



# Essar Ports Limited

Annual Report 2015 - 16



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**P. K. Srivastava**

Chairman

**Dilip J. Thakkar**

Independent Director

**T. S. Narayanasami**

Independent Director

**V. G. Raghavan**

Independent Director

**Rajiv Agarwal**

CEO & Managing Director

**K. K. Sinha**

Wholetime Director

**S. Gayathri**

Director

## COMPANY SECRETARY

Manoj Contractor

## AUDITORS

Deloitte Haskins & Sells

## AUDIT COMMITTEE

T. S. Narayanasami

Dilip J. Thakkar

V. G. Raghavan

S. Gayathri

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

Rajiv Agarwal

V. G. Raghavan

S. Gayathri

## NOMINATION AND REMUNERATION COMMITTEE

Dilip J. Thakkar

P. K. Srivastava

V. G. Raghavan

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

P. K. Srivastava

Rajiv Agarwal

V. G. Raghavan

## 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 Fortieth Annual General Meeting of Essar Ports Limited will be held at the Registered Office of the Company at Administration Building, Essar Refinery Site, Okha Highway (SH – 25), Taluka Khambhalia, Dist. - Jamnagar, Gujarat 361305 on Thursday, December 22, 2016 at 2.45 p.m. to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt :
  - a. the Audited Standalone Profit and Loss Account for the year ended March 31, 2016 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, 2016 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. K. K. Sinha (DIN 00009113), 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 Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366WW-100018), 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 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed 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, 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 Shri. V. G. Raghavan (DIN 00008683) who was appointed as an Additional Director of the Company by the Board of Directors with effect from June 27, 2016 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 his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a consecutive term of five years commencing from December 22, 2016."

"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, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013 and subject to the approval of the Central Government, if

required, approval of the Company be and is hereby accorded for the re-appointment of Shri. Rajiv Agarwal (DIN 00903635), as the Managing Director of the Company for a period of three years with effect from July 24, 2016 on a remuneration and such other terms and conditions as set out in the Explanatory Statement annexed to the notice convening this meeting with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include the Nomination and Remuneration Committee or any other Committee of the Board formed for the purpose)."

"RESOLVED FURTHER THAT notwithstanding anything herein above stated where in any financial year during the tenure of Shri. Agarwal as the Managing Director of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Shri. Agarwal the remuneration as set out in the Explanatory Statement by way of salary, bonus and other allowances as minimum remuneration."

"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."

6. To consider and if thought fit, to pass with or without modification, 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, and in accordance with the applicable 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, Companies (Issue of global Depository Receipts) Rules, 2014, 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 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 any 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."

Mumbai  
November 25, 2016

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. The Company has fixed Thursday, December 15, 2016 as the Record Date for the purpose of identifying the eligible members of the Company for the purpose of AGM.
4. The Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 relating to the Special Business at item Nos. 4 to 6 of the accompanying Notice is annexed.
5. 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.
6. The Notice of AGM and Annual Report are being sent in electronic mode to members whose email address is 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 and Annual Report are being sent by permitted mode to those members who have not registered their email address with the Company or Depository Participant(s).
7. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, 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 December 15, 2016, i.e. the Record Date fixed by the Company for the purpose of AGM 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 December 17, 2016 and will end at 5.00 p.m. on December 21, 2016. 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 Mr. Martinho Ferrao of M/s. Martinho Ferrao & Associates, Practising Company Secretaries, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.

**8. The instructions for members voting electronically are as under:**

- (i) The voting period begins on December 17, 2016 at 9.00 a.m. and ends on December 21, 2016 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of December 15, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) 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 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.</li> </ul>

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 (iv).</li> </ul>
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- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed 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.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**



(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (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.

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 Shri. V. G. Raghavan (DIN No. 00008683) as an Additional Independent Director on the Board of the Company with effect from June 27, 2016.

Shri. Raghavan is a Commerce Graduate from Loyola College, Chennai. He is also a member of the Institute of Chartered Accountants of India.

Shri. Raghavan brings a wealth of experience in Indian and global financial markets. He was associated with the State Bank of India, Chennai, as Credit Officer in charge of Corporate Finance, for seven years.

He has considerable experience in domestic banking and the international syndicated loan market.

Shri. Raghavan is also a Director on the Board of various other public limited companies.

In terms of Section 149 of the Companies Act, 2013 and Articles of Association of the Company, Shri. Raghavan 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 Shri. Raghavan as a candidate for the office of Director as an Independent Director of the Company.

The Board is of the opinion that the appointment of Shri. Raghavan 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 Shri. Raghavan is concerned or interested in the above resolution.

#### Item No. 5

The Board of Directors at their meeting held on April 18, 2013 had appointed Shri. Rajiv Agarwal as the Managing Director of the Company for a period of three years with effect from July 24, 2013. Subsequently, the members of the Company at their thirty-seventh Annual General Meeting held on September 26, 2013 had approved the appointment and the remuneration payable to Shri. Agarwal. The present term of Shri. Agarwal as the Managing Director ended on July 23, 2016.

The Nomination and Remuneration Committee of the Company and thereafter the Board of Directors have recommended and approved that Shri. Agarwal be re-appointed as the Managing Director of the Company for a period of three years from July 24, 2016.

Shri. Rajiv Agarwal is a Chartered Accountant, Cost and Works Accountant and Company Secretary by qualification with over 28 years of rich and varied

experience in industries like Retail, BPO, telecom, manmade fibres, shipping, logistics and ports and has successfully led businesses as CEO since 1992, mainly in telecom services and shipping, logistics and ports sectors.

Shri. Agarwal was the Chief Executive Officer of Modi Champion during 1992-94 and Joint Managing Director of Modi Korea Telecom during 1994-97. He joined the Essar Group in 1997 as Chief Operating Officer in Essar Telecom. Shri. Agarwal served on the Board of public listed companies in India and United States of America. Shri. Agarwal has held the position of Chief Financial Officer and Executive Director on the Board of this Company during 1998-2002.

Shri. Agarwal was the President of IndoRama Synthetics Limited during 2002-2004. Shri. Agarwal held the position of CEO and Director of The Mobile Store Limited and created a well recognised and strong Indian telecom brand in just 2 years.

Shri. Agarwal has won a series of accolades and awards including CEO of the Year Award – 2009 Asia Retail Congress, Retail Professional of the Year: 2008 at Franchise India and Best Retailer in Telecom Segment – over 2 years in India Retail Forum.

Shri. Agarwal is also a Director on the Board of various other Indian public limited companies.

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

The terms of appointment of Shri. Agarwal are:

1. Period of Appointment : three years from July 24, 2016.
2. In consideration of his duties, Shri. Agarwal shall be paid the following remuneration:
  1. Remuneration :

Basic salary in the range of ₹ 6,00,000/- to ₹ 15,00,000/- per month, as may be determined by the Board of Directors or such other authority as may be delegated by the Board.

In addition to the Basic Salary, Shri. Agarwal shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof; House Maintenance Allowance together with reimbursement of expenses/allowances for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement; education allowance; leave travel concession for self and his family including dependents; club fees, premium for medical insurance, commission and all other payments in the nature of perquisites and allowances as agreed by the Board of Directors or such other authority as may be delegated by the Board of Directors from time to time up to the limit of ₹ 30,00,000/- per month.

As per the rules of the Company, Shri. Agarwal will be eligible for Provident Fund, Gratuity and Superannuation, which payments shall not be included for the purpose of calculation of the Managerial Remuneration.

2. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of tenure of Shri. Agarwal, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above subject to compliance with the applicable provisions of Schedule V to the Act, if and to the extent necessary, with the approval of the Central Government.

3. Shri. Agarwal shall not be paid any sitting fees for attending the meetings of the Board or any Committee(s) thereof.
4. Shri. Agarwal shall be bound by the non-compete and confidentiality provisions as applicable to the members of the Board.
5. Shri. Agarwal shall cease to be a Director if he ceases to be an employee.
6. Either party shall be entitled to terminate the employment by giving not less than three calendar months prior notice in writing in that behalf to the other party, provided that the Company shall be entitled to terminate Shri. Agarwal's employment at any time by payment to him of three months basic salary in lieu of such notice.

The Company is in the process of expanding the business it operates in and expects to see better results in the coming years. The remuneration paid to the Managing Director is in line with industry practice. Shri. Agarwal does not have any pecuniary relationship directly or indirectly with the Company nor is he related to any other managerial personnel of the Company.

The above may be treated as an abstract of the agreement between the Company and Shri. Agarwal pursuant to the provisions of the Companies Act, 2013.

The Board accordingly recommends the resolutions at Item No. 5 of the accompanying notice for your approval.

None of the Directors other than Shri. Agarwal is deemed to be concerned or interested in the above resolution.

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

**Item No. 6**

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 and 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 expansions 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 (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 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.

The Board recommends the Special Resolution at item No. 6 of the accompanying notice for approval by the members.

None of the Directors of the Company is in any way concerned or interested in the proposed resolution.

Mumbai  
November 25, 2016

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



# DIRECTORS' REPORT

To the Members of Essar Ports Limited

Your Directors take pleasure in presenting the Fortieth Annual Report of your Company together with Audited Accounts for the year ended March 31, 2016.

## 1. FINANCIAL RESULTS

The summary of consolidated and standalone financial results of your Company for the year ended March 31, 2016 are furnished below:

(₹ in crore)

Particulars	Consolidated		Standalone	
	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015
Total Revenue	1,706.03	1,776.94	91.06	88.40
Total Expenses	428.11	361.15	43.50	52.14
EBITDA	1,277.92	1,415.79	47.55	36.26
Profit / (Loss) for the year	67.54	391.20	(144.41)	0.60

## 2. DIVIDEND

Your Directors have not recommended any dividend for the year ended March 31, 2016.

## 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 2015-16. 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 continued to be at a faster pace than other emerging markets. Inflation continued to be on a decline backed by lower global oil prices. The Indian economy grew by 7.6% in financial year FY2016 as compared to 7.2% in the financial year FY2015.

The Reserve Bank of India (RBI) has reduced the repo rate by 125 bps from 7.5% in April 2015 to 6.25% in October 2015, 25 bps in four tranches, given the easing of inflation. There is an expectation of further cuts in interest rates, resulting in a revival of infrastructure investments in the country.

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 is expected to grow at over 7.5% backed by policy initiatives focused on attracting FDI inflows and large investments.

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 continued to take measures over the past year under 5/25 financing scheme for elongated maturity, strategic debt restructuring and S4A to facilitate the infrastructure and manufacturing sectors. These initiatives are aimed at easing financing terms for infrastructure and manufacturing projects which will increase the pace of investments in the sector.

### Ports Sector

During 2015-16, major and non-major ports in India have accomplished a total cargo throughput of 1072.47 million tonnes reflecting an increase of 1.9% over 2014-15. The growth in cargo handled at major and non-major ports in 2015-16 were 4.3% and -1.0% respectively compared to 4.7% and 12.9% achieved in 2014-15. The share of major port in the total traffic handled at Indian ports increased from 55% in 2014-15 to 57% in 2015-16.

At a broad commodity level, during 2015-16, POL, coal, container and other cargo posted growth of 8.2, 5.5%, 3.1%, and 2.9% respectively. Cargo traffic in food grains, iron ore and fertilizer and FRM was affected during 2015-16 and dropped by 22.2%, 14.7% and 2.4% respectively. The decline in iron ore traffic is mainly attributed to restrictions in mining of iron ore.

### 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 58.27 MMT during FY2015-16 as against 53.1 MMT of cargo during 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 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's capacity as on March 31, 2016 was 120 MMTPA. During the year under review, your Company had 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 has completed the construction of berth and stockyard for dry bulk terminal at Salaya with a capacity of 20 MMTPA. Your Company expects to complete the bund strengthening and conveyor related works for Salaya project soon. Additionally, plans to expand the Hazira port capacity by 20 MMTPA – taking its capacity at Hazira to 50 MMTPA are underway. Your Company is also undertaking capacity addition by developing additional iron ore berths at Visakhapatnam Port with a total capacity of 8 MMTPA.

#### Strategic developments / Approvals received during the year

- Your Company's Hazira terminal has received construction approval from Gujarat Maritime Board (GMB) for 1100m berth expansion and berth construction has commenced. Hazira terminal has also received in-principle approval for allotment of 140 ha of backup land from GMB.
- Outer harbour iron ore terminal at Vizag Port was taken over by your Company's subsidiary - Essar Vizag Terminals Limited on May 14, 2015. The terminal is an existing operational terminal with all relevant approvals in place.
- Vadinar Liquid Terminal Limited has signed a Concession Agreement with KandlaPort Trust for 2nd SPM and two product berths on April 16, 2015 for expanding the terminal at Vadinar.

#### Awards and Accolades

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

#### Essar Ports Limited:

- CII SCALE 2015 Award under Terminal Operator Category.
- Maritime & Logistics Award for CSR Activities.

- Maritime Standard Award, Dubai for CSR Activities.
- Gujarat Star Award 2015 under CSR Category.

#### Vadinar Oil Terminal Limited:

- "Port / Terminal of the year for Health, Safety and Environment".
- "RUNNER-UP for Port / Terminal of the year for (Non Containerized) – Specific" at Gujarat Star Awards - 4th Edition.
- Lloyd's list Middle East and Indian Subcontinent Safety Award.
- Certificate of Appreciation from KPT as a major contributor for KPT's milestone of 100 MMT for the FY 2015-16 from Hon'ble Union Shipping Minister Shri. Nitin Gadkari.

#### Essar Bulk Terminal Limited

- Rashtra Vibhushan Award 2015 (Platinum) in Health & Safety of Workers and on outstanding contribution for National Economic & Social Development.

#### Essar Bulk Terminal Paradip Limited

- 15th Annual Greentech Environment Award 2015 in Silver Category in Service Sector.
- 4th Annual Greentech CSR Award 2015 in Silver Category in Service Sector.

#### Operational Performance Highlights

- Vadinar terminal handled 38.3 MMT of cargo during FY2015-16 as against 41.25 MMT during FY2014-15.
- Hazira terminal handled 12.66 MMT during FY2015-16 as against 10.63 MMT during FY2014-15.
- Paradip dry bulk terminal handled 2.24 MMT cargo during FY2015-16 as against 1.05 MMT during FY2014-15.
- Vizag iron ore terminal handled 5.07 MMT cargo during FY2015-16 since take over on 14th May 2015.

## **4. DELISTING AND DEMERGER OF THE COMPANY**

### **Delisting**

The shares of your Company, with effect from December 31, 2015, have been delisted from BSE Limited and National Stock Exchange of India Limited pursuant to voluntary delisting of the equity shares by the majority shareholder. The delisting exit offer is open for the members of the Company who may want to tender their shares in the said offer upto December 30, 2016.

All members who may wish to tender their shares in the Delisting Exit Offer may tender their shares after filling the Exit Offer form which has been forwarded to you by the acquirer and send the same to Link Intime India Pvt. Ltd. being the Registrar to the Delisting Exit Offer.

Members can also download the Exit Offer Documents available on the website of the Company i.e.: [www.essarports.com](http://www.essarports.com) under the Investors Section.

## Demerger

The Hon'ble Gujarat High Court has approved the Scheme of Arrangement (the Scheme) which has taken effect from the appointed date i.e. June 30, 2016 for the demerger of the various business undertakings of the Company. The shares post the effectiveness of the Scheme of your Company and those of the other resulting companies have been issued to the eligible members of the Company.

The Exit Offer pursuant to the delisting of your Company is also available on the shares being issued of all the companies post the demerger at the same price as that of Essar Ports Limited.

## 5. RISK MANAGEMENT & INTERNAL CONTROL

Implementation and operation of port and terminal facilities are dependent on various regulatory approvals and government policies. Changes in macroeconomic factors like inflation, interest rate, world trade and natural catastrophes 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, 2016
Foreign Exchange earnings	1.31
Foreign Exchange outgo	13.34

## 6. CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of Section 135 of Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee (CSR). The CSR Committee comprises of Shri. P. K. Srivastava, Shri. Rajiv Agarwal and Shri. V. G. Raghavan.

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.

## 7. 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 Section 149(6) of the Companies Act, 2013.

## 8. 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.

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

During the year Shri. N. C. Singhal, Shri. Michael Pinto, Dr. Jose Paul, Shri. Jesper Kjaedegaard and Shri. Deepak Kumar Varma have resigned from the directorship of your Company. Shri. A. S. Bali has resigned with effect from June 29, 2016. Your Board places on record its appreciation for the valuable contributions made by the above Directors in the growth and progress of the Company during their tenure as Directors.

Shri. V. G. Raghavan (DIN 00008683) has been appointed as an Additional Independent Director of the Company with effect from June 27, 2016. It is proposed to appoint Shri. Raghavan as an Independent Director for a consecutive period of five years from the date of the ensuing Annual General Meeting.

## 9. 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. 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.

## 10. 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.

#### 11. SUBSIDIARIES

As on March 31, 2016, 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. LNG Terminals Hazira Limited
12. Essar Ports Netherland Cooperatief U.A

#### 12. 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 further period of one year.

Your Company's Auditors, Messrs. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad, the Statutory Auditors of the Company were appointed for a period of two years at the previous AGM which appointment is required to be ratified by the members at the Annual General Meeting (AGM) each year. Accordingly the Statutory Auditors will continue to be the Auditors of the Company from the conclusion of the ensuing AGM until the conclusion of the next AGM.

The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified to be Auditors of the Company.

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.

#### 13. CORPORATE GOVERNANCE

The Company had delisted its shares from all the Stock Exchanges and presently not covered under the listing regulations of SEBI.

However, as a good practice, your Company follows the Corporate Governance practice in its business activities

#### 14. 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.

#### 15. SECRETARIAL AUDIT REPORT

During the year, your Company has undertaken the Secretarial Audit for the year 2015-16, which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Agreement (to the extent applicable) 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 2015-16. The Secretarial Audit Report is appended as an Annexure to this Report.

#### 16. 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.

#### 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. 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, 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 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 2015-16 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, except for the Scheme of Arrangement as mentioned elsewhere in this report.

**21. PREVENTION OF SEXUAL HARASSMENT AT WORK PLACE**

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has framed the Prevention of Sexual Harassment Policy.

**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 Company 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  
November 25, 2016

**Rajiv Agarwal**  
Managing Director

**K. K. Sinha**  
Wholetime Director



## 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. U85110GJ1975PLC054824  
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, 2016, 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, 2016 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') were applicable to the Company upto 31st December, 2015:-
  - (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, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits). Regulations, 2014; - **Not applicable as the Company has not issued ESOPs.**
  - (e) 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;
- (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 also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (**SS-1 & SS-2**).
- (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. been delisted from BSE Limited and National Stock Exchange of India Limited w.e.f. 31st December, 2015.
2. entered into a Composite Scheme of Arrangement between Vadinar Oil Terminal Limited, Vadinar Ports & Terminals Ltd, Essar Power and Minerals Limited, Hazaria Coke Limited, Yash Hotels Private Limited and the Company and their respective shareholders and creditors under section 393 of the Companies Act, 1956 which provides for demerger, transfer of identified business undertakings, amalgamation and reduction of equity share capital in the manner provided under the scheme of arrangement.

**For Martinho Ferrao & Associates**  
Company Secretaries

**Martinho Ferrao**  
Proprietor

Place : Mumbai  
Dated : 2nd September, 2016

FCS No. 6221  
C.P. No. 5676

**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, 2016**

Name of the Employee	Designation	Remuneration Received (₹)	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
Shri. Rajiv Agarwal	Managing Director & CEO	4,35,17,338	Permanent	ACA, ICWA, ACS	27-05-2010	53	The Mobile Store Limited	Nil	NA
Shri. K. K. Sinha	Wholetime Director	1,53,14,925	Permanent	MBA, B.Sc. Engg. (Mech)	04-07-2011	68	Essar Oil Limited	Nil	NA
Shri. A. S. Bali	Director Finance	3,15,72,800	Permanent	MBA, MS (Finance) USA	15-05-2014	51	Essar Services India Limited	Nil	NA

For and on behalf of the Board

Mumbai  
November 25, 2016

**Rajiv Agarwal**  
Managing Director

**K. K. Sinha**  
Wholetime Director

## EXTRACT OF ANNUAL RETURN

### Form No. MGT-9

(As on the Financial Year ended on 31st March, 2016)

[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	:	U85110GJ1975PLC054824
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	:	No
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.

#### PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON MARCH 31, 2016:

HOLDING COMPANY			
Sl. No.	Name and address of the company	CIN/GLN	% of equity shares held
1.	ESSAR PORTS & SHIPPING LIMITED Essar House, 10, Frere Felix, De Valois Street, Port Louis, Mauritius.	NA	61.10%
*SUBSIDIARY COMPANIES			
Sl. No.	Name and address of the company	CIN/GLN	% of equity shares held
1.	ESSAR BULK TERMINAL LIMITED 27th KM, Surat Hazira Road, Gujarat 394 270	U13100GJ2004PLC043477	74.00%
2.	ESSAR BULK TERMINAL (SALAYA) LIMITED Administration Building, Essar Refinery Complex, Okha Highway (SH-25) Jamnagar, Gujarat - 361 305	U63032MH2007PLC176225	74.00%
3.	ESSAR BULK TERMINAL PARADIP LIMITED Essar House, Opp. Gujarat College Near Hotel Inder Residency, Ellisbridge Ahmedabad, Gujarat 380 006	U63000GJ2009PLC058496	90.00%
4.	ESSAR PARADIP TERMINALS LIMITED Equinox Business Park, Tower II (1 <sup>st</sup> Floor) LBS 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.	VADINAR LIQUID TERMINALS LIMITED Salaya Administrave Building, 44 KM, Mile Stone, Okha Highway, Jam Khambhaliay, Khajurda, Gujarat 361 305	U74140GJ2014PLC082393	100.00%
9.	ESSAR DREDGING LIMITED Administration Building, Essar Refinery Complex, Okha Highway (SH-25) Jamnagar, Gujarat - 361 305	U63032MH2009PLC189497	74.00%
10.	PETRO TANKAGES INDIA LIMITED Salaya Administrative Building, 44 KM, Mile Stone, Okha Highway, Jam khambhaliya, Khajurda, Gujarat - 361 305	U74140GJ2014PLC080508	100.00%
11.	LNG TERMINALS HAZIRA LIMITED Essar House, 11 K.K. Marg, Mahalaxmi, Mumbai - 400 034	U40109MH2008PLC184001	100.00%

### III. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE TO TOTAL EQUITY)

#### i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 2015				No. of Shares held at the end of the year 2016				% Change during the year
	Demat	Physical	Total	% to total Shares	Demat	Physical	Total	% to total Shares	
<b>A. Promoters</b>									
<b>1 Indian</b>									
(a) Bodies Corporate	59083387	0	59083387	13.81	152864891	5118	152870009	35.70	21.89
<b>Sub-Total (A)(1)</b>	<b>59083387</b>	<b>0</b>	<b>59083387</b>	<b>13.81</b>	<b>152864891</b>	<b>5118</b>	<b>152870009</b>	<b>35.70</b>	<b>21.89</b>
<b>2 Foreign</b>									
(a) Bodies Corporate	261697754	0	261697754	61.16	261697754		261697754	61.11	-0.05
<b>Sub-Total (A)(2)</b>	<b>261697754</b>	<b>0</b>	<b>261697754</b>	<b>61.16</b>	<b>261697754</b>		<b>261697754</b>	<b>61.11</b>	<b>-0.05</b>
<b>Total Promoter Shareholding = (A)(1) + (A)(2)</b>	<b>320781141</b>	<b>0</b>	<b>320781141</b>	<b>74.97</b>	<b>414562645</b>	<b>5118</b>	<b>414567763</b>	<b>96.80</b>	<b>21.84</b>
<b>B. Public Shareholding</b>									
<b>1 Institutions</b>									
(a) Mutual Funds/ UTI	3481	32130	35611	0.01	3316	32064	35380	0.01	0.00
(b) Financial Institutions/ Banks	47521	34918	82439	0.02	2118	34918	37036	0.01	-0.01
(c) Insurance Companies	5753376	33	5753409	1.34		33	33	0.00	-1.34
(d) Foreign Institutional Investors	44133692	12323	44146015	10.32	3396	12323	15719	0.00	-10.31

Category of Shareholders	No. of Shares held at the beginning of the year 2015				No. of Shares held at the end of the year 2016				% Change during the year
	Demat	Physical	Total	% to total Shares	Demat	Physical	Total	% to total Shares	
(e) Qualified Foreign Investor									
(i) Any other (Specify)									
(ii) Foreign Bank	956	13959	14915	0.00	956	13959	14915	0.00	0.00
<b>Sub-Total (B)(1)</b>	<b>49939026</b>	<b>93363</b>	<b>50032389</b>	<b>11.69</b>	<b>9786</b>	<b>93297</b>	<b>103083</b>	<b>0.02</b>	<b>-11.67</b>
<b>2 Non-Institutions</b>									
(a) Bodies Corporate	21470144	89632	21559776	5.04	2994003	88500	3082503	0.72	-4.32
(i) Indian									
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	8152752	4609440	12762192	2.98	5425218	4454006	9879224	2.31	-0.68
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4756025	98459	4854484	1.13	182560	98112	280672	0.07	-1.07
(c) Others									
(i) Qualified Foreign Investor									
– Non Resident Individuals	335372	130198	465570	0.11	217512	125508	343020	0.08	-0.03
– Non Domestic Company	17432446	0	17432446	4.07					0.00
<b>Sub-Total (B)(2)</b>	<b>52146739</b>	<b>4927729</b>	<b>57074468</b>	<b>13.34</b>	<b>8819293</b>	<b>4766126</b>	<b>13585419</b>	<b>3.17</b>	<b>-10.17</b>
<b>Total Public Shareholding (B)=(B)(1)+B(2)</b>	<b>102085765</b>	<b>5021092</b>	<b>107106857</b>	<b>25.03</b>	<b>8829079</b>	<b>4859423</b>	<b>13688502</b>	<b>3.20</b>	<b>-21.844</b>
<b>TOTAL (A) + (B)</b>	<b>422866906</b>	<b>5021092</b>	<b>427887998</b>	<b>100.00</b>	<b>423391724</b>	<b>48644541</b>	<b>428256265</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>422866906</b>	<b>5021092</b>	<b>427887998</b>	<b>100.00</b>	<b>423391724</b>	<b>48644541</b>	<b>428256265</b>	<b>100.00</b>	<b>0.00</b>

## ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 2015			Shareholding at the end of the year 2016			% change in share holding during the year
		No. of Shares	% to total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% to total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Essar Port & Shipping Limited	261664301	61.15	0	261664301	61.10	0.00	-0.05
2	Essar Shipping & Logistics Limited	33387	0.01	0	33387	0.01	0.00	0.00
3	Essar Projects (India) Limited	56397000	13.18	13.01	56397000	13.17	13.00	-0.01
4	Essar Steel India Limited	2547223	0.60	0.60	2547223	0.59	0.59	0.00
5	Essar Global Limited	66	0.00	-	66	0.00	0.00	0.00
6	Imperial Consultants And Securities Private Limited	139164	0.03		93925786	21.93	14.62	21.90
	<b>Total</b>	<b>320781141</b>	<b>74.97</b>	<b>13.61</b>	<b>414567763</b>	<b>96.80</b>	<b>28.21</b>	<b>21.84</b>



iii) Shareholding Pattern of top ten Shareholders (others than Directors, Promoters and Holders of Foreign Currency Convertible bonds) as on 31st March, 2016

Sr. No.	Name of Shareholders	Shareholding		Date +	Increase/ Decrease (No. of shares)+	Reasons +	Cumulative Shareholding during the year	
		No. of Shares	% to total shares of the company				No. of Shares	% to total shares of the company
1	Port of Antwerp International UK Limited							
	At the beginning of the year	17432446	4.074	01.04.2015				
	Bought during the year	–		05.11.2016				
	Sold during the year	17432446	4.074	05/11/2016				
	At the end of the year	0		31.03.2016			0	0.00
2	India Max Investment Fund Limited							
	At the beginning of the year	17260867	4.034	01.04.2015				
	Bought during the year	–						
	Sold during the year	17260867	4.034					
	At the end of the year	0		31.03.2016			0	0.00
3	India Opportunities Growth Fund Ltd.							
	At the beginning of the year	8873038	2.074	01.04.2015				
	Bought during the year							
	Sold during the year	8873038	2.074					
	At the end of the year	0	0.00	31.03.2016			0	0.00
4	Sainath Trading Company Private Limited							
	At the beginning of the year	6848958	1.601	01.04.2015				
	Bought during the year							
	Sold during the year	6848958	1.601					
	At the end of the year	0		31.03.2016			0	0.00
5	Life Insurance Corp of India							
	At the beginning of the year	5753376	1.345	01.04.2015				
	Bought during the year							
	Sold during the year	5753376	1.345	05.02.2016				
	At the end of the year	0	0.00	31.03.2016			0	0.00
6	Edelweiss Securities Ltd							
	At the beginning of the year	5686426	1.329	01.04.2015				
	Bought during the year							
	Sold during the year	5686426	1.329					
	At the end of the year	0		31.03.2016			0	0.00
7	Emerging India Focus Funds							
	At the beginning of the year	4414814	1.032	01.04.2015				
	Bought during the year							
	Sold during the year	4414814	1.032					
	At the end of the year	0		31.03.2016			0	0.00

Sr. No.	Name of Shareholders	Shareholding		Date +	Increase/ Decrease (No. of shares)+	Reasons +	Cumulative Shareholding during the year	
		No. of Shares	% to total shares of the company				No. of Shares	% to total shares of the company
8	Em Resurgent Fund							
	At the beginning of the year	3900000	0.911	01.04.2015				
	Bought during the year							
	Sold during the year	3900000	0.911					
	At the end of the year	0		31.03.2016			0	0.00
9	Morgan Stanley Asia (Singapore) PTE							
	At the beginning of the year	2722602	0.636	01.04.2015				
	Bought during the year							
	Sold during the year	2722602	0.636					
	At the end of the year	0		31.03.2016			0	0.00
10	Leena Investments Consultancy Llp							
	At the beginning of the year	2517654	0.588	01.04.2015				
	Bought during the year							
	Sold during the year	2517654	0.588					
	At the end of the year	0	0.00	31.03.2016			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 a Secured Loan of ₹ 265.33 crore and Unsecured Loan of ₹ 409.31 crore as on March 31, 2016.

#### 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	341.92	146.49	307.01	795.42
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	4.41	4.41
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	–
2.	*Stock Option	86.05	–	–	86.05
3.	Sweat Equity	–	–	–	–
4.	Commission	–	–	–	–
5.	Others (Contribution to PF & Superannuation)	7.20	6.65	4.32	18.17
	<b>Total (A)</b>	<b>435.17</b>	<b>153.15</b>	<b>315.73</b>	<b>904.05</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)			

##### 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	P. K. Srivastava	
Fee for attending Board / Committee meetings	2.80	7.70	4.50	3.70	6.90	1.50	7.30	1.90	36.30
Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total (B)</b>	<b>2.80</b>	<b>7.70</b>	<b>4.50</b>	<b>3.70</b>	<b>6.90</b>	<b>1.50</b>	<b>7.30</b>	<b>1.90</b>	<b>36.30</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)	940.35								
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	63.20
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>65.88</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  
November 25, 2016

**Rajiv Agarwal**  
Managing Director

**K. K. Sinha**  
Wholetime Director

**Particulars of Loans, Guarantees or Investments**
**Amount outstanding as at 31st March, 2016**

(₹ crore)

Particulars	Amount
Loans given	–
Guarantee given	3,013.52
Investments made	3,292.52

**Loan, Guarantee and Investments made during the Financial Year 2015-16**

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><u>Guarantees</u></b>				
Essar Bulk Terminal (Salaya) Limited	Wholly Owned Subsidiary	1,069.00	Corporate Guarantee	To secure the Term Loan granted to Essar Bulk Terminal (Salaya) Limited for the project being set up by them.
<b><u>Loan</u></b>				
Vadinar Ports & Terminals Limited	Subsidiary	1,450.00	Inter Corporate Deposit	For Corporate purposes. The loan has been repaid during the year.
<b><u>Investments</u></b>				
Essar Bulk Terminal (Salaya) Limited	Wholly Owned Subsidiary	0.90	Preference shares	Investment in Preference Capital
Essar Vizag Terminals Limited	Wholly Owned Subsidiary	13.58	Preference shares	Investment in Preference Capital

For and on behalf of the Board

 Mumbai  
November 25, 2016

**Rajiv Agarwal**  
Managing Director

**K. K. Sinha**  
Wholetime Director

**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 (₹ In lakhs)	Date(s) of approval by the Board, if any	Amount paid as advances, if any (₹ In lakhs)
NIL							

For and on behalf of the Board

Mumbai  
November 25, 2016

**Rajiv Agarwal**  
Managing Director

**K. K. Sinha**  
Wholetime Director



## 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 substantial economic development of communities boosting the annual family income of targeted population.
- To ensure care and support to the marginalized 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.

2. The composition of the CSR Committee as on date is as below:

Sl. No.	Name	Chairman / Members
1	Shri. P. K. Srivastava	Member
2	Shri. V. G. Raghavan	Member
3	Shri. Rajiv Agarwal	Member

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

(₹ in crore)

	2014-15	2013-14	2012-13	Average
Net Profit / (Loss) as per P & L	5.35	(25.75)	(38.32)	(20.24)

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, hence the Company is not required to incur any CSR expenditure during the year 2015 - 16 as per regulations.

5. Details of CSR spent during the financial year;

- (a) Total amount to be spent for the financial year; ₹ NIL  
 (b) Amount unspent if any; none

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 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/-  
P. K. Srivastava

Sd/-  
Rajiv Agarwal

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF ESSAR PORTS LIMITED

We have audited the accompanying standalone financial statements of **ESSAR PORTS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, 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 prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

We conducted our audit of the standalone financial statements 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. 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 31<sup>st</sup> March, 2016, and its loss and its cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to Note 35a to the financial statements regarding reduction in share capital and transfer of investments in certain subsidiaries, and related assets and liabilities at their respective carrying values as on 1<sup>st</sup> July, 2016 (appointed date), pursuant to a Composite Scheme of Arrangement which became effective on 26<sup>th</sup> August, 2016.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses a qualified opinion on the operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - (i) The Company does not have any pending litigations which would impact its financial position;
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Samir R. Shah**  
Partner

Mumbai,  
25 November, 2016

Membership No. 101708

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Essar Ports Limited ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year then ended.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Qualified opinion

According to the information and explanations given to us and based on our audit, a material weakness has been identified relating to inadequate internal financial controls over financial reporting with respect to payment of managerial remuneration in accordance with the requisite approvals mandated by the provisions of Companies Act, 2013.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of 31<sup>st</sup> March, 2016.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended 31<sup>st</sup> March, 2016, and the material weakness does not affect our opinion on the said financial statements of the Company.

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

Mumbai,  
25 November, 2016

Samir R. Shah  
Partner  
Membership No. 101708

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) 2016 on account of disputes.
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a 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.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under paragraph 3(i)(c) of the Order is not applicable.
- (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 does not arise.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships 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, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under paragraph 3(v) of the Order is not applicable.
- (vi) Having regard to the nature of the Company's business/ activities, reporting under paragraph 3(vi) of the Order is not applicable.
- (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, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities except Service Tax where there were significant delays. 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, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty and Value Added Tax as on 31<sup>st</sup> March, 2016 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not borrowed any sum through issue of debentures
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised or as per purposes revised with appropriate approvals, other than temporary deployment pending application of proceeds. The Company has neither raised moneys by way of initial public offer/ further public offer (including debt instruments) nor were such proceeds pending to be applied, during the current year.
- (x) 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 by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the managerial remuneration of ₹ 453.49 lakhs paid/provided during the year to two whole time directors without prior approval of Central Government was in excess of limits prescribed under section 197 read with Schedule V to the Act by ₹ 333.49 lakhs. The Company has since made an application to Central Government seeking approval for which the response is awaited.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all the transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc, as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

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

Mumbai,  
25 November, 2016

## Balance Sheet as at 31 March, 2016

₹ in lakhs

Particulars	Note No.	As at 31 March, 2016	As at 31 March, 2015
<b>(I) EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	42,838.68	42,801.85
(b) Reserves and surplus	4	211,592.52	225,694.36
		<u>254,431.20</u>	<u>268,496.21</u>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	67,464.16	16,670.70
(b) Deferred tax liabilities (net)	6	346.42	376.20
(c) Other long-term liabilities	7	4,353.00	4,340.80
		<u>72,163.58</u>	<u>21,387.70</u>
<b>3 Current liabilities</b>			
(a) Trade payables			
(i) Dues to micro, small and medium enterprises	29	-	-
(ii) Dues to others	8	3,321.51	2,249.83
(b) Other current liabilities	7	14,152.03	51,106.98
(c) Short-term provisions	9	188.65	171.41
		<u>17,662.19</u>	<u>53,528.22</u>
<b>TOTAL</b>		<b><u>344,256.97</u></b>	<b><u>343,412.13</u></b>
<b>(II) ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
- Tangible assets	10	5,846.45	6,599.09
(b) Non-current investments	11	321,168.05	311,531.94
(c) Long-term loans and advances	13	6,042.92	5,565.92
		<u>333,057.42</u>	<u>323,696.95</u>
<b>2 Current assets</b>			
(a) Current investments	12	5,789.33	14,979.06
(b) Trade receivables	14	1,292.93	613.19
(c) Cash and bank balances	15	240.28	357.85
(d) Short-term loans and advances	13	1,207.08	1,110.25
(e) Other current assets	16	2,669.93	2,654.83
		<u>11,199.55</u>	<u>19,715.18</u>
<b>TOTAL</b>		<b><u>344,256.97</u></b>	<b><u>343,412.13</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, 25 November 2016

**For and on behalf of the Board of Directors**

**P. K. Srivastava**  
Chairman

**Rajiv Agarwal**  
Managing Director

**Manoj Contractor**  
Company Secretary  
Mumbai, 25 November 2016

## Statement of Profit and Loss for the year ended 31 March, 2016

₹ in lakhs

Particulars	Note No.	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>Income</b>			
Revenue from operations	17	3,074.70	3,462.92
Other income	18	6,031.11	5,377.33
<b>Total revenue</b>		<b>9,105.81</b>	<b>8,840.25</b>
<b>Expenses</b>			
Operating expenses	19	487.55	883.95
Employee benefits expense	20	1,224.25	1,003.91
Other expenses	21	2,638.55	3,326.21
<b>Total expenses</b>		<b>4,350.35</b>	<b>5,214.07</b>
<b>Profit before finance costs, depreciation expense, exceptional item and tax</b>		<b>4,755.46</b>	<b>3,626.18</b>
Finance costs	22	17,472.38	2,338.34
Depreciation expense	10	752.64	752.52
<b>(Loss) / Profit before tax and exceptional item</b>		<b>(13,469.56)</b>	<b>535.32</b>
Exceptional item (refer note 36)		1,001.62	-
<b>(Loss) / Profit before tax</b>		<b>(14,471.18)</b>	<b>535.32</b>
<b>(Loss) / Profit from continuing operations before tax</b>		<b>(1,315.27)</b>	<b>2,239.90</b>
<b>Tax expense</b>			
Current tax (Minimum alternate tax (MAT) and tonnage tax)		0.50	300.88
Mat credit entitlement		-	(201.84)
<b>(Loss) / Profit from continuing operations after tax (A)</b>		<b>(1,315.77)</b>	<b>2,140.86</b>
<b>Loss from discontinuing operations before tax</b>		<b>(13,155.91)</b>	<b>(1,704.58)</b>
Tax expense		(29.78)	376.20
<b>Loss from discontinuing operations after tax (B)</b>		<b>(13,126.13)</b>	<b>(2,080.78)</b>
<b>(Loss) / Profit for the year (A+B)</b>		<b>(14,441.90)</b>	<b>60.08</b>
<b>Earnings per share (face value Rs. 10/- per share)</b>			
Basic and diluted (in ₹)			
(i) Continuing operations	26	(0.31)	0.50
(ii) Total operations	26	(3.37)	0.01
<b>See accompanying notes forming part of the financial statements</b>			

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered AccountantsSamir R. Shah  
Partner

Mumbai, 25 November 2016

For and on behalf of the Board of Directors

P. K. Srivastava  
ChairmanRajiv Agarwal  
Managing DirectorManoj Contractor  
Company Secretary  
Mumbai, 25 November 2016



## Cash Flow Statement for the year ended 31 March, 2016

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>I Cash flow from operating activities</b>		
<b>(Loss) / Profit before tax</b>	(14,471.18)	535.32
Adjustments for :		
Depreciation expense	752.64	752.52
Finance costs	17,472.38	2,338.34
Interest income on bank deposits	(8.36)	(11.21)
Interest income on loans and advances to related party	(3,513.70)	(20.97)
Interest income on overdue receivable	(131.15)	(212.81)
Dividend from a subsidiary	-	(2,208.05)
Net unrealised gain on foreign currency translation and transactions	(93.10)	(77.63)
Provision for diminution in value of investment	1,001.62	-
Amortisation of foreign currency monetary items translation difference account (FCMITDA)	1,611.88	2,018.20
<b>Operating profit before working capital changes</b>	<b>2,621.03</b>	<b>3,113.71</b>
<b>Changes in working capital</b>		
Changes in receivable, loans and advances and other current assets	(145.43)	(864.83)
Changes in payables, other liabilities and provisions	(519.09)	(24,595.63)
<b>Cash generated / (used) in operations</b>	<b>1,956.51</b>	<b>(22,346.75)</b>
Income taxes paid (net of refund)	(605.27)	(123.30)
<b>Net cash generated from / (used) in operating activities (I)</b>	<b>1,351.25</b>	<b>(22,470.05)</b>
<b>II Cash flow from investing activities</b>		
Payment for acquisition of fixed assets	-	(3.82)
Advances received towards sale of investments	11,450.00	33,611.00
Refund of advances received towards sale of investments	(23,000.00)	-
Purchase of non-current investments	-	(67.97)
Investment in shares of subsidiaries	(1,448.00)	(12,036.15)
Share application money given to subsidiaries	(2,975.20)	(359.50)
Refund of share application money given to subsidiaries	2,674.20	1,069.30
Dividend received from a subsidiary	-	2,208.05
Proceeds from maturity of fixed deposits	246.59	-
Fixed deposits placed for a period of more than three months	-	(154.91)
Interest received on fixed deposits	14.83	4.78
Interest received on loans and advances given to a subsidiary	3,513.70	20.97
<b>Net cash (used) in / generated from investing activities (II)</b>	<b>(9,523.88)</b>	<b>24,291.75</b>



## Cash Flow Statement for the year ended 31 March, 2016

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>III Cash flow from financing activities</b>		
Proceeds from long-term borrowing	142,500.00	-
Repayment of long-term borrowing	(142,500.00)	(500.00)
Repayment of unsecured loan from related parties	(8,594.69)	(325.00)
Proceeds from unsecured loan from related parties	33,868.00	2,911.77
Unsecured loan given to a related party	(135,000.00)	-
Proceeds from refund of unsecured loan given to a related party	135,000.00	-
Dividend paid (including corporate dividend tax)	-	(2,139.44)
Proceeds from issue of shares	250.09	-
Finance costs paid	(17,221.74)	(1,775.81)
<b>Net cash generated from / (used) in financing activities (III)</b>	<b>8,301.66</b>	<b>(1,828.48)</b>
<b>Net increase / (decrease) in cash and cash equivalents for the year (I + II + III)</b>	<b>129.02</b>	<b>(6.78)</b>
Cash and cash equivalents at the beginning of the year	111.26	118.04
<b>Cash and cash equivalents at the end of the year</b>	<b>240.28</b>	<b>111.26</b>

## Notes :

₹ in lakhs

1	Reconciliation between closing cash and cash equivalents and cash and bank balances	As at 31 March, 2016	As at 31 March, 2015
	Cash and cash equivalents as per cash flow statement	240.28	111.26
	Add : Margin money deposits not considered as cash and cash equivalents as per AS-3	-	246.59
	<b>Cash and bank balances as per note no. 15</b>	<b>240.28</b>	<b>357.85</b>

- 2 During the year, the Company has converted an amount of ₹ 10,611.00 lakhs received as advance towards sale of shares into inter-corporate deposit.
- 3 During the previous year, the Company has converted advance received against provision of services into inter-corporate deposit amounting to ₹ 2,300.00 lakhs.
- 4 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.

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, 25 November 2016

For and on behalf of the Board of Directors

**P. K. Srivastava**  
Chairman

**Rajiv Agarwal**  
Managing Director

**Manoj Contractor**  
Company Secretary  
Mumbai, 25 November 2016

## 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 the business of providing fleet operating and chartering services. The shares of the Company got de-listed from Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) on 31 December 2015. 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 140 MMTPA 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 MMTPA 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. 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.

#### 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, 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.

## Notes forming part of the financial statements

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 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

## Notes forming part of the financial statements

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 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

## Notes forming part of the financial statements

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

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, 2016		As at 31 March, 2015	
	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	428,502,913	42,850.29	428,134,646	42,813.46
<b>Paid up</b>				
Equity shares of ₹ 10/- each (refer note below)	428,256,265	42,825.63	427,887,998	42,788.80
Forfeited equity shares	246,648	13.05	246,648	13.05
		<b>42,838.68</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, 2016		As at 31 March, 2015	
	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	368,267	36.83	-	-
<b>Outstanding at the end of the year</b>	<b>428,256,265</b>	<b>42,825.63</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 the holding company, the ultimate holding company, their subsidiaries and associates

Particulars	As at 31 March, 2016			As at 31 March, 2015		
	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	61.10	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	33,387	3.34	0.01
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	13.17	56,397,000	5,639.70	13.18
Essar Steel India Limited, subsidiary of the ultimate holding company	2,547,223	254.72	0.59	2,547,223	254.72	0.60
Imperial Consultants & Securities Private Limited, (beneficial owner Imperial Consultants & securities), entity having significant influence over the Company	93,925,786	9,392.58	21.93	-	-	-
	<b>414,567,763</b>	<b>41,456.78</b>	<b>96.80</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. Of the options granted 381,095 options have been forfeited.

These stock options have been granted at an option value of ₹ 71.10 and ₹ 57.75 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, 1,283,718 options (previous year 2,033,080 options) were outstanding as on 31 March 2016.

## 4. RESERVES AND SURPLUS

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>a. General reserve</b>		
As per last balance sheet	70,035.74	70,035.74
<b>b. Securities premium account</b>		
Opening balance	15,461.11	15,461.11
Add : Premium on issuance of shares	225.01	-
<b>Closing balance</b>	<b>15,686.12</b>	<b>15,461.11</b>
<b>c. Revaluation reserve</b>		
As per last balance sheet	72.02	72.02
<b>d. Tonnage tax reserve</b>		
Opening balance	1,000.00	750.00
Add: Transferred from surplus in Statement of Profit and Loss	250.00	250.00
<b>Closing balance</b>	<b>1,250.00</b>	<b>1,000.00</b>
<b>e. Foreign currency monetary items translation difference account</b>		
Opening balance	(2,368.80)	(3,390.60)
Add: Effect of foreign currency rate variations during the year	(1,496.84)	(996.40)
Less: Amortised during the year	1,611.88	2,018.20
<b>Closing balance</b>	<b>(2,253.76)</b>	<b>(2,368.80)</b>
<b>f. Surplus in Statement of Profit and Loss</b>		
Opening balance	141,494.30	141,684.22
Less: (Loss) / Profit for the year	(14,441.90)	60.08
Less: Transferred to tonnage tax reserve	(250.00)	(250.00)
<b>Closing balance</b>	<b>126,802.40</b>	<b>141,494.30</b>
<b>Total</b>	<b>211,592.52</b>	<b>225,694.36</b>



## Notes forming part of the financial statements

### 5. LONG-TERM BORROWINGS

₹ in lakhs

Particulars	Non-current		Current	
	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
<b>Unsecured</b>				
(a) 5 % Foreign currency convertible bonds (FCCB) (refer foot note (i) below)	26,533.16	11,624.01	-	13,412.31
(b) Rupee term loans from related parties (refer foot note (ii) below and note 31)	40,931.00	5,046.69	-	-
<b>Total unsecured loans</b>	<b>67,464.16</b>	<b>16,670.70</b>	<b>-</b>	<b>13,412.31</b>
Less: Amount disclosed under the head 'other current liabilities' (refer note no 7)	-	-	-	(13,412.31)
<b>Long-term borrowings</b>	<b>67,464.16</b>	<b>16,670.70</b>	<b>-</b>	<b>-</b>

- FCCBs of US\$ 18,571,428 (Series - B) and US\$ 21,428,572 (Series - A) due on 24 August 2017 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 FCCB 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 loans from related parties have been received in tranches during the period December, 2015 to March, 2016 and are 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 agreements as no loans have been recalled due to non compliance of conditions under any of the loan agreement.

### 6. DEFERRED TAX LIABILITIES (NET)

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>Tax effect of items constituting deferred tax liabilities</b>		
On difference between book balance and tax balance of fixed assets	346.42	376.20
<b>Net deferred tax liabilities</b>	<b>346.42</b>	<b>376.20</b>

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

₹ in lakhs

Particulars	Non-current		Current	
	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
Advances received towards sale of Investments (refer note 31)	-	-	11,450.00	33,611.00
Advances from related parties (refer note 31)	-	-	-	1,688.93
Current maturities of long-term borrowings (refer note 5)	-	-	-	13,412.31
Interest accrued but not due on borrowings	-	-	254.72	121.71
Interest accrued and due on borrowings (refer foot note (ii) to note 5)	-	-	740.39	622.76
Security deposits received (refer note 31)	4,353.00	4,340.80	1,236.80	1,067.00
Other liabilities (including statutory dues for service tax, VAT and tax deducted at source)	-	-	389.42	502.57
Others current liabilities (refer note 31)	-	-	80.70	80.70
<b>Total</b>	<b>4,353.00</b>	<b>4,340.80</b>	<b>14,152.03</b>	<b>51,106.98</b>

## Notes forming part of the financial statements

## 8. TRADE PAYABLES

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
Trade payables - other than acceptances	3,321.51	2,249.83
<b>Total</b>	<b>3,321.51</b>	<b>2,249.83</b>

## 9. SHORT-TERM PROVISIONS

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>(a) Provision for employee benefits</b>		
Gratuity (refer note 30)	17.53	3.57
Compensated absences (refer note 30)	47.64	62.10
Provision for superannuation	1.36	3.94
<b>(b) Others</b>		
Provision for taxation [net of advance tax of ₹ 357.91 lakhs (previous year ₹ 357.91 lakhs)]	122.12	101.80
<b>Total</b>	<b>188.65</b>	<b>171.41</b>

## 10. TANGIBLE ASSETS

₹ in lakhs

Particulars	Gross block			Accumulated depreciation			Net block
	As at 01 April, 2015	Additions during the year	As at 31 March, 2016	As at 01 April, 2015	Depreciation for the year	As at 31 March, 2016	As at 31 March, 2016
Fleet	6,222.81	-	6,222.81	3,310.18	408.23	3,718.41	2,504.40
	(6,222.81)	-	(6,222.81)	(2,901.95)	(408.23)	(3,310.18)	(2,912.63)
Plant and equipment	5,002.50	-	5,002.50	1,318.44	342.90	1,661.34	3,341.16
	(5,002.50)	-	(5,002.50)	(975.57)	(342.87)	(1,318.44)	(3,684.06)
Computer and IT equipments	3.82	-	3.82	1.42	1.51	2.93	0.89
	-	(3.82)	(3.82)	-	(1.42)	(1.42)	(2.40)
Total tangible assets	11,229.13	-	11,229.13	4,630.04	752.64	5,382.68	5,846.45
Previous year	(11,225.31)	(3.82)	(11,229.13)	(3,877.52)	(752.52)	(4,630.04)	(6,599.09)

## Note:

- During the previous year, pursuant to the notification of the schedule II to the Companies Act, 2013, the Company 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 previous year was 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.

## Notes forming part of the financial statements

### 11. NON-CURRENT INVESTMENTS

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>Trade investments (valued at cost unless stated otherwise)</b>		
<b>(a) <u>Investments in equity shares (unquoted, fully paid up)</u></b>		
Investments in subsidiaries		
45,000 (previous year 45,000), equity shares of ₹10/- each of Essar Paradip Terminals Limited	4.50	4.50
3,700,000 (previous year 3,700,000), equity shares of ₹ 10/- each of Essar Bulk Terminal Limited	373.66	373.66
31,133,736 (previous year 31,133,736), equity shares of ₹ 10/- each of Vadinar Ports & Terminals Limited	7,527.87	2,979.76
1,046,142,000 (previous year 1,046,142,000), equity shares of ₹ 10/- each of Vadinar Oil Terminal Limited	122,921.01	122,921.01
3,004,875 (previous year 3,004,875), equity shares of ₹ 10/- each of Essar Bulk Terminal (Salaya) Limited	320.04	320.04
24,500 (previous year 24,500), equity shares of ₹10/- each of Vadinar Liquid Terminal Limited	2.45	2.45
<b>[A]</b>	<b>131,149.53</b>	<b>126,601.42</b>
<b><u>Investments in equity shares of others</u></b>		
3,450 (previous year 3,450), equity shares of MZN 1,000 each of New Coal Terminal Beira, S.A	67.97	67.97
<b>[B]</b>		
<b>(b) <u>Investments in preference shares (unquoted, fully paid up)</u></b>		
<b>Investment in subsidiaries</b>		
217,170,006 (previous year 224,737,753), 0.01% compulsorily convertible cumulative participating preference shares of ₹ 10/- each of Essar Bulk Terminal Limited	166,139.53	171,928.85
105,973,630 (previous year 105,073,630), 0.01% compulsorily convertible cumulative participating preference shares of ₹ 10/- each of Essar Bulk Terminal (Salaya) Limited	10,520.94	-
40,750,000 (previous year 40,750,000), 0.01% compulsorily convertible cumulative participating preference shares of ₹ 10/- each of Essar Paradip Terminals Limited	4,075.00	4,075.00
102,167,000 (previous year 88,587,000), 0.01% compulsorily convertible cumulative participating preference shares of ₹ 10/- each of Essar Vizag Terminals Limited	10,216.70	8,858.70
<b>[C]</b>	<b>190,952.17</b>	<b>184,862.55</b>
<b>[A+B+C]</b>	<b>322,169.67</b>	<b>311,531.94</b>
Less: Provision for diminution in value of investments (refer note 36)	(1,001.62)	-
<b>Total</b>	<b>321,168.05</b>	<b>311,531.94</b>

#### Notes :-

- Aggregate of unquoted investments as at 31 March 2016 ₹ 321,229.67 lakhs (previous year ₹ 311,531.94 lakhs).
- Following investments are in process of being registered in the name of the Company.

Particulars	As at 31 March, 2016	As at 31 March, 2015
	No. of shares	No. of shares
Equity shares of ₹ 10/- each of Essar Bulk Terminal Limited	-	2,450,006
0.01% compulsorily convertible cumulative participating preference shares of ₹ 10/- each of Essar Bulk Terminal Limited	-	46,492,577

## Notes forming part of the financial statements

## 12. CURRENT INVESTMENTS

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>Trade investments (Valued at lower of cost and fair value)</b>		
47,520,661 (previous year 47,520,661), Equity shares of ₹ 10/- each of Vadinar Ports & Terminals Limited	-	4,548.12
NIL (previous year 105,073,630) 0.01% compulsorily convertible cumulative participating preference shares of ₹ 10 each of Essar Bulk Terminal (Salaya) Limited	-	10,430.94
7,567,747 (previous year NIL), 0.01% compulsorily convertible cumulative participating preference shares of ₹ 10 each of Essar Bulk Terminal Limited	5,789.33	-
<b>Total</b>	<b>5,789.33</b>	<b>14,979.06</b>

i. Aggregate cost of unquoted investments as at 31 March 2016 ₹ 5,789.33 lakhs (previous year ₹ 14,979.06 lakhs).

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

₹ in lakhs

Particulars	Non-current		Current	
	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
<u>Unsecured, considered good</u>				
Security deposit to a related party (refer note 31)	-	176.00	176.00	-
Security deposits to others	0.15	0.15	540.00	540.00
Advances recoverable in cash or kind or for value to be received	-	-	110.98	31.57
Advances towards share application money to subsidiaries (refer note 31)	398.00	97.00	-	-
Advance income-tax and tax deducted at source [net of provision for tax of ₹ 307.08 lakhs (previous year ₹ 306.58 lakhs)]	2,298.20	1,673.11	-	-
MAT credit available	201.84	201.84	-	-
Prepaid expenses	521.87	609.39	93.75	113.84
Service tax receivable	-	2,808.43	88.76	393.83
Cenvat receivable	2,622.86	-	197.59	31.01
<b>Total</b>	<b>6,042.92</b>	<b>5,565.92</b>	<b>1,207.08</b>	<b>1,110.25</b>

## 14. TRADE RECEIVABLES

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
<u>Unsecured, considered good</u>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	922.49	176.00
Other trade receivables	370.44	437.19
<b>Total</b>	<b>1,292.93</b>	<b>613.19</b>

## Notes forming part of the financial statements

### 15. CASH AND BANK BALANCES

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>A. Cash and cash equivalents</b>		
Balances with banks in current accounts	240.28	111.26
	<b>[A]</b>	<b>111.26</b>
<b>B. Other bank balances</b>		
Margin money deposits (lien against facility of bank guarantee)	-	246.59
	<b>[B]</b>	<b>246.59</b>
<b>Total</b>	<b>[A+B]</b>	<b>357.85</b>

### 16. OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
Interest accrued on fixed deposits	-	6.47
Receivables for management services (including interest thereon) and other income (refer note 31)	2,657.37	2,648.36
Other receivable from a related party (refer note 31)	12.56	-
<b>Total</b>	<b>2,669.93</b>	<b>2,654.83</b>

### 17. REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>Sale of services</b>		
Fleet operating and chartering earnings	3,074.70	3,462.92
<b>Total</b>	<b>3,074.70</b>	<b>3,462.92</b>

### 18. OTHER INCOME

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Interest income on bank deposits	8.36	11.21
Interest income on loans and advances to a related party (refer note 31)	3,513.70	20.97
Interest income on overdue receivable (refer note 31)	131.15	212.81
Management fee income (refer note 31)	2,016.00	1,800.00
Dividend from a subsidiary (refer note 31)	-	2,208.05
Sub branding income (refer note 31)	347.67	389.78
Sub lease income (refer note 31)	5.89	141.37
Facility charges (refer note 31)	6.09	146.17
Insurance claim received	-	369.34
Net gain on foreign currency translation and transactions	-	77.63
Miscellaneous income	2.25	-
<b>Total</b>	<b>6,031.11</b>	<b>5,377.33</b>

## Notes forming part of the financial statements

## 19. OPERATING EXPENSES

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Repairs and maintenance - fleet	26.52	40.74
Consumption of fuel	-	135.60
Hire charges	-	2.47
Manning management expenses	358.62	329.00
Commission, brokerage and agency fees	55.16	179.34
Dry docking expenses	-	149.16
Insurance, protection and indemnity club fees	47.25	47.64
<b>Total</b>	<b>487.55</b>	<b>883.95</b>

## 20. EMPLOYEE BENEFITS EXPENSE

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Salaries, wages and bonus	1,122.73	941.61
Contribution to staff provident and other funds (refer note 30)	15.39	23.60
Staff welfare	86.13	38.70
<b>Total</b>	<b>1,224.25</b>	<b>1,003.91</b>

## 21. OTHER EXPENSES

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Legal and professional fees	466.07	433.11
License fees	349.47	392.74
Travelling	84.83	69.22
Auditors' remuneration (refer note below)	35.48	37.49
Rent	19.10	293.03
Amortisation of foreign currency monetary items translation difference account (FCMITDA)	1,611.88	2,018.20
Net loss on foreign currency translation and transaction	12.20	-
Others	59.52	82.42
<b>Total</b>	<b>2,638.55</b>	<b>3,326.21</b>

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>Payments to the statutory auditors comprise (net of service tax):</b>		
As auditors	33.90	30.50
For other services	0.80	6.49
Reimbursement of expenses	0.78	0.50
<b>Total</b>	<b>35.48</b>	<b>37.49</b>

## Notes forming part of the financial statements

### 22. FINANCE COSTS

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Interest expense		
- on bank loans	3,293.58	-
- on loan from a financial institution	-	276.10
- on foreign currency convertible bonds	1,533.19	1,819.27
- on related parties (refer note 31)	931.27	177.69
- on others	97.62	-
Other finance charges (loan processing charges, amortisation of upfront fees etc.)	11,616.72	65.28
<b>Total</b>	<b>17,472.38</b>	<b>2,338.34</b>

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

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
Guarantees given on behalf of subsidiaries against their borrowings	301,352.00	271,186.00
<b>Total</b>	<b>301,352.00</b>	<b>271,186.00</b>

### 24. COMMITMENTS

As per the borrowing agreements of subsidiaries with banks and financial institutions, the Company has commitment to invest ₹ 5,830.25 lakhs (previous year ₹ 30,601.28 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 had 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. The Company has discontinued Lease rental agreement w.e.f. 15 April, 2015.

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
a. Payable not later than 1 year	-	141.37
b. Payable later than 1 year but not later than 5 years	-	212.06
<b>Total</b>	<b>-</b>	<b>353.43</b>

- b. The Company expects to receive future minimum sublease payments of ₹ NIL (previous year ₹353.43 lakhs) as on 31 March 2016. A sum of ₹5.89 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, 2016	For the year ended 31 March, 2015
Net profit / (loss) for the year (₹ in lakhs)	(14,441.90)	60.08
Net profit / (loss) for the year from continuing operations (₹ in lakhs)	(1,315.77)	1,764.66
Equity shares at the beginning of the year (nos.)	427,887,998	427,887,998
Equity shares issued during the year (nos.)	368,267	-
<b>Equity shares at the end of the year (nos.)</b>	<b>428,256,265</b>	<b>427,887,998</b>
Weighted average number of equity shares for the purpose of calculating basic earnings per share (nos.)	428,062,573	427,887,998
Weighted average number of equity shares for the purpose of calculating diluted earnings per share (nos.) *	428,062,573	427,887,998
Earnings per share-basic and diluted (face value of ₹10/- each) (in ₹)		
(i) Total operations	(3.37)	0.01
(ii) Continuing operations	(0.31)	0.50

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

### 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, 2016		Currency	As at 31 March, 2015	
	₹ in lakhs	Amount of Foreign currency in lakhs		₹ in lakhs	Amount of Foreign currency in lakhs
Other assets (rendering of services)	551.66	8.27	USD	1,658.98	26.51
Other assets (interest receivable)	739.39	11.10	USD	568.92	9.09
Bank balances	0.78	0.01	USD	0.73	0.01
<b>Total</b>	<b>1,291.83</b>			<b>2,228.63</b>	

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

Particulars	As at 31 March, 2016		Currency	As at 31 March, 2015	
	₹ in lakhs	Amount of Foreign currency in lakhs		₹ in lakhs	Amount of Foreign currency in lakhs
Foreign Currency Convertible Bonds (including interest accrued due and not due)	27,283.09	411.31	USD	25,780.79	411.89

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, 2016	For the year ended 31 March, 2015
Employer's contribution to superannuation fund	8.51	2.58

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, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
Present value of defined benefit obligations - opening balance	346.59	502.86	47.51	52.93	62.10	164.88
Current service cost	27.50	26.65	0.94	0.55	-	3.11
Current service contribution-employee	27.50	28.09	-	-	-	-
Interest cost	31.78	29.09	3.58	4.41	4.84	6.51
Gain on change in sick leave policy *	-	-	-	-	-	(91.79)
Acquisitions	4.93	-	16.33	-	-	-
Benefits paid	(107.40)	(240.10)	(3.33)	(10.00)	4.70	(4.78)
Actuarial (gain) / loss on obligations	41.62	-	(2.00)	(0.38)	(24.00)	(15.83)
<b>Present value of defined benefit obligations - closing balance</b>	<b>372.52</b>	<b>346.59</b>	<b>63.03</b>	<b>47.51</b>	<b>47.64</b>	<b>62.10</b>

\* During the previous year the company has credited Rs 91.79 lakhs in Salaries and wages on account of change in policy on sick leave.

#### (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, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
Fair value of plan assets - opening balance	346.59	502.86	43.94	48.97	-	-
Expected return on plan assets	-	-	3.63	3.78	-	-
Actual return on plan assets	73.41	29.09	0.91	-	-	-
Actuarial gains / (losses)	-	-	0.35	0.22	-	-
Contributions by the employer / employees	59.92	54.74	-	0.97	-	-
Benefits paid	(107.40)	(240.10)	(3.33)	(10.00)	-	-
<b>Fair value of plan assets - closing balance</b>	<b>372.52</b>	<b>346.59</b>	<b>45.50</b>	<b>43.94</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, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
Present value of defined benefit obligations	372.52	346.59	63.03	47.51	47.64	62.10
Fair value of plan assets at the end of the year	372.52	346.59	45.50	43.94	-	-
<b>Liability / (asset) recognised in the Balance Sheet (note 9)</b>	<b>-</b>	<b>-</b>	<b>17.53</b>	<b>3.57</b>	<b>47.64</b>	<b>62.10</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, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Current service cost	27.50	26.65	0.94	0.55	-	3.11
Interest cost	31.78	29.09	3.58	4.41	4.84	6.51
Expected return on plan assets	(31.78)	(29.09)	(3.63)	(3.78)	-	-
Net actuarial (gain) / loss recognised in the period	-	-	(2.35)	(0.60)	(24.00)	(15.83)
<b>Total expenses recognised in the Statement of Profit and Loss (refer note 20).</b>	<b>27.50</b>	<b>26.65</b>	<b>(1.46)</b>	<b>0.58</b>	<b>(19.16)</b>	<b>(6.21)</b>

## (E) Experience history:

₹ in lakhs

Particulars	Provident fund (funded)				
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012
Defined benefit obligations at the end of the year	(372.52)	(346.59)	(502.86)	(396.50)	(268.46)
Plan assets at the end of the year	372.52	346.59	502.86	396.50	268.46
Funded status	-	-	-	-	-
Experience gain / (loss) adjustments on plan liabilities	-	-	-	-	-
Experience gain / (loss) adjustments on plan assets	-	-	-	-	-
Actuarial gain / (loss) due to change in assumptions	-	-	-	-	-

₹ in lakhs

Particulars	Gratuity-shore officers (funded)				
	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2013	As at 31 March, 2012
Defined benefit obligations at the end of the year	(63.03)	(47.51)	(52.93)	(47.73)	(35.82)
Plan assets at the end of the year	45.50	43.94	48.97	42.83	29.38
Funded status	(17.53)	(3.57)	(3.96)	(4.90)	(6.44)
Experience gain / (loss) adjustments on plan liabilities	2.23	2.85	(2.76)	(7.20)	0.89
Experience gain / (loss) adjustments on plan assets	0.35	0.22	0.46	9.44	0.04
Actuarial gain / (loss) due to change in assumptions	(0.22)	(2.47)	2.08	(0.80)	0.74

₹ in lakhs

Particulars	CA (non funded)				
	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2013	As at 31 March, 2012
Defined benefit obligation at the end of the year	(47.64)	(62.10)	(73.10)	(60.00)	(46.02)
Plan assets at the end of the year	-	-	-	-	-
Funded status	(47.64)	(62.10)	(73.10)	(60.00)	(46.02)
Experience gain / (loss) adjustments on plan liabilities	24.13	2.68	(9.50)	(4.09)	12.41
Experience gain / (loss) adjustments on plan assets	-	-	-	-	-
Actuarial gain / (loss) due to change in assumptions	(0.13)	13.15	4.28	(1.59)	1.25

**(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	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31 March, 2016	31 March, 2015	31 March, 2016	31 March, 2015	31 March, 2016	31 March, 2015
Administered by Life Insurance Corporation of India (LIC)*	-	-	100%	100%	NA	NA
Government of India securities - (Central & State government)	50%	25%	-	-	NA	NA
Public sector bonds / TDRs	44%	60%	-	-	NA	NA
Equity / mutual fund / money market / short term deposits	6%	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, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Discount rate (per annum)	7.70%	7.80%	7.70%	7.80%	7.70%	7.80%
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 2016-17 will be ₹1.97 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 Terminals 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) Arkay 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, 16	Year ended 31 March, 15	Year ended 31 March, 16	Year ended 31 March, 15	Year ended 31 March, 16	Year ended 31 March, 15	Year ended 31 March, 16	Year ended 31 March, 15
<b>Fleet operating and chartering earnings</b>								
Essar Bulk Terminal Limited	-	-	1,201.80	1,170.10	-	-	1,201.80	1,170.10
Vadinar Oil Terminal Limited	-	-	1,152.90	1,108.80	-	-	1,152.90	1,108.80
Arkay Logistics Limited	-	-	-	-	720.00	620.00	720.00	620.00
Essar Oil Limited	-	-	-	-	-	113.34	-	113.34
Essar Power Gujarat Limited	-	-	-	-	-	450.68	-	450.68
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,354.70</b>	<b>2,278.90</b>	<b>720.00</b>	<b>1,184.02</b>	<b>3,074.70</b>	<b>3,462.92</b>
<b>Dividend from a subsidiary</b>								
Essar Bulk Terminal Limited	-	-	-	2,208.05	-	-	-	2,208.05

## 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, 16	Year ended 31 March, 15	Year ended 31 March, 16	Year ended 31 March, 15	Year ended 31 March, 16	Year ended 31 March, 15	Year ended 31 March, 16	Year ended 31 March, 15
<b>Interest income on loans and advances given</b>								
Vadinar Ports & Terminals Limited	-	-	3,513.70	-	-	-	3,513.70	-
Essar Vizag Terminals Limited	-	-	-	20.97	-	-	-	20.97
<b>Total</b>	-	-	<b>3,513.70</b>	<b>20.97</b>	-	-	<b>3,513.70</b>	<b>20.97</b>
<b>Interest income on overdue receivable</b>								
Essar Africa Holdings Limited	-	-	-	-	131.15	212.81	131.15	212.81
<b>Other income</b> (Management fee, Sub branding, Sub lease, Facility charges)								
Vadinar Oil Terminal Limited	-	-	286.21	296.97	-	-	286.21	296.97
Vadinar Ports & Terminals Limited	-	-	742.36	698.92	-	-	742.36	698.92
Essar Bulk Terminal Limited	-	-	814.49	879.10	-	-	814.49	879.10
Essar Bulk Terminal Paradip Limited	-	-	197.56	247.83	-	-	197.56	247.83
Essar Bulk Terminal (Salaya) Limited	-	-	335.04	354.50	-	-	335.04	354.50
<b>Total</b>	-	-	<b>2,375.66</b>	<b>2,477.32</b>	-	-	<b>2,375.66</b>	<b>2,477.32</b>
<b>Repairs and maintenance fleet</b>								
Essar Bulk Terminal Limited	-	-	16.40	39.46	-	-	16.40	39.46
<b>Dry docking expenses</b>								
Essar Bulk Terminal Limited	-	-	-	12.71	-	-	-	12.71
<b>Manning management expenses</b>								
Essar Bulk Terminal Limited	-	-	173.33	184.33	-	-	173.33	184.33
<b>Commission, brokerage and agency fees</b>								
Essar Bulk Terminal (Salaya) Limited	-	-	-	125.00	-	-	-	125.00
Essar Bulk Terminal Limited	-	-	24.00	24.00	-	-	24.00	24.00
Essar Shipping Limited	-	-	-	-	24.00	24.00	24.00	24.00
<b>Total</b>	-	-	<b>24.00</b>	<b>149.00</b>	<b>24.00</b>	<b>24.00</b>	<b>48.00</b>	<b>173.00</b>
<b>Legal and professional fees</b>								
Aegis Limited	-	-	-	-	7.52	6.67	7.52	6.67
<b>Other expenses - rent</b>								
Equinox Business Parks Private Limited	-	-	-	-	18.04	287.54	18.04	287.54
<b>Interest on unsecured loans</b>								
Vadinar Ports & Terminals Limited	-	-	773.29	177.69	-	-	773.29	177.69
Vadinar Oil Terminal Limited	-	-	16.70	-	-	-	16.70	-
Essar Bulk Terminal Limited	-	-	141.28	-	-	-	141.28	-
<b>Total</b>	-	-	<b>931.27</b>	<b>177.69</b>	-	-	<b>931.27</b>	<b>177.69</b>
<b>Repayment of short term borrowing</b>								
Vadinar Ports & Terminals Limited	-	-	-	325.00	-	-	-	325.00



## 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, 16	Year ended 31 March, 15	Year ended 31 March, 16	Year ended 31 March, 15	Year ended 31 March, 16	Year ended 31 March, 15	Year ended 31 March, 16	Year ended 31 March, 15
<b>Advances towards share application money to subsidiaries</b>								
Essar Bulk Terminal (Salaya) Limited	-	-	212.00	-	-	-	212.00	-
Essar Paradip Terminals Limited	-	-	543.20	3,030.00	-	-	543.20	3,030.00
Essar Bulk Terminal Paradip Limited	-	-	267.00	803.50	-	-	267.00	803.50
Essar Vizag Terminals Limited	-	-	1,953.00	8,559.70	-	-	1,953.00	8,559.70
<b>Total</b>	-	-	<b>2,975.20</b>	<b>12,393.20</b>	-	-	<b>2,975.20</b>	<b>12,393.20</b>
<b>Refund of advances towards share application money from subsidiaries</b>								
Essar Bulk Terminal (Salaya) Limited	-	-	212.00	8,199.00	-	-	212.00	8,199.00
Essar Paradip Terminals Limited	-	-	512.20	40.00	-	-	512.20	40.00
Essar Bulk Terminal Paradip Limited	-	-	267.00	5,900.00	-	-	267.00	5,900.00
Essar Bulk Terminal Limited	-	-	-	260.00	-	-	-	260.00
Essar Vizag Terminals Limited	-	-	1,683.00	-	-	-	1,683.00	-
<b>Total</b>	-	-	<b>2,674.20</b>	<b>14,399.00</b>	-	-	<b>2,674.20</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	-	-	1,358.00	8,858.70	-	-	1,358.00	8,858.70
Vadinar Liquid Terminals Limited	-	-	-	2.45	-	-	-	2.45
Essar Bulk Terminal (Salaya) Limited	-	-	90.00	-	-	-	90.00	-
<b>Total</b>	-	-	<b>1,448.00</b>	<b>12,036.15</b>	-	-	<b>1,448.00</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	-	-	153.00	2,000.00	-	-	153.00	2,000.00
Essar Bulk Terminal Limited	-	-	146.00	2,200.00	-	-	146.00	2,200.00
<b>Total</b>	-	-	<b>299.00</b>	<b>4,200.00</b>	-	-	<b>299.00</b>	<b>4,200.00</b>
<b>Security deposits refunded</b>								
Essar Bulk Terminal Limited	-	-	70.40	-	-	-	70.40	-
Vadinar Oil Terminal Limited	-	-	17.60	-	-	-	17.60	-
Vadinar Ports & Terminals Limited	-	-	17.60	-	-	-	17.60	-
Essar Bulk Terminal (Salaya) Limited	-	-	11.40	-	-	-	11.40	-
<b>Total</b>	-	-	<b>117.00</b>	-	-	-	<b>117.00</b>	-
<b>Unsecured loan to a subsidiary</b>								
Vadinar Ports & Terminals Limited	-	-	135,000.00	-	-	-	135,000.00	-
<b>Refund of unsecured loan given to a subsidiary</b>								
Vadinar Ports & Terminals Limited	-	-	135,000.00	-	-	-	135,000.00	-
<b>Unsecured loan from subsidiaries</b>								
Vadinar Ports & Terminals Limited	-	-	10,868.00	5,211.00	-	-	10,868.00	5,211.00
Vadinar Oil Terminal Limited	-	-	23,000.00	-	-	-	23,000.00	-
<b>Total</b>	-	-	<b>33,868.00</b>	<b>5,211.00</b>	-	-	<b>33,868.00</b>	<b>5,211.00</b>

## 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, 16	Year ended 31 March, 15	Year ended 31 March, 16	Year ended 31 March, 15	Year ended 31 March, 16	Year ended 31 March, 15	Year ended 31 March, 16	Year ended 31 March, 15
<b>Refund of unsecured loan to subsidiary</b>								
Vadinar Ports & Terminals Limited	-	-	8,594.69	325.00	-	-	8,594.69	325.00
<b>Advances received towards sale of investments</b>								
Vadinar Oil Terminal Limited	-	-	-	23,000.00	-	-	-	23,000.00
Vadinar Ports & Terminals Limited	-	-	11,450.00	-	-	-	11,450.00	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>11,450.00</b>	<b>23,000.00</b>	<b>-</b>	<b>-</b>	<b>11,450.00</b>	<b>23,000.00</b>
<b>Refund of advances received for sale of investments</b>								
Vadinar Oil Terminal Limited	-	-	23,000.00	-	-	-	23,000.00	-
<b>Conversion of advance towards sale of shares into unsecured loan</b>								
Essar Bulk Terminal Limited	-	-	10,611.00	-	-	-	10,611.00	-
<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>-</b>	<b>-</b>	<b>-</b>	<b>4,366.61</b>	<b>-</b>	<b>-</b>	<b>-</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>-</b>	<b>-</b>	<b>-</b>	<b>26,865.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,865.00</b>
<b>Other liabilities - payment on behalf of the Company</b>								
Vadinar Oil Terminal Limited	-	-	-	7.02	-	-	-	7.02
<b>Guarantee given on behalf of others</b>								
Essar Bulk Terminal (Salaya) Limited	-	-	30,166.00	-	-	-	30,166.00	-
Essar Bulk Terminal Paradip Limited	-	-	-	6,500.00	-	-	-	6,500.00
Essar Vizag Terminals Limited	-	-	-	67,500.00	-	-	-	67,500.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>30,166.00</b>	<b>74,000.00</b>	<b>-</b>	<b>-</b>	<b>30,166.00</b>	<b>74,000.00</b>

## Notes forming part of the financial statements

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

₹ in lakhs

Nature of transactions	Year ended 31 March, 16	Year ended 31 March, 15
<b>Remuneration*</b>		
Rajiv Agarwal	427.97	363.62
Kamala Kant Sinha	146.49	155.39
Shailesh Sawa (upto 15 May 2014)	-	102.24
Amardeep Singh Bali (w.e.f. 15 May 2014)	311.41	196.44
<b>Total</b>	<b>885.87</b>	<b>817.69</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.

g) Balances with related parties at the year end.

₹ in lakhs

Nature of balances	Holding companies		Subsidiaries		Fellow subsidiaries		Total	
	As at 31 March, 16	As at 31 March, 15	As at 31 March, 16	As at 31 March, 15	As at 31 March, 16	As at 31 March, 15	As at 31 March, 16	As at 31 March, 15
<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
Vadinar Ports & Terminals Limited	-	-	11,450.00	-	-	-	11,450.00	-
<b>Total</b>	-	-	<b>11,450.00</b>	<b>33,611.00</b>	-	-	<b>11,450.00</b>	<b>33,611.00</b>
<b>Advances received for provision of services</b>								
Vadinar Oil Terminal Limited	-	-	-	1,068.89	-	-	-	1,068.89
Vadinar Ports & Terminals Limited	-	-	-	282.04	-	-	-	282.04
Essar Bulk Terminal Limited	-	-	-	338.00	-	-	-	338.00
<b>Total</b>	-	-	-	<b>1,688.93</b>	-	-	-	<b>1,688.93</b>
<b>Security deposits received</b>								
Essar Bulk Terminal Limited	-	-	3,116.00	3,040.40	-	-	3,116.00	3,040.40
Vadinar Oil Terminal Limited	-	-	2,315.00	2,179.60	-	-	2,315.00	2,179.60
Vadinar Ports & Terminals Limited	-	-	135.00	152.60	-	-	135.00	152.60
Essar Bulk Terminal (Salaya) Limited	-	-	23.80	35.20	-	-	23.80	35.20
<b>Total</b>	-	-	<b>5,589.80</b>	<b>5,407.80</b>	-	-	<b>5,589.80</b>	<b>5,407.80</b>
<b>Unsecured loan</b>								
Vadinar Ports & Terminals Limited	-	-	7,320.00	5,046.69	-	-	7,320.00	5,046.69
Vadinar Oil Terminal Limited	-	-	23,000.00	-	-	-	23,000.00	-
Essar Bulk Terminal Limited	-	-	10,611.00	-	-	-	10,611.00	-
<b>Total</b>	-	-	<b>40,931.00</b>	<b>5,046.69</b>	-	-	<b>40,931.00</b>	<b>5,046.69</b>
<b>Interest accrued on unsecured loan</b>								
Vadinar Ports & Terminals Limited	-	-	103.38	-	-	-	103.38	-
Vadinar Oil Terminal Limited	-	-	14.99	-	-	-	14.99	-

## 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, 16	As at 31 March, 15	As at 31 March, 16	As at 31 March, 15	As at 31 March, 16	As at 31 March, 15	As at 31 March, 16	As at 31 March, 15
Essar Bulk Terminal Limited	-	-	126.81	-	-	-	126.81	-
<b>Total</b>	-	-	<b>245.18</b>	-	-	-	<b>245.18</b>	-
<b>Trade payables</b>								
Aegis Limited	-	-	-	-	1.27	3.55	1.27	3.55
Essar Shipping Limited	-	-	-	-	4.55	31.26	4.55	31.26
Equinox Business Parks Private Limited	-	-	-	-	29.39	76.39	29.39	76.39
Essar Project India Limited	-	-	-	-	3.22	-	3.22	-
Vadinar Oil Terminal Limited	-	-	97.97	307.97	-	-	97.97	307.97
<b>Total</b>	-	-	<b>97.97</b>	<b>307.97</b>	<b>38.43</b>	<b>111.20</b>	<b>136.40</b>	<b>419.17</b>
<b>Other liabilities</b>								
Vadinar Oil Terminal Limited	-	-	80.70	80.70	-	-	80.70	80.70
<b>Security deposit given</b>								
Equinox Business Parks Private Limited	-	-	-	-	176.00	176.00	176.00	176.00
<b>Advances towards share application money to subsidiaries</b>								
Essar Paradip Terminals Limited	-	-	128.00	97.00	-	-	128.00	97.00
Essar Vizag Terminals Limited	-	-	270.00	-	-	-	270.00	-
<b>Total</b>	-	-	<b>398.00</b>	<b>97.00</b>	-	-	<b>398.00</b>	<b>97.00</b>
<b>Trade receivables</b>								
Arkey Logistics Limited	-	-	-	-	1,291.86	550.32	1,291.86	550.32
Essar Power Gujarat Limited	-	-	-	-	1.07	62.87	1.07	62.87
<b>Total</b>	-	-	-	-	<b>1,292.93</b>	<b>613.19</b>	<b>1,292.93</b>	<b>613.19</b>
<b>Other current assets</b>								
Vadinar Oil Terminal Limited	-	-	335.43	117.93	-	-	335.43	117.93
Vadinar Ports & Terminals Limited	-	-	71.61	76.34	-	-	71.61	76.34
Essar Bulk Terminal (Salaya) Limited	-	-	-	27.77	-	-	-	27.77
Essar Bulk Terminal Limited	-	-	807.17	-	-	-	807.17	-
Essar Bulk Terminal Paradip Limited	-	-	152.11	198.42	-	-	152.11	198.42
Essar Vizag Terminals Limited	-	-	12.56	-	-	-	12.56	-
Essar Africa Holdings Limited	-	-	-	-	1,291.05	2,227.90	1,291.05	2,227.90
<b>Total</b>	-	-	<b>1,378.88</b>	<b>420.46</b>	<b>1,291.05</b>	<b>2,227.90</b>	<b>2,669.93</b>	<b>2,648.36</b>
<b>Guarantees given on behalf of others</b>								
Essar Bulk Terminal (Salaya) Limited	-	-	106,852.00	76,686.00	-	-	106,852.00	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	-	-	54,500.00	54,500.00	-	-	54,500.00	54,500.00

## 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, 16	As at 31 March, 15	As at 31 March, 16	As at 31 March, 15	As at 31 March, 16	As at 31 March, 15	As at 31 March, 16	As at 31 March, 15
Essar Vizag Terminals Limited	-	-	67,500.00	67,500.00	-	-	67,500.00	67,500.00
<b>Total</b>	-	-	<b>301,352.00</b>	<b>271,186.00</b>	-	-	<b>301,352.00</b>	<b>271,186.00</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	2015-16 (final dividend)	2014-15 (final dividend)
Number of non-resident shareholders	-	355
Number of equity shares held by them	-	279,221,209
Amount of dividend paid (₹ in lakhs)	-	1,396.11
Year to which dividend relates	-	2013-14

### 33. GOING CONCERN

As on 31 March, 2016, the Company's current liabilities exceeded its current assets by ₹ 6,462.64 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.

### 34. EMPLOYEE STOCK OPTION SCHEME

Since the market price of the shares underlying the option granted at the time of grant 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.

**35a** The Board of Directors at its meeting held on 17 March, 2016 approved a detailed formal plan of Group restructuring. The underlying Composite Scheme of Arrangement ("the Scheme") amongst the Company, Vadinar Ports & Terminals Limited ("VPTL"), Vadinar Oil Terminal Limited ("VOTL"), Essar Power and Minerals Limited ("EPML"), Salaya Bulk Terminals Limited ("SBTL") (formerly known as Hazira Coke Limited) and Hazira Cargo Terminals Limited ("HCTL") (formerly known as Yash Hotels Private Limited) under sections 391 to 394 read with sections 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 has been approved by the Honorable High Court of Gujarat vide order dated 1 July, 2016, The Scheme was implemented in phases with effect from 30 June, 1 July and 2 July 2016 (the appointed dates) after obtaining necessary approvals and filing of the Scheme with the Ministry of Corporate Affairs on 26 August, 2016.

Pursuant to the aforesaid Scheme:

- The Tankage Business of VPTL including its strategic investments has been demerged and transferred to and vested into the Company;
- Tankage Business Division of the Company including strategic investments, directly or indirectly in VOTL and VPTL have been demerged and transferred to and vested in EPML;
- A flat bottomed crane barge, investments in Essar Bulk Terminal (Salaya) Limited, and related assets and liabilities have been demerged and transferred to and vested in SBTL; and
- A flat bottomed crane barge, a barge unloader, a tug, investments in Essar Bulk Terminal Limited (holding company of Essar Bulk Terminal Paradip Limited and Petro Tankages India Limited) and related assets and liabilities have been transferred to and vested in HCTL.

In consideration, the shareholders of the Company have been allotted 3 equity sharers of EPML (which has since merged with VOTL pursuant to the scheme and the shareholders of EPML have been allotted one equity share of VOTL for each equity share of EPML)

for 4 equity shares in the Company, 1 equity share of SBTL for 20 equity shares in the Company, and 3 equity shares of HCTL for 20 equity shares in the Company, and 406,843,451 equity shares of the Company are canceled.

- 35b** Pursuant to the Scheme, the investments in subsidiaries (other than subsidiaries with service concession arrangements) owning liquid cargo handling facility and dry bulk terminal facilities at Hazira, Vadinar, Paradip and Salaya, and related assets and liabilities ("discontinuing operations") stands demerged.

The amounts of revenue and expenses in respect of ordinary activities, and net cash flow from the operating, investing and financing activities for the year ended 31 March, 2016 and the carrying amount of total assets and total liabilities as at the year-end attributable to discontinuing operations are as under:

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Revenue from operations	1,921.80	2,313.17
Other income	4,717.28	1,819.14
<b>Total</b>	<b>6,639.08</b>	<b>4,132.31</b>
Operating expenses	252.13	557.03
Establishment and other expenses	1,901.39	2,604.99
<b>Total</b>	<b>2,153.52</b>	<b>3,162.02</b>
<b>Profit before finance cost, tax, depreciation and amortisation</b>	<b>4,485.56</b>	<b>970.29</b>
Finance costs	17,132.84	2,183.83
<b>Loss before tax, depreciation and amortisation</b>	<b>(12,647.28)</b>	<b>(1,213.54)</b>
Depreciation and amortisation expense	508.63	491.04
<b>Loss before tax</b>	<b>(13,155.91)</b>	<b>(1,704.58)</b>
Tax expense	(29.78)	376.20
<b>Loss for the year</b>	<b>(13,126.13)</b>	<b>(2,080.78)</b>
<b>Carrying amount of total assets as at the Balance Sheet date relating to the discontinuing operations</b>	<b>321,975.74</b>	<b>320,937.24</b>
<b>Carrying amount of total liabilities as at the Balance Sheet date relating to the discontinuing operations</b>	<b>84,831.62</b>	<b>71,721.66</b>
<b>Net cash flow attributable to the discontinuing operations</b>		
Cash flows from operating activities	663.76	5,153.72
Cash flows from investing activities	(6,922.72)	35,445.25
Cash flows from financing activities	8,355.12	3,485.21

The aforesaid assets and liabilities including investments of discontinuing operations have been transferred subsequent to the balance sheet date at their respective carrying values as on the appointed date.

- 36** Essar Paradip Terminal Limited (EPARTL), a subsidiary, was awarded a contract for development of 10 MMTPA Deep Draught Coal Berth at Paradip on Build-Operate-Transfer (BOT) basis vide a service concession agreement dated 10 November, 2009 by Paradip Port Trust (PPT) subject to certain conditions precedent. As EPARTL was not able to comply with the conditions precedent by extended timeline, the PPT has issued a fresh tender for development of a New Coal Berth at Paradip Port by PPT on 19 October, 2016. Whilst EPARTL is evaluating legal options, a provision of ₹ 4.50 lakhs and ₹ 997.12 lakhs against the carrying amount of investment in equity and preference shares of EPARTL respectively, is recognised as an Exceptional item on a conservative basis.

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

**For and on behalf of the Board of Directors**

**P. K. Srivastava**  
Chairman

**Rajiv Agarwal**  
Managing Director

**Manoj Contractor**  
Company Secretary  
Mumbai, 25 November 2016

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ESSAR PORTS LIMITED

#### Report on the Consolidated Financial Statements

1. 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 31<sup>st</sup> March, 2016, 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

2. 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 prescribed under Section 133 of the Act. 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

3. 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. 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

4. 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 31<sup>st</sup> March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Emphasis of matter

5. We draw attention to the following matters in the Notes to the consolidated financial statements:
  - a) Note 5(C)(i)(f) to the financial statements which, details the recognition and measurement of the borrowings covered by the Corporate Debt Restructuring scheme ("the CDR") as per the accounting policy consistently followed by the Company in the absence of specific guidance available under the accounting standards specified under Section 133 of the Act.
  - b) Note 37A regarding the Composite Scheme of Arrangement which became effective on 26<sup>th</sup> August, 2016 pursuant to which investments in certain subsidiaries along with relevant assets and liabilities of the Company were demerged with effect from 1<sup>st</sup> July, 2016 (appointed date).



c) Note 38 regarding the ability to collect the advances due from a related party and other entity aggregating to ₹ 201,964.67 lakhs as at the date of this report (Balance as at 31<sup>st</sup> March, 2016 ₹ 195,682.06 lakhs) in the near to short term and having the required cash flow to settle its liability to Vadinar Oil Terminal Limited and Petro Tankages India Limited, fellow subsidiaries, aggregating to ₹ 212,558.19 lakhs as at the date of this report, which is predicated on timely closure and successful implementation of the agreements including the escrow arrangement, as detailed in the note.

Our opinion is not modified in respect of these matters.

#### Other Matters

6. We did not audit the financial statements of 5 subsidiaries, whose financial statements reflect total assets of ₹ 196,968.76 lakhs as at 31<sup>st</sup> March, 2016, total revenues of ₹ Nil and net cash inflows amounting to ₹ 7.42 lakhs for the year then ended, which are considered in preparation of 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, 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

7. 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) Having regard and further to the matters described in paragraph 5(a) above, in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2016 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 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses a qualified opinion on the operating effectiveness of the Holding company's internal financial controls over financial reporting.

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

- i. There are 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 its subsidiary companies incorporated in India.

**For DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm Registration No. 117365W)

Mumbai,  
November 25, 2016

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

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 7(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March, 2016, we have audited the internal financial controls over financial reporting of ESSAR PORTS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Qualified opinion**

According to the information and explanations given to us and based on our audit, a material weakness has been identified relating to inadequate internal financial controls over financial reporting in the Holding Company with respect to payment of managerial remuneration in accordance with the requisite approvals mandated by the provisions of Companies Act, 2013.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the group's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, and taking into consideration the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31<sup>st</sup> March, 2016 based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the said Guidance Note.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Holding Company for the year ended 31<sup>st</sup> March, 2016, and the material weakness does not affect our opinion on the said

consolidated financial statements of the Holding Company.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 4 subsidiary companies, incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm's Registration No. 117365W)

**Samir R. Shah**

Partner

(Membership No. 101708)

Mumbai,  
November 25, 2016

## Consolidated Balance Sheet as at 31 March, 2016

₹ in lakhs

Particulars	Note No.	As at 31 March, 2016	As at 31 March, 2015
<b>(I) EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	42,838.68	42,801.85
(b) Reserves and surplus	4	306,369.82	299,165.71
		<u>349,208.50</u>	<u>341,967.56</u>
<b>2 Minority interest</b>		1,011.79	854.27
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	613,822.62	558,538.99
(b) Deferred tax liabilities (net)	6 A	28,664.90	25,419.50
(c) Other long-term liabilities	7	112,236.79	29,955.97
		<u>754,724.31</u>	<u>613,914.46</u>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	9	155,614.68	10,873.74
(b) Trade payables			
(i) Dues to micro, small and medium enterprises	33	–	–
(ii) Dues to others	10	15,796.27	12,829.15
(c) Other current liabilities	7	108,667.63	105,679.68
(d) Short-term provisions	8	8,510.99	7,498.36
		<u>288,589.57</u>	<u>136,880.93</u>
<b>TOTAL</b>		<u><b>1,393,534.17</b></u>	<u><b>1,093,617.22</b></u>
<b>(II) ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	497,699.49	504,167.35
(ii) Intangible assets	11	0.56	1.70
(iii) Capital work-in-progress	12	270,180.94	193,537.43
		<u>767,880.99</u>	<u>697,706.48</u>
(b) Goodwill on consolidation		166,048.17	166,043.17
(c) Non-current investments	13	172.19	172.19
(d) Trade receivables	17	2,159.80	–
(e) Deferred tax assets (net)	6 B	11,065.14	11,680.34
(f) Long-term loans and advances	14	138,954.55	77,481.96
(g) Other non-current assets	15	9,942.56	1,315.50
		<u>1,096,223.40</u>	<u>954,399.64</u>
<b>2 Current assets</b>			
(a) Inventories	16	1,755.34	825.37
(b) Trade receivables	17	42,238.38	58,056.36
(c) Cash and bank balances	18	4,823.83	13,526.05
(d) Short-term loans and advances	14	235,490.57	53,377.52
(e) Other current assets	15	13,002.65	13,432.28
		<u>297,310.77</u>	<u>139,217.58</u>
<b>TOTAL</b>		<u><b>1,393,534.17</b></u>	<u><b>1,093,617.22</b></u>

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

Mumbai, 25 November 2016

**For and on behalf of the Board of Directors**

**P. K. Srivastava**  
Chairman

**Rajiv Agarwal**  
Managing Director

**Manoj Contractor**  
Company Secretary

Mumbai, 25 November 2016

## Consolidated Statement of Profit and Loss for the year ended 31 March, 2016

₹ in lakhs

Particulars	Note No.	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>Income</b>			
Revenue from operations	19	151,460.54	165,410.67
Other income	20	19,142.21	12,284.09
<b>Total revenue</b>		<b>170,602.75</b>	<b>177,694.76</b>
<b>Expenses</b>			
Purchase of traded goods	21	–	3,550.48
Operating expenses	22	32,652.23	25,288.76
Employee benefits expense	23	4,292.52	3,269.22
Other expenses	24	5,866.29	4,006.50
<b>Total expenses</b>		<b>42,811.04</b>	<b>36,114.96</b>
<b>Profit before finance costs, depreciation and amortisation, exceptional item and tax</b>		<b>127,791.71</b>	<b>141,579.80</b>
Finance costs	25	90,798.54	66,248.48
Depreciation and amortisation expenses	11	24,636.55	23,923.69
<b>Profit before tax and exceptional item</b>		<b>12,356.62</b>	<b>51,407.63</b>
Exceptional item (refer note 34)		1,647.48	–
<b>Profit before tax</b>		<b>10,709.14</b>	<b>51,407.63</b>
<b>(Loss) / Profit from continuing operations before tax</b>		<b>(5,991.80)</b>	<b>833.44</b>
Tax expense		0.50	99.04
<b>(Loss) / Profit from continuing operations after tax (A)</b>		<b>(5,992.30)</b>	<b>734.40</b>
<b>Profit from discontinuing operations before tax</b>		<b>16,700.94</b>	<b>50,574.19</b>
<b>Tax expenses</b>			
Current tax		6,109.22	10,464.53
MAT credit entitlement		(6,105.22)	(10,448.57)
Deferred tax charge, (net)		3,860.57	12,014.87
Tax adjustment for earlier years		4.71	–
<b>Profit from discontinuing operations after tax (B)</b>	37 B	<b>12,831.66</b>	<b>38,543.36</b>
<b>Profit for the year before minority interest (A + B)</b>		<b>6,839.36</b>	<b>39,277.76</b>
Less: Share of minority interest in profit		85.81	157.38
<b>Profit for the year</b>		<b>6,753.55</b>	<b>39,120.38</b>
<b>Earnings per share: (face value of ₹ 10/- each)</b>	31		
<b>Basic (in ₹)</b>			
(i) Continuing operations		(1.40)	0.17
(ii) Total operations		1.58	9.14
<b>Diluted (in ₹)</b>			
(i) Continuing operations		(1.40)	0.17
(ii) Total operations		1.58	8.99
<b>See accompanying notes forming part of the consolidated financial statements</b>			

In terms of our report attached

For Deloitte Haskins & Sells  
Chartered Accountants

For and on behalf of the Board of Directors

Samir R. Shah  
Partner

Mumbai, 25 November 2016

P. K. Srivastava  
ChairmanRajiv Agarwal  
Managing DirectorManoj Contractor  
Company Secretary  
Mumbai, 25 November 2016

## Consolidated Cash Flow Statement for the year ended 31 March, 2016

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>A Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>10,709.14</b>	<b>51,407.63</b>
Adjustments for :		
Depreciation and amortisation expenses	24,636.55	23,923.69
Finance costs	90,798.54	66,248.48
Provision for impairment of capital work in progress	1,647.48	-
<u>Interest income</u>		
– Interest income on bank deposits	(159.13)	(107.90)
– Interest income on loans and advances	(9,741.63)	(3,852.13)
– Interest income on income tax refund	(35.42)	(30.71)
– Interest income on overdue trade receivables	(8,273.70)	(6,584.83)
Net gain on sale of current investments	-	(1.13)
Net gain on foreign currency translation and transactions	(78.24)	(77.63)
<b>Operating profit before working capital changes</b>	<b>109,503.59</b>	<b>130,925.47</b>
<b>Changes in working capital :</b>		
Changes in receivables, loans and advances and other assets	(138,017.92)	(19,945.93)
Changes in inventories	(929.97)	24.59
Changes in payables, other liabilities and provisions	89,651.09	(3,961.10)
<b>Cash (used in) / generated from operations</b>	<b>60,206.79</b>	<b>107,043.03</b>
Income taxes paid, (net)	(7,068.23)	(10,592.38)
<b>Net cash flow (used in) / generated from operating activities (I)</b>	<b>53,138.56</b>	<b>96,450.65</b>
<b>B Cash flow from investing activities</b>		
Payment for acquisition of fixed assets including capital advances	(64,091.01)	(28,470.90)
Proceeds from sale of current investments	-	3.81
Purchase of non current investments	-	(67.96)
Bank deposits (placed) / proceeds for a period of more than three months	(899.02)	197.00
Loans and advances given to body corporates	(48,113.00)	(25,589.06)
Loans and advances repaid by body corporates	11,886.00	1,800.72
Advance given towards purchase of investments	(56,379.65)	-
Interest received on bank deposits	262.86	113.54
Interest received on loans and advances to body corporates and overdue receivables	9,849.65	10,477.91
Purchase of preference shares of a subsidiary	(746.88)	(11,299.81)
<b>Net cash used in investing activities (II)</b>	<b>(148,231.05)</b>	<b>(52,834.75)</b>

## Consolidated Cash Flow Statement for the year ended 31 March, 2016

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>C Cash flow from financing activities</b>		
Proceeds from short-term borrowings	50.00	5,850.00
Repayment of short-term borrowings	(309.06)	(201.09)
Proceeds from long-term borrowings	199,503.18	63,479.39
Repayment of long-term borrowings	(156,921.63)	(79,066.15)
Proceeds from unsecured borrowings	145,000.00	50,000.00
Bills accepted during the year	2,087.63	6,308.21
Bills repaid during the year	-	(5,956.37)
Dividend paid (including corporate dividend tax)	-	(2,540.00)
Proceeds from issue of shares	250.09	-
Finance costs paid	(104,179.20)	(70,623.65)
<b>Net cash generated from / (used in) financing activities (III)</b>	<b>85,481.01</b>	<b>(32,749.66)</b>
<b>Net (decrease) / increase in cash and cash equivalents for the year (I+II+III)</b>	<b>(9,611.48)</b>	<b>10,866.24</b>
Cash and cash equivalents at the beginning of the year	11,695.84	829.60
<b>Cash and cash equivalents at the end of the year (refer note no 18 (A))</b>	<b>2,084.36</b>	<b>11,695.84</b>
<b>Notes :</b>		₹ in lakhs
1 Reconciliation between closing cash and cash equivalents and cash and bank balances	<b>As at 31 March, 2016</b>	<b>As at 31 March, 2015</b>
Cash and cash equivalents as per cash flow statement	2,084.36	11,695.84
Add : Margin money deposits not considered as cash and cash equivalents as per AS-3	2,739.47	1,830.21
<b>Cash and bank balances as per note no. 18</b>	<b>4,823.83</b>	<b>13,526.05</b>

- 2 Non cash transaction  
Interest expenses amounting to ₹ 4,477.76 lakhs (previous year - ₹ 2,781.20 lakhs) have been converted into borrowings as per the terms of underlying agreement.
- 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 and the relevant provisions of the Companies Act, 2013.

**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  
Mumbai, 25 November 2016

**For and on behalf of the Board of Directors**

**P. K. Srivastava**  
Chairman

**Rajiv Agarwal**  
Managing Director

**Manoj Contractor**  
Company Secretary  
Mumbai, 25 November 2016



## 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 the business of providing fleet operating and chartering services. The Company was listed on Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) till 31 December 2016. 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 140 MMTPA 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 MMTPA 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 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”). 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.

#### 2.2 Principles of consolidation

The consolidated financial statements relate to Essar Ports Limited (the ‘Company’), its subsidiary companies, 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 in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2016.

- 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 excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies 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 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 and such amounts are not set off between different entities.
- 4) 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.

#### 2.3 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.

#### 2.4 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

## Notes forming part of the consolidated financial statements

an increase in the future benefits from such asset beyond its previously assessed standard of performance.

### 2.5 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.

### 2.6 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.

### 2.7 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.

### 2.8 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.

### 2.9 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.

### 2.10 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.

### 2.11 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.

### 2.12 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.

## Notes forming part of the consolidated financial statements

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.

### 2.13 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.

### 2.14 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 31<sup>st</sup> March 2020, whichever is earlier.

The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

### 2.15 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

## Notes forming part of the consolidated financial statements

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 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.

### 2.16 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.

### 2.17 Cash and cash equivalents

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.

### 2.18 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.

### 2.19 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.

### 2.20 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, 2016		As at 31 March, 2015	
	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	428,502,948	42,850.29	428,134,646	42,813.46
<b>Paid up</b>				
Equity shares of ₹ 10/- each (refer note (i) below)	428,256,300	42,825.63	427,887,998	42,788.80
Forfeited equity shares	246,648	13.05	246,648	13.05
		<u>42,838.68</u>		<u>42,801.85</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, 2016		As at 31 March, 2015	
	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	368,302	36.83	-	-
<b>Outstanding at the end of the year</b>	<u>428,256,300</u>	<u>42,825.63</u>	<u>427,887,998</u>	<u>42,788.80</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 the holding company, the ultimate holding company, their subsidiaries and associates

Particulars	As at 31 March, 2016			As at 31 March, 2015		
	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	61.10	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	33,387	3.34	0.01
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	13.17	56,397,000	5,639.70	13.18
Essar Steel India Limited, subsidiary of the ultimate holding company	2,547,223	254.72	0.59	2,547,223	254.72	0.60
Imperial Consultants & Securities Private Limited, (beneficial owner Imperial Consultants & Securities), entity having significant influence over the Company	93,925,786	9,392.58	21.93	-	-	-
	<u>414,567,763</u>	<u>41,456.78</u>	<u>96.80</u>	<u>320,641,977</u>	<u>32,064.20</u>	<u>74.94</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 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, 1,283,718 options (previous year 2,033,080 options) were outstanding as on 31 March 2016.

### (ii) 5% Foreign Currency Convertible Bonds are convertible into 20,475,463 equity shares at the option of the holders, (as at 31 March 2015, 20,475,463 equity shares) of ₹ 10/- each at ₹ 91.70 per share (refer footnote (v) to note 5 (c)).

## 4. RESERVES AND SURPLUS

₹ in lakhs

Particulars	As at 31 March 2016	As at 31 March 2015
<b>a. General reserve</b>		
As per last balance sheet	<b>39,013.38</b>	<b>39,013.38</b>
<b>b. Securities premium account</b>		
Opening balance	15,461.11	15,461.11
Add: Premium on issuance of shares	225.01	—
<b>Closing balance</b>	<b>15,686.12</b>	<b>15,461.11</b>
<b>c. Revaluation reserve</b>		
As per last balance sheet	<b>72.02</b>	<b>72.02</b>
<b>d. Tonnage tax reserve</b>		
Opening balance	1,000.00	750.00
Add: Transferred from surplus in Consolidated Statement of Profit and Loss	250.00	250.00
<b>Closing balance</b>	<b>1,250.00</b>	<b>1,000.00</b>
<b>e. Foreign Currency Translation Reserve</b>		
Opening balance	—	—
Add: Effect of foreign exchange variations during the year	230.93	—
<b>Closing balance</b>	<b>230.93</b>	<b>—</b>
<b>f. Surplus in Consolidated Statement of Profit and Loss</b>		
Opening balance	243,619.20	210,403.49
Add: Change in minority interest	(5.38)	(5,651.58)
Add: Profit for the year	6,753.55	39,120.38
Less: Dividends proposed / paid :		
On preference shares of a subsidiary	—	(2.57)
Less: Tax on dividend (including Group's share of dividend tax paid by a subsidiary)	—	(0.52)
Less: Transferred to tonnage tax reserve	(250.00)	(250.00)
<b>Closing balance</b>	<b>250,117.37</b>	<b>243,619.20</b>
<b>Total</b>	<b>306,369.82</b>	<b>299,165.71</b>

## Notes forming part of the consolidated financial statements

### 5. LONG-TERM BORROWINGS

₹ in lakhs

Particulars	Non-current		Current	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
<b>A. Secured</b>				
(a) Loans from banks				
i. Rupee term loans	333,823.18	208,306.68	12,727.80	18,043.30
ii. Funded interest facilities (including funding of interest for the period October 1998 to December 2003) and funded interest thereon (refer note C (i) (f))	107,651.52	108,485.67	913.80	1,006.39
Less: Amount not payable if relevant funded interest loan (FS Loan) is paid as of the balance sheet date	(34,858.73)	(36,778.06)	–	–
	<u>72,792.79</u>	<u>71,707.61</u>	<u>913.80</u>	<u>1,006.39</u>
(b) From financial institutions				
i. Rupee term loans	123,016.93	190,951.58	10,717.60	19,230.15
ii. Funded interest facilities (including funding of interest for the period October 1998 to December 2003 and funded interest thereon) (refer note C (i) (f))	66,271.49	66,583.39	405.36	355.97
Less : Amount not payable if relevant funded interest loan (FS loan) is paid as of the balance sheet date	(20,614.93)	(21,765.52)	–	–
	<u>45,656.56</u>	<u>44,817.87</u>	<u>405.36</u>	<u>355.97</u>
<b>Total secured borrowings</b>	<b>[A] 575,289.46</b>	<b>515,783.74</b>	<b>24,764.56</b>	<b>38,635.81</b>
<b>B. Unsecured</b>				
(a) Foreign currency convertible bonds [FCCBs] (refer note C (v) below)	26,533.16	11,624.01	–	13,412.31
(b) Rupee term loan from a related party (refer note 36)	12,000.00	31,131.24	38,000.00	18,868.76
<b>Total unsecured borrowings</b>	<b>[B] 38,533.16</b>	<b>42,755.25</b>	<b>38,000.00</b>	<b>32,281.07</b>
<b>Total borrowings</b>	<b>[A + B] 613,822.62</b>	<b>558,538.99</b>	<b>62,764.56</b>	<b>70,916.88</b>
<b>Less: Amount disclosed under the head 'other current liabilities' (refer note 7)</b>			(62,764.56)	(70,916.88)
<b>Long-term borrowings</b>	<b>613,822.62</b>	<b>558,538.99</b>	<b>–</b>	<b>–</b>

#### C. Notes :

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

- Term loans and funded interest facilities of ₹ 256,041.43 lakhs (previous year ₹ 265,322.60 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.
- 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 September 2022 in 22 quarterly installments ranging from ₹ 2,919.84 lakhs to ₹ 7,007.06 lakhs.
- Secured rupee term loans of ₹ 14,295.44 lakhs (previous year ₹ 23,576.61 lakhs) from banks and financial institutions are repayable during June 2016 to March 2017 in 5 quarterly installments ranging from ₹ 2,213.19 lakhs to ₹ 3,706.09 lakhs.



## Notes forming part of the consolidated financial statements

- d) 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.
- e) Secured rupee term loans of ₹ 27,999.02 lakhs (previous year ₹ 27,999.02 lakhs) from banks 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.
- f) Recognition of Facility Stoppage

The Master Restructuring Agreement ('MRA') dated 17 December 2004 entered pursuant to Corporate Debt Restructuring Scheme (CDR), gives an option, with consent of its lenders, to the Company 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 absence of specific guidance under the accounting standards specified under Section 133 of the Act and in order to reflect the substance of the above, in terms of presentation in the balance sheet, an amount of ₹ 55,473.66 lakhs (previous year ₹ 58,543.58 lakhs) being the amount not payable as at balance sheet date has been presented as deduction from funded interest facilities under secured loans/ borrowings on a consistent basis 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 till each reporting date is treated as a finance cost item in the Consolidated Statement of Profit and Loss.

- g) In November 2015, the Company has submitted a proposal for exiting the CDR and simultaneously restructuring existing loan facilities including extension of the tenor under Flexible Structuring Scheme as per the guidelines of the Reserve Bank of India. The proposed terms are not expected to have any effect on the balances of the borrowings as at the balance sheet date. The approvals from sanctioning authorities of the lenders are awaited.
- ii. Secured rupee term loans other than loans under MRA from banks and financial institutions of ₹ 252,640.09 lakhs (previous year ₹ 3,47,640.53 lakhs) are repayable in quarterly installments starting from June, 2012 to September, 2033. These loans are secured by first mortgage and charge of all present and future movable and immovable assets / properties of the Group.
- iii. Secured rupee term loans other than loans under MRA from banks and financial institutions includes ₹ 146,846.17 lakhs (previous year ₹ 146,187.32 lakhs) for which Group has implemented Flexible structuring scheme as per the guidelines of Reserve Bank of India in August, 2015 and accordingly, a fresh amortization schedule of the existing term loan has been determined for 15 years tenor (Quarterly repayments) with a moratorium period of 1.25 years (to be rolled over / refinanced at the end of 10 years). This has aligned the residual tenor of the term loan with the residual tenor of the concession period and economic life of the assets.
- iv. Unsecured loan from a related party amounting to ₹ 30,000 lakhs is repayable in five quarterly Installments of ₹ 6,000 lakhs each commencing from 30 September 2016 to 30 September 2017 and ₹ 20,000 lakhs is repayable in two quarterly equal installments on 31 December 2016 and 31 March 2017.
- v. FCCBs of US\$ 1,85,71,428 (Series - B) due on 24 August 2017 and US\$ 2,14,28,572 (Series - A) due on 24 August 2015 carry interest @ 5% per annum payable semi annually. The FCCBs are convertible into 2,04,75,463 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.
- vi. The classification of loans between current liabilities and non-current liabilities continues based on repayment schedule under respective agreements as no loans have been recalled 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, 2016	As at 31 March, 2015
<b><u>Tax effect of items constituting deferred tax liabilities</u></b>		
On difference between book balance and tax balance of fixed assets	36,154.55	30,022.99
<b>(A)</b>	<b>36,154.55</b>	<b>30,022.99</b>
<b><u>Tax effect of items constituting deferred tax assets</u></b>		
Unabsorbed depreciation carried forward	7,489.65	4,603.49
<b>(B)</b>	<b>7,489.65</b>	<b>4,603.49</b>
<b>Total</b>	<b>(A-B) 28,664.90</b>	<b>25,419.50</b>

## Notes forming part of the consolidated financial statements

### B. Deferred tax assets (net)

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>Tax effect of items constituting deferred tax liabilities</b>		
On difference between book balance and tax balance of fixed assets	33,357.90	31,084.02
On difference between book balance and tax balance of certain funded interest facilities (refer foot note C (i) (f) to note 5)	19,198.33	20,260.76
<b>(A)</b>	<b>52,556.23</b>	<b>51,344.78</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Unabsorbed depreciation carried forward	46,870.49	46,123.65
Funded Interest disallowance u/s 43B of the Income Tax Act, 1961	16,750.88	16,901.47
<b>(B)</b>	<b>63,621.37</b>	<b>63,025.12</b>
<b>Total</b>	<b>(B-A) 11,065.14</b>	<b>11,680.34</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, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
<b>Payable for capital expenses</b>				
- to related parties (refer note 36)	–	12.50	1,890.89	7,505.78
- to others	34.71	20.24	7,506.24	1,825.86
Acceptances in respect of capital goods*	1,829.76	118.96	3,326.98	3,022.15
Current maturities of long-term borrowings (refer note 5)	–	–	62,764.56	70,916.88
Interest accrued and due on borrowings (refer foot note (vi) to note 5)	–	–	10,750.67	12,569.51
Interest accrued but not due on borrowings	1,494.78	4.27	9,761.59	3,947.67
Advances from customers				
- from a related party (refer note 36)	–	–	19.29	–
- from others	–	–	111.19	102.88
Security deposit from a customer (including interest due) (refer note 36)	108,877.54	29,800.00	5,395.61	1,699.28
Other liabilities (statutory dues for tax deducted at source, provident fund and other dues)	–	–	6,646.15	2,383.40
Others	–	–	381.86	846.79
Payable in respect of purchase of Investments	–	–	112.60	859.48
<b>Total</b>	<b>112,236.79</b>	<b>29,955.97</b>	<b>108,667.63</b>	<b>105,679.68</b>

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

### 8. SHORT-TERM PROVISIONS

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>(a) Provision for employee benefits</b>		
Gratuity (refer note 35)	128.39	75.76
Compensated absences (refer note 35)	185.96	257.51
Superannuation	1.36	3.93
<b>(b) Others</b>		
Provision for taxation (net of advance tax ₹ 7,736.26 lakhs (previous year ₹ 14,031.87 lakhs))	8,195.28	7,158.07
Proposed dividend on preference shares of a subsidiary	–	2.57
Tax on proposed dividends	–	0.52
<b>Total</b>	<b>8,510.99</b>	<b>7,498.36</b>

## Notes forming part of the consolidated financial statements

### 9. SHORT-TERM BORROWINGS

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
<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)	10,614.68	10,873.74
Unsecured loan from a related party (refer note 36)	145,000.00	—
<b>Total</b>	<b>155,614.68</b>	<b>10,873.74</b>

### 10. TRADE PAYABLES DUE TO OTHERS

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
Trade payables other than acceptances	15,796.27	12,829.15
<b>Total</b>	<b>15,796.27</b>	<b>12,829.15</b>

## Notes forming part of the consolidated financial statements

₹ in lakhs

Particulars	Gross block (at cost / valuation)			Accumulated depreciation / amortisation			Net book	
	As at 01 April, 2015	Additions during the year	Disposals / deductions	As at 31 March, 2016	As at 01 April, 2015	Depreciation / amortisation for the year	Deductions on disposal	As at 31 March, 2016
<b>Tangible assets</b>								
Land- freehold	303.87 (303.87)	71.70 (-)	- (-)	375.57 (303.87)	- (-)	- (-)	- (-)	375.57 (303.87)
Buildings	40,937.75 (40,768.16)	139.68 (169.59)	- (-)	41,077.43 (40,937.75)	13,024.44 (11,295.85)	1,875.60 (1,728.59)	- (-)	26,177.39 (27,913.31)
Fleet - Owned (refer note "a" below)	12,627.30 (12,627.30)	- (-)	- (-)	12,627.30 (12,627.30)	8,840.92 (7,725.80)	1,115.17 (1,115.12)	- (-)	2,671.21 (3,786.38)
Berth & jetty and dredged channel	131,817.91 (131,817.91)	- (-)	- (-)	131,817.91 (131,817.91)	14,904.40 (9,063.05)	5,841.35 (5,841.35)	- (-)	11,072.16 (116,913.51)
Plant and equipment	476,496.08 (476,224.23)	19,539.78 (451.05)	(1,088.23) (179.20)	494,947.63 (476,496.08)	121,641.77 (105,748.92)	16,396.92 (15,908.03)	(94.18) (15.18)	357,003.12 (354,854.30)
Furniture, fixture, air-conditioners, refrigerators and office equipments	716.38 (689.74)	78.83 (26.64)	- (-)	795.21 (716.38)	330.80 (282.34)	72.07 (48.46)	- (-)	392.34 (365.58)
Vehicles	17.38 (235.33)	0.66 (15.60)	- (233.55)	18.04 (17.38)	6.99 (75.16)	3.35 (19.54)	- (87.71)	7.70 (10.39)
<b>Total tangible assets (A)</b>	<b>662,916.67</b> <b>(662,666.54)</b>	<b>19,830.65</b> <b>(662.88)</b>	<b>(1,088.23)</b> <b>(412.75)</b>	<b>681,659.09</b> <b>(662,916.67)</b>	<b>158,749.32</b> <b>(134,191.12)</b>	<b>25,304.46</b> <b>(24,661.09)</b>	<b>(94.18)</b> <b>(102.89)</b>	<b>497,699.49</b> <b>(504,167.35)</b>
<b>Intangible assets</b>								
Software	34.67 (34.67)	- (-)	- (-)	34.67 (34.67)	32.97 (31.76)	1.14 (1.21)	- (-)	0.56 (1.70)
<b>Total intangible fixed assets (B)</b>	<b>34.67</b> <b>(34.67)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>34.67</b> <b>(34.67)</b>	<b>32.97</b> <b>(31.76)</b>	<b>1.14</b> <b>(1.21)</b>	<b>-</b> <b>(-)</b>	<b>0.56</b> <b>(1.70)</b>
<b>Total (A+B)</b>	<b>662,951.34</b> <b>(662,701.21)</b>	<b>19,830.65</b> <b>(662.88)</b>	<b>(1,088.23)</b> <b>(412.75)</b>	<b>681,693.76</b> <b>(662,951.34)</b>	<b>158,782.29</b> <b>(134,222.88)</b>	<b>25,305.60</b> <b>(24,662.30)</b>	<b>(94.18)</b> <b>(102.89)</b>	<b>497,700.05</b> <b>(504,169.05)</b>
<b>Previous year</b>								

### Notes :

- 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", to capitalise exchange differences pertaining to long term foreign currency monetary items. Consequently, the exchange loss of ₹ 1,408.65 lakhs (previous year ₹ 1,348.70 lakhs) has been capitalised to the cost of tangible assets.
- Plant and equipment includes jetty and other assets having carrying amounts aggregating to ₹ 59,960.88 lakhs (previous year ₹ 57,810.07 lakhs) which are constructed / installed / ended 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 ₹ 17,713.18 lakhs (previous year ₹ 17,604.56 lakhs) and ₹ 131,940.20 lakhs (previous year ₹ 131,940.20 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 Paracorp Port Trust and allotted to the Group under concession arrangement for the period until April 2020.
- During the previous year, Plant and equipment having gross block of ₹ 29,787.04 lakhs and accumulated depreciation of ₹ 9,613.40 lakhs has been transferred to Buildings in course of assessment of useful life of assets carried out by third party consultant.
- Plant and equipments includes ship unloaders and other assets having carrying amounts aggregating to ₹ 18,587.00 lakhs (previous year ₹ Nil) which are taken over from Vishakapattam Port Trust (VPT) under a concession arrangement. As per the terms of the concession arrangement, the said assets will be transferred to VPT at the end of the concession period i.e. May 2045. Details of depreciation are as follows:

Particulars	31 March, 2016	31 March, 2015
Depreciation for the year as above	25,211.42	24,662.30
Less : Depreciation capitalised during the year	574.87	738.61
<b>Depreciation charged to the Consolidated Statement of Profit and Loss</b>	<b>24,636.55</b>	<b>23,923.69</b>

- During the previous 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 Consolidated Statement of Profit and Loss for the previous year was lower by ₹ 15.92 lakhs.
- Previous year figures are disclosed in bracket.

## Notes forming part of the consolidated financial statements

## 12. CAPITAL WORK-IN-PROGRESS

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
(A) Capital work-in-progress	163,856.04	114,001.94
(B) Expenditure during construction (see details below)	106,324.90	79,535.49
<b>Total</b>	<b>270,180.94</b>	<b>193,537.43</b>

Expenditure during construction	As at 31 March 2015	Incurred during the year	Capitalised during the year	Provision for impairment (refer note 34)	As at 31 March 2016
Survey charges	145.87	0.15	–	–	146.02
Consultancy and professional fees	5,758.39	2,230.05	–	(215.22)	7,773.21
Travelling and courier expenses	972.38	130.31	–	(134.64)	968.05
Insurance expenses	550.93	177.86	–	–	728.79
Finance costs :					
Interest on borrowings	49,077.56	22,828.37	–	(883.16)	71,022.77
Interest on foreign currency convertible bonds	5,899.17	–	–	–	5,899.17
Other borrowing costs	3,948.07	515.64	–	(14.77)	4,448.94
Employee benefits expense :					
Salaries, wages and bonus	4,197.07	1,769.09	–	–	5,966.16
Contribution to staff provident and other funds (refer note 35)	394.71	27.25	–	–	421.96
Staff welfare expenses	358.01	180.45	–	–	538.46
Stores and spares consumption	2,284.13	863.54	–	–	3,147.67
Hire charges	1,739.29	490.64	–	–	2,229.93
Manning charges	3,466.68	831.48	–	–	4,298.16
Rates and taxes	427.10	87.86	–	–	514.96
Security charges	403.40	217.24	–	–	620.64
Repairs and maintenance	252.52	198.83	–	–	451.35
Depreciation	2,593.74	574.87	–	–	3,168.61
Agency fees	68.50	–	–	–	68.50
Power and electricity	450.21	299.01	–	–	749.22
Net loss on foreign currency transactions and translation	6,037.21	34.89	–	(350.99)	5,721.11
Building under construction	–	139.68	(139.68)	–	–
Others	1,641.01	1,254.42	–	(184.05)	2,711.38
<b>(A)</b>	<b>90,665.95</b>	<b>32,851.60</b>	<b>(139.68)</b>	<b>(1,782.83)</b>	<b>121,595.04</b>
Less: Income during construction :					
Interest on bank deposits	(402.67)	(115.18)	–	165.86	(351.99)
Gain on sale of mutual fund units	(133.87)	–	–	–	(133.87)
Interest on loans and advances	(119.04)	(9.62)	–	–	(128.66)
Cargo handling income	(10,239.29)	(4,112.57)	–	–	(14,351.86)
Income from sale of scrap and machinery hire income	(326.50)	(16.34)	–	–	(342.84)
Vessel, equipment and berth hire income	(13.11)	–	–	–	(13.11)
Other miscellaneous income	(14.45)	(21.33)	–	–	(35.78)
Less : Provision for taxes	118.47	–	–	(30.50)	87.97
<b>(B)</b>	<b>(11,130.46)</b>	<b>(4,275.04)</b>	<b>–</b>	<b>135.36</b>	<b>(15,270.14)</b>
<b>Total</b>	<b>(A-B) 79,535.49</b>	<b>28,576.56</b>	<b>(139.68)</b>	<b>(1,647.47)</b>	<b>106,324.90</b>

## Notes forming part of the consolidated financial statements

### 13. NON-CURRENT INVESTMENTS

₹ in lakhs

Particulars	Non-Current	
	As at 31 March 2016	As at 31 March 2015
<b>Unquoted</b>		
<b>Trade investments (valued at cost unless stated otherwise)</b>		
<b>Investments in equity shares (fully paid up)</b>		
386,000 equity shares of ₹10 /- each of Bhandar Power Limited	104.23	104.23
3,450 ordinary shares of MZN 1,000 each of New Coal Terminal Beira, S.A	67.96	67.96
<b>Total</b>	<b>172.19</b>	<b>172.19</b>
<b>Aggregate value of unquoted investments</b>	<b>172.19</b>	<b>172.19</b>

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

₹ in lakhs

Particulars	Non-current		Current	
	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
<b>Unsecured, considered good</b>				
<b>Capital advances</b>				
– to related parties (refer note 36)	13,605.45	22,537.62	-	-
– to others	437.55	374.63	-	336.89
(A)	<b>14,043.00</b>	<b>22,912.25</b>	-	<b>336.89</b>
<b>Security deposits</b>				
– to related parties (refer note 36)	421.80	597.80	626.00	450.00
– to others	1,871.26	243.06	1,390.99	681.59
(B)	<b>2,293.06</b>	<b>840.86</b>	<b>2,016.99</b>	<b>1,131.59</b>
<b>Loans and advances</b>				
– to related parties (refer note 36)	10,448.00	-	82,524.47	23,857.89
– to others	-	9,803.20	43.25	18,785.06
(C)	<b>10,448.00</b>	<b>9,803.20</b>	<b>82,567.72</b>	<b>42,642.95</b>
<b>Advances recoverable in cash or kind or for value to be received</b>	(D)	-	<b>140,420.61</b>	<b>1,138.69</b>
<b>Other loans and advances</b>				
- Advance income-tax and tax deducted at source (net of provision for tax ₹ 24,058.24 lakhs (previous year ₹ 15,165.82 lakhs))	6,270.90	3,954.50	944.77	756.35
- MAT credit entitlement *	34,879.34	29,252.49	-	-
- Advance towards purchase of shares (refer note 36)	56,379.65	-	-	-
- Prepaid expenses	8,515.30	5,574.28	3,037.55	1,822.70

## 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, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
- Service tax receivable	2,927.66	3,244.24	2,593.24	1,626.17
- Cenvat receivable	3,197.64	1,900.14	1,584.54	2,732.28
- Advances to vendors	–	–	1,655.18	361.77
- Other receivables	–	–	188.01	368.32
- Earnest money deposit	–	–	448.00	448.00
- Loans and advances to employees	–	–	33.96	11.81
<b>(E)</b>	<b>112,170.49</b>	<b>43,925.65</b>	<b>10,485.25</b>	<b>8,127.40</b>
<b>Total</b>	<b>138,954.55</b>	<b>77,481.96</b>	<b>235,490.57</b>	<b>53,377.52</b>

\* The Company has entered into cargo handling agreement with Essar Steel India Ltd (ESTL). The terms of the agreement provide for charges per MT of cargo handled with minimum guaranteed quantity. The Company has acceded to ESTL's request to charge the cargo handling charges on an actual basis instead of as per minimum guaranteed quantity temporarily from October 1, 2015 to March 31, 2017, and reinstate minimum guarantee terms with effect from April 1, 2017.

## 15. OTHER NON-CURRENT / CURRENT ASSETS

₹ in lakhs

Particulars	Non-current		Current	
	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
<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	1,175.15	1,185.39	–	–
Deposits in escrow account with maturity of more than 12 months*	99.26	99.26	–	–
Unamortised share issue expenses	–	30.85	–	38.16
Interest accrued on bank deposits	7.61	–	61.34	57.50
Interest accrued on loans and advance given to a related party	747.76	–	4,363.02	2.55
Interest accrued on overdue trade receivables	6,687.22	–	4,256.19	7,885.96
Net asset for gratuity (refer note 35)	–	–	–	53.39
Other receivables :				
- from related parties (refer note 36)	–	–	2,144.26	3,360.09
- from others	–	–	2,177.84	2,034.63
- from service tax department	1,225.56	–	–	–
<b>Total</b>	<b>9,942.56</b>	<b>1,315.50</b>	<b>13,002.65</b>	<b>13,432.28</b>

\* As per the requirement of Master Restructuring Agreement for secured term loans, there are restrictions on operation of escrow account of the 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, 2016	As at 31 March, 2015
Stores and spares	1,709.82	766.39
Fuel oil and lubricants	45.52	58.98
<b>Total</b>	<b>1,755.34</b>	<b>825.37</b>

### 17. TRADE RECEIVABLES

₹ in lakhs

Particulars	Non-current		Current	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
<u>Unsecured, considered good</u>				
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	2,159.80	–	16,155.50	17,115.35
Other trade receivables	–	–	26,082.88	40,941.01
<b>Total</b>	<b>2,159.80</b>	<b>–</b>	<b>42,238.38</b>	<b>58,056.36</b>

### 18. CASH AND BANK BALANCES

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>Cash and cash equivalents</b>		
Balances with banks in current accounts	2,084.36	11,695.84
	<b>(A) 2,084.36</b>	<b>11,695.84</b>
<b>Other bank balances</b>		
Balance with banks held as margin money (lien marked against bank guarantees and LC facility)	2,739.47	1,830.21
	<b>(B) 2,739.47</b>	<b>1,830.21</b>
<b>Total</b>	<b>(A + B) 4,823.83</b>	<b>13,526.05</b>

### 19. REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>Sale of services</b>		
Port and terminal services (refer note below)	150,740.54	160,676.17
Fleet operating and chartering earnings	720.00	1,184.02
Sale of petroleum products (refer note 36)	–	3,550.48
<b>Total</b>	<b>151,460.54</b>	<b>165,410.67</b>
<b>Note:</b>		
<b>Sale of ports and terminal services comprises</b>		
Crude and petroleum product storage services	58,872.50	58,872.50
Crude and petroleum product handling services	14,924.43	15,880.03
Cargo handling services	65,587.59	75,110.58
Wharfage and port charges	11,356.02	10,813.06
<b>Total</b>	<b>150,740.54</b>	<b>160,676.17</b>

## Notes forming part of the consolidated financial statements

## 20. OTHER INCOME

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Interest income on bank deposits	159.13	107.90
Interest income on loans and advances (refer note 36)	9,741.63	3,852.13
Interest income on income tax refund	35.42	30.71
Interest income on overdue receivables (refer note 36)	8,273.70	6,584.83
Management fee income	–	196.99
Gain on sale of current investments	–	1.13
Gain on foreign currency translation and transactions	17.38	77.63
Insurance claim	–	389.62
Ship management services, storage charges, scrap sales, etc.	785.90	981.92
Others	129.05	61.23
<b>Total</b>	<b>19,142.21</b>	<b>12,284.09</b>

## 21. PURCHASE OF TRADED GOODS

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Purchase cost of petroleum products (refer note 38)	–	3,550.48
<b>Total</b>	<b>–</b>	<b>3,550.48</b>

## 22. OPERATING EXPENSES

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Consumption of stores and spares	627.62	570.53
Commission, brokerage and agency fees	55.16	30.34
Operation and maintenance service charges	2,626.66	1,987.38
Dry docking expenses	–	158.08
Rent and hire charges	4,152.20	3,224.19
Manning management	5,880.57	3,795.69
Power and fuel	1,858.66	918.34
Security charges	92.41	70.26
Lighterage costs	4,003.28	2,580.17
Port charges	2,060.66	2,501.86
Wharfage charges	8,487.38	6,922.81
Maintenance dredging expenses	959.59	–
Repairs - plant and machinery	677.07	1,292.52
Insurance, protection and indemnity club fees	1,170.97	1,236.59
<b>Total</b>	<b>32,652.23</b>	<b>25,288.76</b>

## Notes forming part of the consolidated financial statements

### 23. EMPLOYEE BENEFITS EXPENSE

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Salaries, wages and bonus	3,943.58	3,008.05
Contribution to staff provident and other funds (refer note 35)	108.63	120.20
Staff welfare expenses	240.31	140.97
<b>Total</b>	<b>4,292.52</b>	<b>3,269.22</b>

### 24. OTHER EXPENSES

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Rent	161.34	331.96
Rates and taxes	65.60	56.70
Repairs and maintenance - building	79.37	60.80
Legal and professional fees	2,435.20	1,949.29
Travelling and conveyance	496.62	761.92
Auditors' remuneration	120.39	102.81
Net loss on foreign currency translation and transaction (other than considered as finance cost)	453.68	–
Communication expenses	21.91	32.96
Vehicle hire and maintenance charges	45.45	66.25
Corporate social responsibility expenses	1,508.50	72.35
Others	478.23	571.46
<b>Total</b>	<b>5,866.29</b>	<b>4,006.50</b>

## Notes forming part of the consolidated financial statements

## 25. FINANCE COSTS

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
Interest expense on :		
- bank loans	35,447.24	27,964.93
- loans from financial institutions	23,734.76	28,699.36
- foreign currency convertible bonds	1,216.45	1,245.56
- advance from a customer (refer note 36)	–	157.43
- security deposit from a customer (refer note 36)	6,131.37	3,874.00
- loan from a related party (refer note 36)	7,736.07	17.80
- others	220.02	572.83
Change in the present obligation of funded interest loans (refer note 5 (C) (i) (f))	3,069.92	2,781.20
Other finance charges (mainly include amortisation of upfront fees)	13,242.71	935.37
<b>Total</b>	<b>90,798.54</b>	<b>66,248.48</b>

## 26. SUBSIDIARIES

All subsidiaries of the Company are incorporated in India except Essar Ports Netherlands Cooperatief U.A which is incorporated in Netherlands and has reporting date of 31 March 2016. 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, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
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%	99.50%
Essar Bulk Terminal Paradip Limited ("EBTPL")	EBTL	95.00%	95.00%	99.50%	99.50%
Essar Paradip Terminals Limited ("EPaTL")	EPL	90.00%	90.00%	99.99%	99.99%
Essar Dredging Limited ("EDL") <sup>1</sup>	VPTL	100.00%	100.00%	100.00%	100.00%
Essar Bulk Terminal (Salaya) Limited ("EBTSL")	EPL	74.00%	74.00%	99.65%	99.53%
Essar Vizag Terminals Limited ("EVTL")	VOTL	100.00%	100.00%	100.00%	100.00%
Vadinar Liquid Terminals Limited ("VLTL") <sup>2</sup>	EPL	74.00%	74.00%	74.00%	74.00%
Petro Tankages India Limited ("PTIL") <sup>3</sup>	EBTPL	100.00%	100.00%	99.50%	100.00%
Essar Energy Services Limited ("EESL") <sup>4</sup>	PTIL	100.00%	NA	99.50%	NA
Essar Ports Netherlands Cooperatief U.A. ("EPNC") <sup>5</sup>	EDL	99.97%	NA	99.97%	NA

<sup>1</sup> VPTL became holding Company w.e.f. 17 December 2015

<sup>2</sup> became subsidiary w.e.f. 15 February 2015

<sup>3</sup> became subsidiary w.e.f. 19 August 2014

<sup>4</sup> became subsidiary of VPTL w.e.f. 22 December 2015 and became subsidiary of PTIL w.e.f. 28 March 2016

<sup>5</sup> became subsidiary w.e.f. 23 December 2015

## Notes forming part of the consolidated financial statements

### 27. CONTINGENT LIABILITIES

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
Guarantees given by the banks on behalf of the Company	12,479.95	960.35
Claims against the group not acknowledged as debt - Income tax demand pending appeal	2.80	—
<b>Total</b>	<b>12,482.75</b>	<b>960.35</b>

### 28. CAPITAL AND OTHER COMMITMENT

#### Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 125,485.33 lakhs (previous year ₹ 137,535.34 lakhs).

#### Other commitment

Export obligation under Export promotion capital goods scheme ₹ 6,690.31 lakhs (previous year ₹11,792.86 lakhs).

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

₹ in lakhs

Particulars	As at 31 March, 2016	As at 31 March, 2015
a. Payable not later than 1 year	344.99	471.30
b. Payable later than 1 year but not later than 5 years	1,564.45	1,702.20
c. Payable later than 5 years	3,304.82	3,724.16
<b>Total</b>	<b>5,214.26</b>	<b>5,897.66</b>

- a) Non cancellable operating lease agreements entered in to by the Company for office premises for the period of 5 years with monthly lease rental of ₹ 11.78 lakhs, which has been terminated mutually by both the parties with effect from 16 April 2016.
- b) The group has also entered into an operating lease agreement for two berths for the period of 30 years (remaining period of approximate 11.5 years) with yearly lease rental of ₹ 344.99 lakhs and yearly escalation of 5%.

### 30. SEGMENT DISCLOSURE

#### Business segment - Primary Segment

₹ in lakhs

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
<b>Segment revenue</b>		
Fleet operating and chartering	3,074.70	3,462.92
Port and terminal services	150,740.54	160,676.17
Trading in goods	—	3,550.48
Unallocated	9,206.03	8,292.22
Less: Inter segment revenue	(2,354.70)	(2,278.90)
<b>Total segment revenue</b>	<b>160,666.57</b>	<b>173,702.89</b>
Add: Interest income on loans and advances	9,741.63	3,852.13
Add: Interest income on bank deposits	159.13	107.90
Add: Interest income on income tax refund	35.42	30.71
Add: Gain on sale of current / long term investments	—	1.13
<b>Total revenue</b>	<b>170,602.75</b>	<b>177,694.76</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, 2016	For the year ended 31 March, 2015
<b>Segment results</b>		
Fleet operating and chartering	625.29	707.70
Port and terminal services	83,387.66	104,664.32
Trading in goods	—	—
Unallocated	9,206.03	8,292.22
<b>Total</b>	<b>93,218.98</b>	<b>113,664.24</b>
Less: Unallocable Interest and finance expense	(90,798.54)	(66,248.48)
Add: Interest income on loans and advances	9,741.63	3,852.13
Add: Interest income on bank deposits	159.13	107.90
Add: Interest income on income tax refund	35.42	30.71
Add: Gain on sale of current / long term investments	—	1.13
<b>Profit before tax and exceptional item</b>	<b>12,356.62</b>	<b>51,407.63</b>
Exceptional item	1,647.48	—
<b>Profit before tax</b>	<b>10,709.14</b>	<b>51,407.63</b>
(Less) / Add : Taxes	(3,869.78)	(12,129.87)
<b>Profit after tax and before share of minority's interest</b>	<b>6,839.36</b>	<b>39,277.76</b>
Share of minority's interest	(85.81)	(157.38)
<b>Profit for the year</b>	<b>6,753.55</b>	<b>39,120.38</b>
<b>Segment assets</b>		
Fleet operating and chartering	5,348.45	7,902.94
Port and terminal services	1,224,308.97	981,717.56
Trading in goods	—	—
Unallocated	152,811.62	92,316.40
<b>Total</b>	<b>1,382,469.04</b>	<b>1,081,936.90</b>
Add: Deferred tax asset	11,065.15	11,680.32
<b>Total assets</b>	<b>1,393,534.19</b>	<b>1,093,617.22</b>
<b>Segment liabilities</b>		
Fleet operating and chartering	(75.20)	(75.20)
Port and terminal services	(147,012.86)	(64,599.11)
Trading in goods	—	—
<b>Total</b>	<b>(147,088.06)</b>	<b>(64,674.31)</b>
Add: Loan funds (including interest due / not due)	(867,560.91)	(660,698.49)
Add: Proposed dividend	—	(3.09)
Add: Deferred tax liabilities	(28,664.89)	(25,419.50)
<b>Total liabilities</b>	<b>(1,043,313.86)</b>	<b>(750,795.39)</b>
<b>Additions to fixed assets (refer foot note 2 below)</b>		
Port and terminal services	19,830.65	662.88
<b>Total</b>	<b>19,830.65</b>	<b>662.88</b>
<b>Depreciation and amortisation (refer foot note 3)</b>		
Fleet operating and chartering	342.90	342.87
Port and terminal services	24,293.65	23,580.82
<b>Total</b>	<b>24,636.55</b>	<b>23,923.69</b>

## Notes forming part of the consolidated financial statements

### 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 ₹ 574.87 lakhs (previous year ₹ 738.61 lakhs) transferred to expenditure during construction.
- 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 asset. Other operations of the Group are located in India.

### 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, 2016	For the year ended 31 March, 2015
<b>Net profit after tax and minority interest attributable to equity share holders for basic EPS (₹ in lakhs)</b>	<b>6,753.55</b>	<b>39,120.38</b>
Add: Interest on foreign currency convertible bonds (FCCB) (₹ in lakhs)	23,734.76	1,245.56
Add: Exchange loss on FCCB revaluation (₹ in lakhs)	441.48	12.55
<b>Net profit after tax attributable to equity share holders for diluted EPS (₹ in lakhs)</b>	<b>30,929.79</b>	<b>40,378.49</b>
<b>Net profit after tax and minority interest from continuing operations attributable to equity share holders for basic EPS (₹ in lakhs)</b>	<b>(5,992.30)</b>	<b>734.40</b>
Add: Interest on foreign currency convertible bonds (FCCB) (₹ in lakhs)	56.26	57.61
Add: Exchange loss on FCCB revaluation (₹ in lakhs)	21.76	0.62
<b>Net profit after tax from continuing operations attributable to equity share holders for diluted EPS (₹ in lakhs)</b>	<b>(5,914.28)</b>	<b>792.62</b>
<b>Weighted average no. of equity shares outstanding during the year</b>		
for Basic EPS	428,062,573	427,887,998
for Diluted EPS	428,770,404	449,055,350
<b>Earnings per share from total operations</b>		
<b>Basic EPS (₹)</b>	<b>1.58</b>	<b>9.14</b>
<b>Diluted EPS (₹)</b>	<b>1.58</b>	<b>8.99</b>
<b>Earnings per share from continuing operations</b>		
<b>Basic EPS (₹)</b>	<b>(1.40)</b>	<b>0.17</b>
<b>Diluted EPS (₹)</b>	<b>(1.40)</b>	<b>0.17</b>
Nominal value per Share (₹)	10	10
<b>Reconciliation between number of shares used for calculating basic and diluted earnings per share</b>		
a) Number of shares outstanding during the year used for calculating basic EPS	428,062,573	427,887,998
b) Potential equity shares (convertible FCCB)	–	20,475,463
c) Potential equity shares (ESOP)	707,831	691,889
d) Number of shares outstanding during the year for calculating diluted EPS (a+b+c)	428,770,404	449,055,350



## Notes forming part of the consolidated financial statements

### 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, 2016	As at 31 March, 2015		As at 31 March, 2016	As at 31 March, 2015
Trade receivable on sale of traded goods	495.90	361.05	USD	7.47	5.76
Rendering of services	551.66	1,658.98	USD	8.27	26.51
Interest receivable	739.39	568.92	USD	11.10	9.09
Bank balances	0.78	0.73	USD	0.01	0.01
Advance to vendor for materials and services	3.65	3.31	USD	0.05	0.05
	-	9.13	SGD	-	1.26
	0.28	0.27	GBP	0.00*	0.00*
	71.83	-	SEK	8.81	-
	51.37	359.94	EUR	0.69	4.52

\* less than ₹ 1000/-

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

Particulars	₹ in lakhs		Currency	Foreign currency in lakhs	
	As at 31 March, 2016	As at 31 March, 2015		As at 31 March, 2016	As at 31 March, 2015
Import of goods and services	6,855.36	70.64	USD	91.97	1.13
	1,148.78	19.53	EUR	15.24	0.29
	93.53	91.17	GBP	0.98	0.99
	4.36	-	SGD	0.09	-
Foreign currency convertible bond (including interest accrued due and not due)	27,322.14	25,780.79	USD	411.89	411.89

(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. Essar Paradip Terminal Limited (EPARTL), a subsidiary, was awarded a contract for development of 10 MMTPA Deep Draught Coal Berth at Paradip on Build-Operate-Transfer (BOT) basis vide a service concession agreement dated 10 November, 2009 by Paradip Port Trust (PPT) subject to certain conditions precedent. As EPARTL was not able to comply with the conditions precedent by extended timeline, the PPT has issued a fresh tender for development of a New Coal Berth at Paradip Port by PPT on 19 October, 2016. Whilst EPARTL is evaluating legal options, a provision of ₹ 1,647.48 lakhs against the carrying amount of related Capital work in progress is recognised as an Exceptional item on a conservative basis.

### 35. EMPLOYEE BENEFITS :

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

#### I. Defined contribution plan

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

Particulars	₹ in lakhs	
	For the year ended 31 March, 2016	For the year ended 31 March, 2015
a) Group accident policy premium	2.19	2.04
b) Employer's contribution to superannuation fund	16.71	11.81
c) Employer's contribution to provident fund	133.98	132.92
<b>Total</b>	<b>152.88</b>	<b>146.77</b>

## Notes forming part of the consolidated financial statements

The above amounts are included in 'contribution to staff provident and other funds / expenditure during construction' (refer note 12 and 23).

### II. Defined benefit plans

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

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, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
Present value of defined benefit obligations – opening balance	346.59	502.86	421.02	369.06	257.51	434.09
Current service cost	27.50	26.65	41.95	36.99	–	37.94
Current service contribution - employee	27.50	28.09	–	–	–	–
Interest cost	31.78	29.09	31.77	30.56	19.12	24.63
Past service cost	–	–	–	–	–	–
Acquisitions	4.93	–	56.66	–	7.38	–
Benefits paid	(107.40)	(240.10)	(27.48)	(73.64)	(18.32)	(26.79)
Actuarial (gain) / loss on obligations	41.62	–	(41.27)	58.05	(79.73)	(51.25)
Gain on change in sick leave policy *	–	–	–	–	–	(161.11)
<b>Present value of defined benefit obligations – closing balance</b>	<b>372.52</b>	<b>346.59</b>	<b>482.65</b>	<b>421.02</b>	<b>185.96</b>	<b>257.51</b>

\* During the previous 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, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
Fair value of plan assets – opening balance	346.59	502.86	398.64	321.01	–	–
Expected return on plan assets	–	–	27.22	46.03	–	–
Actual return on plan assets	73.41	29.09	0.92	–	–	–
Acquisition adjustment	–	–	(86.66)	–	–	–
Actuarial gains / (losses)	–	–	(10.90)	36.21	–	–
Contributions by the employer / employees	59.92	54.74	52.52	69.04	–	–
Benefits paid	(107.40)	(240.10)	(27.48)	(73.64)	–	–

Notes forming part of the consolidated financial statements

Fair value of plan assets – closing balance	372.52	346.59	354.26	398.65	–	–
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(C) Amount recognised in Consolidated Balance Sheet:

₹ in lakhs

Particulars	Provident fund (funded)		Gratuity-shore officers (funded)		CA (non funded)	
	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
Present value of defined benefit obligations	372.52	346.59	482.65	421.02	185.96	257.51
Fair value of plan assets	372.52	346.59	354.26	398.65	–	–
Funded status (surplus / (deficit))	–	–	(128.39)	(22.37)	(185.96)	(257.51)
<b>Liability recognised in the consolidated Balance Sheet (refer note 8 and 15)</b>	<b>–</b>	<b>–</b>	<b>(128.39)</b>	<b>(22.37)</b>	<b>(185.96)</b>	<b>(257.51)</b>

(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, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
Current service cost	27.50	26.65	41.95	36.99	–	37.94
Interest cost	31.78	29.09	31.77	30.56	19.11	24.63
Actual return on plan assets	(31.78)	(29.09)	(27.62)	–	–	–
Expected return on plan assets	–	–	–	(46.03)	–	–
Net actuarial (gain) / loss recognised in the period	–	–	(29.96)	21.84	(79.73)	(51.25)
<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 12 and 23)</b>	<b>27.50</b>	<b>26.65</b>	<b>16.14</b>	<b>43.36</b>	<b>(60.62)</b>	<b>11.32</b>

(E) Experience history:

₹ in lakhs

Particulars	Provident fund (funded)				
	31 March, 16	31 March, 15	31 March, 14	31 March, 13	31 March, 12
Defined benefit obligation at the end of the year	(372.52)	(346.59)	(502.86)	(396.50)	(268.46)
Plan assets at the end of the year	372.52	346.59	502.86	396.50	268.46
Funded status	–	–	–	–	–
Experience gain / (loss) adjustments on plan liabilities	–	–	–	–	–

## Notes forming part of the consolidated financial statements

Experience gain / (loss) adjustments on plan assets	–	–	–	–	–
Actuarial gain/ (loss) due to change on assumptions	–	–	–	–	–

₹ in lakhs

Particulars	Gratuity-shore officers (funded)				
	31 March, 16	31 March, 15	31 March, 14	31 March, 13	31 March, 12
Defined benefit obligation at the end of the year	(482.65)	(421.02)	(369.05)	(319.77)	(241.59)
Plan assets at the end of the year	354.26	398.65	321.00	272.45	185.85
Funded status	(128.39)	(22.36)	(48.05)	(47.33)	(55.74)
Experience gain / (loss) adjustments on plan liabilities	43.73	(28.59)	(52.84)	(20.93)	(18.99)
Experience gain / (loss) adjustments on plan assets	(11.32)	36.21	19.41	16.00	0.55
Actuarial gain/ (loss) due to change on assumptions	(2.45)	(29.46)	24.52	(10.06)	8.58

₹ in lakhs

Particulars	CA (non funded)				
	31 March, 16	31 March, 15	31 March, 14	31 March, 13	31 March, 12
Defined benefit obligation at the end of the year	(185.96)	(257.51)	(437.21)	(348.86)	(204.53)
Plan assets at the end of the year	0.00	0.00	0.00	0.00	0.00
Funded status	(185.96)	257.51	(437.21)	(348.86)	(204.53)
Experience gain / (loss) adjustments on plan liabilities	83.20	(25.84)	(15.17)	3.90	41.26
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	2.20	77.09	21.83	(7.35)	13.61

₹ in lakhs

### (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)	
	31 March, 16	31 March, 15	31 March, 16	31 March, 15	31 March, 16	31 March, 15
Administered by Life Insurance Corporation of India (LIC)*	–	–	100.00%	100.00%	NA	NA
Government of India security	50.00%	25.00%	–	–	NA	NA

## Notes forming part of the consolidated financial statements

Public sector bonds / TDRs	44.00%	60.00%	–	–	NA	NA
State government securities	6.00%	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 (non funded)	
	31 March, 16	31 March, 15	31 March, 16	31 March, 15	31 March, 16	31 March, 15
Discount rate (per annum)	7.70%	7.80%	7.70%	7.80%	7.70%	7.80%
Rate of return on plan assets (for funded scheme)	8.75%	8.75%	8.75%	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 contributions to be made by the company for funding its liability for gratuity during the financial year 2016-17 will be ₹ 71.39 lakhs and actual will be as per the demand raised by 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 discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

vii) The assumption of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion, supply and demand and other relevant factors.

viii) 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.

ix) Liability on account of short term compensated absences has been actuarially valued as per Projected Unit Credit Method.

## 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)

## Notes forming part of the consolidated financial statements

- 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) Entity having significant influence over the Company**

M/s. Imperial Consultants & Securities (w.e.f. 1 March, 2016)

**(c) 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 & Terminals Limited) (up to 10 August 2015)
- 9 Kumar Nandula - Whole-time Director (Essar Bulk Terminal (Salaya) Limited)
- 10 Dipankar Pal - Managing Director (up to 30 January 2015)
- 11 Capt. Alok Kumar - Manager (Vadinar Ports & Terminals Limited w.e.f 10 August 2015)
- 12 Ch. Satyanand - Whole-time Director and CEO (Essar Vizag Terminals Limited)

**(d) Fellow subsidiaries / other related parties / affiliates where there have been transactions:**

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

**(e) The details of transactions with related parties**

₹ in lakhs

Nature of transactions	Holding companies / entity having significant influence over the Company		Other related parties		Key management personnel		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Revenue from operations								
Arkay Logistics Limited	–	–	728.26	2,132.81	–	–	728.26	2,132.81

## Notes forming part of the consolidated financial statements

## (e) The details of transactions with related parties (Contd.)

₹ in lakhs

Nature of transactions	Holding companies / entity having significant influence over the Company		Other related parties		Key management personnel		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Essar Steel India Limited	–	–	63,887.16	74,385.75	–	–	63,887.16	74,385.75
Essar Power Gujarat Limited	–	–	–	450.68	–	–	–	450.68
Essar Oil Limited	–	–	77,540.20	79,046.06	–	–	77,540.20	79,046.06
Essar Shipping Limited	–	–	29.22	50.02	–	–	29.22	50.02
Essar Projects (India) Limited	–	–	8.84	5.72	–	–	8.84	5.72
<b>Total</b>	<b>–</b>	<b>–</b>	<b>142,193.68</b>	<b>156,071.04</b>	<b>–</b>	<b>–</b>	<b>142,193.68</b>	<b>156,071.04</b>
<b>Revenue from sale of product</b>								
Essar Energy Overseas Limited, Mauritius	–	–	–	3,550.48	–	–	–	3,550.48
<b>Interest income from loans and advances</b>								
Essar Oil Limited	–	–	–	8.91	–	–	–	8.91
Essar Shipping Limited	–	–	416.86	–	–	–	416.86	–
Essar Steel India Limited	–	–	5,543.72	3,321.08	–	–	5,543.72	3,321.08
Imperial Consultants and Securities	35.62	–	–	–	–	–	35.62	–
<b>Total</b>	<b>35.62</b>	<b>–</b>	<b>5,960.58</b>	<b>3,329.99</b>	<b>–</b>	<b>–</b>	<b>5,996.20</b>	<b>3,329.99</b>
<b>Interest income on overdue receivables</b>								
Essar Steel India Limited	–	–	8,097.14	6,368.27	–	–	8,097.14	6,368.27
Essar Africa Holdings Limited	–	–	172.81	212.81	–	–	172.81	212.81
Essar Shipping & Logistics Limited	3.75	3.75	–	–	–	–	3.75	3.75
<b>Total</b>	<b>3.75</b>	<b>3.75</b>	<b>8,269.95</b>	<b>6,581.08</b>	<b>–</b>	<b>–</b>	<b>8,273.70</b>	<b>6,584.83</b>
<b>Management fee income</b>								
Essar Africa Holdings Limited	–	–	–	347.17	–	–	–	347.17
<b>Other income</b>								
Essar Steel India Limited	–	–	5.83	10.40	–	–	5.83	10.40
Essar Projects (India) Limited	–	–	8.54	–	–	–	8.54	–
Essar Oil Limited	–	–	–	17.20	–	–	–	17.20
<b>Total</b>	<b>–</b>	<b>–</b>	<b>14.37</b>	<b>27.60</b>	<b>–</b>	<b>–</b>	<b>14.37</b>	<b>27.60</b>
<b>Consumption of stores and spares</b>								
Essar Steel India Limited	–	–	–	0.14	–	–	–	0.14
Arkay Logistics Limited	–	–	–	2.15	–	–	–	2.15
Essar Projects (India) Limited	–	–	–	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>–</b>	<b>10.97</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>10.97</b>
<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>								



## Notes forming part of the consolidated financial statements

### (e) The details of transactions with related parties (Contd.)

₹ in lakhs

Nature of transactions	Holding companies / entity having significant influence over the Company		Other related parties		Key management personnel		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Essar Oil Limited	–	–	2,562.77	1,987.38	–	–	2,562.77	1,987.38
<b>Power and fuel</b>								
Essar Oil Limited	–	–	–	86.36	–	–	–	86.36
Essar Steel India Limited	–	–	66.99	161.94	–	–	66.99	161.94
Bhander Power Limited	–	–	62.20	143.46	–	–	62.20	143.46
<b>Total</b>	–	–	129.19	391.76	–	–	129.19	391.76
<b>Lighterage Cost</b>								
Arkay Logistics Limited	–	–	3,836.11	2,580.17	–	–	3,836.11	2,580.17
<b>Manning management expense</b>								
Essar Oil Limited	–	–	2,650.51	1,175.14	–	–	2,650.51	1,175.14
Essar Energy Services Limited	–	–	–	393.37	–	–	–	393.37
Essar Steel India Limited	–	–	403.67	332.51	–	–	403.67	332.51
Essar Projects (India) Limited	–	–	–	21.94	–	–	–	21.94
Essar Exploration & Production India Limited	–	–	312.84	–	–	–	312.84	–
<b>Total</b>	–	–	3,367.02	1,922.96	–	–	3,367.02	1,922.96
<b>Remuneration*</b>								
Capt. Subhas Das	–	–	–	–	114.72	107.68	114.72	107.68
U. Venkat Rao	–	–	–	–	63.50	57.04	63.50	57.04
Capt. Deepak Sachdeva	–	–	–	–	75.49	69.86	75.49	69.86
Dipankar Pal	–	–	–	–	–	153.77	–	153.77
Girish Joshi	–	–	–	–	–	43.09	–	43.09
Rajiv Agarwal	–	–	–	–	427.97	363.62	427.97	363.62
K. K.Sinha	–	–	–	–	146.49	155.39	146.49	155.39
A.S.Bali	–	–	–	–	311.41	196.44	311.41	196.44
Shailesh Sawa	–	–	–	–	–	102.24	–	102.24
Ch.Satyanand	–	–	–	–	39.51	–	39.51	–
Capt. Alok Kumar	–	–	–	–	49.42	–	49.42	–
Kumar Nandula	–	–	–	–	32.58	–	32.58	–
<b>Total</b>	–	–	–	–	1,261.09	1,249.13	1,261.09	1,249.13
<b>Recovery of expense</b>								
Essar Oil Limited	–	–	120.38	79.55	–	–	120.38	79.55
Arkay Logistics Limited	–	–	17.18	–	–	–	17.18	–
Essar Steel India Limited	–	–	–	108.99	–	–	–	108.99
<b>Total</b>	–	–	137.56	188.54	–	–	137.56	188.54
<b>Interest paid on delayed payment</b>								
Bhander Power Limited	–	–	2.43	–	–	–	2.43	–

\* 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.

## Notes forming part of the consolidated financial statements

## (e) The details of transactions with related parties (Contd.)

₹ in lakhs

Nature of transactions	Holding companies / entity having significant influence over the Company		Other related parties		Key management personnel		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Cost of traded goods - purchase cost</b>								
Essar Oil Limited	-	-	-	3,550.48	-	-	-	3,550.48
<b>Rent and hire charges</b>								
Essar Oil Limited	-	-	181.54	175.53	-	-	181.54	175.53
Equinox Business Park Private Limited	-	-	11.98	287.64	-	-	11.98	287.64
<b>Total</b>	-	-	193.52	463.17	-	-	193.52	463.17
<b>Legal and professional fees</b>								
Aegis Limited	-	-	163.10	188.85	-	-	163.10	188.85
Essar Projects (India) Limited	-	-	32.00	7.00	-	-	32.00	7.00
<b>Total</b>	-	-	195.10	195.85	-	-	195.10	195.85
<b>Travelling expenses</b>								
Essar Oil Limited	-	-	19.42	18.49	-	-	19.42	18.49
Aegis Limited	-	-	-	0.01	-	-	-	0.01
<b>Total</b>	-	-	19.42	18.50	-	-	19.42	18.50
<b>Other expenses</b>								
Aegis Limited	-	-	-	0.53	-	-	-	0.53
<b>Interest expense on security deposit received</b>								
Essar Oil Limited	-	-	6,131.37	3,874.00	-	-	6,131.37	3,874.00
<b>Interest expenses on loan</b>								
Essar Oil Limited	-	-	7,736.07	17.80	-	-	7,736.07	17.80
<b>Interest expense on advance from a customer</b>								
Essar Oil Limited	-	-	-	157.43	-	-	-	157.43
<b>Reimbursement of expenses</b>								
Essar Oil Limited	-	-	125.67	35.19	-	-	125.67	35.19
Essar Steel India Limited	-	-	260.27	31.75	-	-	260.27	31.75
Essar Projects (India) Limited	-	-	-	1.55	-	-	-	1.55
Essar Energy Services Limited	-	-	-	5.51	-	-	-	5.51
<b>Total</b>	-	-	385.94	74.00	-	-	385.94	74.00
<b>Advance towards purchase of investments</b>								
Essar Ports Global Holdings Limited	-	-	56,379.65	-	-	-	56,379.65	-
<b>Unsecured loan received</b>								
Essar Oil Limited	-	-	145,000.00	50,000.00	-	-	145,000.00	50,000.00
<b>Capital advances (Including consultancy charges given)</b>								
Essar Projects (India) Limited	-	-	1,830.86	11,848.06	-	-	1,830.86	11,848.06
Essar Oil Limited	-	-	0.80	-	-	-	0.80	-

## Notes forming part of the consolidated financial statements

### (e) The details of transactions with related parties (Contd.)

₹ in lakhs

Nature of transactions	Holding companies / entity having significant influence over the Company		Other related parties		Key management personnel		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Essar Steel (India) Limited	-	-	1,304.20	-	-	-	1,304.20	-
<b>Total</b>	-	-	<b>3,135.86</b>	<b>11,848.06</b>	-	-	<b>3,135.86</b>	<b>11,848.06</b>
<b>Advance from customer, repaid back</b>								
Essar Oil Limited	-	-	-	<b>1,323.36</b>	-	-	-	<b>1,323.36</b>
<b>Capital work-in-progress/ expenditure during construction</b>								
Essar Projects (India) Limited	-	-	14,216.22	2,342.72	-	-	14,216.22	2,342.72
Essar Oil Limited	-	-	1,949.06	2.35	-	-	1,949.06	2.35
Aegis Limited	-	-	91.37	100.44	-	-	91.37	100.44
Arkay Logistics Limited	-	-	521.71	1,801.30	-	-	521.71	1,801.30
Essar Steel India Limited	-	-	2,109.55	1,511.82	-	-	2,109.55	1,511.82
<b>Total</b>	-	-	<b>18,887.91</b>	<b>5,758.63</b>	-	-	<b>18,887.91</b>	<b>5,758.63</b>
<b>Cargo handling income (credited to EDC)</b>								
Essar Power Gujarat Limited	-	-	2,379.21	2,401.05	-	-	2,379.21	2,401.05
Essar Oil Limited	-	-	1,733.36	1,967.32	-	-	1,733.36	1,967.32
<b>Total</b>	-	-	<b>4,112.57</b>	<b>4,368.37</b>	-	-	<b>4,112.57</b>	<b>4,368.37</b>
<b>Sale of fixed assets</b>								
Essar Projects (India) Limited	-	-	-	<b>169.68</b>	-	-	-	<b>169.68</b>
<b>Purchase of fixed assets</b>								
Essar Steel India Limited	-	-	<b>567.64</b>	-	-	-	<b>567.64</b>	-
<b>Investment in shares</b>								
New Coal Terminal Beira S.A.	-	-	-	<b>67.96</b>	-	-	-	<b>67.96</b>
<b>Security deposit received from customer</b>								
Essar Oil Limited	-	-	<b>79,077.54</b>	-	-	-	<b>79,077.54</b>	-
<b>Loans and advances given</b>								
Essar Projects (India) Limited	-	-	-	1,089.06	-	-	-	1,089.06
Essar Shipping Limited	-	-	4,305.00	-	-	-	4,305.00	-
Essar Steel India Limited	-	-	40,643.00	-	-	-	40,643.00	-
<b>Total</b>	-	-	<b>44,948.00</b>	<b>1,089.06</b>	-	-	<b>44,948.00</b>	<b>1,089.06</b>

## Notes forming part of the consolidated financial statements

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

₹ in lakhs

Nature of transactions	Holding companies / entity having significant influence over the Company		Other related parties		Key management personnel		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Loans and advances received back</b>								
Essar Steel India Limited	–	–	1,470.00	420.00	–	–	1,470.00	420.00
Essar Oil Limited	–	–	–	1,380.72	–	–	–	1,380.72
<b>Total</b>	<b>–</b>	<b>–</b>	<b>1,470.00</b>	<b>1,800.72</b>	<b>–</b>	<b>–</b>	<b>1,470.00</b>	<b>1,800.72</b>

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

₹ in lakhs

Nature of balances	Holding companies / entity having significant influence over the Company		Other related parties		Key management personnel		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Capital creditors</b>								
Essar Projects (India) Limited	–	–	1,537.76	7,145.54	–	–	1,537.76	7,145.54
Aegis Limited	–	–	23.58	56.65	–	–	23.58	56.65
Essar Projects Management Consultants Limited	–	–	156.49	156.49	–	–	156.49	156.49
Essar Power Gujarat Limited	–	–	13.46	–	–	–	13.46	–
Essar Offshore Subsea Limited	–	–	159.60	159.60	–	–	159.60	159.60
Essar Steel India Limited	–	–	–	–	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>1,890.89</b>	<b>7,518.28</b>	<b>–</b>	<b>–</b>	<b>1,890.89</b>	<b>7,518.28</b>
<b>Unsecured loan</b>								
Essar Oil Limited	–	–	195,000.00	50,000.00	–	–	195,000.00	50,000.00
<b>Interest accrued but not due on unsecured loan</b>								
Essar Oil Limited	–	–	7,359.20	10.68	–	–	7,359.20	10.68
<b>Advance from customer</b>								
Essar Steel India Limited	–	–	19.29	–	–	–	19.29	–
<b>Trade payables</b>								
Essar Steel India Limited	–	–	16.67	16.67	–	–	16.67	16.67
Essar Oil Limited	–	–	960.48	759.80	–	–	960.48	759.80
Arkay Logistics Limited	–	–	1,156.44	1,608.53	–	–	1,156.44	1,608.53
Aegis Limited	–	–	192.88	325.52	–	–	192.88	325.52
Bhander Power Limited	–	–	46.56	75.42	–	–	46.56	75.42
Essar Projects (India) Limited	–	–	27.10	13.75	–	–	27.10	13.75
Essar Energy Services Limited	–	–	–	104.31	–	–	–	104.31
Essar Shipping Limited	–	–	4.55	31.26	–	–	4.55	31.26
Equinox Business Parks Private Limited	–	–	29.39	76.39	–	–	29.39	76.39

## Notes forming part of the consolidated financial statements

### (f) Related party balances at the year end (Contd.)

₹ in lakhs

Nature of balances	Holding companies / entity having significant influence over the Company		Other related parties		Key management personnel		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Essar Power (Jharkhand) Limited	–	–	0.33	–	–	–	0.33	–
Essar Exploration & Production (India) Limited	–	–	47.58	–	–	–	47.58	–
<b>Total</b>	–	–	<b>2,481.98</b>	<b>3,011.65</b>	–	–	<b>2,481.98</b>	<b>3,011.65</b>
<b>Security deposit from customer (including interest due)</b>								
Essar Oil Limited	–	–	<b>114,263.62</b>	<b>31,499.28</b>	–	–	<b>114,263.62</b>	<b>31,499.28</b>
<b>Capital advances</b>								
Essar Projects (India) Limited	–	–	13,422.36	22,435.20	–	–	13,422.36	22,435.20
Essar Oil Limited	–	–	80.66	–	–	–	80.66	–
Essar Projects Management Consultants Limited	–	–	38.88	38.88	–	–	38.88	38.88
Arkey Logistics Limited	–	–	63.55	63.54	–	–	63.55	63.54
<b>Total</b>	–	–	<b>13,605.45</b>	<b>22,537.62</b>	–	–	<b>13,605.45</b>	<b>22,537.62</b>
<b>Loans and advances given</b>								
Essar Shipping Limited	–	–	4,305.00	–	–	–	4,305.00	–
Essar Steel India Limited	–	–	66,482.01	23,857.89	–	–	66,482.01	23,857.89
Imperial Consultants and Securities	22,185.46	–	–	–	–	–	21,904.58	–
<b>Total</b>	<b>22,185.46</b>	–	<b>70,787.01</b>	<b>23,857.89</b>	–	–	<b>92,691.59</b>	<b>23,857.89</b>
<b>Accrued interest on loans and advances given</b>								
Essar Shipping Limited	–	–	375.16	–	–	–	375.16	–
Essar Steel India Limited	–	–	1,538.24	–	–	–	1,538.24	–
Imperial Consultants and Securities	3,197.38	–	–	–	–	–	3,197.38	–
<b>Total</b>	<b>3,197.38</b>	–	<b>1,913.40</b>	–	–	–	<b>5,110.78</b>	–
<b>Other current assets</b>								
Essar Africa Holdings Limited	–	–	1,291.05	2,227.90	–	–	1,291.05	2,227.90
Essar Oil Limited	–	–	235.32	903.42	–	–	235.32	903.42
Essar Power Gujarat Limited	–	–	521.99	174.01	–	–	521.99	174.01
Essar Shipping Limited	–	–	1.81	1.81	–	–	1.81	1.81
Essar Projects (India) Limited	–	–	94.09	52.95	–	–	94.09	52.95
<b>Total</b>	–	–	<b>2,144.26</b>	<b>3,360.09</b>	–	–	<b>2,144.26</b>	<b>3,360.09</b>
<b>Security deposits given</b>								
<b>Essar Shipping Limited</b>	–	–	450.00	450.00	–	–	450.00	450.00
Essar Steel India Limited	–	–	421.80	421.80	–	–	421.80	421.80

(f) Related party balances at the year end (Contd.)

₹ in lakhs

Nature of balances	Holding companies / entity having significant influence over the Company		Other related parties		Key management personnel		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Equinox Business Parks Private Limited	–	–	176.00	176.00	–	–	176.00	176.00
<b>Total</b>	<b>–</b>	<b>–</b>	<b>1,047.80</b>	<b>1,047.80</b>	<b>–</b>	<b>–</b>	<b>1,047.80</b>	<b>1,047.80</b>
<b>Investments in shares</b>								
Bhander Power Limited	–	–	–	104.23	–	–	–	104.23
New Coal Terminal Beira, S.A	–	–	–	67.96	–	–	–	67.96
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>172.19</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>172.19</b>
<b>Advance towards purchase of shares</b>								
Essar Ports Global Holdings Limited	–	–	56,379.65	–	–	–	56,379.65	–
<b>Trade receivables</b>								
Arkay Logistics Limited	–	–	1,291.86	550.32	–	–	1,291.86	550.32
Essar Steel India Limited	–	–	40,882.27	54,622.59	–	–	40,882.27	54,622.59
Essar Shipping Limited	–	–	321.90	331.32	–	–	321.90	331.32
Essar Oil Limited	–	–	–	1,231.44	–	–	–	1,231.44
Essar Shipping & Logistics Limited	27.78	39.03	–	–	–	–	27.78	39.03
Essar Offshore Subsea Limited	–	–	176.08	176.08	–	–	176.08	176.08
Essar Projects (India) Limited	–	–	80.53	206.61	–	–	80.53	206.61
Essar Power Gujarat Limited	–	–	1.07	62.87	–	–	1.07	62.87
Essar Africa Holdings Limited	–	–	366.40	347.17	–	–	366.40	347.17
<b>Total</b>	<b>27.78</b>	<b>39.03</b>	<b>43,120.11</b>	<b>57,528.40</b>	<b>–</b>	<b>–</b>	<b>43,147.89</b>	<b>57,567.43</b>
Interest accrued on overdue trade receivable								
Essar Africa Holdings Limited	–	–	41.66	–	–	–	41.66	–
Essar Shipping & Logistics Limited	17.86	–	–	–	–	–	17.86	–
Essar Steel India Limited	–	–	10,883.89	7,871.85	–	–	10,883.89	7,871.85
<b>Total</b>	<b>17.86</b>	<b>–</b>	<b>10,925.55</b>	<b>7,871.85</b>	<b>–</b>	<b>–</b>	<b>10,943.41</b>	<b>7,871.85</b>

37A. The Board of Directors at its meeting on 17 March, 2016 approved a detailed formal plan of Group restructuring. The underlying Composite Scheme of Arrangement ("the Scheme") amongst the Company, Vadinar Ports & Terminals Limited ("VPTL"), Vadinar Oil Terminal Limited ("VOTL"), Essar Power and Minerals Limited (EPML), Salaya Bulk Terminals Limited (SBTL) (formerly known as Hazira Coke Limited) and Hazira Cargo Terminals Limited (HCTL) (formerly known as Yash Hotels Private Limited) under Sections 391 to 394 read with sections 100 to 103 of the Companies Act, 1956 and section 52 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 has been approved by the Honorable High Court of Gujarat vide order dated 1 July, 2016, The Scheme was implemented in phases with effect from 30 June, 1 July and 2 July 2016 (the appointed dates) after obtaining necessary approvals and filing of the Scheme with the Ministry of Corporate Affairs on 26 August, 2016.

**Pursuant to the aforesaid Scheme:**

- the Tankage Business of VPTL including its strategic investments has been demerged and transferred to and vested into the Company;

- b. Tankage Business Division of the Company including strategic investments, directly or indirectly in VOTL and VPTL have been demerged and transferred to and vested in EPML;
- c. A flat bottomed crane barge, investments in Essar Bulk Terminal (Salaya) Limited, and related assets and liabilities have been demerged and transferred to and vested in SBTL; and
- d. A flat bottomed crane barge, a barge unloader, a tug, investments in Essar Bulk Terminal Limited (holding company of Essar Bulk Terminal Paradip Limited and Petro Tankages India Limited,) and related assets and liabilities have been transferred to and vested in HCTL.

In consideration, the shareholders of the Company have been allotted 3 equity sharers of EPML (which has since merged with VOTL pursuant to the scheme and the shareholders of EPML have been allotted one equity share of VOTL for each equity share of EPML) for 4 equity shares in the Company, 1 equity share of SBTL for 20 equity shares in the Company, and 3 equity shares of HCTL for 20 equity shares in the Company, and 406,843,451 equity shares of the Company are canceled.

**37B.** Pursuant to the Scheme, liquid cargo handling facilities at Vadinar and dry bulk terminal facilities at Hazira, Salaya and Paradip other than service concession arrangements ("discontinuing operations") stands demerged.

The amounts of revenue and expenses in respect of ordinary activities, and net cash flow from the operating, investing and financing activities for the year ended 31 March, 2016 and the carrying amount of total assets and total liabilities as at the year-end attributable to discontinuing operations are as under:

₹ in lakhs

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2016
Revenue from operations	147,221.50	160,717.13
Sale of goods	–	3,550.48
Other income	18,949.26	11,216.45
<b>Total</b>	<b>166,170.76</b>	<b>175,484.06</b>
Employee benefits expense	2,940.88	3,269.22
Operating expenses	28,424.54	25,104.87
Purchase of traded goods	–	3,550.48
Establishment and other expenses	5,092.34	3,304.18
<b>Total</b>	<b>36,457.76</b>	<b>35,228.75</b>
<b>Profit before exceptional items, finance cost, tax, depreciation and amortisation</b>	<b>129,713.00</b>	<b>140,255.31</b>
Finance costs	89,391.71	66,248.48
<b>Profit before exceptional items, tax, depreciation and amortisation</b>	<b>40,321.29</b>	<b>74,006.83</b>
Depreciation and amortisation	23,620.35	23,432.64
<b>Profit before tax and exceptional item</b>	<b>16,700.94</b>	<b>50,574.19</b>
Exceptional item	–	–
<b>Profit before tax</b>	<b>16,700.94</b>	<b>50,574.19</b>
Tax expense	3,869.28	12,030.83
<b>Profit for the period relating to the discontinuing operations</b>	<b>12,831.66</b>	<b>38,543.36</b>
Carrying amounts of total assets as at the Balance sheet date relating to the discontinuing operations	1,146,286.06	1,069,797.20
Carrying amounts of total liabilities as at the Balance sheet date relating to the discontinuing operations	1,010,318.08	746,567.88
<b>Net cash flow attributable to the discontinuing operations</b>		
Cash flow from operating activities	209,903.58	97,945.51
Cash flow from investing activities	(83,317.18)	(39,038.48)
Cash flow from financing activities	61,404.23	(33,661.77)



The aforesaid assets and liabilities of discontinuing operations have been transferred subsequent to balance sheet date at their respective values as on the appointed date.

38. Loans and advances include amounts due from a related party and a third party aggregating to ₹ 201,964.67 lakhs as at the date of approval of the financial statements (Balance as at 31 March, 2016: ₹ 195,682.06 lakhs). The ability to realise the said amount in the near to short term and have the required cash flows to settle the liability to VOTL and Petro Tankages India Limited, fellow subsidiaries (refer note 37 regarding the composite scheme of arrangement), aggregating to ₹ 212,558.19 lakhs at the date of approval of the financial statements, is predicated on the successful consummation of the following transactions: (a) sale of the majority shareholders' stake in VOTL to EOL and (b) sale of the majority shareholders' stake in EOL to third parties for which agreements have been entered and which include as conditions precedent the said purchase of the majority shareholders' stake in VOTL, and, an escrow arrangement to be put in place with respect to deployment of the sale consideration payable to EOL by the third parties.

39. **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	42.91%	150,279.77	-243.35%	(16,434.56)
<b>Subsidiaries</b>				
Vadinar Oil Terminal Limited	-25.90%	(90,709.57)	-41.45%	(2,799.38)
Vadinar Ports & Terminals Limited	-45.26%	(158,507.92)	107.14%	7,236.07
Essar Bulk Terminal Limited	37.81%	132,413.05	301.90%	20,389.00
Essar Bulk Terminal Paradip Limited	12.38%	43,370.67	29.00%	1,958.29
Essar Paradip Terminals Limited	0.97%	3,386.66	@	(1,688.63)
Essar Dredging Limited	@	(418.05)	@	(0.99)
Essar Bulk Terminal (Salaya) Limited	17.76%	62,186.96	@	(15.86)
Essar Vizag Terminal Limited	3.30%	11,541.69	-25.75%	(1,738.87)
Vadinar Liquid Terminals Limited	@	1,047.67	@	(0.99)
Petro Tankages India Limited	@	(106.31)	@	(149.72)
Essar Energy Services Limited	@	(0.62)	@	(0.62)
Essar Ports Netherlands Cooperatief	55.89%	195,736.34	@	(0.53)

@ less than 1%

40. 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

**P. K. Srivastava**  
Chairman

**Rajiv Agarwal**  
Managing Director

**Manoj Contractor**  
Director

Mumbai, 25 November 2016

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to subsidiary companies for the year ended 31 March 2016 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	Essar Energy Services Limited	Essar Ports Nether-lands co-operatief
1	Capital (including share application money)	104,614.20	26,150.00	45,793.00	13,000.00	4,175.00	27,013.45	10,491.70	5.00	5.00	5.00	5.00	195,803.21
2	Reserves	(26,207.50)	124,584.56	(433.69)	7,467.88	(61.94)	14,696.85	(1,848.24)	(4,213.39)	(1.24)	(153.86)	(5.62)	(0.53)
3	Total assets (excluding current and non-current investments)	361,293.28	341,018.11	160,697.43	85,403.67	4,424.52	410,626.12	39,470.64	6.09	1,150.31	19,832.19	1.90	195,803.26
4	Total liabilities	302,040.82	214,264.60	115,338.13	64,940.79	311.46	435,131.28	30,827.18	143,371.14	1,146.55	76,269.00	2.52	0.59
5	Details of investments (except investments in subsidiaries)	-	104.22	-	-	-	-	-	-	-	-	-	-
6	Turnover	53,803.53	57,785.28	-	11,176.02	-	29,236.67	4,239.04	-	-	-	-	-
7	Profit / (loss) before taxation	2,307.52	19,916.93	(15.92)	424.92	(41.15)	6,373.19	(1,846.24)	(4,208.77)	(0.65)	(149.72)	(0.62)	(0.53)
8	Provision for taxation	615.17	2,870.51	-	198.70	-	214.67	-	-	-	-	-	-
9	Profit after taxation (7-8)	1,692.35	17,046.42	(15.92)	226.22	(41.15)	6,158.52	(1,846.24)	(4,208.77)	(0.65)	(149.72)	(0.62)	(0.53)
10	Proposed dividend (including corporate dividend tax)	-	-	-	-	-	-	-	-	-	-	-	-

For and on behalf of Board of Directors

**P. K. Srivastava**

Chairman

**Rajiv Agarwal**

Managing Director

**Manoj Contractor**

Company Secretary

Mumbai, 25 November 2016





# ESSAR PORTS LIMITED

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

CIN : U85110GJ1975PLC054824

## PROXY FORM

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



Name of the member(s) : \_\_\_\_\_

Registered address : \_\_\_\_\_  
\_\_\_\_\_

E-Mail : \_\_\_\_\_

Folio No. / Client ID																				
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D.P. ID																				
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I / We, being the member(s) of \_\_\_\_\_ holding \_\_\_\_\_ shares  
of the above named company hereby appoint :

Name : \_\_\_\_\_

E-Mail : \_\_\_\_\_

Address : \_\_\_\_\_  
\_\_\_\_\_

Signature \_\_\_\_\_

*Or failing him / her*

Name : \_\_\_\_\_

E-Mail : \_\_\_\_\_

Address : \_\_\_\_\_  
\_\_\_\_\_

Signature \_\_\_\_\_



*Or failing him / her*

Name : \_\_\_\_\_

E-Mail : \_\_\_\_\_

Address : \_\_\_\_\_  
\_\_\_\_\_

Signature \_\_\_\_\_

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 40th Annual General Meeting of the Company, to be held on Thursday, December 22, 2016 at 2.45 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 Standalone Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2016;  (b) Adoption of audited Consolidated Profit and Loss Account for year ended March 31, 2016 and the Audited Balance Sheet and Cash Flow Statements as on that date together with the schedules and notes thereto.			
2.	Appoint a Director in the place of Shri. K. K. Sinha (DIN No. 00009113), who retires by rotation and being eligible, offers himself for re-appointment.			
3.	Ratification of appointment of Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, Ahmedabad having Firm Registration No. 117366W/W-100018, 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 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.			
<b>Special business</b>				
4.	Appoint Shri. V. G. Raghavan (DIN 00008683) as an Independent Director of the Company to hold office for a consecutive term of five years commencing from December 22, 2016.			
5.	Re-appointment of Shri. Rajiv Agarwal (DIN 00903635), as the Managing Director of the Company for a period of three years with effect from July 24, 2016 and payment of remuneration.			
6.	Issue of Bonds and other debt instruments in domestic and foreign markets for an amount not exceeding US\$ 1,000,000,000.			
7.				

Signed this ..... day of ..... 2016.

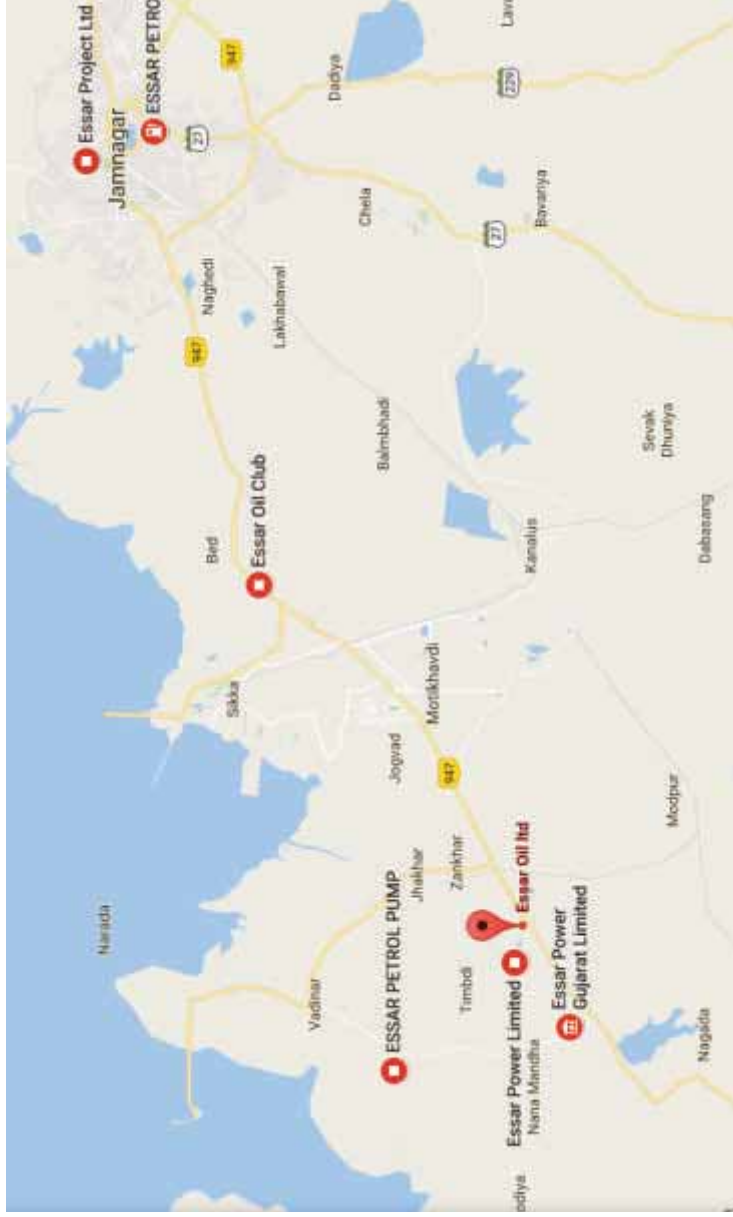
Affix  
revenue  
Stamp

.....  
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 Khambhalla, Dist. Jamnagar, Gujrat 361305



