Previous year</b>	<b>(11,225.31)</b>	<b>–</b>	<b>(11,225.31)</b>	<b>(3,107.59)</b>	<b>(769.93)</b>	<b>(3,877.52)</b>	<b>(7,347.79)</b>	

#### Note:

- Fleet were revalued on 31 March 2008 on the basis of valuation done by an approved valuer based on then prevailing comparable market rates. The net difference between book value and revalued value as on 31 March 2008 amounting to ₹ 129.62 lakhs had been added to book value of fleet and corresponding credit was given to revaluation reserve. Out of depreciation for the year, a sum of ₹ Nil (previous year ₹ 11.16 lakhs) to the extent it is charged on the increased value has been recouped from revaluation reserve and balance depreciation of ₹ 752.52 lakhs (previous year ₹ 758.77 lakhs) has been debited to the Statement of Profit and Loss.
- During the year, pursuant to the notification of the schedule II to the Companies Act, 2013, the Company has revised the estimated useful life of its fleet based on the technical evaluation of an independent valuer, consequent to the change, the depreciation charge in the statement of Profit and Loss for the year is lower by ₹ 15.92 Lakhs.
- Fleet have been hypothecated against secured non convertible debentures issued by Essar Shipping Limited (fellow subsidiary).
- Previous year figures are disclosed in bracket.

### 11. NON-CURRENT INVESTMENTS

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>Trade investments (valued at cost)</b>		
<b>(a) Investments in equity shares (unquoted, fully paid up)</b>		
<b><u>Investments in subsidiaries</u></b>		
45,000 equity shares of ₹ 10/- each of Essar Paradip Terminals Limited	4.50	4.50
3,700,000 equity shares of ₹ 10/- each of Essar Bulk Terminal Limited	373.66	373.66
31,133,736 (previous year 78,654,397) equity shares of ₹ 10/- each of Vadinar Ports & Terminals Limited	2,979.76	7,527.87
1,046,142,000, equity shares of ₹ 10/- each of Vadinar Oil Terminal Limited	122,921.01	122,921.01
3,004,875, equity shares of ₹ 10/- each of Essar Bulk Terminal (Salaya) Limited	320.04	320.04
24,500 (previous year Nil), equity shares of ₹ 10/- each of Vadinar Liquid Terminal Limited	2.45	–
<b>[A]</b>	<b>126,601.42</b>	<b>131,147.08</b>
<b><u>Investments in equity shares of others</u></b>		
3,450 (previous year Nil) equity shares of MZN 1,000 each of New Coal Terminal Beira, S.A	67.97	–
<b>[B]</b>	<b>67.97</b>	<b>–</b>

## Notes forming part of the financial statements

### 11. NON-CURRENT INVESTMENTS (Contd.)

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>(b) Investments in preference shares (unquoted, fully paid up)</b>		
<b>Investment in subsidiaries</b>		
Nil (previous year 15,730,000) 0.01% optionally convertible redeemable cumulative preference shares of ₹ 10/- each of Essar Bulk Terminal Limited (refer note 35)	–	27,488.91
Nil (previous year 79,022,903), 0.01% fully convertible cumulative preference shares of ₹ 10/- each of Essar Bulk Terminal Limited	–	116,136.22
224,737,753 (previous year 129,984,850), 0.01% compulsorily convertible cumulative participating preference shares of ₹ 10/- each of Essar Bulk Terminal Limited	171,928.85	28,303.72
Nil (previous year 105,073,630), 0.01% compulsorily convertible cumulative participating preference shares of ₹ 10/- each of Essar Bulk Terminal (Salaya) Limited (refer note 35)	–	10,430.94
40,750,000 (previous year 9,000,000), 0.01% compulsorily convertible cumulative participating preference shares of ₹ 10/- each of Essar Paradip Terminals Limited	4,075.00	900.00
88,587,000 (previous year Nil), 0.01% compulsorily convertible cumulative participating preference shares of ₹ 10/- each of Essar Vizag Terminals Limited	8,858.70	–
<b>[C]</b>	<b>184,862.55</b>	<b>183,259.79</b>
<b>Total</b>	<b>[A+B+C] 311,531.94</b>	<b>314,406.87</b>

#### Notes :-

- Aggregate cost of unquoted investments as at 31 March 2015 ₹ 311,531.94 lakhs (previous year ₹ 314,406.87 lakhs).
- Following investments are in process of being registered in the name of the Company.

Particulars	As at 31 March 2015	As at 31 March 2014
	No. of shares	No. of shares
Equity shares of ₹ 10/- each of Essar Bulk Terminal Limited	2,450,006	3,699,993
Equity shares of ₹ 10/- each of Vadinar Oil Terminal Limited	–	1,046,141,940
Equity shares of ₹ 10/- each of Essar Bulk Terminal (Salaya) Limited	–	3,004,815
0.01% optionally convertible redeemable cumulative preference shares of ₹ 10/- each of Essar Bulk Terminal Limited	–	32,930,000
0.01% fully convertible cumulative preference shares of ₹ 10/- each of Essar Bulk Terminal Limited	–	60,691,150
0.01% compulsorily convertible cumulative participating preference shares of ₹ 10/- each of Essar Bulk Terminal Limited	46,492,577	96,188,850
0.01% compulsorily convertible cumulative participating preference shares of ₹ 10/- each of Essar Bulk Terminal (Salaya) Limited	–	95,823,630

## Notes forming part of the financial statements

### 12. CURRENT INVESTMENTS

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>Trade investments (Valued at lower at cost and fair value)</b>		
47,520,661 (previous year Nil) Equity shares of ₹ 10/- each of Vadinar Ports & Terminal Limited	4,548.12	–
105,073,630 (previous year Nil) 0.01% compulsorily convertible cumulative participating preference shares of ₹ 10 each of Essar Bulk Terminal (Salaya) Limited	10,430.94	–
<b>Total</b>	<b>14,979.06</b>	<b>–</b>

i. Aggregate cost of unquoted investments as at 31 March 2015 ₹ 14,979.06 lakhs (previous year ₹ Nil).

### 13. LONG-TERM / SHORT-TERM LOANS AND ADVANCES

₹ in lakhs

Particulars	Non-current		Current	
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
<u>Unsecured, considered good</u>				
Security deposit to a related party (refer note 31)	176.00	176.00	–	–
Security deposit to others	0.15	–	540.00	540.00
Advances recoverable in cash or kind or for value to be received	–	–	31.57	21.30
Advances towards share application money to subsidiaries (refer note 31)	97.00	806.80	–	–
Advance income-tax and tax deducted at source [ net of provision for tax of ₹ 101.80 (previous year ₹ 5.50 lakhs)	1,673.11	1,673.11	–	–
MAT credit available	201.84	–	–	–
Prepaid expenses	609.39	6.63	113.84	62.91
Service tax receivable	2,808.43	2,999.31	393.83	202.05
Cenvat receivable	–	–	31.01	29.36
<b>Total</b>	<b>5,565.92</b>	<b>5,661.85</b>	<b>1,110.25</b>	<b>855.62</b>

### 14. TRADE RECEIVABLES

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
<u>Unsecured, considered good</u>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	176.00	588.93
Other trade receivables	437.19	–
<b>Total</b>	<b>613.19</b>	<b>588.93</b>

## Notes forming part of the financial statements

### 15. CASH AND BANK BALANCES ₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>A. Cash and cash equivalents</b>		
Balances with banks in current accounts	111.26	118.04
<b>[A]</b>	<b>111.26</b>	<b>118.04</b>
<b>B. Other bank balances</b>		
Margin money deposits (lien against facility of bank guarantee)	246.59	91.68
<b>[B]</b>	<b>246.59</b>	<b>91.68</b>
<b>Total</b>	<b>357.85</b>	<b>209.72</b>

### 16. OTHER CURRENT ASSETS ₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
Interest accrued on fixed deposits	6.47	0.04
Receivables for management services and other income (refer note 31)	2,648.36	2,385.86
<b>Total</b>	<b>2,654.83</b>	<b>2,385.90</b>

### 17. REVENUE FROM OPERATIONS ₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>Sale of services</b>		
Fleet operating and chartering earnings	3,462.92	4,013.43
<b>Total</b>	<b>3,462.92</b>	<b>4,013.43</b>

### 18. OTHER INCOME ₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Interest income on bank deposits	11.21	10.27
Interest income on loans and advances to a related party	20.97	–
Interest income on overdue receivable	212.81	181.54
Management fee income (net of expenses of ₹ Nil (previous year ₹ 122.14 lakhs))	1,800.00	1,220.76
Dividend from a subsidiary	2,208.05	2,208.22
Sub branding income	389.78	356.38
Sub lease income	141.37	141.37
Facility charges	146.17	146.17
Insurance claim received	369.34	–
Net gain on foreign currency translation and transactions	77.63	148.16
<b>Total</b>	<b>5,377.33</b>	<b>4,412.87</b>

## Notes forming part of the financial statements

### 19. OPERATING EXPENSES

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Repairs and maintenance - fleet	40.74	81.84
Consumption of fuel	135.60	165.96
Hire charges	2.47	99.65
Manning management expenses	329.00	356.09
Commission, brokerage and agency fees	179.34	443.03
Dry docking expenses	149.16	316.57
Insurance, protection and indemnity club fees	47.64	49.77
<b>Total</b>	<b>883.95</b>	<b>1,512.91</b>

### 20. EMPLOYEE BENEFITS EXPENSE

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Salaries, wages and bonus	941.61	862.66
Contribution to staff provident and other funds (refer note 30)	23.60	47.51
Staff welfare	38.70	44.52
<b>Total</b>	<b>1,003.91</b>	<b>954.69</b>

### 21. OTHER EXPENSES

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Legal and professional fees	433.11	275.43
License fees	392.74	356.38
Travelling	69.22	57.29
Auditors' remuneration (refer note below)	37.49	31.74
Rent	293.03	294.34
Amortisation of foreign currency monetary items translation difference account (FCMITDA) (refer note 4 (e))	2,018.20	1,589.23
Others	82.42	149.61
<b>Total</b>	<b>3,326.21</b>	<b>2,754.02</b>

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>Payments to the statutory auditors comprise (net of service tax):</b>		
As auditors	30.50	29.00
For other services	6.49	2.20
Reimbursement of expenses	0.50	0.54
<b>Total</b>	<b>37.49</b>	<b>31.74</b>

## Notes forming part of the financial statements

### 22. FINANCE COSTS

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Interest expense		
– on loan from a financial institution and others	276.10	3,231.04
– on foreign currency convertible bonds	1,819.27	1,677.88
– on short-term borrowing (refer note 31)	177.69	43.93
Other finance charges (loan processing charges, amortisation of upfront fees etc.)	65.28	216.94
<b>Total</b>	<b>2,338.34</b>	<b>5,169.79</b>

### 23. CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
Guarantees given on behalf of subsidiaries against their borrowings #	264,686.00	207,686.00
<b>Total</b>	<b>264,686.00</b>	<b>207,686.00</b>

# Guarantees have been given for business purpose

### 24. COMMITMENTS

As per the borrowing agreements of subsidiaries with banks and financial institutions, the Company has commitment to invest ₹ 20,970.08/- lakhs (previous year ₹ 12,108.94/- lakhs) into the projects of subsidiaries. Under the agreements with lenders, the Company has committed not to dilute its investments in any of the port and terminal project developed by its subsidiaries below 51% till maturity of the loan.

### 25. DETAILS OF LEASING ARRANGEMENTS - ASSETS TAKEN ON OPERATING LEASES

- a. The Company has entered into a non-cancellable operating lease agreement for office premises in financial year 2012-13 for the period of 5 years with monthly lease rental of ₹ 11.78 lakhs. Future lease rental charges payable by the Company are as under:

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
a. Payable not later than 1 year	141.37	141.37
b. Payable later than 1 year but not later than 5 years	212.06	353.43
<b>Total</b>	<b>353.43</b>	<b>494.80</b>

- b. The Company expects to receive future minimum sublease payments of ₹ 353.43 lakhs (previous year ₹ 494.80 lakhs) as on 31 March 2015. A sum of ₹ 141.37 lakhs (previous year ₹ 141.37 lakhs) has been recognised in Statement of Profit and Loss as rent and sublease income during the year.



## Notes forming part of the financial statements

### 26. EARNINGS PER SHARE

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Net profit / (loss) for the year (₹ in lakhs)	60.08	(2,575.05)
Equity shares at the beginning of the year (nos.)	427,887,998	427,887,998
Equity shares issued during the year (nos.)	–	–
<b>Equity shares at the end of the year (nos.)</b>	<b>427,887,998</b>	<b>427,887,998</b>
Weighted average number of equity shares for the purpose of calculating basic earnings per share (nos.)	427,887,998	427,887,998
Weighted average number of equity shares for the purpose of calculating diluted earnings per share (nos.) *	427,887,998	427,887,998
Earnings per share-basic and diluted (face value of ₹ 10/- each) (in ₹)	0.01	(0.60)

\* Equity shares to be issued upon conversion of FCCB and exercise of Employee Stock Option Plan have not been considered for purpose of calculation of the weighted average number of equity shares for dilution purposes as they are anti-dilutive.

### 27. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

#### A) Unhedged foreign currency exposures

The year end foreign currency (FC) exposures that have not been hedged by a derivative instrument or otherwise are given below:

##### (a) Amounts receivable in foreign currency on account of the following:

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	₹ in lakhs	FC in lakhs	₹ in lakhs	FC in lakhs
Other assets (rendering of services)	1,658.98	USD 26.51	1,592.95	USD 26.51
Other assets (interest receivable)	568.92	USD 9.09	335.65	USD 5.58
Bank balances	0.73	USD 0.01	0.70	USD 0.01

##### (b) Amounts payable in foreign currency on account of the following:

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	₹ in lakhs	FC in lakhs	₹ in lakhs	FC in lakhs
Foreign Currency Convertible Bonds (including interest accrued but not due)	25,780.79	USD 411.89	24,217.82	USD 402.96

B) There were no forward / option contracts entered into by the Company during the current or previous financial year to hedge its foreign currency exposures.

28. The Company has one primary business segment of fleet operations and chartering and only one geographical segment i.e. India.

### 29. Dues to micro, small and medium enterprises

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 and hence disclosure relating to amount unpaid at the year end together with interest paid / payable under this Act have not been given.

## Notes forming part of the financial statements

### 30 EMPLOYEE BENEFITS :

The Company has classified various benefits provided to employees as under:

#### I. Defined contribution plan

The Company has recognised the following amounts in the Statement of Profit and Loss during the year: ₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Employer's contribution to superannuation fund	2.58	2.43

The above amount is included in 'contribution to staff provident and other funds' (refer note 20).

#### II. Defined benefit plans

- Provident fund
- Gratuity
- Compensated absences (CA)

In accordance with AS-15, the relevant disclosures are as under:

#### (A) Changes in present value of defined benefit obligations:

₹ in lakhs

Particulars	Provident fund (funded)		Gratuity-shore officers (funded)		CA (non funded)	
	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014
Present value of defined benefit obligations - opening balance	502.86	396.50	52.93	47.73	164.88	150.90
Current service cost	26.65	30.08	0.55	0.75	3.11	3.73
Current service contribution-employee	28.09	40.08	–	–	–	–
Interest cost	29.09	41.40	4.41	3.77	6.51	4.74
Gain on change in sick leave policy*	–	–	–	–	(91.79)	–
Acquisitions	–	14.02	–	–	–	–
Benefits paid	(240.10)	(20.00)	(10.00)	–	(4.78)	–
Actuarial (gain) / loss on obligations	–	0.78	(0.38)	0.68	(15.83)	5.51
<b>Present value of defined benefit obligations - closing balance</b>	<b>346.59</b>	<b>502.86</b>	<b>47.51</b>	<b>52.93</b>	<b>62.10</b>	<b>164.88</b>

\* During the year the company has credited ₹ 91.79 lakhs in Salaries and wages as sick leave balances will not be carried forward for future utilisation

#### (B) Changes in the fair value of plan asset:

₹ in lakhs

Particulars	Provident fund (funded)		Gratuity-shore officers (funded)		CA (non funded)	
	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014
Fair value of plan assets - opening balance	502.86	396.50	48.97	42.83	–	–
Expected return on plan assets	–	–	3.78	3.71	–	–
Actual return on plan assets	29.09	42.18	–	–	–	–
Actuarial gains / (losses)	–	–	0.22	0.46	–	–
Contributions by the employer / employees	54.74	84.18	0.97	1.97	–	–
Benefits paid	(240.10)	(20.00)	(10.00)	–	–	–
<b>Fair value of plan assets - closing balance</b>	<b>346.59</b>	<b>502.86</b>	<b>43.94</b>	<b>48.97</b>	<b>–</b>	<b>–</b>

## Notes forming part of the financial statements

### (C) Amount recognised in Balance Sheet:

₹ in lakhs

Particulars	Provident fund (funded)		Gratuity-shore officers (funded)		CA (non funded)	
	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014
Present value of defined benefit obligations	346.59	502.86	47.51	52.93	62.10	164.88
Fair value of plan assets at the end of the year	346.59	502.86	43.94	48.97	–	–
<b>Liability / (asset) recognised in the Balance Sheet (note 9)</b>	<b>–</b>	<b>–</b>	<b>3.57</b>	<b>3.96</b>	<b>62.10</b>	<b>164.88</b>

### (D) Expenses recognised in the Statement of Profit and Loss:

₹ in lakhs

Particulars	Provident fund (funded)		Gratuity-shore officers (funded)		CA (non funded)	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014	For the year ended 31 March, 2015	For the year ended 31 March, 2014	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Current service cost	26.65	30.08	0.55	0.75	3.11	3.73
Interest cost	29.09	41.40	4.41	3.77	6.51	4.74
Expected return on plan assets	(29.09)	(42.18)	(3.78)	(3.71)	–	–
Net actuarial (gain) / loss recognised in the period	–	0.78	(0.60)	0.21	(15.83)	5.51
<b>Total expenses recognised in the Statement of Profit and Loss (refer note 20)</b>	<b>26.65</b>	<b>30.08</b>	<b>0.58</b>	<b>1.02</b>	<b>(6.21)</b>	<b>13.98</b>

### (E) Experience history:

₹ in lakhs

Particulars	Provident fund (funded)				
	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2013	As at 31 March, 2012	As at 31 March, 2011
Defined benefit obligations at the end of the year	(346.59)	(502.86)	(396.50)	(268.46)	(1,408.24)
Plan assets at the end of the year	346.59	502.86	396.50	268.46	1,408.24
Funded status	–	–	–	–	–
Experience gain / (loss) adjustments on plan liabilities	–	–	–	–	–
Experience gain / (loss) adjustments on plan assets	–	–	–	–	–
Actuarial gain / (loss) due to change in assumptions	–	–	–	–	–

## Notes forming part of the financial statements

₹ in lakhs

Particulars	Gratuity-shore officers (funded)				
	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2013	As at 31 March, 2012	As at 31 March, 2011
Defined benefit obligations at the end of the year	(47.51)	(52.93)	(47.73)	(35.82)	(30.00)
Plan assets at the end of the year	43.94	48.97	42.83	29.38	25.00
Funded status	(3.57)	(3.96)	(4.90)	(6.44)	5.00
Experience gain / (loss) adjustments on plan liabilities	2.85	(2.76)	(7.20)	0.89	(21.00)
Experience gain / (loss) adjustments on plan assets	0.22	0.46	9.44	0.04	1.00
Actuarial gain / (loss) due to change in assumptions	(2.47)	2.08	(0.80)	0.74	0.39

₹ in lakhs

Particulars	CA (non funded)				
	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2013	As at 31 March, 2012	As at 31 March, 2011
Defined benefit obligation at the end of the year	(62.10)	(164.88)	(150.90)	(46.02)	(53.00)
Plan assets at the end of the year	–	–	–	–	–
Funded status	(62.10)	(164.88)	(150.90)	(46.02)	(53.00)
Experience gain / (loss) adjustments on plan liabilities	2.68	(9.50)	(4.09)	12.41	(45.00)
Experience gain / (loss) adjustments on plan assets	–	–	–	–	–
Actuarial gain / (loss) due to change in assumptions	13.15	4.72	(1.59)	12.41	–

## (F) Category of plan assets:

Percentage of each category of plan assets to total fair value of plan assets:	Provident fund (funded)		Gratuity-shore officers (funded)		CA (non funded)	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014	For the year ended 31 March, 2015	For the year ended 31 March, 2014	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	Administered by Life Insurance Corporation of India (LIC)*	–	–	100%	100%	NA
Government of India securities	25%	25%	–	–	NA	NA
Public sector bonds / TDRs	60%	60%	–	–	NA	NA
State government securities	15%	15%	–	–	NA	NA

\* The Company is unable to obtain the details of plan assets from LIC and hence the disclosure thereof is not made.

## Notes forming part of the financial statements

### (G) Actuarial assumptions

In accordance with Accounting Standard (AS) 15 (Revised), actuarial valuation as at the year end was done in respect of the aforesaid defined benefit plans based on the following assumptions:

i) General assumptions:

Particulars	Provident fund (funded)		Gratuity-shore officers (funded)		CA (non funded)	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014	For the year ended 31 March, 2015	For the year ended 31 March, 2014	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Discount rate (per annum)	7.80%	9.20%	7.80%	9.20%	7.80%	9.20%
Rate of return on plan assets (for funded scheme)	8.75%	8.75%	8.50%	8.50%	NA	NA
Expected retirement age of employees (years)	58	58	58	58	58	58
Separation rate of employees	–	–	10.00%	10.00%	10.00%	10.00%
Rate of increase in compensation	–	–	9.00%	9.00%	9.00%	9.00%

ii) Mortality rates considered are as per the published rates in India Assured Lives Mortality (2006-08) (modified) Ultimate.

iii) Leave policy:

- a) Sick Leave cannot be accumulated or en-cashed and will lapse every year in the month of December.
  - b) Leave balance as at 31 December 2015 to the extent not availed by the employees is available for encashment on separation from the Company upto a maximum of 120 days.
- iv) The expected contribution to be made by the Company for funding its liability for gratuity during the financial year 2015-16 will be ₹ 2 lakhs and actual contribution will be made as per demand raised by the fund administrator Life Insurance Corporation of India.
- v) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over entire life of the related obligation.
- vi) The assumption of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion, supply and demand and other relevant factors.
- vii) The employees gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method.
- viii) The employer managed provident fund is considered as defined benefit plan.
- ix) Liability on account of long term compensated absences has been actuarially valued as per Projected Unit Credit Method.
- x) Short term compensated absences have been provided on actual basis.

### 31. RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES

#### a) Holding companies :

- i) Essar Global Fund Limited, Cayman Island, (ultimate holding company)
- ii) Essar Shipping & Logistics Limited, Cyprus, (intermediate holding company) (immediate holding company till 27 March 2015)
- iii) Essar Ports & Shipping Mauritius Limited, Mauritius (intermediate holding company) (from 27 March 2015)
- iv) Essar Ports & Shipping HoldCo Limited, Mauritius (intermediate holding company) (from 27 March 2015)
- v) Essar Ports & Shipping Jersey Limited, Jersey (intermediate holding company) (from 27 March 2015)
- vi) Essar Ports & Shipping Limited, Mauritius (immediate holding company) (from 27 March 2015)

## Notes forming part of the financial statements

### b) Subsidiaries:

- i) Essar Bulk Terminal Limited
- ii) Vadinar Oil Terminal Limited
- iii) Vadinar Ports & Terminals Limited
- iv) Essar Bulk Terminal (Salaya) Limited
- v) Essar Bulk Terminal Paradip Limited
- vi) Essar Paradip Terminals Limited
- vii) Essar Dredging Limited
- viii) Essar Vizag Terminals Limited
- ix) Petro Tankages India Limited
- x) Vadinar Liquid Terminal Limited ( from 15 February 2015)

### c) Key management personnel :

- (i) Rajiv Agarwal, CEO & Managing Director
- (ii) Kamala Kant Sinha, CEO
- (iii) Shailesh Sawa, Director Finance (upto 15 May 2014)
- (iv) Amardeep Singh Bali, Director Finance (w.e.f 15 May 2014)

### d) Fellow subsidiaries where there have been transactions:

- (i) Aegis Limited
- (ii) Essar Africa Holdings Limited
- (iii) Essar Logistics Limited
- (iv) Essar Shipping Limited
- (v) Essar Oil Limited
- (vi) Essar Power Gujarat Limited
- (vii) Essar Offshore Subsea Limited
- (viii) Equinox Business Parks Private Limited
- (ix) New Coal Terminal Beira, S.A

### e) The details of transactions with related parties during the year

₹ in lakhs

Nature of transactions	Holding companies		Subsidiaries		Fellow subsidiaries		Total	
	Year ended 31 March, 15	Year ended 31 March, 14	Year ended 31 March, 15	Year ended 31 March, 14	Year ended 31 March, 15	Year ended 31 March, 14	Year ended 31 March, 15	Year ended 31 March, 14
<b>Fleet operating and chartering earnings</b>								
Essar Bulk Terminal Limited	–	–	1,170.10	1,606.50	–	–	1,170.10	1,606.50
Vadinar Oil Terminal Limited	–	–	1,108.80	1,040.25	–	–	1,108.80	1,040.25
Essar Logistics Limited	–	–	–	–	620.00	–	620.00	–
Essar Oil Limited	–	–	–	–	113.34	484.78	113.34	484.78
Essar Power Gujarat Limited	–	–	–	–	450.68	881.90	450.68	881.90
<b>Total</b>	<b>–</b>	<b>–</b>	<b>2,278.90</b>	<b>2,646.75</b>	<b>1,184.02</b>	<b>1,366.68</b>	<b>3,462.92</b>	<b>4,013.43</b>
<b>Dividend from a subsidiary</b>								
Essar Bulk Terminal Limited	–	–	2,208.05	2,208.22	–	–	2,208.05	2,208.22

Notes forming part of the financial statements

e) The details of transactions with related parties during the year

₹ in lakhs

Nature of transactions	Holding companies		Subsidiaries		Fellow subsidiaries		Total	
	Year ended 31 March, 15	Year ended 31 March, 14	Year ended 31 March, 15	Year ended 31 March, 14	Year ended 31 March, 15	Year ended 31 March, 14	Year ended 31 March, 15	Year ended 31 March, 14
<b>Interest income on inter corporate deposit</b>								
Essar Vizag Terminals Limited	-	-	20.97	-	-	-	20.97	-
<b>Interest income on overdue receivable</b>								
Essar Africa Holdings Limited	-	-	-	-	212.81	181.54	212.81	181.54
<b>Other income</b>								
<b>(Management fees, sub branding, sub-lease and facility charges)</b>								
Vadinar Oil Terminal Limited	-	-	296.97	242.92	-	-	296.97	242.92
Vadinar Ports & Terminals Limited	-	-	698.92	497.49	-	-	698.92	497.49
Essar Bulk Terminal Limited	-	-	879.10	654.99	-	-	879.10	654.99
Essar Bulk Terminal Paradip Limited	-	-	247.83	193.01	-	-	247.83	193.01
Essar Bulk Terminal (Salaya) Limited	-	-	354.50	255.51	-	-	354.50	255.51
Essar Africa Holdings Limited	-	-	-	-	-	142.91	-	142.91
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,477.32</b>	<b>1,843.92</b>	<b>-</b>	<b>142.91</b>	<b>2,477.32</b>	<b>1,986.83</b>
<b>Repairs and maintenance fleet</b>								
Essar Bulk Terminal Limited	-	-	39.46	54.43	-	-	39.46	54.43
<b>Dry docking expenses</b>								
Essar Bulk Terminal Limited	-	-	12.71	-	-	-	12.71	-
Essar Offshore Subsea Limited	-	-	-	-	-	103.10	-	103.10
<b>Total</b>	<b>-</b>	<b>-</b>	<b>12.71</b>	<b>-</b>	<b>-</b>	<b>103.10</b>	<b>12.71</b>	<b>103.10</b>
<b>Manning management expenses</b>								
Essar Bulk Terminal Limited	-	-	172.2	184.33	-	-	172.20	184.33
<b>Hire charges</b>								
Essar Shipping Limited	-	-	-	-	-	99.65	-	99.65
<b>Commission, brokerage and agency fees</b>								
Essar Bulk Terminal (Salaya) Limited	-	-	125.00	375.00	-	-	125.00	375.00
Essar Bulk Terminal Limited	-	-	24.00	23.17	-	-	24.00	23.17
Essar Shipping Limited	-	-	-	-	24.00	24.00	24.00	24.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>149.00</b>	<b>398.17</b>	<b>24.00</b>	<b>24.00</b>	<b>173.00</b>	<b>422.17</b>
<b>Legal and professional fees</b>								
Aegis Limited	-	-	-	-	6.67	10.46	6.67	10.46
Essar Bulk Terminal Limited	-	-	-	117.84	-	-	-	117.84
Vadinar Ports & Terminals Limited	-	-	-	4.30	-	-	-	4.30
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122.14</b>	<b>6.67</b>	<b>10.46</b>	<b>6.67</b>	<b>132.60</b>
<b>Other expenses - rent</b>								
Equinox Business Parks Private Limited	-	-	-	-	287.54	287.54	287.54	287.54

## Notes forming part of the financial statements

## e) The details of transactions with related parties during the year

₹ in lakhs

Nature of transactions	Holding companies		Subsidiaries		Fellow subsidiaries		Total	
	Year ended 31 March, 15	Year ended 31 March, 14	Year ended 31 March, 15	Year ended 31 March, 14	Year ended 31 March, 15	Year ended 31 March, 14	Year ended 31 March, 15	Year ended 31 March, 14
<b>Interest on short-term borrowing</b>								
Vadinar Ports & Terminals Limited	-	-	177.69	43.93	-	-	177.69	43.93
<b>Repayment of short term borrowing</b>								
Vadinar Ports & Terminals Limited	-	-	325.00	4,447.00	-	-	325.00	4,447.00
<b>Sale of non-current investments of subsidiaries</b>								
Vadinar Ports & Terminals Limited	-	-	-	40,134.46	-	-	-	40,134.46
<b>Advances towards share application money to subsidiaries</b>								
Essar Bulk Terminal (Salaya) Limited	-	-	-	2,066.00	-	-	-	2,066.00
Essar Paradip Terminals Limited	-	-	3,030.00	120.00	-	-	3,030.00	120.00
Essar Bulk Terminal Paradip Limited	-	-	803.50	1,134.00	-	-	803.50	1,134.00
Essar Vizag Terminals Limited	-	-	8,559.70	310.00	-	-	8,559.70	310.00
<b>Total</b>	-	-	<b>12,393.20</b>	<b>3,630.00</b>	-	-	<b>12,393.20</b>	<b>3,630.00</b>
<b>Refund of advances towards share application money from subsidiaries</b>								
Essar Bulk Terminal (Salaya) Limited	-	-	225.00	8,199.00	-	-	225.00	8,199.00
Essar Paradip Terminals Limited	-	-	25.00	40.00	-	-	25.00	40.00
Essar Bulk Terminal Paradip Limited	-	-	808.30	5,900.00	-	-	808.30	5,900.00
Essar Bulk Terminal Limited	-	-	-	260.00	-	-	-	260.00
Essar Vizag Terminals Limited	-	-	11.00	-	-	-	11.00	-
<b>Total</b>	-	-	<b>1,069.30</b>	<b>14,399.00</b>	-	-	<b>1,069.30</b>	<b>14,399.00</b>
<b>Investment in shares of subsidiaries</b>								
Essar Paradip Terminals Limited	-	-	3,175.00	-	-	-	3,175.00	-
Essar Vizag Terminals Limited	-	-	8,858.70	-	-	-	8,858.70	-
Vadinar Liquid Terminal Limited	-	-	2.45	-	-	-	2.45	-
<b>Total</b>	-	-	<b>12,036.15</b>	-	-	-	<b>12,036.15</b>	-
<b>Investment in shares of fellow subsidiary</b>								
New Coal Terminal Beira S.A.	-	-	-	-	67.97	-	67.97	-
<b>Security deposits received</b>								
Vadinar Oil Terminal Limited	-	-	2,000.00	162.00	-	-	2,000.00	162.00
Vadinar Ports & Terminals Limited	-	-	-	135.00	-	-	-	135.00
Essar Bulk Terminal Limited	-	-	2,200.00	140.40	-	-	2,200.00	140.40
Essar Bulk Terminal (Salaya) Limited	-	-	-	35.20	-	-	-	35.20
<b>Total</b>	-	-	<b>4,200.00</b>	<b>472.60</b>	-	-	<b>4,200.00</b>	<b>472.60</b>
<b>Security deposits refunded</b>								
Essar Bulk Terminal (Salaya) Limited	-	-	-	700.00	-	-	-	700.00



## Notes forming part of the financial statements

### e) The details of transactions with related parties during the year

₹ in lakhs

Nature of transactions	Holding companies		Subsidiaries		Fellow subsidiaries		Total	
	Year ended 31 March, 15	Year ended 31 March, 14	Year ended 31 March, 15	Year ended 31 March, 14	Year ended 31 March, 15	Year ended 31 March, 14	Year ended 31 March, 15	Year ended 31 March, 14
<b>Security deposit given</b>								
Equinox Business Parks Private Limited	-	-	-	-	-	101.00	-	101.00
<b>Unsecured loan from a subsidiary</b>								
Vadinar Ports & Terminals Limited	-	-	5,371.69	-	-	-	5,371.69	-
<b>Advances received for sale of investments</b>								
Vadinar Oil Terminal Limited	-	-	23,000.00	-	-	-	23,000.00	-
Essar Bulk Terminal Limited	-	-	10,611.00	-	-	-	10,611.00	-
<b>Total</b>	-	-	<b>33,611.00</b>	-	-	-	<b>33,611.00</b>	-
<b>Advances received for provision of services</b>								
Vadinar Oil Terminal Limited	-	-	715.04	-	-	-	715.04	-
Vadinar Ports & Terminals Limited	-	-	235.17	-	-	-	235.17	-
Essar Bulk Terminal Limited	-	-	3,416.40	-	-	-	3,416.40	-
<b>Total</b>	-	-	<b>4,366.61</b>	-	-	-	<b>4,366.61</b>	-
<b>Refund of advances received for services to be rendered</b>								
Vadinar Oil Terminal Limited	-	-	25,495.00	-	-	-	25,495.00	-
Essar Bulk Terminal Limited	-	-	1,370.00	-	-	-	1,370.00	-
<b>Total</b>	-	-	<b>26,865.00</b>	-	-	-	<b>26,865.00</b>	-
<b>Other liabilities - payment on behalf of the Company</b>								
Vadinar Oil Terminal Limited	-	-	7.02	73.68	-	-	7.02	73.68
<b>Guarantee given on behalf of others</b>								
Essar Bulk Terminal Limited	-	-	-	30,000.00	-	-	-	30,000.00
Essar Bulk Terminal (Salaya) Limited	-	-	-	16,226.00	-	-	-	16,226.00
Essar Bulk Terminal Paradip Limited	-	-	-	7,000.00	-	-	-	7,000.00
Essar Vizag Terminals Limited	-	-	67,500.00	-	-	-	67,500.00	-
<b>Total</b>	-	-	<b>67,500.00</b>	<b>53,226.00</b>	-	-	<b>67,500.00</b>	<b>53,226.00</b>

### f) The details of transactions with key management personnel during the year.

₹ in lakhs

Nature of transactions	Year ended 31 March, 15	Year ended 31 March, 14
<b>Remuneration*</b>		
Rajiv Agarwal	363.62	338.83
Kamala Kant Sinha	155.39	137.57
Shailesh Sawa (upto 15 May 2014)	102.24	175.74
A.S. Bali (w.e.f. 15 May 2014)	196.44	-
<b>Total</b>	<b>817.69</b>	<b>652.14</b>

\* Does not include the amount payable towards gratuity and compensated absences by the Company as the same is calculated for the Company as whole on the basis of actuarial valuation.

## Notes forming part of the financial statements

## g) Balances with related parties at the year end.

₹ in lakhs

Nature of balances	Holding companies		Subsidiaries		Fellow subsidiaries		Total	
	As at 31 March, 15	As at 31 March, 14	As at 31 March, 15	As at 31 March, 14	As at 31 March, 15	As at 31 March, 14	As at 31 March, 15	As at 31 March, 14
<b>Advances received for sale of investments</b>								
Vadinar Oil Terminal Limited	–	–	23,000.00	–	–	–	23,000.00	–
Essar Bulk Terminal Limited	–	–	10,611.00	–	–	–	10,611.00	–
<b>Total</b>	–	–	<b>33,611.00</b>	–	–	–	<b>33,611.00</b>	–
<b>Advances received for provision of services</b>								
Vadinar Oil Terminal Limited	–	–	1,068.89	27,071.86	–	–	1,068.89	27,071.86
Vadinar Ports & Terminals Limited	–	–	282.04	3,109.59	–	–	282.04	3,109.59
Essar Bulk Terminal Limited	–	–	338.00	2,908.64	–	–	338.00	2,908.64
Essar Power Gujarat Limited	–	–	–	–	–	131.29	–	131.29
<b>Total</b>	–	–	<b>1,688.93</b>	<b>33,090.09</b>	–	<b>131.29</b>	<b>1,688.93</b>	<b>33,221.38</b>
<b>Security deposits received</b>								
Essar Bulk Terminal Limited	–	–	3,040.40	840.40	–	–	3,040.40	840.40
Vadinar Oil Terminal Limited	–	–	2,179.60	179.60	–	–	2,179.60	179.60
Vadinar Ports & Terminals Limited	–	–	152.60	152.60	–	–	152.60	152.60
Essar Bulk Terminal (Salaya) Limited	–	–	35.20	35.20	–	–	35.20	35.20
<b>Total</b>	–	–	<b>5,407.80</b>	<b>1,207.80</b>	–	–	<b>5,407.80</b>	<b>1,207.80</b>
<b>Unsecured loan</b>								
Vadinar Ports & Terminals Limited	–	–	<b>5,046.69</b>	–	–	–	<b>5,046.69</b>	–
<b>Trade payables</b>								
Aegis Limited	–	–	–	–	3.55	3.70	3.55	3.70
Essar Shipping Limited	–	–	–	–	31.26	147.07	31.26	147.07
Equinox Business Parks Private Limited	–	–	–	–	76.39	58.50	76.39	58.50
Essar Offshore Subsea Limited	–	–	–	–	–	18.78	–	18.78
Vadinar Oil Terminal Limited	–	–	307.97	310.98	–	–	307.97	310.98
<b>Total</b>	–	–	<b>307.97</b>	<b>310.98</b>	<b>111.20</b>	<b>228.05</b>	<b>419.17</b>	<b>539.03</b>
<b>Other liabilities</b>								
Vadinar Oil Terminal Limited	–	–	<b>80.70</b>	<b>73.68</b>	–	–	<b>80.70</b>	<b>73.68</b>
<b>Security deposit given</b>								
Equinox Business Parks Private Limited	–	–	–	–	<b>176.00</b>	<b>176.00</b>	<b>176.00</b>	<b>176.00</b>
<b>Advances towards share application money to subsidiaries</b>								
Essar Bulk Terminal (Salaya) Limited	–	–	–	225.00	–	–	–	225.00
Essar Paradip Terminals Limited	–	–	97.00	267.00	–	–	97.00	267.00
Essar Bulk Terminal Paradip Limited	–	–	–	4.80	–	–	–	4.80
Essar Vizag Terminals Limited	–	–	–	310.00	–	–	–	310.00
<b>Total</b>	–	–	<b>97.00</b>	<b>806.80</b>	–	–	<b>97.00</b>	<b>806.80</b>

## Notes forming part of the financial statements

### g) Balances with related parties at the year end.

₹ in lakhs

Nature of balances	Holding companies		Subsidiaries		Fellow subsidiaries		Total	
	As at 31 March, 15	As at 31 March, 14	As at 31 March, 15	As at 31 March, 14	As at 31 March, 15	As at 31 March, 14	As at 31 March, 15	As at 31 March, 14
<b>Trade receivables</b>								
Essar Logistics Limited	–	–	–	–	550.32	–	550.32	–
Essar Power Gujarat Limited	–	–	–	–	62.87	–	62.87	–
<b>Total</b>	–	–	–	–	<b>613.19</b>	–	<b>613.19</b>	–
<b>Other current assets</b>								
Vadinar Oil Terminal Limited	–	–	117.93	86.06	–	–	117.93	86.06
Vadinar Ports & Terminals Limited	–	–	76.34	167.87	–	–	76.34	167.87
Essar Bulk Terminal (Salaya) Limited	–	–	27.77	–	–	–	27.77	–
Essar Bulk Terminal Limited	–	–	–	132.42	–	–	–	132.42
Essar Bulk Terminal Paradip Limited	–	–	198.42	70.90	–	–	198.42	70.90
Essar Africa Holdings Limited	–	–	–	–	2,227.90	1,928.61	2,227.90	1,928.61
<b>Total</b>	–	–	<b>420.46</b>	<b>457.25</b>	<b>2,227.90</b>	<b>1,928.61</b>	<b>2,648.36</b>	<b>2,385.86</b>
<b>Guarantees given on behalf of others</b>								
Vadinar Ports & Terminals Limited	–	–	–	10,500.00	–	–	–	10,500.00
Essar Bulk Terminal (Salaya) Limited	–	–	76,686.00	76,686.00	–	–	76,686.00	76,686.00
Essar Bulk Terminal Limited	–	–	47,500.00	47,500.00	–	–	47,500.00	47,500.00
Vadinar Oil Terminal Limited	–	–	25,000.00	25,000.00	–	–	25,000.00	25,000.00
Essar Bulk Terminal Paradip Limited	–	–	48,000.00	48,000.00	–	–	48,000.00	48,000.00
Essar Vizag Terminals Limited	–	–	67,500.00	–	–	–	67,500.00	–
<b>Total</b>	–	–	<b>264,686.00</b>	<b>207,686.00</b>	–	–	<b>264,686.00</b>	<b>207,686.00</b>

### 32. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

The Company has paid dividend in respect of shares held by Non-residents on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the dividend has been paid. The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given herein below :

Particulars	2014-15 (final dividend)	2013-14 (final dividend)
Number of non-resident shareholders	355	388
Number of equity shares held by them	279,221,209	279,248,558
Amount of dividend paid (₹ in lakhs)	1,396.11	1,396.24
Year to which dividend relates	2013-14	2012-13

### 33. GOING CONCERN

As on 31 March, 2015, the Company's current liabilities exceeded its current assets by ₹ 33,813.05 lakhs. The management has plans of addressing this deficit from internal accruals and certain other transactions for which no material uncertainty exists. Accordingly, the financial statements have been prepared on a going concern basis.

## Notes forming part of the financial statements

### 34. EMPLOYEE STOCK OPTION SCHEME

Since the market price of the shares underlying the option granted and the exercise price of the option (being the intrinsic value of the option) is same, the disclosure for change in EPS in fair value and Intrinsic value of the options are not given.

35. During the year 2013-14, the Company has sold 100,000,000, 0.01% compulsorily convertible cumulative participating preference shares of ₹ 10/- each of Essar Bulk Terminal (Salaya) Limited and 17,200,000, 0.01% optionally convertible redeemable cumulative preference share of ₹ 10/- each of Essar Bulk Terminal Limited for a consideration of ₹ 30,134.40 lakhs and recognised gain of ₹ 149.33 lakhs in Statement of profit and loss.

36. The previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

#### For and on behalf of Board of Directors

**Rajiv Agarwal**  
Managing Director

**A.S. Bali**  
Director Finance

**T. S. Narayanasami**  
Director

**Manoj Contractor**  
Company Secretary

Mumbai  
May 14, 2015

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ESSAR PORTS LIMITED

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ESSAR PORTS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence

about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Emphasis of Matter

We draw attention to:

1. Note 5 C (i) (g) to the consolidated financial statements which, details the recognition, measurement and presentation of certain borrowing covered by the Master Restructuring Agreement as per the accounting policy consistently followed by the Group in the absence of specific guidance available under the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
2. Note 12 of the consolidated financial statements regarding key sources of estimation uncertainty with regard to assessment of recoverable amount of 20 MMTPA Dry Bulk Terminal project at Salaya, Gujarat in terms of Accounting Standard (AS) 28, Impairment of Assets, and basis for not recognising impairment.

Our opinion is not modified in respect of these matters.

## Other Matters

We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of ₹ 11,312.78 lakhs as at 31st March, 2015, total revenues of Nil and net cash flows

amounting to ₹ 9.99 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements 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 these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies incorporated in India, we give in the Annexure 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, to the extent applicable, 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, and the Consolidated Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the 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:
    - (i) There were no pending litigations which would impact the consolidated financial position of the Group.
    - (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117365W)

Mumbai,  
May 14, 2015

**Samir R. Shah**  
Partner  
Membership No. 101708

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIALS STATEMENTS

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the Order includes 3 subsidiary companies incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- i) In respect of the fixed assets of the Holding Company and subsidiary companies incorporated in India:
  - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified by the Management of the respective entities in accordance with a regular programme of verification which, in our opinion and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us and the other auditors, no material discrepancies were noticed on such verification.
- ii) In respect of the inventories of the Holding Company and subsidiary companies incorporated in India:
  - (a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
  - (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
  - (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- iii) The Holding Company and subsidiary companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.
- iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company and subsidiary companies incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our and the other auditors audit no continuing failure to correct major weaknesses in such internal control system has been observed.
- v) According to the information and explanations given to us and the other auditors, the Holding Company and subsidiary companies incorporated in India have not accepted any deposit during the year. In respect of unclaimed deposits, the Holding Company and subsidiary companies incorporated in India have complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- vi) According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding company and subsidiary companies incorporated in India are not required to maintain the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.
- vii) According to the information and explanations given to us and the other auditors, in respect of statutory dues of the Holding Company and subsidiary companies incorporated in India:
  - (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities. As informed to us and other auditors, the provisions for Excise duty were not applicable to the Holding Company and subsidiary companies incorporated in India during the year.
  - (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Value Added Tax and Cess which have not been deposited as on 31<sup>st</sup> March, 2015 on account of disputes by the aforesaid entities.
  - (d) There are no amounts that are due to be transferred by the aforesaid entities to the Investor Education and Protection Fund in accordance with the relevant

provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

- viii) The Group does not have consolidated accumulated losses at the end of the financial year and the Group have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, as at the balance sheet date, the Holding Company and subsidiary companies incorporated in India have regularised the delays in repayment of dues (including interest) to banks and financial institutions aggregating to ₹ 75,078.11 lakhs, ₹ 10,006.32 lakhs and ₹ 364.06 lakhs by 90 days, 91-150 days and 151-211 days respectively. Dues to banks and financial institutions aggregating to ₹ 14,168.93 lakhs and 35.00 lakhs outstanding for a period of 1-90 days and 91-107 days respectively as at 31st March, 2015 have not been paid till the date of this report. The Holding Company and subsidiary companies incorporated in India have not issued any debentures.
- x) According to the information and explanations given to us, the Holding Company and subsidiary companies incorporated in

India have not given guarantees for loans taken by others from banks and financial institutions.

- xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company and subsidiary companies incorporated in India during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company and subsidiary companies incorporated in India and no material fraud on the Holding Company and subsidiary companies incorporated in India has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Samir R. Shah**  
Partner  
Membership No. 101708

Mumbai,  
May 14, 2015



# Consolidated Balance Sheet as at 31 March 2015

₹ in lakhs

Particulars	Note No.	As at 31 March, 2015	As at 31 March, 2014
<b>(I) EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	42,801.85	42,801.85
(b) Reserves and surplus	4	299,165.71	265,700.00
		<u>341,967.56</u>	<u>308,501.85</u>
<b>2 Minority interest</b>		854.27	2,489.86
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	558,538.99	548,210.76
(b) Deferred tax liabilities (net)	6 A	25,419.50	15,045.08
(c) Other long-term liabilities	7	29,955.97	30,532.32
		<u>613,914.46</u>	<u>593,788.16</u>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	9	10,873.74	5,224.83
(b) Trade payables	10	12,563.67	15,366.00
(c) Other current liabilities	7	105,945.16	70,292.00
(d) Short-term provisions	8	6,792.04	8,397.70
		<u>136,174.61</u>	<u>99,280.53</u>
<b>TOTAL</b>		<b><u>1,092,910.90</u></b>	<b><u>1,004,060.40</u></b>
<b>(II) ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	504,167.35	528,475.42
(ii) Intangible assets	11	1.70	2.91
(iii) Capital work-in-progress	12	193,537.43	158,898.59
		<u>697,706.48</u>	<u>687,376.92</u>
(b) Goodwill on consolidation		166,043.17	161,328.43
(c) Non-current investments	13	172.19	104.51
(d) Deferred tax assets (net)	6 B	11,680.32	13,320.77
(e) Long-term loans and advances	14	77,481.96	45,814.52
(f) Other non-current assets	15	1,315.50	1,816.91
		<u>954,399.62</u>	<u>909,762.06</u>
<b>2 Current assets</b>			
(a) Current investments	13	–	2.68
(b) Inventories	16	825.39	849.98
(c) Trade receivables	17	65,942.32	47,658.15
(d) Cash and bank balances	18	13,526.05	2,417.21
(e) Short-term loans and advances	14	52,671.20	38,300.28
(f) Other current assets	15	5,546.32	5,070.04
		<u>138,511.28</u>	<u>94,298.34</u>
<b>TOTAL</b>		<b><u>1,092,910.90</u></b>	<b><u>1,004,060.40</u></b>
<b>See accompanying notes forming part of the consolidated financial statements</b>			

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Samir R. Shah**  
Partner

Mumbai, 14 May 2015

For and on behalf of the Board of Directors

**Rajiv Agarwal**  
Managing Director

**T. S. Narayanasami**  
Director

Mumbai, 14 May 2015

**A.S.Bali**  
Director Finance

**Manoj Contractor**  
Company Secretary

## Consolidated Statement of Profit and Loss for the year ended 31 March 2015

₹ in lakhs

Particulars	Note No.	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Income</b>			
Revenue from operations	19	165,410.67	212,437.44
Other income	20	12,284.09	9,051.29
<b>Total revenue</b>		<b>177,694.76</b>	<b>221,488.73</b>
<b>Expenses</b>			
Purchase of traded goods	21	3,550.48	57,745.42
Operating expenses	22	25,288.76	23,650.83
Employee benefits expense	23	3,269.22	3,250.95
Other expenses	24	4,006.50	4,128.98
<b>Total expenses</b>		<b>36,114.96</b>	<b>88,776.18</b>
<b>Profit before finance costs, depreciation and amortisation, and tax</b>		<b>141,579.80</b>	<b>132,712.55</b>
Finance costs	25	66,248.48	59,908.79
Depreciation and amortisation expenses	11	23,923.69	27,720.88
<b>Profit before tax</b>		<b>51,407.63</b>	<b>45,082.88</b>
<b>Tax expenses</b>			
Current tax		10,563.57	9,372.72
MAT credit entitlement		(10,448.57)	(9,372.22)
Deferred tax charge, (net)		12,014.87	6,043.79
Tax adjustment for earlier years		–	296.24
<b>Profit after tax</b>		<b>39,277.76</b>	<b>38,742.35</b>
Less: Share of minority interest (profit)		(157.38)	(368.55)
<b>Profit for the year</b>		<b>39,120.38</b>	<b>38,373.80</b>
<b>Earnings per share: (face value of ₹ 10/- each )</b>	31		
Basic (in ₹)		9.14	8.97
Diluted (in ₹ )		8.99	8.82
<b>See accompanying notes forming part of the consolidated financial statements</b>			

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants**Samir R. Shah**  
Partner

Mumbai, 14 May 2015

For and on behalf of the Board of Directors

**Rajiv Agarwal**  
Managing Director**T. S. Narayanasami**  
Director

Mumbai, 14 May 2015

**A.S.Bali**  
Director Finance**Manoj Contractor**  
Company Secretary

## Consolidated Cash Flow Statement for the year ended 31 March 2015

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>A Cash flow from operating activities</b>		
<b>Profit before tax</b>	51,407.63	45,082.88
Adjustments for :		
Depreciation and amortisation expenses	23,923.69	27,720.88
Finance costs	66,248.48	59,908.79
<u>Interest income</u>		
– Interest income on bank deposits	(107.90)	(239.44)
– Interest income on loans and advances	(3,852.13)	(3,792.32)
– Interest income on income tax refund	(30.71)	(15.51)
Amortisation of share issue expenses	–	73.20
Net gain on sale of current investments	(1.13)	(3.74)
Net gain on foreign currency translation and transactions	(77.63)	(148.16)
<b>Operating profit before working capital changes</b>	<b>137,510.30</b>	<b>128,586.58</b>
<b>Changes in working capital :</b>		
Changes in receivables, loans and advances and other assets	(19,945.93)	(31,087.51)
Changes in inventories	24.59	(101.20)
Changes in payables, other liabilities and provisions	(3,961.10)	17,781.23
<b>Cash generated from operations</b>	<b>113,627.86</b>	<b>115,179.10</b>
Income taxes paid, (net)	(10,592.38)	(8,022.88)
<b>Net cash generated from operating activities (I)</b>	<b>103,035.48</b>	<b>107,156.22</b>
<b>B Cash flow from investing activities</b>		
Payment for acquisition of fixed assets including capital advances	(28,470.90)	(1,832.18)
Proceeds from sale of fixed assets	–	1.50
Purchase of non-current investments	(67.96)	–
Purchase of current investments	–	(2,375.00)
Proceeds from sale of current investments	3.81	2,376.06
Bank deposits placed for a period of more than three months	–	(1,577.90)
Proceeds from maturity of bank deposits placed for a period of more than three months	197.00	4,161.55
Loans and advances given to body corporates	(25,589.06)	(35,917.92)
Loans and advances repaid by body corporates	1,800.72	38,641.71
Interest received on bank deposits	113.54	430.30
Interest received on loans and advances	3,893.08	3,868.73
Purchase of preference shares of a subsidiary	(11,299.81)	–
<b>Net cash (used in)/ generated from investing activities (II)</b>	<b>(59,419.58)</b>	<b>7,776.85</b>

## Consolidated Cash Flow Statement for the year ended 31 March 2015

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>C Cash flow from financing activities</b>		
Issue of equity shares by a subsidiary	–	105.58
Proceeds from short-term borrowings	5,850.00	3,260.50
Repayment of short-term borrowings	(201.09)	–
Proceeds from long-term borrowings	63,479.39	84,837.54
Repayment of long-term borrowings	(79,066.15)	(76,599.84)
Proceeds from unsecured borrowings from a related party	50,000.00	–
Bills accepted during the year	6,308.21	5,537.53
Bills repaid during the year	(5,956.37)	(20,993.72)
Share issue expenses paid	–	(64.00)
Dividend paid (including corporate dividend tax)	(2,540.00)	(2,540.00)
Finance costs paid	(70,623.65)	(108,781.85)
<b>Net cash used in financing activities (III)</b>	<b>(32,749.66)</b>	<b>(115,238.26)</b>
<b>Net increase / (decrease) in cash and cash equivalents for the year (I+II+III)</b>	<b>10,866.24</b>	<b>(305.19)</b>
Cash and cash equivalents at the beginning of the year	829.60	1,134.79
<b>Cash and cash equivalents at the end of the year (refer note 18 (A) )</b>	<b>11,695.84</b>	<b>829.60</b>

**Notes :**

1	Reconciliation between closing cash and cash equivalents and cash and bank balances	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>
	Cash and cash equivalents as per cash flow statement	11,695.84	829.60
	Add : Margin money deposits not considered as cash and cash equivalents as per AS-3	1,830.21	1,587.61
	<b>Cash and bank balances as per note 18</b>	<b>13,526.05</b>	<b>2,417.21</b>

- 2 Non cash transaction  
Interest expenses amounting to ₹ 2,781.20 lakhs (previous year - ₹ 2,529.81 lakhs) have been converted into borrowings as per the terms of underlying agreement in this regard.
- 3 Consolidated Cash flow statement has been prepared under the indirect method as set out in "Accounting Standard 3 - Cash Flow Statement" referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

**See accompanying notes forming part of the consolidated financial statements**

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Samir R. Shah**  
Partner

For and on behalf of the Board of Directors

**Rajiv Agarwal**  
Managing Director

**A.S.Bali**  
Director Finance

**T. S. Narayanasami**  
Director

**Manoj Contractor**  
Company Secretary

Mumbai, 14 May 2015

Mumbai, 14 May 2015

## Notes forming part of the consolidated financial statements

### 1. CORPORATE INFORMATION

Essar Ports Limited ("the Company") is a public limited company domiciled in India and incorporated under the Companies Act, 1956. The Company is engaged in business of providing fleet operating and chartering services. The Company is listed on BSE Limited and the National Stock Exchange of India Limited (NSE). The Company through its subsidiaries develops and operates ports and terminals for handling liquid, dry bulk, break bulk and general cargo, with an existing aggregate capacity of 120 MTPA across facilities located at Vadinar and Hazira in the State of Gujarat on the west coast of India, Paradip in the State of Odisha and Visakhapatnam in the State of Andhra Pradesh on the east coast of India. The facilities at Vadinar, Hazira, Paradip and Visakhapatnam are used primarily by affiliated customers for the receipt of raw materials such as crude oil, iron ore / pellets, limestone, dolomite and coal and for the dispatch of finished goods such as petroleum products and steel products. The Company through its subsidiaries is in the process of increasing its aggregate ports capacity to 194 MTPA with expansion projects at Hazira, a new port at Salaya in Gujarat, one terminal at Paradip and one iron ore berths at Visakhapatnam. The ports expansion projects have been undertaken, in part, to accommodate the increase in traffic expected to arise from plant expansions planned to be carried out by the Company's affiliated customers, and in part to support the increase in business from non-affiliated customers.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### 2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets acquired before 1 April, 2008, that are carried at revalued amounts. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation.

#### 2.2 Principles of consolidation

The consolidated financial statements relate to (Essar Ports Limited) (the 'Company'), its subsidiary companies, jointly controlled entities and the Group's share of profit / loss in its associates. The consolidated financial statements have been prepared on the following basis:

- 1) The financial statements of the subsidiary companies, jointly controlled entities and associates used in the

consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2015.

- 2) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- 3) The consolidated financial statements include the share of profit / loss of the associate companies which have been accounted for using equity method as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/ loss of each of the associate companies ( the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- 4) The excess of cost to the Group of its investments in the subsidiary companies / jointly controlled entities over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / jointly controlled entities were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies / jointly controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company / jointly controlled entity and such amounts are not set off between different entities.
- 5) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- 6) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

#### 2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial

## Notes forming part of the consolidated financial statements

statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

### 2.3 Fixed assets

Fixed assets are recorded at cost or at revalued amounts less accumulated depreciation and impairment loss, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure including brokerage and start-up costs on making the asset ready for its intended use and other incidental expenses.

Subsequent expenditure on fixed assets after its purchase/ completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

### 2.4 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less estimated residual value.

Depreciation on fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Assets costing less than ₹ 5,000/- are fully depreciated in the year of capitalisation. Depreciation on the incremental value of fixed assets upon revaluation is amortised proportionately from fixed assets revaluation reserve.

Depreciation on additions / deductions to fixed assets made during the year is provided on a pro-rata basis from / upto the date of such additions / deductions, as the case may be.

### 2.5 Impairment of assets

The carrying values of assets (cash generating units) at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

### 2.6 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing cost is suspended and charged to the statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### 2.7 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

Long term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investment include acquisition charges such as brokerage, fees and duties.

### 2.8 Revenue recognition

Revenue from operation represents income from charter hire of fleet. Revenue on transactions of rendering services is recognised under the completed service contract method. Performance is regarded as achieved when the services are rendered and no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services.

### 2.9 Other income

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable (accrual basis). Dividend income is recognised when the right to receive it is established. Insurance claims are recorded based on reasonable certainty of their settlement.

### 2.10 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

### 2.11 Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

## Notes forming part of the consolidated financial statements

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

### 2.12 Employee benefits

- a) The Company (employer) and the employees contribute a specified percentage of eligible employees' salary currently 12%, to the employer established provident fund "Essar Ports Limited Provident Fund" set up as an irrevocable trust by the Company. The Company is generally liable for annual contributions and any shortfall in the fund assets based on government specified minimum rates of return – currently @ 8.75%, and recognises such provident fund liability, considering fund as the defined benefit plan, based on an independent actuarial valuation carried out at every financial year end using the Projected Unit Credit Method.
- b) Post-employment benefit plans
 

Contribution to defined contribution retirement benefit schemes are recognised as expense in the Statement of Profit and Loss, when employees have rendered services entitling them to contributions.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss, for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and is otherwise amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation and is adjusted both for unrecognised past service cost, and for the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme, if lower.
- c) Short-term employee benefits
 

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services.

- d) Long-term employee benefits
 

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the balance sheet date.
- e) Employee Stock Option Scheme
 

Stock options granted to employees under the employees' stock option scheme (ESOS) are accounted by adopting the intrinsic value method in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on accounting for employee share based payments issued by the ICAI. Accordingly, the excess of market price of the shares over the exercise price is recognised as deferred employee compensation and is charged to the Statement of Profit and Loss on straight-line basis over the vesting period. The number of options expected to vest is based on the best available estimate and are revised, if necessary, if subsequent information indicates that the number of stock options expected to vest differs from previous estimates.

### 2.13 Foreign currency transactions

Foreign currency transactions are accounted at the rate normally prevailing on the transaction date. Monetary items denominated in foreign currency are translated at the exchange rate prevailing as at the balance sheet date. Exchange differences arising on settlement or conversion of short term foreign currency monetary items are recognised in the Statement of Profit and Loss. Exchange differences relating to long term foreign currency monetary items are accounted as under:

- (i) in so far as they relate to the acquisition of a depreciable capital asset, such differences are added to / deducted from the cost of such capital assets and depreciated over the balance useful life of the asset.
- (ii) in other cases, such differences are accumulated in 'Foreign Currency Monetary Items Translation Difference Account' and amortised in the Statement of Profit and Loss over the balance life of the long term foreign currency monetary item or 31st March 2020, whichever is earlier.

### 2.14 Taxation

Current tax is the amount of tax payable as per special provisions relating to income of shipping companies under the Income Tax Act, 1961 on the basis of deemed tonnage income of the Company and tax payable on other taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an

## Notes forming part of the consolidated financial statements

asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

### 2.15 Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, the existence of which will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because a reliable estimate of the liability cannot be made or the likelihood of an outflow of economic resources is remote. Contingent liabilities are disclosed in the notes to financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements.

### 2.16 Cash and cash equivalents (for purposes of Cash Flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 2.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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.

### 2.18 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### 2.19 Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



## Notes forming part of the consolidated financial statements

### 3. SHARE CAPITAL

(a) Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number	₹ in lakhs	Number	₹ in lakhs
<b>Authorised</b>				
Equity shares of ₹ 10/- each	1,000,000,000	100,000.00	1,000,000,000	100,000.00
Redeemable cumulative preference shares of ₹ 100/- each	1,050,000	1,050.00	1,050,000	1,050.00
		<u>101,050.00</u>		<u>101,050.00</u>
<b>Issued and subscribed</b>				
Equity shares of ₹ 10/- each	428,134,646	42,813.46	428,134,646	42,813.46
<b>Paid up</b>				
Equity shares of ₹ 10/- each (refer note (i) below)	427,887,998	42,788.80	427,887,998	42,788.80
Forfeited equity shares	246,648	13.05	246,648	13.05
		<u><b>42,801.85</b></u>		<u><b>42,801.85</b></u>

(i) Of above 171,887,182 equity shares were allotted as fully paid up equity shares for consideration other than cash pursuant to scheme of amalgamation during the financial year 2008-09.

#### (b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number	₹ in lakhs	Number	₹ in lakhs
<b>Equity shares of ₹ 10/- each</b>				
At the beginning of the year	427,887,998	42,788.80	427,887,998	42,788.80
Add: Issue of shares during the year	—	—	—	—
<b>Outstanding at the end of the year</b>	<u><b>427,887,998</b></u>	<u><b>42,788.80</b></u>	<u><b>427,887,998</b></u>	<u><b>42,788.80</b></u>

#### (c) Terms of / rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each share holder of equity share is eligible to one vote per share held. In the event of liquidation, the holder of equity share is entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

#### (d) Shares held by holding company, the ultimate holding company, their subsidiaries and associates

Particulars	As at 31 March, 2015			As at 31 March, 2014		
	Number	₹ in lakhs	%	Number	₹ in lakhs	%
<b>Equity shares of ₹ 10/- each</b>						
Essar Ports & Shipping Limited, Mauritius, the immediate holding company	261,664,301	26,166.43	61.15	—	—	—
Essar Shipping & Logistics Limited, Cyprus the subsidiary of the ultimate holding company	33,387	3.34	0.01	261,697,688	26,169.77	61.16
Essar Global Fund Limited, Cayman island, the ultimate holding company	66	0.01	0.00	66	0.01	0.00
Essar Projects (India) Limited, subsidiary of the ultimate holding company	56,397,000	5,639.70	13.18	56,397,000	5,639.70	13.18
Essar Steel India Limited, subsidiary of the ultimate holding company	2,547,223	254.72	0.60	2,547,223	254.72	0.60
	<u><b>320,641,977</b></u>	<u><b>32,064.20</b></u>	<u><b>74.94</b></u>	<u><b>320,641,977</b></u>	<u><b>32,064.20</b></u>	<u><b>74.94</b></u>

There are no other shareholders holding more than 5% shares in the Company other than as disclosed in (d) above.

## Notes forming part of the consolidated financial statements

(i) Stock options :

In the annual general meeting held on September 9, 2011, the shareholders have approved the issue of upto 1% options under the "Essar Ports Employee Stock Options Scheme 2011" to be issued in one or more tranches.

Out of above, 740,334 and 1,292,746 options (convertible into equivalent number of equity shares of ₹ 10/- each of the Company, in three equal installments i.e. at the end of 3rd / 4th / 5th years from the grant date have been granted to the eligible employees and executive directors of the Company pursuant to Essar Ports Employee Stock Option Scheme 2011 on 28 November 2011 and 22 January 2014 respectively. The exercise period for the options is 7 years from the date of vesting.

These stock options have been granted at an option value of ₹ 71.10 and ₹ 57.75 respectively per equity share of the face value of ₹ 10/- each (i.e. the closing price of the equity shares of the Company on 1 December 2011 and 21 January 2014 at the National Stock Exchange of India Limited, being the exchange having the higher quantity of trading of Company's shares). Out of above, 2,033,080 options were outstanding as on 31 March 2015.

(ii) 5% Foreign Currency Convertible Bonds are convertible into 20,475,463 equity shares at the option of the holders, (as at 31 March 2014, 20,475,463 equity shares) of ₹ 10/- each at ₹ 91.70 per share (refer footnote (iv) to note 5 (c)).

#### 4. RESERVES AND SURPLUS

₹ in lakhs

Particulars	As at 31 March 2015	As at 31 March 2014
<b>a. General reserve</b>		
Opening balance	39,013.38	36,338.37
Add: Transferred from surplus in Consolidated Statement of Profit and Loss	–	2,675.01
<b>Closing balance</b>	<b>39,013.38</b>	<b>39,013.38</b>
<b>b. Securities premium account</b>		
Opening balance	15,461.11	15,461.11
Less: Share issue expenses	–	–
<b>Closing balance</b>	<b>15,461.11</b>	<b>15,461.11</b>
<b>c. Revaluation reserve</b>		
Opening balance	72.02	83.18
Less: Utilised for set off against depreciation expense	–	(11.16)
<b>Closing balance</b>	<b>72.02</b>	<b>72.02</b>
<b>d. Tonnage tax reserve</b>		
Opening balance	750.00	500.00
Add: Transferred from surplus in Consolidated Statement of Profit and Loss	250.00	250.00
<b>Closing balance</b>	<b>1,000.00</b>	<b>750.00</b>
<b>e. Surplus in Consolidated Statement of Profit and Loss</b>		
Opening balance	210,403.49	177,515.86
Add: Change in minority interest	(5,651.58)	(21.16)
Add: Profit for the year	39,120.38	38,373.80
Less: Transferred to general reserve	–	(2,675.01)
Less: Dividends proposed / paid :		
On equity shares of the Company	–	(2,160.89)
On preference shares of a subsidiary	(2.57)	(0.15)
Less: Tax on dividend (including Group's share of dividend tax paid by a subsidiary)	(0.52)	(378.96)
Less: Transferred to tonnage tax reserve	(250.00)	(250.00)
<b>Closing balance</b>	<b>243,619.20</b>	<b>210,403.49</b>
<b>Total</b>	<b>299,165.71</b>	<b>265,700.00</b>

## Notes forming part of the consolidated financial statements

### 5. LONG-TERM BORROWINGS

₹ in lakhs

Particulars	Non-current		Current	
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
<b>A. Secured</b>				
(a) Loans from banks				
i. Rupee term loans	208,306.68	252,262.83	18,043.30	28,947.00
ii. Funded interest facilities (including funding of interest for the period October 1998 to December 2003 and funded interest thereon) (refer foot note c (i) (g))	108,485.67	109,305.69	1,006.39	1,925.31
Less: Amount not payable if relevant funded interest loans (FS loan) is paid as of the balance sheet date	(36,778.06)	(38,516.88)	—	—
	71,707.61	70,788.81	1,006.39	1,925.31
(b) Loan from financial institutions				
i. Rupee term loans	190,951.58	149,908.31	19,230.14	11,883.25
ii. Funded interest facilities (including funding of interest for the period October 1998 to December 2003 and funded interest thereon) (refer note c (i) (g))	66,583.39	66,855.65	355.98	260.64
Less : Amount not payable if relevant funded interest loans (FS loan) is paid as of the balance sheet date	(21,765.52)	(22,807.90)	—	—
	44,817.87	44,047.75	355.98	260.64
(c) Foreign currency buyers' credit (refer footnote c (iii) below)	—	7,163.14	—	—
<b>Total secured borrowings</b>	<b>[A] 515,783.74</b>	<b>524,170.84</b>	<b>38,635.81</b>	<b>43,016.20</b>
<b>B. Unsecured</b>				
(a) Foreign currency convertible bonds [FCCBs] (refer foot note c (iv) below)	11,624.01	24,039.92	13,412.31	—
(b) Rupee term loan from a related party (refer note 36)	31,131.24	—	18,868.76	—
<b>Total unsecured borrowings</b>	<b>[B] 42,755.25</b>	<b>24,039.92</b>	<b>32,281.07</b>	<b>—</b>
<b>Total borrowings</b>	<b>[A + B] 558,538.99</b>	<b>548,210.76</b>	<b>70,916.88</b>	<b>43,016.20</b>
Less: Amount disclosed under the head 'other current liabilities' (refer note 7)			(70,916.88)	(43,016.20)
<b>Long-term borrowings</b>	<b>558,538.99</b>	<b>548,210.76</b>	<b>—</b>	<b>—</b>

#### C. Notes :

##### i. Secured rupee term loans under Master Restructuring Agreement (MRA) :

- Term loans and funded interest facilities of ₹ 265,322.60 lakhs (previous year ₹ 271,604.24 lakhs) governed by MRA with banks and financial institutions are secured / to be secured by first ranking security interests over all movable and immovable assets of a subsidiary, present and future, and immovable assets of Essar Oil Limited ("EOL") pertaining to the Terminal Project, insurance policies related to the Terminal Project, rights, title and interests under project documents, trust and retention accounts and all sub-accounts created thereunder, pledge of certain shares of a subsidiary held by promoters (as defined in MRA) / associates of promoters or a subsidiary and personal guarantees of promoters.
- A term loan from a financial institution and funded interest facilities thereon of ₹ Nil (previous year ₹ 6,393.48 lakhs) governed by MRA are secured by a guarantee of EOL for ₹ Nil (previous year ₹ 20,000.00 lakhs). To secure obligation of EOL pursuant to the said guarantee, security is created by first mortgage and charge on immovable and movable properties pertaining to the EOL refinery project, pledge over shares of EOL and an assignment of the project contracts relating to EOL refinery project, the trust and retention accounts pertaining thereto.

## Notes forming part of the consolidated financial statements

- c) Secured rupee term loans of ₹ 113,718.04 lakhs (previous year ₹ 113,718.04 lakhs) from banks and financial institutions are repayable during March 2017 and June 2022 in 22 quarterly installments ranging from ₹ 2,919.84 lakhs to ₹ 7,007.06 lakhs.
- d) Secured rupee term loans of ₹ 23,576.61 lakhs (previous year ₹ 36,251.72 lakhs) from banks and financial institutions are repayable during June 2015 to March 2017 in 9 quarterly installments ranging from ₹ 2,235.31 lakhs to ₹ 3,615.45 lakhs.
- e) Secured rupee term loans of ₹ 13,120.77 lakhs (previous year ₹ 13,120.77 lakhs) from banks and financial institutions are payable on June 2027.
- f) Secured rupee term loans of ₹ 27,999.02 lakhs (previous year ₹ 27,999.02 lakhs) from bank and financial institutions are repayable during March 2019 and September 2023 in 19 quarterly installments ranging from ₹ 699.98 lakhs to ₹ 5,599.80 lakhs.

g) Recognition of Facility Stoppage

The Master Restructuring Agreement ('MRA') dated 17 December 2004 entered pursuant to Corporate Debt Restructuring Scheme, gives an option, subject to consent of its lenders, to a subsidiary to prepay funded interest loans (FS loan) of ₹ 86,908.16 lakhs (previous year ₹ 86,908.16 lakhs) at any point of time during their term at a reduced amount computed in accordance with mechanism provided in the MRA or in full, by one bullet payment in March, 2026.

In order to reflect the substance of the above, in terms of presentation in the Consolidated Balance Sheet, an amount of ₹ 58,543.58 lakhs (previous year ₹ 61,324.78 lakhs) being the amount not payable as at balance sheet date has been presented as deduction from funded interest facilities under secured loans / borrowings to reflect the present obligation on the balance sheet date. The changes in the present obligation of the said FS loan subsequent to capitalisation of the terminal project of a subsidiary till each reporting date is treated as a finance cost item in the Consolidated Statement of Profit and Loss.

- ii. Secured rupee term loans other than loans under MRA, from banks and financial institutions of ₹ 347,640.54 lakhs (previous year ₹ 343,350.97 lakhs) are repayable in quarterly installments starting from June, 2012 to March, 2023. These loans are secured by first mortgage and charge of all present and future movable and immovable assets / properties of the Group.
- iii. Foreign currency buyers' credit facilities are part of consortium agreement. The Group has intention to convert buyers' credit facilities into term loans on maturity as per the terms of the secured rupee term loans. Repayment terms are as per those disclosed in point (ii) above.
- iv. FCCBs of US\$ 18,571,428 (Series - B) due on 24 August 2017 and US\$ 21,428,572 (Series - A) due on 24 August 2015 carry interest @ 5% per annum payable semi annually. The FCCBs are convertible into 20,475,463 fully paid equity shares of ₹ 10 each of the Company, any time upto the date of maturity, at the option of the FCCBs holders at conversion price of ₹ 91.70 per share at a predetermined exchange rate of ₹ 46.94 per USD. The FCCBs, if not converted, till the maturity date will be redeemed at par.
- v. Unsecured loan from a related party is repayable in five equal quarterly installments commencing from 30 December 2016 to 31 March, 2017.
- vi. The classification of loans between current liabilities and non-current liabilities continues based on repayment schedule under respective loan agreements as no loans have been recalled by the lenders due to non compliance of conditions under any of the loan agreements.

## 6. DEFERRED TAX LIABILITIES / ASSETS

### A. Deferred tax liabilities (net)

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b><u>Tax effect of items constituting deferred tax liabilities</u></b>		
On difference between book balance and tax balance of fixed assets	30,022.99	22,200.08
<b>(A)</b>	<b>30,022.99</b>	<b>22,200.08</b>
<b><u>Tax effect of items constituting deferred tax assets</u></b>		
Unabsorbed depreciation carried forward	4,603.49	7,155.00
<b>(B)</b>	<b>4,603.49</b>	<b>7,155.00</b>
<b>Total</b>	<b>(A-B) 25,419.50</b>	<b>15,045.08</b>

## Notes forming part of the consolidated financial statements

### B. Deferred tax assets (net)

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b><u>Tax effect of items constituting deferred tax liabilities</u></b>		
On difference between book balance and tax balance of fixed assets	56,579.45	52,431.56
<b>(A)</b>	<b>56,579.45</b>	<b>52,431.56</b>
<b><u>Tax effect of items constituting deferred tax assets</u></b>		
Unabsorbed depreciation carried forward	46,123.65	44,885.46
Interest disallowance u/s 43B of the Income Tax Act, 1961	16,739.14	16,503.66
On expenditure deferred in books but allowable for tax purposes	5,396.98	4,363.21
<b>(B)</b>	<b>68,259.77</b>	<b>65,752.33</b>
<b>Total</b>	<b>(B-A) 11,680.32</b>	<b>13,320.77</b>

Group has recognised Deferred Tax Asset on unabsorbed depreciation to the extent of the corresponding reversible deferred tax liability on the difference between the book value and the written down value of fixed assets under income tax. Having regard to the existing tenure of the Petroleum Handling Agreement with the user of the terminal facilities and expected extension thereof considering the nature of the facilities, Deferred Tax Asset with respect to disallowances under section 43B of the Income Tax Act, 1961 related to funded interest of a subsidiary is recognised to the extent of expected availability of sufficient taxable profit during the years of payment of such funded interest.

### 7. OTHER LONG-TERM / CURRENT LIABILITIES

₹ in lakhs

Particulars	Non-current		Current	
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
<b>Payable for capital expenses</b>				
– to related parties (refer note 36)	12.50	12.50	7,505.78	11,209.58
– to others	20.24	10.63	1,825.86	1,596.98
Acceptances in respect of capital goods*	118.96	709.19	3,022.15	2,080.08
Current maturities of long-term borrowings	–	–	70,916.88	43,016.20
Interest accrued and due on borrowings	–	–	12,569.51	542.02
Interest accrued but not due on borrowings	4.27	–	3,947.67	4,459.29
Advances from customers for services from related party (refer note 36)	–	–	–	5,024.78
Advances from customers for services from others	–	–	102.88	15.85
Security deposit from a customer (including interest due) (refer note 36)	29,800.00	29,800.00	1,699.28	604.62
Payable in respect of purchase of non-current Investments	–	–	859.48	–
Other liabilities (statutory dues for tax deducted at source, provident fund and other dues)	–	–	2,383.40	1,387.62
Others	–	–	1,112.27	354.98
<b>Total</b>	<b>29,955.97</b>	<b>30,532.32</b>	<b>105,945.16</b>	<b>70,292.00</b>

\* Under letters of credit issued by lender banks and to be converted into long term loans as per terms of loan agreements.

## Notes forming part of the consolidated financial statements

### 8. SHORT-TERM PROVISIONS

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>(a) Provision for employee benefits</b>		
Gratuity (refer note 35)	75.76	48.05
Compensated absences (refer note 35)	257.51	575.83
Superannuation	3.93	–
<b>(b) Others</b>		
Provisions for taxation (net of advance tax ₹ 28,236.97 lakhs (previous year ₹ 2,270.75 lakhs))	6,451.75	5,233.82
Proposed dividend on equity shares of the Company	–	2,160.89
Proposed dividend on preference shares of a subsidiary	2.57	0.15
Tax on proposed dividends	0.52	378.96
<b>Total</b>	<b>6,792.04</b>	<b>8,397.70</b>

### 9. SHORT-TERM BORROWINGS

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>Secured</b>		
Working capital loans from banks (secured by first pari passu charge on all the present and future movable / immovable assets / properties, insurance contracts, accounts, receivables and all other assets of a subsidiary including but not limited to goodwill, trademarks and patents)	10,873.74	4,894.53
Foreign currency buyers' credit (refer foot note 5 (c) (iii))	–	330.30
<b>Total</b>	<b>10,873.74</b>	<b>5,224.83</b>

### 10. TRADE PAYABLES

Particulars	As at 31 March, 2015	As at 31 March, 2014
Trade payables other than acceptances (refer note 33)	12,563.67	15,366.00
<b>Total</b>	<b>12,563.67</b>	<b>15,366.00</b>

## Notes forming part of the consolidated financial statements

₹ in lakhs

Particulars	Gross block (at cost / valuation)			Accumulated depreciation / amortisation			Net block	
	As at 01 April, 2014	Additions during the year	Disposals / deductions	As at 01 April, 2014	Depreciation / amortisation for the year	Deductions on disposal	As at 31 March, 2015	As at 31 March, 2014
<b>Tangible assets</b>								
Land- freehold	303.87 (332.95)	(6.62)	(35.70)	—	—	—	303.87 (303.87)	303.87 (332.95)
Buildings	10,981.13 (10,956.32)	169.59 (24.81)	—	1,899.65 (1,508.50)	1,728.59 (391.15)	—	7,522.48 (9,081.48)	9,081.48 (9,447.82)
Fleet - Owned (b)	12,627.30 (12,623.75)	— (3.55)	—	7,725.80 (6,534.02)	1,115.12 (1,191.78)	—	3,786.38 (4,901.50)	4,901.50 (6,089.73)
Berth & jetty and dredged channel (d)	131,817.91 (56,773.69)	— (75,044.22)	—	9,063.05 (6,625.79)	5,841.35 (2,437.26)	—	116,913.51 (122,754.86)	122,754.86 (50,147.90)
Plant and equipment (e), (f) and (g)	506,011.26 (502,033.31)	451.05 (4,294.39)	179.20 (316.44)	115,145.12 (90,737.65)	15,908.03 (24,407.47)	15.18	375,245.14 (390,866.14)	390,866.14 (411,295.66)
Furniture, fixture, air-conditioners, refrigerators and office equipments	689.74 (608.09)	26.64 (81.65)	—	282.34 (228.26)	48.46 (54.08)	—	385.58 (407.40)	407.40 (379.83)
Vehicles	235.33 (241.84)	15.60	233.55 (6.51)	75.16 (47.57)	19.54 (30.20)	87.71	10.39 (160.17)	160.17 (194.27)
<b>Total tangible assets (A)</b>	<b>662,666.54</b>	<b>662.88</b>	<b>412.75</b>	<b>134,191.12</b>	<b>24,661.09</b>	<b>102.89</b>	<b>504,167.35</b>	<b>528,475.42</b>
<b>Intangible assets</b>								
Software	34.67 (34.67)	—	—	31.76 (30.29)	1.21 (1.47)	—	1.70 (2.91)	2.91 (4.38)
<b>Total intangible fixed assets (B)</b>	<b>34.67</b>	<b>—</b>	<b>—</b>	<b>31.76</b>	<b>1.21</b>	<b>—</b>	<b>1.70</b>	<b>2.91</b>
<b>Total (A+B)</b>	<b>662,701.21</b>	<b>662.88</b>	<b>412.75</b>	<b>134,222.88</b>	<b>24,662.30</b>	<b>102.89</b>	<b>504,169.05</b>	<b>528,478.33</b>
<b>Previous year</b>	<b>(583,604.62)</b>	<b>(79,455.24)</b>	<b>(358.65)</b>	<b>(105,712.08)</b>	<b>(28,513.41)</b>	<b>(2.61)</b>	<b>(528,478.33)</b>	

### Notes :

- Fleet were revalued on 31 March 2008 on the basis of valuation done by approved valuers based on prevailing market rate. The net difference between book value and revalued value as on 31 March 2008 amounting to ₹ 129.62 lakhs had been added to book value of fleet and corresponding credit was given to revaluation reserve. Out of depreciation for the year, a sum of ₹ Nil (previous year ₹ 11.16 lakhs) to the extent it is charged on the increased value has been recouped from revaluation reserve. (refer foot note (i) below).
- Fleet have been hypothecated against secured non convertible debentures issued by Essar Shipping Limited (fellow subsidiary).
- The Group has exercised the option available as per para 46/46A of Accounting Standard (AS) 11, "The effect of changes in foreign exchange rates", vide notification no. GSR 914(E) dated 29 December 2011. Consequently, the exchange loss of ₹ 1,348.70 lakhs (previous year ₹ 4,513.30 lakhs) has been capitalised to the cost of tangible assets.
- Additions to Berth and jetty include borrowing cost capitalised during the year of ₹ Nil (previous year ₹ 26,451.32 lakhs).
- Plant and equipment includes jetty and other assets having carrying amounts aggregating to ₹ 57,810.07 lakhs (previous year ₹ 68,960.26 lakhs) which are constructed / installed / erected over land owned by Kandla Port Trust (KPT) under a concession arrangement. As per the terms of the concession arrangement, the said assets will be transferred to KPT at the end of the concession period i.e. October 2027.
- Plant and equipment and 'Berth & jetty and dredged channel' with carrying value of ₹ 17,604.56 lakhs (previous year ₹ 17,915.24 lakhs) and ₹ 1,31,940.20 lakhs (previous year ₹ 1,31,940.20 lakhs) respectively constructed over the water front allotted by Gujarat Maritime Board (GMB) is used by the Group under concession arrangement with GMB.
- Plant and equipment includes conveyor belt with the carrying value of ₹ 43,323.65 lakhs (previous year ₹ 43,323.65 lakhs) has been partly erected on the land owned by Paradip Port Trust and allotted to the Group under concession arrangement for the period until April 2020.
- Plant and equipment having gross block of ₹ 15,284.63 lakhs and accumulated depreciation of ₹ 5,078.65 lakh has been transferred to Buildings in course of assessment of useful life of assets carried out by third party consultant.
- Details of depreciation are as follows:

Particulars	31 March, 2015	31 March, 2014
Depreciation for the year as above	24,662.30	28,513.41
Less : Depreciation capitalised during the year	738.61	781.37
Less : Depreciation recouped from revaluation reserve	—	11.16
<b>Depreciation charged to the Consolidated Statement of Profit and Loss</b>	<b>23,923.69</b>	<b>27,720.88</b>
- During the year, pursuant to the notification of the schedule II to the Companies Act, 2013, the Group has revised the estimated useful life of fixed assets based on the technical evaluation of an independent valuer, consequent to the change, the depreciation charge in the Statement of Profit and Loss for the year is lower by ₹ 15.92 Lakhs.
- Previous year figures are disclosed in bracket.

₹ in lakhs

Particulars	31 March, 2015	31 March, 2014
Depreciation for the year as above	24,662.30	28,513.41
Less : Depreciation capitalised during the year	738.61	781.37
Less : Depreciation recouped from revaluation reserve	—	11.16
<b>Depreciation charged to the Consolidated Statement of Profit and Loss</b>	<b>23,923.69</b>	<b>27,720.88</b>

## Notes forming part of the consolidated financial statements

## 12. CAPITAL WORK-IN-PROGRESS

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
(A) Capital work-in-progress	114,001.94	102,245.13
(B) Expenditure during construction (see details below)	79,535.49	56,653.46
<b>Total</b>	<b>193,537.43</b>	<b>158,898.59</b>

Expenditure during construction	As at 31 March 2014	Incurred during the year	As at 31 March 2015
Survey charges	145.77	0.10	145.87
Consultancy and professional fees	3,424.39	2,334.00	5,758.39
Travelling and courier expenses	733.97	238.41	972.38
Insurance expenses	361.71	189.22	550.93
Finance costs :	–		
Interest on borrowings	30,707.00	18,370.55	49,077.55
Interest on foreign currency convertible bonds	5,899.17	–	5,899.17
Other borrowing costs	3,642.11	305.96	3,948.07
Employee benefits expense :			
Salaries, wages and bonus	2,926.78	1,270.29	4,197.07
Contribution to staff provident and other funds (refer note 35)	286.82	107.89	394.71
Staff welfare expenses	242.24	115.77	358.01
Stores and spares consumption	1,257.61	1,026.52	2,284.13
Hire charges	1,033.32	705.97	1,739.29
Manning charges	2,394.92	1,071.76	3,466.68
Rates and taxes	310.87	116.23	427.10
Security charges	285.81	117.59	403.40
Repairs and maintenance	189.45	63.07	252.52
Depreciation	1,855.13	738.61	2,593.74
Agency fees	68.45	0.06	68.50
Power and electricity	450.21	–	450.21
Net loss on foreign currency transactions and translation	5,999.13	38.08	6,037.21
Others	1,051.82	589.19	1,641.02
<b>(A)</b>	<b>63,266.68</b>	<b>27,399.27</b>	<b>90,665.95</b>
Less: Income during construction :			
Interest on bank deposits	(388.97)	(13.70)	(402.67)
Gain on sale of mutual fund units	(99.01)	(34.86)	(133.87)
Interest on loans and advances	(119.04)	–	(119.04)
Cargo handling income (refer note 36)	(5,870.92)	(4,368.37)	(10,239.29)
Income from sale of scrap and machinery hire income	(229.35)	(97.15)	(326.50)
Vessel, equipment and berth hire income	(13.11)	–	(13.11)
Other miscellaneous income	(11.29)	(3.16)	(14.45)
Less : Provision for taxes	118.47	–	118.47
<b>(B)</b>	<b>(6,613.22)</b>	<b>(4,517.24)</b>	<b>(11,130.46)</b>
<b>Total (A-B)</b>	<b>56,653.46</b>	<b>22,882.03</b>	<b>79,535.49</b>



## Notes forming part of the consolidated financial statements

The Management has performed assessment of Recoverable Amount of Dry Bulk Terminal under construction at Salaya (“the Project”) with carrying value of ₹ 107,588.00 lakhs on the basis of its value in use having regard to increase in its estimated project cost in terms of Accounting Standard (AS) 28, Impairment of Assets by estimating the future cash flows over the estimated useful life of the Project. The cash flow projections are appraised and concurred by the lenders and includes estimates and assumptions relating to revenue from existing long term contracts with related parties and revenue from third parties considering report on traffic study conducted by an independent expert, operational performance, exchange variation and inflation, etc. which are considered reasonable by the Management. On a careful evaluation of aforesaid factors, the Management has concluded that the recoverable amount of the Project is higher than its carrying amounts as at 31 March 2015.

### 13. NON-CURRENT / CURRENT INVESTMENTS

₹ in lakhs

Particulars	Non-current		Current	
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
<b>Unquoted</b>				
<b>Trade investments (valued at cost)</b>				
<b>Investments in equity shares (fully paid up)</b>				
386,000 equity shares of ₹ 10 /- each of Bhandar Power Limited	104.23	104.51	–	–
3,450 (previous year Nil) ordinary shares of MZN 1,000 each of New Coal Terminal Beira, S.A	67.96	–	–	–
<b>Current investments (at lower of cost and fair value)</b>				
<b>Investment in mutual fund units</b>				
208.020 units of Taurus Liquid Fund at NAV of ₹ 1287.5308 each	–	–	–	2.68
<b>Total</b>	<b>172.19</b>	<b>104.51</b>	<b>–</b>	<b>2.68</b>
<b>Aggregate value of unquoted investments</b>	<b>172.19</b>	<b>104.51</b>	<b>–</b>	<b>2.68</b>

### 14. LONG-TERM / SHORT-TERM LOANS AND ADVANCES

₹ in lakhs

Particulars	Non-current		Current	
	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014
<b>Unsecured, considered good</b>				
<b>Capital advances</b>				
– to related parties (refer note 36)	22,537.62	12,432.69	–	–
– to others	374.63	366.54	336.89	–
<b>(A)</b>	<b>22,912.25</b>	<b>12,799.23</b>	<b>336.89</b>	<b>–</b>
<b>Security deposits</b>				
– to related parties (refer note 36)	597.70	597.70	450.00	450.00
– to others	243.16	376.01	681.59	548.59
<b>(B)</b>	<b>840.86</b>	<b>973.71</b>	<b>1,131.59</b>	<b>998.59</b>
<b>Loans and advances</b>				
– to related parties (refer note 34 and 36)	–	–	23,857.89	22,742.64
– to others	9,803.20	–	18,785.06	3,661.40
<b>(C)</b>	<b>9,803.20</b>	<b>–</b>	<b>42,642.95</b>	<b>26,404.04</b>

## Notes forming part of the consolidated financial statements

### 14. LONG-TERM / SHORT-TERM LOANS AND ADVANCES (Contd.)

₹ in lakhs

Particulars	Non-current		Current	
	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014
<b>Advances recoverable in cash or kind or for value to be received</b> (D)	–	–	<b>1,138.69</b>	<b>625.87</b>
<b>Other loans and advances</b>				
- Advance income-tax and tax deducted at source (net of provision for tax ₹ 3,133.17 lakhs (previous year ₹ 2,223.22 lakhs)	3,954.50	3,161.97	50.03	783.05
- MAT credit entitlement *	29,252.49	18,803.91	–	–
- Prepaid expenses	5,574.28	4,687.12	1,822.70	1,622.50
- Service tax receivable	3,244.24	5,387.96	1,626.17	5,498.85
- Cenvat receivable	1,900.14	0.62	2,732.28	1,029.59
- Advances to vendors	–	–	361.77	720.98
- Other receivables	–	–	368.32	161.63
- Earnest money deposit	–	–	448.00	448.00
- Loans and advances to employees	–	–	11.81	7.18
(E)	<b>43,925.65</b>	<b>32,041.58</b>	<b>7,421.08</b>	<b>10,271.78</b>
<b>Total (A+B+C+D+E)</b>	<b>77,481.96</b>	<b>45,814.52</b>	<b>52,671.20</b>	<b>38,300.28</b>

\* Minimum Alternate Tax (MAT) credit recognised by the group companies as per the provisions of section 115JB of the Income Tax Act, 1961, can be carried forward for ten year from their respective year of recognition and set-off against the tax payable when these subsidiaries will fall under the normal tax rate. The convincing evidence of availing tax credit is supported by the long-term revenue arrangement between the group companies and related parties which will ensure sufficient future taxable income against which the above MAT credit will be adjusted.

### 15. OTHER NON-CURRENT / CURRENT ASSETS

₹ in lakhs

Particulars	Non-current		Current	
	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014
<b>Unsecured, considered good</b>				
Margin money				
- In time deposits (Debt service reserve account as per the term loan agreement) with maturity of more than 12 months	1,185.39	1,625.00	–	–
- In time deposits (lien marked against facility of letter of credit) with maturity of more than 12 months	–	21.08	–	–
- Deposits in escrow account with maturity of more than 12 months*	99.26	99.26	–	–
Unamortised share issue expenses	30.85	71.57	38.16	38.27
Interest accrued on bank deposits	–	–	57.50	49.44
Interest accrued on loans and advance given to a related party	–	–	2.55	43.50
Net asset for gratuity (refer note 35)	–	–	53.39	–
Other receivables :				
- from related parties (refer note 36)	–	–	3,360.09	2,501.07
- from others	–	–	2,034.63	2,437.76
<b>Total</b>	<b>1,315.50</b>	<b>1,816.91</b>	<b>5,546.32</b>	<b>5,070.04</b>

\* As per the requirement of Master Restructuring Agreement for secured term loans, there are restrictions on operation of escrow account of a subsidiary.

## Notes forming part of the consolidated financial statements

### 16. INVENTORIES (VALUED AT LOWER OF COST AND NET REALISABLE VALUE)

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
Stores and spares	766.41	801.33
Fuel, oil and lubricants	58.98	48.65
<b>Total</b>	<b>825.39</b>	<b>849.98</b>

### 17. TRADE RECEIVABLES

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>Unsecured, considered good (refer note 34)</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	17,115.35	4,844.45
Other trade receivables	48,826.97	42,813.70
<b>Total</b>	<b>65,942.32</b>	<b>47,658.15</b>

### 18. CASH AND BANK BALANCES

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>Cash and cash equivalents</b>		
Balances with banks in current accounts	11,695.84	829.60
	(A) <b>11,695.84</b>	<b>829.60</b>
<b>Other bank balances</b>		
Balances with banks held as margin money (lien marked against bank guarantees and LC facility)	1,830.21	1,587.61
	(B) <b>1,830.21</b>	<b>1,587.61</b>
<b>Total</b>	<b>(A + B) 13,526.05</b>	<b>2,417.21</b>

### 19. REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>Sale of products and services</b>		
Port and terminal services (refer note below)	160,676.17	153,325.34
Fleet operating and chartering earnings	1,184.02	1,366.68
Sale of petroleum products (refer note 36)	3,550.48	57,745.42
<b>Total</b>	<b>165,410.67</b>	<b>212,437.44</b>
<b>Note:</b>		
<b>Sale of ports and terminal services comprises</b>		
Crude and petroleum product storage services	58,872.50	57,157.76
Crude and petroleum product handling services	15,880.03	15,601.65
Cargo handling services	75,110.58	69,642.17
Wharfage and port charges	10,813.06	10,923.76
<b>Total</b>	<b>160,676.17</b>	<b>153,325.34</b>

## Notes forming part of the consolidated financial statements

### 20. OTHER INCOME

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Interest income on bank deposits	107.90	239.44
Interest income on loans and advances	3,852.13	3,792.32
Interest income on income tax refund	30.71	15.51
Interest income on overdue receivables (refer note 36)	6,584.83	4,255.57
Management fee income	196.99	14.16
Gain on sale of current investments	1.13	3.74
Gain on foreign currency translation and transactions	77.63	148.16
Insurance claim	389.62	134.85
Sale of scrap	981.92	256.06
Others	61.23	191.48
<b>Total</b>	<b>12,284.09</b>	<b>9,051.29</b>

### 21. PURCHASE OF TRADED GOODS

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Purchase cost of petroleum products (refer note 36)	3,550.48	57,745.42
	<b>3,550.48</b>	<b>57,745.42</b>

### 22. OPERATING EXPENSES

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Consumption of stores and spares	570.53	641.78
Commission, brokerage and agency fees	30.34	38.86
Operation and maintenance service charges	1,987.38	2,044.92
Dry docking expenses	158.08	316.57
Rent and hire charges	3,224.19	3,085.35
Manning management	3,795.69	3,942.46
Power and fuel	918.34	1,027.62
Security charges	70.26	59.28
Lighterage costs	2,580.17	1,709.70
Port charges	2,501.86	1,901.08
Wharfage charges	6,922.81	6,659.80
Repairs - plant and machinery	1,292.52	947.84
Insurance, protection and indemnity club fees	1,236.59	1,275.57
<b>Total</b>	<b>25,288.76</b>	<b>23,650.83</b>

## Notes forming part of the consolidated financial statements

### 23. EMPLOYEE BENEFITS EXPENSE

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Salaries, wages and bonus	3,008.05	2,923.70
Contribution to staff provident and other funds (refer note 35)	120.20	236.77
Staff welfare expenses	140.97	90.48
<b>Total</b>	<b>3,269.22</b>	<b>3,250.95</b>

### 24. OTHER EXPENSES

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Rent	331.96	311.86
Rates and taxes	56.70	46.91
Repairs and maintenance - building	60.80	89.45
Legal and professional fees	1,949.29	1,886.45
Travelling and conveyance	761.92	653.15
Auditor's remuneration	102.81	114.06
Communication expenses	32.96	15.29
Vehicle hire and maintenance charges	66.25	42.14
Others	643.81	969.67
<b>Total</b>	<b>4,006.50</b>	<b>4,128.98</b>

### 25. FINANCE COSTS

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Interest expense on :		
– bank loans	27,964.93	26,954.08
– loans from financial institutions	28,699.36	24,430.70
– foreign currency convertible bonds	1,245.56	1,148.75
– advance from a customer (refer note 36)	157.43	2,506.98
– security deposit from a customer (refer note 36)	3,874.00	671.80
– loan from a related party (refer note 36)	17.80	174.14
– others	572.83	308.95
Change in the present obligation of funded interest loans (refer note 5 (c) (i) (g))	2,781.20	2,519.64
Other finance charges (mainly include amortisation of upfront fees)	935.37	1,193.75
<b>Total</b>	<b>66,248.48</b>	<b>59,908.79</b>

## Notes forming part of the consolidated financial statements

### 26. SUBSIDIARIES

All subsidiaries of the Company are incorporated in India and has reporting date of 31 March 2015. The list of the subsidiaries of the Company which are included in the consolidation and the Group's holding therein are as under:

Name of companies	Immediate holding	% of voting right		% of effective ownership Interest	
		As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014
Vadinar Oil Terminal Limited ("VOTL")	EPL	100.00%	100.00%	100.00%	100.00%
Vadinar Ports & Terminals Limited ("VPTL")	VOTL	100.00%	100.00%	100.00%	100.00%
Essar Bulk Terminal Limited ("EBTL") @	EPL	74.00%	74.00%	99.50%	99.04%
Essar Bulk Terminal Paradip Limited ("EBTPL") @	EPL	70.30%	70.30%	99.50%	99.99%
Essar Paradip Terminals Limited ("EPaTL") @	EPL	90.00%	90.00%	99.99%	99.94%
Essar Dredging Limited ("EDL")	EBTL	100.00%	100.00%	100.00%	100.00%
Essar Bulk Terminal (Salaya) Limited ("EBTSL") @	EPL	74.00%	74.00%	99.53%	99.50%
Essar Vizag Terminal Limited ("EVTL")*	EPL	100.00%	100.00%	100.00%	100.00%
Vadinar Liquid Terminals Limited ("VLTL")**	EPL	74.00%	Nil	74.00%	Nil
Petro Tankages India Limited ("PTIL")***	VPTL	100.00%	Nil	100.00%	Nil

\* become subsidiary w.e.f. 23 October 2013

\*\* become subsidiary w.e.f. 15 February 2015

\*\*\* become subsidiary w.e.f. 19 August 2014

@ During the year ended March 31, 2013, terms of CCCPPS issued by the subsidiary companies to the Company have been amended to the effect that CCCPPS holder would be entitled to receive, over and above the preferential dividend and share capital, the dividend as and when distributed and the remaining assets of the subsidiaries after distribution of all preferential amounts, in proportion to their share holding in the event of liquidation, at par with the equity shareholders. Accordingly, the CCCPPS have been considered in computation of the effective ownership interest of the Company over those subsidiaries for the purpose of consolidation.

### 27. CONTINGENT LIABILITIES

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
Guarantees given on behalf of others #	960.35	10,400.00
<b>Total</b>	<b>960.35</b>	<b>10,400.00</b>

# Guarantees have been given for business purpose.

### 28. COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 137,535.34 lakhs (previous year ₹ 93,655.50 lakhs).

### 29. DETAILS OF LEASING ARRANGEMENTS - ASSETS TAKEN ON OPERATING LEASES

₹ in lakhs

Particulars	As at 31 March, 2015	As at 31 March, 2014
a. Payable not later than 1 year	471.30	454.92
b. Payable later than 1 year but not later than 5 years	1,702.20	1,772.43
c. Payable later than 5 years	3,724.16	4,125.18
<b>Total</b>	<b>5,897.66</b>	<b>6,352.53</b>

## Notes forming part of the consolidated financial statements

The Group has entered into non cancellable operating lease agreements for office premises in financial year 2012-13 for the period of 5 years with monthly lease rental of ₹ 11.78 lakhs and two berths for the period of 30 years (remaining period of approximate 12.5 years) with yearly lease rental of ₹ 329.92 lakhs and yearly escalation of 5%.

### 30. SEGMENT DISCLOSURE

#### Business Segment - Primary Segment

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>Segment revenue</b>		
Fleet operating and chartering	3,462.92	4,013.43
Port and terminal services	160,676.17	153,325.34
Trading in goods	3,550.48	57,745.42
Unallocated	8,292.22	5,000.28
Less: Inter segment revenue	(2,278.90)	(2,646.75)
<b>Total segment revenue</b>	<b>173,702.89</b>	<b>217,437.72</b>
Add: Interest income on loans and advances	3,852.13	3,792.32
Add: Interest income on bank deposits	107.90	239.44
Add: Interest income on income tax refund	30.71	15.51
Add: Gain on sale of current / long term investments	1.13	3.74
<b>Total revenue</b>	<b>177,694.76</b>	<b>221,488.73</b>
<b>Segment results</b>		
Fleet operating and chartering	707.70	527.30
Port and terminal services	104,664.32	95,413.08
Trading in goods	-	-
Unallocated	8,292.22	5,000.28
<b>Total</b>	<b>113,664.24</b>	<b>100,940.66</b>
Less: Unallocable Interest and finance expense	(66,248.48)	(59,908.79)
Add: Interest income on loans and advances	3,852.13	3,792.32
Add: Interest income on bank deposits	107.90	239.44
Add: Interest income on income tax refund	30.71	15.51
Add: Gain on sale of current / long term investments	1.13	3.74
<b>Profit before tax</b>	<b>51,407.63</b>	<b>45,082.88</b>
(Less) / Add : Taxes	(12,129.87)	(6,340.53)
<b>Profit before share of minority's interest</b>	<b>39,277.76</b>	<b>38,742.35</b>
Share of minority's interest	(157.38)	(368.55)
<b>Profit for the year</b>	<b>39,120.38</b>	<b>38,373.80</b>

## Notes forming part of the consolidated financial statements

### 30. SEGMENT DISCLOSURE (Contd.)

#### Business Segment - Primary Segment (Contd.)

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>Segment assets</b>		
Fleet operating and chartering	7,902.94	7,917.11
Port and terminal services	981,011.24	925,179.68
Trading in goods	–	4,922.06
Unallocated	92,316.40	52,720.78
<b>Total</b>	<b>1,081,230.58</b>	<b>990,739.63</b>
Add: Deferred tax asset	11,680.32	13,320.77
<b>Total assets</b>	<b>1,092,910.90</b>	<b>1,004,060.40</b>
<b>Segment liabilities</b>		
Fleet operating and chartering	(75.20)	(112.08)
Port and terminal services	(64,599.11)	(60,990.74)
Trading in goods	–	(4,922.06)
<b>Total</b>	<b>(64,674.31)</b>	<b>(66,024.88)</b>
Add: Loan funds (including interest due / not due)	(659,992.17)	(604,224.92)
Add: Proposed dividend	(3.09)	(2,540.00)
Add: Deferred tax liabilities	(25,419.50)	(20,278.90)
<b>Total liabilities</b>	<b>(750,089.07)</b>	<b>(693,068.70)</b>
<b>Additions to fixed assets (refer foot note 2 below)</b>		
Port and terminal services	662.88	79,455.24
<b>Total</b>	<b>662.88</b>	<b>79,455.24</b>
<b>Depreciation and amortisation (refer foot note 3)</b>		
Fleet operating and chartering	342.87	330.58
Port and terminal services	23,580.82	27,390.30
<b>Total</b>	<b>23,923.69</b>	<b>27,720.88</b>

#### Notes

- The Group has disclosed Business segment as primary segment. Segments have been identified taking into account the organisation structure, nature of services, differing risk and internal reporting. The Group's operations predominantly relates to Fleet operating and chartering, Port and terminal services and trading in petroleum products.
- Additions to fixed assets shown above are including exchange difference and excluding capital work in progress and expenditure during construction.
- Depreciation excludes ₹ 738.62 lakhs (previous year ₹ 781.37 lakhs) transferred to expenditure during construction and ₹ Nil (previous year ₹ 11.16 lakhs) recouped from fixed assets revaluation reserve.
- Segment revenue from trading in goods is earned from a customer located in Mauritius and the balance due from the customer is disclosed as corresponding segment assets. Other operations of the Group are located in India.



## Notes forming part of the consolidated financial statements

### 31. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>Net profit after tax and minority interest attributable to equity share holders for basic EPS (₹ in lakhs)</b>	<b>39,120.38</b>	<b>38,373.80</b>
Add: Interest on foreign currency convertible bonds (FCCB) (₹ in lakhs)	1,245.56	1,148.75
Add: Exchange loss on FCCB revaluation (₹ in lakhs)	12.55	10.80
<b>Net profit after tax attributable to equity share holders for diluted EPS (₹ in lakhs)</b>	<b>40,378.49</b>	<b>39,533.35</b>
<b>Weighted average no. of equity shares outstanding during the year</b>		
for Basic EPS	427,887,998	427,887,998
for Diluted EPS	449,055,350	448,363,461
<b>Basic EPS (₹)</b>	<b>9.14</b>	<b>8.97</b>
<b>Diluted EPS (₹)</b>	<b>8.99</b>	<b>8.82</b>
Nominal value per Share (₹)	10	10
Reconciliation between number of shares used for calculating basic and diluted earnings per share		
a) Number of shares outstanding during the year used for calculating basic EPS	427,887,998	427,887,998
b) Potential equity shares (convertible FCCB)	20,475,463	20,475,463
c) Potential equity shares (ESOP)	691,889	–
d) Number of shares outstanding during the year for calculating diluted EPS (a+b+c)	449,055,350	448,363,461

### 32. DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURES

#### (A) Unhedged foreign currency exposures

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below.

**Amount receivable in foreign currency on account of the following:**

Particulars	₹ in lakhs		Currency	Foreign currency in lakhs	
	As at 31 March, 2015	As at 31 March, 2014		As at 31 March, 2015	As at 31 March, 2014
Trade receivable on sale of traded goods	361.05	4,922.06	USD	5.76	80.63
Rendering of services	1,658.98	1,592.95	USD	26.51	26.51
Interest receivable	568.92	335.65	USD	9.09	5.58
Bank balances	0.73	0.70	USD	0.01	0.01
Advance to vendor for materials and services	3.31	–	USD	0.05	–
	9.13	10.79	SGD	1.26	1.26
	0.27	–	GBP	0.00*	–
	359.94	–	EUR	4.52	–

\* less than 1 lakh

## Notes forming part of the consolidated financial statements

### Amount payable in foreign currency on account of the following:

Particulars	₹ in lakhs		Currency	Foreign currency in lakhs	
	As at 31 March, 2015	As at 31 March, 2014		As at 31 March, 2015	As at 31 March, 2014
Import of goods and services	70.64	11.74	USD	1.13	0.19
	19.53	5.90	EUR	0.29	0.07
	91.17	0.26	GBP	0.99	0.00
Buyer's credit (including interest accrued)	–	5,502.94	USD	–	91.60
	–	2,011.40	EUR	–	24.36
Foreign currency convertible bond (including interest accrued but not due)	25,780.79	24,217.82	USD	411.89	402.96

(B) There were no forward / option contract entered by the Group during the current and previous financial year to hedge its foreign currency exposures.

### 33. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

The Group has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 and hence disclosure relating to amount unpaid at the year end together with interest paid / payable under this Act have not been given.

34. The Group has reckoned with the carrying values of amounts due from related parties (including inter corporate deposits given) having regard to inter alia, expected realization based on agreement / understanding with the parties and fair values of the net assets of the parties / guarantors, on the basis of which Current classification has been made in the financial statements and the amounts due have been concluded to be good and recoverable.

### 35. EMPLOYEE BENEFITS :

The Group has classified the various benefits provided to employees as under:

#### I. Defined contribution plans

The Group has recognised the following amounts in the Consolidated Statement of Profit and Loss during the year:

₹ in lakhs

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
a) Group accident policy premium	2.04	15.28
b) Employer's contribution to superannuation fund	11.81	12.54
c) Employer's contribution to provident fund	132.92	135.62
<b>Total</b>	<b>146.77</b>	<b>163.44</b>

The above amounts are included in 'contribution to staff provident and other funds / expenditure during construction' (refer note no.12 and 23).

#### II. Defined benefit plans

- Contribution to provident fund
- Contribution to gratuity fund
- Provision for compensated absences (CA)

## Notes forming part of the consolidated financial statements

In accordance with AS-15, relevant disclosures are as under:

### (A) Changes in present value of defined benefit obligation:

₹ in lakhs

Particulars	Provident fund (funded)		Gratuity-shore officers (funded)		CA (non funded)	
	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014
Present value of defined benefit obligations – opening balance	502.86	396.50	369.06	319.79	434.09	397.36
Current service cost	26.65	30.08	36.99	37.86	37.94	39.44
Current service contribution - employee	28.09	40.08	–	–	–	–
Interest cost	29.09	41.40	30.56	23.66	24.63	19.58
Past service cost	–	–	–	–	–	–
Acquisitions	–	14.02	–	–	–	–
Benefits paid	(240.10)	(20.00)	(73.64)	(40.58)	(26.79)	(15.63)
Actuarial (gain) / loss on obligations	–	0.78	58.05	28.33	(51.25)	(6.66)
Gain on change in sick leave policy*	–	–	–	–	(161.11)	–
<b>Present value of defined benefit obligations – closing balance</b>	<b>346.59</b>	<b>502.86</b>	<b>421.02</b>	<b>369.06</b>	<b>257.51</b>	<b>434.09</b>

\* During the year the Group has credited ₹ 161.11 lakhs in salaries and wages, as sick leave balances will not be carried forward for future utilisation.

### (B) Changes in the fair value of plan assets:

₹ in lakhs

Particulars	Provident fund (funded)		Gratuity-shore officers (funded)		CA (non funded)	
	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014
Fair value of plan assets – opening balance	502.86	396.50	321.01	272.45	–	–
Expected return on plan assets	–	–	46.04	24.44	–	–
Actual return on plan assets	29.09	42.18	–	–	–	–
Acquisition adjustment	–	–	–	(21.19)	–	–
Actuarial gains / (losses)	–	–	36.21	19.42	–	–
Contributions by the employer / employees	54.74	84.18	69.04	66.47	–	–
Benefits paid	(240.10)	(20.00)	(73.64)	(40.58)	–	–
<b>Fair value of plan assets – closing balance</b>	<b>346.59</b>	<b>502.86</b>	<b>398.65</b>	<b>321.01</b>	<b>–</b>	<b>–</b>

### (C) Amount recognised in Consolidated Balance Sheet:

₹ in lakhs

Particulars	Provident fund (funded)		Gratuity-shore officers (funded)		CA (non funded)	
	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014
Present value of defined benefit obligations	346.59	502.86	421.02	369.06	257.51	434.09
Fair value of plan assets	346.59	502.86	398.65	321.01	–	–
Funded status (surplus / (deficit))	–	–	(22.37)	(48.05)	(257.51)	(434.09)
<b>(Liability) / asset recognised in the consolidated Balance Sheet (refer note 8 and 15)</b>	<b>–</b>	<b>–</b>	<b>(22.37)</b>	<b>(48.05)</b>	<b>(257.51)</b>	<b>(434.09)</b>

## Notes forming part of the consolidated financial statements

### (D) Expenses recognised in the Consolidated Statement of Profit and Loss / expenditure during the construction: ₹ in lakhs

Particulars	Provident fund (funded)		Gratuity-shore officers (funded)		CA (non funded)	
	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014
Current service cost	26.65	30.08	36.99	37.86	37.94	59.03
Interest cost	29.09	41.40	30.56	23.66	24.63	19.58
Actual return on plan assets	(29.09)	(42.18)	–	–	–	–
Expected return on plan assets	–	–	(46.03)	(24.44)	–	–
Net actuarial (gain) / loss recognised in the period	–	0.78	21.84	8.91	(51.25)	(6.66)
<b>Total expenses recognised in the Consolidated Statement of Profit and Loss / expenditure during the construction (included in contribution to provident and other funds) (refer note no. 12 and 22)</b>	<b>26.65</b>	<b>30.08</b>	<b>43.36</b>	<b>45.99</b>	<b>11.32</b>	<b>71.95</b>

### (E) Experience history:

₹ in lakhs

Particulars	Provident fund (funded)				
	31 March, 15	31 March, 14	31 March, 13	31 March, 12	31 March, 11
Defined benefit obligation at the end of the year	(346.59)	(502.86)	(396.50)	(268.46)	(1,408.24)
Plan assets at the end of the year	346.59	502.86	396.50	268.46	1,408.24
Funded status	–	–	–	–	–
Experience gain / (loss) adjustments on plan liabilities	–	–	–	–	–
Experience gain / (loss) adjustments on plan assets	–	–	–	–	–
Actuarial gain/ (loss) due to change on assumptions	–	–	–	–	–

₹ in lakhs

Particulars	Gratuity-shore officers (funded)				
	31 March, 15	31 March, 14	31 March, 13	31 March, 12	31 March, 11
Defined benefit obligation at the end of the year	(333.38)	(369.05)	(319.77)	(241.59)	(178.21)
Plan assets at the end of the year	398.66	321.00	272.45	185.85	137.10
Funded status	(22.36)	(48.05)	(47.33)	(55.74)	(14.51)
Experience gain / (loss) adjustments on plan liabilities	(28.59)	(52.84)	(20.93)	(18.99)	(24.33)
Experience gain / (loss) adjustments on plan assets	36.21	19.41	16.00	0.55	(5.11)
Actuarial gain/ (loss) due to change on assumptions	(29.46)	24.52	(10.06)	8.58	2.46

₹ in lakhs

Particulars	CA (non funded)				
	31 March, 15	31 March, 14	31 March, 13	31 March, 12	31 March, 11
Defined benefit obligation at the end of the year	(256.86)	(437.21)	(348.86)	(204.53)	(231.41)
Plan assets at the end of the year	0.00	0.00	0.00	0.00	0.00
Funded status	(256.86)	(437.21)	(348.86)	(204.53)	(231.41)
Experience gain / (loss) adjustments on plan liabilities	(25.84)	(15.17)	3.90	41.26	(66.40)
Experience gain / (loss) adjustments on plan assets	0.00	0.00	0.00	0.00	0.00
Actuarial gain/ (loss) due to change on assumptions	77.09	21.83	(7.35)	13.61	1.66

**(F) Category of plan assets:**

₹ in lakhs

Percentage of each category of plan assets to total fair value of plan assets	Provident fund (funded)		Gratuity-shore officers (funded)		CA (non funded)	
	31 March, 15	31 March, 14	31 March, 15	31 March, 14	31 March, 15	31 March, 14
Administered by Life Insurance Corporation of India (LIC)*	–	–	100.00%	100.00%	NA	NA
Government of India security	25.00%	25.00%	–	–	NA	NA
Public sector bonds / TDRs	60.00%	60.00%	–	–	NA	NA
State government securities	15.00%	15.00%	–	–	NA	NA

\* The Group is unable to obtain the details of plan assets from the LIC and hence the disclosure thereof is not made.

**(G) Actuarial assumptions**

In accordance with Accounting Standard (AS) 15 (revised), actuarial valuation as at the year end was done in respect of the aforesaid defined benefit plans based on the following assumptions:

i) General assumptions:

Particulars	Provident fund (funded)		Gratuity-shore officers (funded)		CA-paid leave (non funded)	
	31 March, 15	31 March, 14	31 March, 15	31 March, 14	31 March, 15	31 March, 14
Discount rate (per annum)	7.80%	9.20%	7.80%	9.20%	7.80%	9.20%
Rate of return on plan assets (for funded scheme)	8.75%	8.75%	8.50%	8.50%	NA	NA
Expected retirement age of employees (years)	58	58	58	58	58	58
Separation rate of employees	–	–	10.00%	10.00%	10.00%	10.00%
Rate of increase in compensation	–	–	9.00%	9.00%	9.00%	9.00%

ii) Mortality rates considered are as per the published rates in India Assured Lives Mortality (2006-08) (modified) Ultimate.

iii) Leave policy:

- Sick Leave cannot be accumulated or en-cashed and will lapse every year in the month of December.
- Leave balance as at 31 December 2015 to the extent not availed by the employees is available for encashment on separation from the Company upto a maximum of 120 days.

## Notes forming part of the consolidated financial statements

- iv) The contribution to be made by the Group entities for funding its liability for gratuity during the financial year 2014–15 will be made as per demand raised by the fund administrator Life Insurance Corporation of India.”
- v) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over entire life of the related obligation.
- vi) The assumption of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion, supply and demand and other relevant factors.
- vii) The employees gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit method.
- viii) The employer managed provident fund is considered as defined benefit plan.
- ix) Liability on account of long term compensated absences has been actuarially valued as per Projected Unit Credit Method.
- x) Short term compensated absences have been provided on actual basis.

### 36. RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES

#### (a) Holding companies:

- 1 Essar Global Fund Limited, Cayman Island, (ultimate holding company)
- 2 Essar Shipping & Logistics Limited, Cyprus, (intermediate holding company) (immediate holding company till 27 March 2015)
- 3 Essar Ports & Shipping Mauritius Limited, Mauritius (intermediate holding company) (from 27 March 2015)
- 4 Essar Ports & Shipping HoldCo Limited, Mauritius (intermediate holding company) (from 27 March 2015)
- 5 Essar Ports & Shipping Jersey Limited, Jersey (intermediate holding company) (from 27 March 2015)
- 6 Essar Ports & Shipping Limited, Mauritius (immediate holding company) (from 27 March 2015)

#### (b) Key management personnel:

- 1 Rajiv Agarwal, Managing Director
- 2 A S Bali, Director Finance (w.e.f 15 May 2014)
- 3 Shailesh Sawa, Whole-time Director (upto 15 May, 2014)
- 4 K. K. Sinha, Whole-time Director
- 5 Capt. Subhas Das, Whole-time Director (Essar Bulk Terminal Limited)
- 6 U. Venkat Rao - Whole time Director (Essar Bulk Terminal Paradip Limited)
- 7 Capt. Deepak Sachdeva-Whole Time Director (Vadinar Oil Terminal limited)
- 8 Girish Joshi - Manager (Vadinar Ports & Terminal Limited)
- 9 Capt. Rajen Sachar-Whole Time Director (Essar Bulk Terminal (Salaya) Limited) (upto May 2013)
- 10 Dipankar Pal - Managing Director (up to 30 January 2015)

#### (c) Fellow subsidiaries / other related parties / affiliates where there have been transactions:

- |                                      |   |
|--------------------------------------|---|
| 1 Essar Oil Limited                  | 10 Aegis Limited                                |
| 2 Essar Steel India Limited          | 11 Equinox Business Parks Private Limited       |
| 3 Essar Logistics Limited            | 12 Essar Project Management Consultancy Limited |
| 4 Essar Shipping Limited             | 13 Bhandar Power Limited                        |
| 5 Essar Projects (India) Limited     | 14 Essar Energy Services Limited                |
| 6 Essar Offshore Subsea Limited      | 15 Essar Steel Logistics Limited                |
| 7 Essar Engineering Services Limited | 16 Essar Heavy Engineering Services Limited     |
| 8 Essar Power Gujarat Limited        | 17 Essar Energy Overseas Limited                |
| 9 Essar Africa Holdings Limited      | 18 New Coal Terminal Beira S.A                  |

(d) The details of transactions with related parties

₹ in lakhs

Nature of transactions	Holding companies		Other related parties		Key management personnel		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Revenue from operations</b>								
Essar Logistics Limited	–	–	2,132.81	197.06	–	–	2,132.81	197.06
Essar Steel India Limited	–	–	74,385.75	70,753.37	–	–	74,385.75	70,753.37
Essar Steel Logistics Limited	–	–	–	1,291.66	–	–	–	1,291.66
Essar Power Gujarat Limited	–	–	450.68	881.90	–	–	450.68	881.90
Essar Oil Limited	–	–	79,046.06	77,366.13	–	–	79,046.06	77,366.13
Essar Shipping Limited	–	–	50.02	35.14	–	–	50.02	35.14
Essar Heavy Engineering Services Limited	–	–	5.72	–	–	–	5.72	–
Essar Projects (India) Limited	–	–	–	25.39	–	–	–	25.39
Essar Offshore Subsea Limited	–	–	–	257.55	–	–	–	257.55
<b>Total</b>	<b>–</b>	<b>–</b>	<b>156,071.04</b>	<b>150,808.20</b>	<b>–</b>	<b>–</b>	<b>156,071.04</b>	<b>150,808.20</b>
<b>Revenue from sale of product</b>								
Essar Energy Overseas Limited, Mauritius	–	–	3,550.48	57,745.42	–	–	3,550.48	57,745.42
<b>Interest income from loans and advances</b>								
Essar Oil Limited	–	–	8.91	309.40	–	–	8.91	309.40
Essar Steel India Limited	–	–	3,321.08	3,355.66	–	–	3,321.08	3,355.66
<b>Total</b>	<b>–</b>	<b>–</b>	<b>3,329.99</b>	<b>3,665.06</b>	<b>–</b>	<b>–</b>	<b>3,329.99</b>	<b>3,665.06</b>
<b>Interest income on overdue receivables</b>								
Essar Steel India Limited	–	–	6,368.27	4,063.68	–	–	6,368.27	4,063.68
Essar Africa Holdings Limited	–	–	212.81	188.14	–	–	212.81	188.14
Essar Shipping & Logistics Limited	3.75	3.75	–	–	–	–	3.75	3.75
<b>Total</b>	<b>3.75</b>	<b>3.75</b>	<b>6,581.08</b>	<b>4,251.82</b>	<b>–</b>	<b>–</b>	<b>6,584.83</b>	<b>4,255.57</b>
<b>Management fee income</b>								
Essar Africa Holdings Limited	–	–	347.17	142.91	–	–	347.17	142.91
<b>Other Income</b>								
Essar Logistics Limited	–	–	–	8.63	–	–	–	8.63
Essar Steel India Limited	–	–	10.40	21.69	–	–	10.40	21.69
Essar Steel Logistics Limited	–	–	–	1.05	–	–	–	1.05
Essar Oil Limited	–	–	17.20	10.36	–	–	17.20	10.36
Essar Shipping Limited	–	–	–	17.72	–	–	–	17.72
Essar Offshore Subsea Limited	–	–	–	44.14	–	–	–	44.14
<b>Total</b>	<b>–</b>	<b>–</b>	<b>27.60</b>	<b>103.59</b>	<b>–</b>	<b>–</b>	<b>27.60</b>	<b>103.59</b>
<b>Consumption of stores and spares</b>								
Essar Steel India Limited	–	–	0.14	0.48	–	–	0.14	0.48
Essar Logistics Limited	–	–	2.15	6.14	–	–	2.15	6.14
Essar Heavy Engineering Services	–	–	6.23	–	–	–	6.23	–
Essar Oil Limited	–	–	0.06	–	–	–	0.06	–
Bhander Power Limited	–	–	2.39	–	–	–	2.39	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>10.97</b>	<b>6.62</b>	<b>–</b>	<b>–</b>	<b>10.97</b>	<b>6.62</b>

## Notes forming part of the consolidated financial statements

## (d) The details of transactions with related parties

₹ in lakhs

Nature of transactions	Holding companies		Other related parties		Key management personnel		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Rent and hire charges</b>								
Essar Shipping Limited	–	–	–	99.65	–	–	–	99.65
<b>Dry dock expenses</b>								
Essar Offshore Subsea Limited	–	–	–	103.10	–	–	–	103.10
<b>Commission, brokerage and agency fees</b>								
Essar Shipping Limited	–	–	24.00	24.00	–	–	24.00	24.00
<b>Operation and maintenance service expense</b>								
Essar Oil Limited	–	–	1,987.38	2,044.92	–	–	1,987.38	2,044.92
<b>Hire charges</b>								
Essar Projects (India) Limited	–	–	–	23.14	–	–	–	23.14
<b>Power and fuel</b>								
Essar Oil Limited	–	–	0.39	46.89	–	–	0.39	46.89
Essar Steel India Limited	–	–	161.94	86.39	–	–	161.94	86.39
Bhander Power Limited	–	–	143.46	425.45	–	–	143.46	425.45
<b>Total</b>	–	–	305.79	558.73	–	–	305.79	558.73
<b>Lighterage Cost</b>								
Essar Logistics Limited	–	–	2,580.17	–	–	–	2,580.17	–
<b>Manning management expense</b>								
Essar Oil Limited	–	–	1,175.14	957.62	–	–	1,175.14	957.62
Essar Energy Services Limited	–	–	393.37	257.91	–	–	393.37	257.91
Essar Steel India Limited	–	–	332.51	343.29	–	–	332.51	343.29
Essar Projects (India) Limited	–	–	21.94	75.42	–	–	21.94	75.42
<b>Total</b>	–	–	1,922.96	1,634.24	–	–	1,922.96	1,634.24
<b>Remuneration*</b>								
Capt. Subhas Das	–	–	–	–	107.68	88.84	107.68	88.84
U. Venkat Rao	–	–	–	–	57.04	40.52	57.04	40.52
Capt. Rajen Sachar	–	–	–	–	–	17.64	–	17.64
Capt. Deepak Sachdeva	–	–	–	–	69.86	60.48	69.86	60.48
Dipankar Pal	–	–	–	–	153.77	126.04	153.77	126.04
Girish Joshi	–	–	–	–	43.09	35.86	43.09	35.86
Rajiv Agarwal	–	–	–	–	363.62	338.83	363.62	338.83
Kamala Kant Sinha	–	–	–	–	155.39	137.57	155.39	137.57
A.S.Bali	–	–	–	–	196.44	–	196.44	–
Shailesh Sawa	–	–	–	–	102.24	175.74	102.24	175.74
<b>Total</b>	–	–	–	–	1,249.13	1,021.52	1,249.13	1,021.52
<b>Recovery of expense</b>								
Essar Oil Limited	–	–	79.55	95.62	–	–	79.55	95.62
Essar Steel India Limited	–	–	108.99	399.48	–	–	108.99	399.48
<b>Total</b>	–	–	188.54	495.10	–	–	188.54	495.10



## Notes forming part of the consolidated financial statements

### (d) The details of transactions with related parties

₹ in lakhs

Nature of transactions	Holding companies		Other related parties		Key management personnel		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Cost of traded goods - purchase cost</b>								
Essar Oil Limited	–	–	3,550.48	57,745.42	–	–	3,550.48	57,745.42
<b>Rent and hire charges</b>								
Essar Oil Limited	–	–	175.53	175.32	–	–	175.53	175.32
Equinox Business Park Private Limited	–	–	287.64	287.75	–	–	287.64	287.75
<b>Total</b>	–	–	<b>463.17</b>	<b>463.07</b>	–	–	<b>463.17</b>	<b>463.07</b>
<b>Legal and professional fees</b>								
Aegis Limited	–	–	188.85	193.18	–	–	188.85	193.18
Essar Projects (India) Limited	–	–	7.00	20.59	–	–	7.00	20.59
<b>Total</b>	–	–	<b>195.85</b>	<b>213.76</b>	–	–	<b>195.85</b>	<b>213.76</b>
<b>Travelling expenses</b>								
Essar Oil Limited	–	–	18.49	14.36	–	–	18.49	14.36
Aegis Limited	–	–	0.01	–	–	–	0.01	–
<b>Total</b>	–	–	<b>18.50</b>	<b>14.36</b>	–	–	<b>18.50</b>	<b>14.36</b>
<b>Staff welfare expenses</b>								
Essar Steel India Limited	–	–	–	23.72	–	–	–	23.72
<b>Other expenses</b>								
Aegis Limited	–	–	0.53	4.66	–	–	0.53	4.66
Essar Oil Limited	–	–	–	0.72	–	–	–	0.72
<b>Total</b>	–	–	<b>0.53</b>	<b>5.38</b>	–	–	<b>0.53</b>	<b>5.38</b>
<b>Interest expense on security deposit received</b>								
Essar Oil Limited	–	–	3,874.00	671.80	–	–	3,874.00	671.80
<b>Interest expenses on loan</b>								
Bhander Power Limited	–	–	–	174.14	–	–	–	174.14
Essar Oil Limited	–	–	17.80	–	–	–	17.80	–
<b>Total</b>	–	–	<b>17.80</b>	<b>174.14</b>	–	–	<b>17.80</b>	<b>174.14</b>
<b>Interest expense on advance from a customer</b>								
Essar Oil Limited	–	–	157.43	2,506.98	–	–	157.43	2,506.98

\* Does not include the amount payable towards gratuity and compensated absence by the Company and subsidiaries as the same is calculated for the Company and subsidiaries as whole on actuarial basis.

₹ in lakhs

Nature of transactions	Holding companies		Other related parties		Key management personnel		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Reimbursement of expenses</b>								
Essar Oil Limited	–	–	35.19	32.03	–	–	35.19	32.03
Essar Steel India Limited	–	–	31.75	217.75	–	–	31.75	217.75
Essar Projects (India) Limited	–	–	1.55	1.69	–	–	1.55	1.69
Aegis Limited	–	–	–	5.94	–	–	–	5.94
Essar Energy Services Limited	–	–	5.51	–	–	–	5.51	–
<b>Total</b>	–	–	<b>74.00</b>	<b>257.41</b>	–	–	<b>74.00</b>	<b>257.41</b>

## Notes forming part of the consolidated financial statements

## (d) The details of transactions with related parties

₹ in lakhs

Nature of transactions	Holding companies		Other related parties		Key management personnel		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Unsecured long term loan received</b>								
Essar Oil Limited	–	–	50,000.00	–	–	–	50,000.00	–
<b>Capital advances (Including consultancy charges given)</b>								
Essar Projects (India) Limited	–	–	11,848.06	–	–	–	11,848.06	–
<b>Advance from customer, repaid back</b>								
Essar Oil Limited	–	–	1,323.36	19,800.00	–	–	1,323.36	19,800.00
<b>Capital work-in-progress / expenditure during construction</b>								
Essar Projects (India) Limited	–	–	1,778.73	3,085.34	–	–	1,778.73	3,085.34
Essar Heavy Engineering Services Limited	–	–	9.50	–	–	–	9.50	–
Essar Engineering Services Limited	–	–	554.49	34.74	–	–	554.49	34.74
Essar Oil Limited	–	–	2.35	8.65	–	–	2.35	8.65
Aegis Limited	–	–	100.44	98.09	–	–	100.44	98.09
Essar Logistics Limited	–	–	1,801.30	–	–	–	1,801.30	–
Essar Power (Gujarat) Limited	–	–	–	4.78	–	–	–	4.78
Essar Steel India Limited	–	–	1,511.82	137.23	–	–	1,511.82	137.23
<b>Total</b>	–	–	<b>5,758.63</b>	<b>3,368.84</b>	–	–	<b>5,758.63</b>	<b>3,368.84</b>
<b>Cargo handling income (credited to EDC)</b>								
Essar Power Gujarat Limited	–	–	2,401.05	2,062.44	–	–	2,401.05	2,062.44
Essar Oil Limited	–	–	1,967.32	1,108.78	–	–	1,967.32	1,108.78
<b>Total</b>	–	–	<b>4,368.37</b>	<b>3,171.22</b>	–	–	<b>4,368.37</b>	<b>3,171.22</b>
<b>Sale of fixed assets</b>								
Essar Heavy Engineering Services	–	–	169.68	–	–	–	169.68	–
<b>Investment in shares</b>								
New Coal Terminal Beira S.A.	–	–	67.96	–	–	–	67.96	–
<b>Security deposit received from a customer</b>								
Essar Oil Limited	–	–	–	29,800.00	–	–	–	29,800.00
<b>Security deposits given to a related party</b>								
Equinox Business Parks Private Limited	–	–	–	101.00	–	–	–	101.00
<b>Loans and advances given</b>								
Essar Projects (India) Limited	–	–	1,089.06	–	–	–	1,089.06	–
Essar Steel India Limited	–	–	–	1,000.00	–	–	–	1,000.00
<b>Total</b>	–	–	<b>1,089.06</b>	<b>1,000.00</b>	–	–	<b>1,089.06</b>	<b>1,000.00</b>
<b>Loans and advances received back</b>								
Essar Steel (India) Limited	–	–	420.00	–	–	–	420.00	–
Essar Oil Limited	–	–	1,380.72	3,193.97	–	–	1,380.72	3,193.97
<b>Total</b>	–	–	<b>1,800.72</b>	<b>3,193.97</b>	–	–	<b>1,800.72</b>	<b>3,193.97</b>

## Notes forming part of the consolidated financial statements

### (e) Related party balances at the year end

₹ in lakhs

Nature of balances	Holding companies		Other related parties		Key management personnel		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Capital creditors</b>								
Essar Projects (India) Limited	–	–	6,691.29	10,838.81	–	–	6,691.29	10,838.81
Aegis Limited	–	–	56.65	51.85	–	–	56.65	51.85
Essar Heavy Engineering Services Limited	–	–	140.88	–	–	–	140.88	–
Essar Projects (India) Ltd fka Aegis Ltd. - EESD	–	–	13.14	–	–	–	13.14	–
Essar Projects Management Consultants Limited	–	–	156.49	171.82	–	–	156.49	171.82
Essar Offshore Subsea Limited	–	–	159.60	159.60	–	–	159.60	159.60
Essar Engineering Services Limited	–	–	300.23	–	–	–	300.23	–
<b>Total</b>	–	–	<b>7,518.28</b>	<b>11,222.08</b>	–	–	<b>7,518.28</b>	<b>11,222.08</b>
<b>Unsecured long term loan (including interest accrued)</b>								
Essar Oil Limited	–	–	<b>50,017.10</b>	–	–	–	<b>50,017.10</b>	–
<b>Advances from customers for services</b>								
Essar Oil Limited	–	–	–	4,893.48	–	–	–	4,893.48
Essar Power Gujarat Limited	–	–	–	131.30	–	–	–	131.30
<b>Total</b>	–	–	–	<b>5,024.78</b>	–	–	–	<b>5,024.78</b>
<b>Trade payables</b>								
Essar Steel India Limited	–	–	16.67	23.07	–	–	16.67	23.07
Essar Heavy Engineering Services Limited	–	–	–	123.00	–	–	–	123.00
Essar Oil Limited	–	–	759.80	6,448.83	–	–	759.80	6,448.83
Essar Logistics Limited	–	–	1,608.53	–	–	–	1,608.53	–
Aegis Limited	–	–	325.52	79.01	–	–	325.52	79.01
Bhander Power Limited	–	–	75.42	–	–	–	75.42	–
Essar Projects (India) Limited	–	–	13.75	30.65	–	–	13.75	30.65
Essar Energy Services Limited	–	–	104.31	169.75	–	–	104.31	169.75
Essar Shipping Limited	–	–	31.26	147.07	–	–	31.26	147.07
Equinox Business Parks Private Limited	–	–	76.39	58.50	–	–	76.39	58.50
Essar Offshore Subsea Limited	–	–	–	18.78	–	–	–	18.78
<b>Total</b>	–	–	<b>3,011.65</b>	<b>7,098.66</b>	–	–	<b>3,011.65</b>	<b>7,098.66</b>
<b>Security deposit from a customer (including interest due)</b>								
Essar Oil Limited	–	–	<b>31,499.28</b>	<b>30,404.62</b>	–	–	<b>31,499.28</b>	<b>30,404.62</b>
<b>Capital advances</b>								
Essar Projects (India) Limited	–	–	22,435.20	12,330.27	–	–	22,435.20	12,330.27
Essar Projects Management Consultants Limited	–	–	38.88	38.88	–	–	38.88	38.88
Essar Logistics Limited	–	–	63.54	63.54	–	–	63.54	63.54
<b>Total</b>	–	–	<b>22,537.62</b>	<b>12,432.69</b>	–	–	<b>22,537.62</b>	<b>12,432.69</b>

## Notes forming part of the consolidated financial statements

## (e) Related party balances at the year end

₹ in lakhs

Nature of balances	Holding companies		Other related parties		Key management personnel		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Loans and advances given (including interest)</b>								
Essar Oil Limited	–	–	–	1,387.63	–	–	–	1,387.63
Bhander Power Limited	–	–	–	67.57	–	–	–	67.57
Equinox Business Parks Private Limited	–	–	–	0.04	–	–	–	0.04
Essar Steel (India) Limited	–	–	23,857.89	21,287.40	–	–	23,857.89	21,287.40
<b>Total</b>	<b>–</b>	<b>–</b>	<b>23,857.89</b>	<b>22,742.64</b>	<b>–</b>	<b>–</b>	<b>23,857.89</b>	<b>22,742.64</b>
<b>Other current assets</b>								
Essar Africa Holdings Limited	–	–	2,227.90	1,928.61	–	–	2,227.90	1,928.61
Essar Oil Limited	–	–	903.42	106.28	–	–	903.42	106.28
Essar Power Gujarat Limited	–	–	174.01	411.13	–	–	174.01	411.13
Essar Shipping Limited	–	–	1.81	2.09	–	–	1.81	2.09
Essar Projects (India) Limited	–	–	52.95	52.95	–	–	52.95	52.95
<b>Total</b>	<b>–</b>	<b>–</b>	<b>3,360.09</b>	<b>2,501.07</b>	<b>–</b>	<b>–</b>	<b>3,360.09</b>	<b>2,501.07</b>
<b>Security deposits given</b>								
Essar Shipping Limited	–	–	450.00	450.00	–	–	450.00	450.00
Essar Steel India Limited	–	–	421.70	421.70	–	–	421.70	421.70
Equinox Business Parks Private Limited	–	–	176.00	176.00	–	–	176.00	176.00
<b>Total</b>	<b>–</b>	<b>–</b>	<b>1,047.70</b>	<b>1,047.70</b>	<b>–</b>	<b>–</b>	<b>1,047.70</b>	<b>1,047.70</b>
<b>Trade receivables</b>								
Essar Logistics Limited	–	–	550.32	1,108.46	–	–	550.32	1,108.46
Essar Energy Overseas Limited, Mauritius	–	–	–	4,922.06	–	–	–	4,922.06
Essar Steel India Limited	–	–	62,494.44	39,537.39	–	–	62,494.44	39,537.39
Essar Steel Logistic Limited	–	–	–	615.10	–	–	–	615.10
Essar Shipping Limited	–	–	331.32	293.03	–	–	331.32	293.03
Essar Oil Limited	–	–	1,231.44	596.47	–	–	1,231.44	596.47
Essar Shipping & Logistics Limited	39.03	35.28	–	–	–	–	39.03	35.28
Essar Offshore Subsea Limited	–	–	176.08	194.86	–	–	176.08	194.86
Essar Heavy Engineering Services Limited	–	–	206.61	–	–	–	206.61	–
Essar Power Gujarat Limited	–	–	62.87	–	–	–	62.87	–
Essar Africa Holdings Limited	–	–	347.17	–	–	–	347.17	–
<b>Total</b>	<b>39.03</b>	<b>35.28</b>	<b>65,400.25</b>	<b>47,267.38</b>	<b>–</b>	<b>–</b>	<b>65,439.28</b>	<b>47,302.66</b>

## Notes forming part of the consolidated financial statements

### (e) Related party balances at the year end

₹ in lakhs

Nature of balances	Holding companies		Other related parties		Key management personnel		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Interest accrued on loans and advances</b>								
Essar Oil Limited	-	-	-	43.50	-	-	-	43.50
<b>Guarantees given on behalf of others</b>								
Essar Oil Limited	-	-	-	10,400.00	-	-	-	10,400.00
<b>Guarantees availed for loans taken</b>								
Essar Oil Limited	-	-	-	20,000.00	-	-	-	20,000.00

### 37. ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013

Name of the entity	Net assets, i.e total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount ₹ In lakhs	As % of consolidated profit or loss	Amount ₹ in lakhs
<b>Parent</b>				
Essar Ports Limited	44.90%	153,924.52	-3.67%	(1,434.33)
<b>Subsidiaries</b>				
Vadinar Oil Terminal Limited	-1.91%	(6,556.48)	21.66%	8,475.33
Vadinar Ports & Terminals Limited	1.11%	3,790.29	-3.63%	(1,420.98)
Essar Bulk Terminal Limited	28.99%	99,384.62	74.17%	29,014.98
Essar Bulk Terminal Paradip Limited	9.12%	31,255.05	11.11%	4,344.79
Essar Paradip Terminals Limited	1.44%	4,931.43	@	(3.12)
Essar Dredging Limited	@	0.39	@	(0.49)
Essar Bulk Terminal (Salaya) Limited	14.03%	48,104.56	@	145.45
Essar Vizag Terminal Limited	2.58%	8,838.17	@	(1.00)
Vadinar Liquid Terminals Limited	@	4.75	@	(0.25)
Petro Tankages India Limited	@	(854.48)	@	-

@ less than 1%

38. The previous year figures have been regrouped / reclassified wherever necessary to correspond with current year classification / disclosures.

For and on behalf of Board of Directors

**Rajiv Agarwal**  
Managing Director

**A.S. Bali**  
Director Finance

**T. S. Narayanasami**  
Director

**Manoj Contractor**  
Company Secretary

Mumbai, 14 May 2015

**FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to subsidiary companies for the year ended 31 March 2015 are as follows:

₹ in lakhs

Sr. No.	Particulars	Vadinar Oil Terminal Limited	Essar Bulk Terminal Limited	Essar Bulk Terminal (Salaya) Limited	Essar Bulk Terminal Paradip Limited	Essar Paradip Terminals Limited	Vadinar Ports & Terminals Limited	Essar Vizag Terminal Limited	Essar Dredging Limited	Vadinar Liquid Terminal Limited	Petro Tankages India Limited
1	Capital (including share application money)	104,614.20	26,150.00	32,806.07	17,388.50	4,175.00	27,013.45	8,863.70	5.00	5.00	5.00
2	Reserves	(27,899.85)	107,538.14	(417.77)	7,241.66	(20.79)	8,538.34	(2.00)	(4.61)	(0.59)	(4.14)
3	Total assets (excluding current and non-current investments)	293,698.15	307,833.35	113,341.81	78,720.78	4,427.94	190,777.89	9,095.28	2.78	5.00	5.00
4	Total liabilities	236,138.05	196,886.26	80,953.51	54,090.62	273.73	197,630.00	233.58	2.39	0.59	12,163.62
5	Details of investments (except investments in subsidiaries)	67.97	104.22	-	-	-	-	-	-	-	-
6	Turnover	58,406.72	65,166.68	125.00	16,586.49	-	29,879.85	-	-	-	-
7	Profit / (loss) before taxation	5,547.98	30,790.00	(26.55)	6,614.72	(3.12)	6,274.16	(1.00)	(0.49)	(0.59)	(4.14)
8	Provision for taxation	1,640.45	3,451.25	-	2,310.93	-	4,252.00	-	-	-	-
9	Profit after taxation (7-8)	3,907.53	27,338.75	(26.55)	4,303.79	(3.12)	2,022.16	(1.00)	(0.49)	(0.59)	(4.14)
10	Proposed dividend (including corporate dividend tax)	-	(3.10)	-	-	-	-	-	-	-	-

For and on behalf of Board of Directors

**Rajiv Agarwal**  
Managing Director

**A. S. Bali**  
Director Finance

**T. S. Narayanasami**  
Director

**Manoj Contractor**  
Company Secretary

Mumbai, 14 May 2015







As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 39th Annual General Meeting of the Company, to be held on Wednesday, September 23, 2015 at 2.00 p.m. at the Registered Office of the Company, Administration Building, Essar Refinery Complex, Okha Highway (SH – 25), Taluka Khambhalia, District Jamnagar, Gujarat 361 305 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote (Optional - see Note 2) (Please mention number of shares)		
		For	Against	Abstain
<b>Ordinary business</b>				
1.	a. Adoption of Audited Profit and Loss, Balance Sheet, Report of the Board of Directors and Auditors for the financial year ended March 31, 2015			
	b. Adoption of Audited Consolidated Profit and Loss and Balance Sheet for the financial year ended March 31, 2015			
2.	Appoint a Director in the place of Shri. P. K. Srivastava (DIN No. 00843258), who retires by rotation and being eligible, seeks re-appointment			
3.	Re-appoint Messrs. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad having Registration No. 117365W			
<b>Special business</b>				
4.	Appoint Ms. S. Gayathri (DIN 07115908) as a Director liable to retire by rotation			
5.	Appoint Mr. Dilip J. Thakkar (DIN 00007339) as an Independent Director for a consecutive period of 3 years not liable to retire by rotation			
6.	Appoint Mr. T. S. Narayanasami (DIN 01786981) as an Independent Director for a consecutive period of 3 years not liable to retire by rotation			
7.	Appoint Mr. Deepak Kumar Varma (DIN 00213394) as an Independent Director for a consecutive period of 3 years not liable to retire by rotation			
8.	Appoint Mr. N. C. Singhal (DIN 00004916) as an Independent Director for a consecutive period of 3 years not liable to retire by rotation			
9.	Appoint Mr. Michael Pinto (DIN 00021565) as an Independent Director for a consecutive period of 3 years not liable to retire by rotation			
10.	Appoint Dr. Jose Paul (DIN 01256347) as an Independent Director for a consecutive period of 3 years not liable to retire by rotation			
11.	Appoint Mr. Jesper Kjaedegaard (DIN 00529039) as an Independent Director for a consecutive period of 3 years not liable to retire by rotation			
12.	Issue of Bonds and other debt instruments in domestic and foreign markets for an amount not exceeding US\$ 1,000,000,000.00			
13.	Approval for making investments in equity / preference shares of bodies corporate including non-wholly owned subsidiaries upto and amount of ₹ 2,000 crore			

Signed this ..... day of ..... 2015.

Affix revenue Stamp of ₹ 0.15
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.....  
Signature of the member

.....  
Signature of the proxy holder(s)

**Notes:**

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.
2. It is optional to indicate your preference. If you leave the "For", "Against" or "Abstain" column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.



\*AGM Venue: Essar Ports Limited - Administration Building, Essar Refinery Complex, Okha Highway (SH-25),  
Taluka Khambhalia, Dist. Jamnagar, Gujarat 361305