ESSAR

Salaya Bulk Terminals Limited

Annual report 2016-17

CORPORATE INFORMATION

BOARD OF DIRECTORS

Rajiv Agarwal
Director

Capt. B. S. Kumar
Independent Director

Dr. Jose Paul
Independent Director

Capt. Deepak Sachdeva
Director

Rakesh Kankanala
Director

COMPANY SECRETARY

Ketki Belhe

AUDITORS

MSKA & Associates

AUDIT COMMITTEE

Capt. B. S. Kumar

Dr. Jose Paul

Rajiv Agarwal

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Rajiv Agarwal

Capt. B. S. Kumar

Dr. Jose Paul

NOMINATION AND REMUNERATION COMMITTEE

Rajiv Agarwal

Capt. B. S. Kumar

Dr. Jose Paul

REGISTRARS & TRANSFER AGENTS

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

CORPORATE INFORMATION

REGISTERED OFFICE

Salaya Administrative Building
44 KM, P. O. box 7
Salaya
Taluka Khambhalia
District Devbhumi Dwarka, Jamnagar
Gujarat 361 305
Tel: +91 2833 664440 - Fax: +91 2833 661366
e-mail: epl.secretarial@essarport.co.in

CORPORATE OFFICE

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

DIRECTOR'S STATEMENT

Dear Members,

For and on behalf of the Board of Directors, I am pleased to present the Annual Report of Salaya Bulk Terminals Limited ('the Company') for the year ended March 31, 2017. The Annual Report comprises the IndAS Standalone Financial Statements and the IndAS Consolidated Financial Statements for the year ended March 31, 2017.

During the year, your Company reported a Standalone Net Loss of ₹ 1,923.55 lakhs as compared to ₹ 549.05 lakhs during the previous year. The Company has during the financial year 16-17, completed implementation of a Composite Scheme of Arrangement ("Scheme") which 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. The restructuring of the business and holding structure as per the Scheme will help improve the financial flexibility and consolidation of the business of its various identified companies and is a key step in order to create value for the stakeholders.

Keeping in view of the Company's future funding needs and the applicable laws, the Board of Directors have not recommended any dividend in this financial year.

Indian Government has emphasized on the infrastructure growth to build a robust economy. Creation of a world-class port facilities is an important factor for the country's sustained growth. Port 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. Based on this, your Company sees good potential in the growth of ports business.

Your Company's Subsidiary Essar Bulk Terminal (Salaya) Limited completed the construction of berth and stockyard for dry bulk terminal at Salaya. Company is in process of completing bund strengthening and conveyor related works for Salaya project soon. EBTSL facilities includes berth of 385m length and approach channel of 12.1 km which will cater to cape size vessels. Project facilities also includes two screw type unloaders of 2500 TPH each, one ship loader of 1500 TPH, 12.8 km long conveyor system and fully mechanized stockyard with 3 stacker cum reclaimers.

On behalf of the Board of Directors of your Company, I take this opportunity to express our sincere gratitude to all our stakeholders for their continuous support, dedication and commitment.

Best Wishes,

Rajiv Agarwal,
Director

NOTICE TO MEMBERS

Notice is hereby given that the Third Annual General Meeting of Salaya Bulk Terminals Limited (formerly known as Hazira Coke Limited) will be held at the Registered Office of the Company at "Salaya Administrative Building", 44 KM, P.O. Box 7, Taluka Khambhalia, District Devbhumi Dwarka, Jamnagar Gujarat 361 305 on Thursday, December 21, 2017 at 11.15 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt :

   a. the Audited Standalone Profit and Loss Account for the year ended March 31, 2017 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, 2017 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 Auditors thereon.

2. To appoint a Director in place of Shri. Rakesh Kankanala (DIN 07413365) 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(8) and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), M/s. MSKA & Associates, (Formerly known as MZSK & Associates) (Firm Registration no.: 105047W) Chartered Accountants, Floor 2, Enterprise Centre, Nehru Road, Vile Parle (East), Mumbai 400 099 be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of Messrs. Nisar & Kumar, Chartered Accountants."

   "RESOLVED FURTHER THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time M/s. MSKA & Associates, (Formerly known as MZSK & Associates) (Firm Registration no.: 105047W), Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 7th AGM of the Company to be held in the year 2021 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., 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 modication(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to Section 149 and other applicable provisions if any, of Companies Act, 2013 ('Act') and the rules made thereunder Shri. Rajiv Agarwal (DIN 00903635) who was appointed as an Additional Director of the Company by the Board of Directors with effect from August 22, 2017 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 a Director of the Company liable to retire by rotation."

   "RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

   "RESOLVED THAT pursuant to Section 149 and other applicable provisions if any, of Companies Act, 2013 ('Act') and the rules made thereunder Capt. B. S. Kumar (DIN 00284649) who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 1, 2017 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 a Director of the Company to hold office for a term of five consecutive years commencing from December 21, 2017."

   "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 Section 149 and other applicable provisions if any, of Companies Act, 2013 ('Act') and the rules made thereunder Dr. Jose Paul (DIN 01256347) who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 1, 2017 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 a Director of the Company to hold office for a term of five consecutive years commencing from December 21, 2017."

   "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."

7. 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 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), if any, the approval of the members of the Company be and is hereby accorded to the Board to (a) give any loan to any Body Corporate(s) / person (s); (b) give any guarantee or provide security in connection with a loan to any Body corporate(s) / person(s); and (c) acquire by way of subscription, purchase or otherwise, securities of any Body Corporate from time to time in one or more trenches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding ₹ 500,00,00,000/- (Indian Rupees Five Hundred Crores only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013."

"RESOLVED FURTHER THAT in case of divestment of the investment, the Directors of the Company be and are hereby authorised to sign the necessary applications, papers, forms, documents etc. for effective implementation of decision of divestment taken by the Company from time to time."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, Board of Directors of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

8. 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 guidelines issued by the Government of India (GOI), the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI) and/or any other competent authorities and clarifications thereof, issued from time to time, the applicable provisions of Foreign Exchange Management Act, 1999 ("FEMA"), Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to such approvals, permissions, consents and sanctions, as may be necessary from the GOI, RBI, SEBI and / or other competent authorities and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include any committee constituted / to be constituted by the Board for exercising the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and / or competitive basis, for such part of issue and for such categories of persons including employees of the Company as may be permitted), in one or more tranches, Equity Shares and / or Equity Shares through Global Depository Securities (GDSs) / Receipts (GDRs) and / or American Depository Receipts (ADRs) and / or Optionally / Compulsorily Convertible / Foreign Currency Convertible Bonds (FCCBs) and / or Convertible Bonds, Convertible Debentures, fully or partly and / or any other instruments / securities, convertible into or exchangeable with Equity Shares and / or securities convertible into Equity Shares at the option of the Company and / or the holder(s) of such securities and / or securities linked to Equity Shares and / or securities with or without detachable / non detachable warrants and / or warrants with a right exercisable by the warrant holders to subscribe to Equity Shares and / or any instruments (hereinafter referred to as 'Securities' which terms shall inter alia include Equity Shares) or combination of Securities, with or without premium as the Board may, at its sole discretion decide by way of one or more public and / or private offerings in domestic and / or one or more international markets(s), with or without green shoe option, and / or private placement or issue through Prospectus, Institutional Placement Programme, Qualified Institutions Placement in accordance with the Guidelines for Qualified Institutions Placement prescribed under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended or by anyone 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 ₹ 1500 crores (Rupees One Thousand Five Hundred Crores only) 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 are hereby authorised to finalise the timing of the issue(s) / offering(s), including the investors to whom the Securities are to be allotted and accept any modifications to the terms of the issue as may be required and any other matter in connection with or incidental to the issue."

"RESOLVED FURTHER THAT the Company and / or any entity, agency or body, authorised and / or appointed by the Company, may issue depository receipts representing the underlying Securities issued by the Company in negotiable, registered or bearer form with such features and attributes as are prevalent in domestic / international capital markets for instruments of this nature and to provide for the tradability and free transferability thereof as per practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the domestic / international markets."

"RESOLVED FURTHER THAT:

i. The equity shares issued and allotted directly or upon conversion, exchange, redemption or cancellation of other Securities when fully paid up, shall rank pari-passu with the existing equity shares of the Company;

ii. The Relevant Date for determining the pricing of the Securities (whether on Qualified Institutions Placement to QIBs as per provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended or issue of equity shares underlying the GDSs / GDRs / ADRs or securities issued on conversion of FCCB(s) shall be the date of the meeting in which the Board decides to open the proposed issue or such date as may be notified by SEBI or RBI or any other authority from time to time; and

iii. For the purpose of giving effect to this resolution the Board be and is hereby authorised to do all such acts, deeds, matters and things as the Board may in its absolute discretion consider necessary, proper, expedient, desirable or appropriate for making the said issue as aforesaid and to settle any question, query, doubt or difficulty that may arise in this regard including the power to allot under subscribed portion, if any, in such manner and to such person(s) as the Board, may deem fit and proper in its absolute discretion to be most beneficial to the Company."

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

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

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

"RESOLVED THAT pursuant to the provisions of Section 61(1)(a) read with Section 13 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), the Authorised Share Capital of the Company be and is hereby increased from the present ₹ 25,00,00,000/- (Rupees Twenty Five crore only) divided into 2,50,00,000 Equity Shares of ₹ 10/- each to ₹ 30,00,00,000/- (Rupees Thirty crore only) divided into 3,00,00,000 Equity Shares of ₹ 10/- each with power to the Board to classify the same and to attach rights, privileges and conditions thereto into different classes as may be permitted under the Act from time to time."

"RESOLVED FURTHER THAT the existing clause V (a) of the Memorandum of Association of the Company as to Share Capital be and is hereby altered by deleting the same and substituting in its place and stead, the following new Clause V (a):

V (a) The Authorised Share Capital of the Company is ₹ 30,00,00,000/- (Rupees Thirty crore only) divided into 3,00,00,000 Equity Shares of ₹ 10/- each."

"RESOLVED FURTHER THAT any of the Directors and the Company Secretary of the Company, be and are hereby severally authorised to do the needful for giving effect to the above resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 (the Act) corresponding to section 293(1)(d) of the Companies Act, 1956 and other applicable provisions, if any, of the said Act, the Company hereby accords its consent to the Board of Directors of the Company for borrowing or continuing to borrow any sum or sums of money, from time to time, from State or Central Government or one or more bodies corporate or Banks or Financial Institutions or Overseas Corporate Bodies or Foreign Financial Institutions or any other agency either domestic or foreign or the public, either resident / non-resident by way of cash credit, advances, deposits, bill discounting or bridge loans, term loans or any other loans or otherwise and whether in Indian currency or in foreign currency, whether unsecured or secured and if secured, by mortgage, charge, hypothecation or lien or pledge or any other encumbrances over the Company's assets and properties whether movable and / or immovable or stock-in-trade (including book debts, bills, raw materials, stores and spare parts and components in stock or in transit) and debts and advances including uncalled capital and work in progress and all or any of the undertakings of the Company, notwithstanding that the sum or sums so borrowed together with the moneys, if any, already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that the total amount upto which the moneys may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of ₹ 1500,00,00,000/- (Rupees One Thousand Five Hundred Crore only) over and above the aggregate of the paid up share capital of the Company and its free reserves."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all necessary acts, matters and things as may be deemed necessary to give effect to the aforesaid resolution."

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

"RESOLVED THAT the approval of the Company be and is hereby accorded, pursuant to Section 180(1)(a) of the Companies Act, 2013 (the Act) corresponding to section 293(1)(a) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for creating mortgages and / or charges, hypothecation, pledge and / or any other encumbrances on such terms and conditions and at such time(s) and in such form and manner as it may think fit, on all or any of the movable and / or immovable properties of the Company, wheresoever situated, both present and future or the whole or substantially the whole of any one or more of the Company's undertaking(s) in favour of all or any of the Financial Institutions, Banks, Lenders, Financiers, Trustees, Investing Agencies, Companies, Bodies Corporate or any other person(s) / entities, or any combination of the above, to secure rupee loans, foreign currency loans, debentures, bonds, convertible loans, fully / partly paid convertible / non-convertible bonds, financial assistances or any other debt instruments (by private placement basis or otherwise) together with interests, commitment charges, premium on prepayment and on redemption, costs, charges, expenses and all other monies payable by the Company in terms of the respective loan agreements / heads of agreements / letters of sanction, memorandum of terms and conditions, etc., entered into or to be entered into by the Company in respect of the aforesaid loans / debentures obtained / to be obtained as may be agreed to by the Board, up to an equivalent aggregate amount as approved by the members pursuant to Section 180(1)(c) of the Companies Act, 1956 and as amended from time to time."

"RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby authorised to finalise with any or all of the aforesaid parties, terms, conditions, documents etc. and to do all such acts, deeds, matters and things as may be deemed necessary for the purpose of giving effect to the foregoing resolution."

Mumbai
November 14, 2017

By Order of the Board

Ketki Belhe
Company Secretary
Membership No. A21418

Registered Office:
Salaya Administrative Building,
44 KM, P.O.Box 7, Salaya
Taluka Khambhalia,
District Devbhumi Dwarka, 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 December 14, 2017 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 11 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 are registered with the Company or the Depository Participant(s), unless the members have registered their request for the hard copy of the same. Physical copy of the notice of AGM and Annual Report are being sent by the 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 AGM by electronic means through the e-voting platform of Central Depository Services (India) Limited (CDSL) / National Securities Depository Limited (NSDL). The Members, whose names appear in the Register of Members / list of Beneficial Owners as on December 14, 2017, i.e. the Record Date fixed by the Company for the purpose 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 16, 2017 and will end at 5.00 p.m. on December 20, 2017. 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, 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 Saturday, December 16, 2017 at 9.00 am and ends on Wednesday, December 20, 2017 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, December 14, 2017 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.

(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 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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. • 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.
Dividend Bank Details **OR** Date of Birth (DOB)	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. • 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).

(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 & 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 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.
- 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 and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to 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. Rajiv Agarwal (DIN 00903635) as an Additional Director on the Board of the Company with effect from August 22, 2016.

Shri. Rajiv Agarwal is 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 and Logistics etc., 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.

In terms of Section 149 of the Companies Act, 2013 and Articles of Association of the Company, Shri. Agarwal holds 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. Rajiv Agarwal as a candidate for the office of Director of the Company.

The Board is of the opinion that the appointment of Shri. Agarwal 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. Agarwal are concerned or interested in the resolution at Item No. 4 of the accompanying Notice.

Item No. 5

The Board of Directors of your Company have appointed Capt. B. S. Kumar (DIN 00284649) as an Additional Director on the Board of the Company with effect from April 01, 2017.

Capt. B. S. Kumar has vast experience of over 4 decades and has held key positions in the Ports and Shipping Sector.

Capt. Kumar had played a key role in the development of the Paradip Port on the East Coast of India and was also associated with Dhamra Port, Hazira Port, Finolex Captive Jetty – Ratnagiri. Capt. Kumar was also a Trustee/Director on the Board of Mumbai Port Trust and Paradip Port Trust besides being associated with Indian National Shipowners Association, Steamship Mutual Bermuda Club - UK, Classification Societies.

Capt. Kumar also holds Directorships in various Indian Public Limited companies.

In terms of Section 149 of the Companies Act, 2013 and Articles of Association of the Company, Capt. Kumar 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 Capt. Kumar as a candidate for the office of Director of the Company.

The Board is of the opinion that the appointment of Capt. Kumar would be in the best interest of the Company. The Board accordingly recommends the Ordinary Resolution at item no. 5 of the accompanying notice for your approval.

None of the Directors other than Capt. Kumar is concerned or interested in the resolution of the accompanying Notice.

Item No. 6

The Board of Directors of your Company have appointed Dr. Jose Paul (DIN 01256347) as an Additional Director on the Board of the Company with effect from April 01, 2017.

Dr. Jose Paul is graduated in M.A. (Political Science) from University of Mysore and has done his PhD in Port Management from University of Wales, Cardiff, United Kingdom.

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

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

Dr. Paul has won many awards and prizes, to mention a few, First Prize and the “Akiyama Award” in the International Essay Competition organised by the International Association of Ports and Harbours, Tokyo, Japan in 1986, Silver Medal and a Scroll at the World Port Conference held in Seoul, South Korea in May 1987 and LIFE TIME ACHIEVEMENT AWARD instituted by EXIM INDIA Shipping Times received at Taj Coromandel, Chennai on 31st July 2010 from Secretary (Shipping), Government of India for significant contribution made in the Maritime sector.

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

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

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

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

Dr. Paul is also a Director on the Board of various Indian public limited companies.

In terms of Section 149 of the Companies Act, 2013 and Articles of Association of the Company, Dr. Paul 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 Dr. Paul as a candidate for the office of Director of the Company.

The Board is of the opinion that the appointment of Dr. Paul would be in the best interest of the Company. The Board accordingly recommends the resolution at Item No. 6 of the accompanying notice for your approval.

None of the Directors other than Dr. Paul is concerned or interested in the resolution of the accompanying Notice.

Item No. 7

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate or as and when required.

Pursuant to the provisions of section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution passed at the General Meeting in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account.

Accordingly, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of the General Meeting for an amount not exceeding ₹ 500,00,00,000/- (Indian Rupees Five Hundred Crores only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

The Directors therefore, recommend the Special Resolution for approval of the shareholders at item No. 7 of the accompanying Notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

Item No. 8

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 subsidiary which has project under implementation at Salaya in Gujarat. Execution of these projects of the subsidiary company 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 ₹ 1500 Crores (Rupees One Thousand Five Hundred Crores only) 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.

None of the Directors of the Company is in any way concerned or interested in the proposed resolution. The Board recommends the Special Resolution at item No. 8 of the accompanying notice for approval by the members.

The Board recommends the Special Resolution at item No. 8 of the accompanying Notice for approval of the members.

Item No. 9

The current Authorised Share Capital of the Company is ₹ 25,00,00,000/-. The Company is into the business of providing port & terminal services through its subsidiary. The Company may have to issue equity shares to the holders of Foreign Currency Convertible Bonds. To accommodate the said issue, it is necessary to increase in the authorized share capital.

It is therefore proposed to increase the Authorised Share Capital of the Company from the current ₹ 25,00,00,000/- (Rupees Twenty Five crore only) divided into 2,50,00,000 Equity Shares of ₹ 10/- each to ₹ 30,00,00,000/- (Rupees Thirty crore only) divided into 3,00,00,000 Equity Shares of ₹ 10/- each.

The amendment to the Clause V (a) of the Memorandum Association is incidental to the increase in the Authorised Share Capital.

The Directors recommend the Resolution at item No. 9 of the accompanying Notice for the approval of the members.

None of the Directors of the Company or their relatives is directly or indirectly concerned or interested in this Resolution.

Item Nos. 10 and 11

Section 180 (c) and section 180 (1) (a) of the Companies Act, 2013 (the Act) requires the approval of the Members to borrow in excess of the paid up share capital and free reserves and creation of charge / mortgage on the assets of the Company by way of a special resolution.

The approval of the Members is therefore sought to raise or borrow, for and on behalf of the Company any sum or sums of money from time to time from State or Central Government or one or more bodies corporate or Banks or Financial Institutions or Overseas Corporate Bodies or Foreign Financial Institutions or any other agency, either domestic or foreign or the public by way of a special resolution pursuant to Section 180(1)(c) for an amount not exceeding the sum of ₹ 1500,00,00,000/- (Rupees One Thousand Five Hundred Crore only) over and above the aggregate of the paid up share capital of the Company and its free reserves.

Also the approval of the Members is sought for creation of charge / mortgage on the assets of the Company hence the approval of the members by way of a special resolution is required pursuant to Section 180(1)(a).

The Board recommends the resolutions at item nos. 10 and 11 of the accompanying notice for the approval of the members.

None of the Directors and key managerial personnel are concerned or interested in the said resolutions.

Mumbai By Order of the Board
November 14, 2017

Ketki Belhe
Company Secretary
Membership No. A21418

Registered Office:
Salaya Administrative Building
44 KM, P.O.Box 7,
Salaya
Taluka Khambhalia
District Devbhumi Dwarka, Jamnagar
Gujarat 361 305

ANNEXURE TO NOTICE

Details of Directors seeking appointment / re-appointment at the Third Annual General Meeting

Shri. Rajiv Agarwal

Shri. Rajiv Agarwal is 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 and Logistics etc., 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.

Capt. B. S. Kumar

Capt. B. S. Kumar has vast experience of over 4 decades and has held key positions in the Ports and Shipping Sector.

Capt. Kumar had played a key role in the development of the Paradip Port on the East Coast of India and was also associated with Dhamra Port, Hazira Port, Finolex Captive Jetty – Ratnagiri. Capt. Kumar was also a Trustee/Director on the Board of Mumbai Port Trust and Paradip Port Trust besides being associated with Indian National Shipowners Association, Steamship Mutual Bermuda Club - UK, Classification Societies.

Capt. Kumar also holds Directorships in various Indian Public Limited companies.

Dr. Jose Paul

Dr. Jose Paul is graduated in M.A. (Political Science) from University of Mysore and has done his PhD in Port Management from University of Wales, Cardiff, United Kingdom.

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

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

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

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Dr. Paul is also a Director on the Board of various Indian public limited companies.

ESSAR PORTS

DIRECTORS' REPORT

To the Members of Salaya Bulk Terminals Ltd. (formerly known as Hazira Coke Limited)

Your Directors have pleasure in presenting the Third Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2017.

1. FINANCIAL RESULTS

The summary of consolidated and standalone financial results of your Company for the year ended March 31, 2017 are furnished below:

(₹ in lakhs)

Particulars	Consolidated		Standalone	
	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2017	For the year ended March 31, 2016
Total Revenue	416.73	180.00	416.73	180.00
Total Expenses	2,359.82	802.18	2,337.04	786.25
Profit / (Loss) for the year	(1,946.33)	(564.98)	(1,923.55)	(549.05)

2. DIVIDEND

Your Directors have not recommended any dividend on Equity Shares.

3. MANAGEMENT DISCUSSION & ANALYSIS

The discussion and analysis below covers the financial results and business outlook of Salaya Bulk Terminals Limited and its subsidiaries for the financial year 2016-17. 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.

Economy and Infrastructure Sector

Global economic growth had slowed to 3.1% during 2016, with moderation in both advanced as well as emerging economies. Commodity prices, which had declined sharply in calendar year 2015, partially recovered during calendar year 2016, particularly those of crude oil and metals. Global trade showed an improvement towards the later part of the year, partly led by the rise in commodity prices

India's Gross Domestic Product (GDP) grew by 7.1% for financial year 2016-2017 compared to a growth of 8.0% during the financial year 2015-2016. The growth was largely impacted during the financial year due to deceleration in industry throughput. However with new reforms like GST put in place by the Indian Government, the growth trajectory for India's economy is expected to continue.

Reserve Bank of India during the monetary policy review during the year, has reduced the repo rate by 50 basis points during the financial year which included a 25 basis points reduction from 6.75% to 6.50% in April 2016 and further 25 basis points reduction to 6.25% in October 2016. This has resulted in overall reduction in the repo rate by 175 basis points since the policy rate reduction cycle began in January 2015.

Based on the overall cues of economy growth and improving investment scenario, it is believed that a further pickup in economic growth is expected. GDP growth is expected to continue to grow at over 7.5% backed on policy initiatives focused on attracting FDI inflows and large investments.

Indian Government has emphasized on the infrastructure growth to build a robust economy. Creation of a world-class port facilities is an important factor for the country's sustained growth. Port 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. Based on this, your Company sees good potential in the growth of ports business.

Ports Sector

During 2016-17, Major and Non-major Ports in India have accomplished a total cargo throughput of 1132 million tonnes reflecting an increase of 5.6% over 2015-16 cargo throughput of 1072 million tonnes. The growth in cargo handled at Major and Non-major ports in 2016-17 were 6.8% and 4.0% respectively. The share of Major Port in the total traffic handled at Indian Port increased from 56.5% in 2015-16 to 57.2% in 2016-17.

At a broad commodity level, during 2016-17, POL, Coal, Iron ore and Other Cargo posted growth of 5.8%, -6.5%, 129.4%, and 3.5% respectively. The decline in coal traffic is mainly attributed to increase in domestic coal production and India's efforts to reduce dependency on imported fossil fuels.

Performance Overview

During the year under review, your Company has achieved significant progress in completing the project as planned to handle the cargoes. The Company is now well poised for commissioning the terminal during FY2018.

Your Company has delivered another year of consistent financial performance. The emphasis continues to be on development of world class facilities and to complete the projects under implementation in time.

Performance Highlights:

Your Company has one port project under construction at Salaya, Gujarat. Essar Bulk Terminal (Salaya) Limited, a subsidiary of your Company completed the construction of berth and stockyard for dry bulk terminal at Salaya. Company is in process of completing bund strengthening and conveyor related works for Salaya project soon. EBTSL facilities includes berth of 385m length and approach channel of 12.1 km which will cater to cape size vessels. Project facilities also includes two screw type unloaders of 2500 TPH each, one ship loader of 1500 TPH, 12.8 km long conveyor system and fully mechanized stockyard with 3 stacker cum reclaimers..

Financials:

Pursuant to a composite scheme of arrangement under relevant provisions of the Companies Act, 1956 and the Companies Act, 2013, with effect from 1 July, 2016 as an appointed date, identified business undertaking related to one floating crane and investments in Essar Bulk Terminal (Salaya) Limited, and related liabilities were demerged into the Company from Essar Ports Limited ("EPL").

The above transaction, in substance, involved combination of EPL's identified business undertaking with the Company. This being a common control business combination, was accounted for using pooling of interest method. Accordingly, the assets and liabilities acquired are reflected at their carrying amounts with effect from 1 April 2015.

Key Financial Performance highlights for the year are as below

Total Revenue contribution on consolidated basis was ₹ 1,943.09 lakhs

Net Loss for the year on consolidated basis was ₹ 206.38 lakhs

4. RISK AND CONCERNS

Changes in the implementation and operation of port and terminal facilities may affect the performance of your Company. Therefore, your Company periodically reviews the risks associated with the business and takes steps to mitigate and minimise the impact of risks.

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.

Your Company have a robust Risk Management framework seeks to create transparency, minimise adverse impact on business objectives and enhance the Company's competitive advantage.

5. SCHEME OF ARRANGEMENT

The Hon'ble High Court Gujarat approved the Composite Scheme of Arrangement on July 1, 2016 for Essar Ports Limited and resulting companies. Your Company was one of the resulting companies. The resulting companies were required to allot shares to the shareholders of Essar Ports Limited in the ratio approved in the Scheme. Accordingly, the Company has allotted shares on September 16, 2016.

The Company has filed the necessary forms with the Ministry of Corporate Affairs on August 26, 2016 and in view thereof, the Scheme has become effective from that date.

6. DIRECTORS, APPOINTMENT AND TENURE

The Directors of the Company are appointed by Members at the General Meetings. In accordance with 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.

In accordance with the provisions of the Companies Act, 2013 & the Articles of Association of the Company, Shri. Rakesh Kankanala (DIN - 07413365) retire at the ensuing Annual General Meeting of the Company and being eligible, offer himself for re-appointment.

7. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED / RESIGNED DURING THE YEAR

During the year, Capt. B. S. Kumar (DIN: 00284649) and Dr, Jose Paul (DIN: 01256347) were appointed as Additional Directors of the Company to hold office upto the date of the ensuing Annual General Meeting. The Company has received notices from member proposing their appointment as Director of your Company.

During the year, Shri. Kumar Nandula (DIN: 01998961) has resigned from the directorship of the Company. The Board places on record its gratitude for the services rendered by the above Directors.

As on the date of the report, the Key Managerial Personnel is Ms. Ketki Belhe, Company Secretary. Ms. Belhe has been appointed as Company Secretary of the Company w.e.f. October 6, 2017.

8. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS / COMMITTEES AND ATTENDANCE OF THE DIRECTORS

The details of meetings of the Board of Directors and Committees thereof and the attendance of each director thereat are provided as an annexure to this report.

9. DECLARATION OF INDEPENDENCE

The Company has received Declarations of Independence as stipulated under Section 149(6) of the Companies Act, 2013 from Independent Directors.

10. COMPOSITION OF THE AUDIT COMMITTEE

As on the date of this report the Audit Committee of the Board comprised of 3 (three) Non-Executive Directors, out of which two of them are Independent. Capt. B. S. Kumar acts as the Chairman of the Committee and Shri Rajiv Agarwal and Dr. Jose Paul are the other members of the Committee. All the recommendations of the Audit Committee have been accepted by the Board.

11. QUALITY, SAFETY AND ENVIRONMENT

Your Company, in order to ensure highest standard of safety, has implemented and initiated various measures with respect to Quality, Safety and Environment Management Systems. The initiatives by your Company have been rewarded with several recognitions.

12. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of Companies Act, 2013, your Company need not constitute a Corporate Social Responsibility Committee.

13. 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.

14. INTERNAL CONTROL SYSTEMS AND ADEQUACY

Your Company has appropriate internal control systems for business processes with regard to its operations, financial reporting and compliance with applicable laws and regulations. It has documented policies and procedures covering financial and operating functions and processes. These policies and procedures are updated from time to time and compliance is monitored by the internal audit function as per the audit plan. The Company continues its efforts to align all its processes and controls with best practices.

15. HUMAN RESOURCE

People management is the backbone of your Company and it is regarded as one of the important resources for the success of your Company.

Though your Company is an equal opportunity employer, special focus is given to enhance diversity and promote employment opportunities for under-privileged segments of society by way of affirmative action to ensure that these segments get their due in building the respective team.

The Company has well documented and updated policies in place to prevent any kind of discrimination and harassment, including sexual harassment. The Whistle Blower Policy plays an important role as a watchdog.

16. FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year under review.

17. AUDITORS

Messrs Nisar & Kumar, Chartered Accountants, having Registration No. 127820W, were appointed as the Statutory Auditors of the Company at the Annual General Meeting (AGM) held on September 16, 2015 for a term of five consecutive years.

The Statutory Auditors have laid down their office as Statutory Auditors of the Company and in terms of Section 139 (8) of the Companies Act, 2013 the casual vacancy in the office of an auditor was filled in by the appointment of Messrs. MSKA & Associates, Chartered Accountants, Floor 2, Enterprise Centre, Nehru Road, Vile Parle (East), Mumbai 400 099 by the Board of Directors subject to the approval of the members at the ensuing General Meeting to be held within three months of the recommendation of the Board and the Auditor shall hold the office till the conclusion of the seventh Annual General Meeting. If approved by the members in the ensuing Annual General Meeting of the Company to be held in calender year 2021.

The Company has received a certificate from the proposed Statutory Auditor to the effect that their appointment, if made, shall be in compliance with the provisions of Section 139 and 141 of the Companies Act, 2013. Accordingly, the Board proposes the appointment of Messers MSKA & Associates, Chartered Accounts CICAI Firm Registration number : 105047WJ as a new Statutory Auditor of the Company, to hold office for one term of five (5) consecutive year, commencing from conclusion of the ensuing 3rd AGM upto the Annual General Meeting of the Company to be held in Calander Year 2021.

MSKA & Associates specialize in providing high-end services in Tax, Regulatory and Audit Assurance domain. MSKA is today positioned as one of the largest mid-sized firms in India. With a strong presence in Bengaluru, Chennai, Kolkata, Hyderabad, Mumbai, New Delhi - Gurgaon and Pune, they plan to establish their foot-print across all major Indian cities thus creating a pan-Indian identity.

The firm is renowned for its Tax & Regulatory expertise and has been lauded for its handling of such cases/transactions that have provided significant benefits to the clients. As India tries to cope with the overwhelming plethora of Tax and Regulations, MSKA with its robust Knowledge Management process is in position to deal with the various complexities of the business world.

Their partners are reputed with being entrepreneurial and take pride in a work culture that is both client-centric and knowledge driven. Their well-founded internal training programs ensure that their teams of young and talented managers render timely and efficient services to their clients.

The Report given by M/s. MSKA & Associates, Chartered Accountants, the Statutory Auditors on the financial statements of the Company is part of the Annual Report.

18. INFORMATION TECHNOLOGY

Information Technology continues to be integral to the Company's processes, improvement and transformational initiatives. Your Company continues to explore and implement new emerging technologies on predictive analytics and industrial automations. The Company is continuously strengthening its core systems with upgrades and enhancements, thereby helping the Company align business segments and simplify business processes. The Company is also working on a well-defined IT Strategy and roadmap to leverage enhancing customer reach and operational efficiency. Your Company's key business enablement initiatives are gaining grounds and will continue to support its growth strategy in the years to come.

19. SUBSIDIARIES

As on March 31, 2017, Essar Bulk Terminal (Salaya) Limited was the subsidiary of your Company:

20. WHISTLE BLOWER POLICY / VIGIL MECHANISM

Your Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to report their genuine concerns which is perceived to be in violation of or in conflict with the fundamental business principles of the Company.

21. DISCOLSURES WITH RESPECT TO THE REMUNEATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013

Since your Company is not a listed company, the 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 not applicable.

22. RELATED PARTY TRANSACTIONS

All Related Party Transactions entered during the year were in the ordinary course of business and on an arm's length basis.

All Related Party Transactions are placed before the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Company has adopted a Related Party Transactions Policy.

Details of the transactions with Related Parties are provided in the accompanying financial statements.

23. 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.

24. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. There are no reported cases during the financial year 2016-17.

25. FOREIGN EXCHANGE EARNINGS & OUTGO

(1) Earned (including freight, charter, hire earnings, interest income, etc.) ₹ Nil.

(2) Used (including loan repayments, interest, operating expenses, etc.) ₹ Nil.

26. 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 Financial Statements, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) accounting policies selected were applied consistently and judgments and estimates were made 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 has 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.

27. APPRECIATION AND ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board

Mumbai	**Rajiv Agarwal**	**Rakesh Kankanala**
November 14, 2017	Director	Director
	DIN : 00903635	DIN - 07413365

ANNEXURE TO THE DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

(As on the Financial Year ended on 31st March, 2017)

[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	:	U61100GJ2014PLC078242
ii)	Registration Date	:	10th January 2014
iii)	Name of the Company	:	SALAYA BULK TERMINALS LIMITED (formerly known as Hazira Coke Limited)
iv)	Category/Sub-Category of the Company	:	Public Company limited by shares
v)	Address of the Registered Office and contact details	:	Salaya Administrative Building, 44 KM, P. O. box 7 Taluka Khambaliya, District Dev Bhoomi Dwarka Jamnagar Jamnagar GJ 361305 IN
vi)	Whether listed company	:	No
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	:	Data Software Research Company Pvt. Ltd. 19, Pycrofts Garden Road, Off Haddows Road, Nungambakkam Chennai 600 006 Phone : +91 44 2821 3738, 2821 4487 E-mail : essar.ports@dsrc-cid.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Building and operation of Ports and Jetties

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON MARCH 31, 2017:

HOLDING COMPANY			
Sl No.	Name and address of the company	CIN/GLN	% of shares held
1.	Essar Ports & Terminals Limited Essar House, 10, Frere Felix De Valois Street, Port Louise, Mauritius	N.A.	61.10%

SUBSIDIARY COMPANIES			
Sl. No.	Name and address of the company	CIN/GLN	% of shares held
1.	Essar Bulk Terminal (Salaya) Limited Salaya Administrative Building, 44 Km Stone Jamnagar-Okha Highway, PO Box No. 07 Khambhaliya, Jamnagar Gujarat- 361305	U63032GJ2007PLC093255	93.15%

ASSOCIATE COMPANIES			
Sl. No.	Name and address of the company	CIN/GLN	% of shares held
	NIL		

i) **Category-wise Shareholding**

	Category of Shareholders	No. of Shares held at the beginning of the year 2016				No. of Shares held at the end of the year 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
1	**Indian**									
(a)	Bodies Corporate	7792700	2275	7794975	36.40	7794198	38829	7833027	36.58	0.18
	Sub-Total (A)(1)	7792700	2275	7794975	36.40	7794198	38829	7833027	36.58	0.18
2	**Foreign**									
(a)	Bodies Corporate	13084887	0	13084887	61.11	13084887	0	13084887	61.11	0.00
	Sub-Total (A)(2)	13084887	0	13084887	61.11	13084887	0	13084887	61.11	0.00
	Total Promoter Shareholding=(A)(1)+(A)(2)	**20877587**	**2275**	**20879862**	**97.51**	**20879085**	**38829**	**20917914**	**97.69**	**0.18**
B.	**Public Shareholding**									
1	**Institutions**									
(a)	Mutual Funds/ UTI	164	1594	1758	0.01	164	1594	1758	0.01	0.00
(b)	Financial Institutions/ Banks	102	1736	1838	0.01	102	2416	2518	0.01	0.00
(c)	Insurance Companies	0	1	1	0.00	0	1	1	0.00	0.00
(d)	Foreign Institutional Investors	169	600	769	0.00	0	600	600	0.00	0.00
(e)	Qualified Foreign Investor									
(i)	Any other (Specify)									
(ii)	Foreign Bank	45	680	725	0.00	45	0	45	0.00	0.00
	Sub-Total (B)(1)	480	4611	5091	0.02	311	4611	4922	0.02	0.00
2	**Non -Institutions**									
(a)	Bodies Corporate	15674	35464	51138	0.24	27138	4248	31386	0.15	-0.09
(i)	Indian									
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹1 lakh.	257997	203026	461023	2.15	246072	196662	442734	2.07	-0.08
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh									
(c)	Others									
(i)	Qualified Foreign Investor									
-	Non Resident Individuals	6804	8895	15699	0.07	6983	8874	15857	0.07	0.00
-	Non Domestic Company									
	Sub-Total (B)(2)	280475	247385	527860	2.47	280193	209784	489977	2.29	-0.18
	Total Public Shareholding (B)=(B)(1)+B(2)	**280955**	**251996**	**532951**	**2.49**	**280504**	**214395**	**494899**	**2.31**	**-0.18**
	TOTAL (A) + (B)	**21158542**	**254271**	**21412813**	**100.00**	**21159589**	**253224**	**21412813**	**100.00**	**0.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**									
	GRAND TOTAL (A)+(B)+(C)	**21158542**	**254271**	**21412813**	**100.00**	**21159589**	**253224**	**21412813**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 2016			Shareholding at the end of the year 2017			% change in share holding during the year
		No. of Shares	% of Shares total of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Shares total of the company	% of Shares Pledged/ encumbered to total shares	
1	Essar Projects (India) Ltd	2104169	9.83	9.83				-9.83
2	Essar Shipping & Logistics Ltd	1669	0.01					-0.01
3	Essar Global Ltd.	3	0.00					0.00
4	Essar Port Holdings Mauritius Ltd.	13083215	61.10					-61.10
5	Imperial Consultants And Sec Pvt Ltd	5690806	26.58	26.34	399703	1.87	1.68	-24.71
6	Essar Ports & Terminals Ltd.	13083215	61.10	61.10	61.10			
7	Ibrox Aviation Private Ltd				7433324	34.71	34.71	34.71
8	Essar Ports And Shipping Ltd.				1672	0.01		0.01
9	Essar Steel Jharkhand Ltd							0.00
	TOTAL	**20879862**	**97.51**	**36.17**	**20917914**	**97.69**	**97.49**	**0.18**

iii) Shareholding Pattern of top ten Shareholders (others than Directors, Promoters and Holders of Foreign Currency Convertible bonds) as on 31st March, 2017

Sr. No.	Name of Shareholders	Shareholding		Date +	Increase/ Decrease (No. of shares)+	Reasons +	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	**LAL TOLANI**							
	At the beginning of the year	3490		15.09.2016				
	Bought during the year							
	Sold during the year							
	At the end of the year	3490		31.03.2017			3490	0.00
2	**R J SHARES AND SECURITIES PRIVATE LIMITED**							
	At the beginning of the year	1426		15.09.2016				
	Bought during the year							
	Sold during the year							
	At the end of the year	1426		31.03.2017			1426	0.00
3	**SUSHIL KUMAR GUPTA**							
	At the beginning of the year	1426		15.09.2016				
	Bought during the year							
	Sold during the year							
	At the end of the year	1426		31.03.2017			1426	0.00
4	**RITU JAIN**							
	At the beginning of the year	1340		15.09.2016				
	Bought during the year							
	Sold during the year							
	At the end of the year	1340		31.03.2017			1340	0.00

Sr. No.	Name of Shareholders	Shareholding		Date +	Increase/ Decrease (No. of shares)+	Reasons +	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
5	**BANK OF INDIA-- IN HOUSE ACCOUNT**							
	At the beginning of the year	1265		15.09.2016				
	Bought during the year							
	Sold during the year							
	At the end of the year	1265		31.03.2017			1265	0.00
6	**RIPON ESTATES LTD**							
	At the beginning of the year	1200		15.09.2016				
	Bought during the year							
	Sold during the year							
	At the end of the year	1200		31.03.2017			1200	0.00
7	**R P DAVID**							
	At the beginning of the year	1200		15.09.2016				
	Bought during the year							
	Sold during the year							
	At the end of the year	1200		31.03.2017			1200	0.00
8	**SHRINIVAS VASUDEVA DEMPO**							
	At the beginning of the year	1200		15.09.2016				
	Bought during the year							
	Sold during the year							
	At the end of the year	1200		31.03.2017			1200	0.00
9	**K D PARAKH**							
	At the beginning of the year	1200		15.09.2016				
	Bought during the year							
	Sold during the year							
	At the end of the year	1200		31.03.2017			1200	0.00
10	**SATYAVATI R RUIA**							
	At the beginning of the year	1108		15.09.2016				
	Bought during the year							
	Sold during the year							
	At the end of the year	1108		31.03.2017			1108	0.00

iv) 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
	At the beginning of the year	Nil	-	Nil	NIL
	Bought during the year				
	Sold during the year				
	At the end of the year				

V. INDEBTEDNESS

The indebtedness of the Company as on March 31, 2017 was as follows :

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

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	–	–	–
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**–**	**–**	**–**	**–**
Change in Indebtedness during the financial year				
Additions	–	14,548.27	2,801.82	17,350.09
Reduction	–	–	–	–
Interest accrued paid / waived / adjusted in scheme	–	–	–	–
Net Change	**–**	**14,548.27**	**2,801.82**	**17,350.09**
Indebtedness at the end of the financial year				
i) Principal Amount	–	14,548.27	–	14,548.27
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	2,801.82	2,801.82
Total (i+ii+iii)	**–**	**14,548.27**	**2,801.82**	**17,350.09**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Wholetime Directors and/or Manager:

– NOT APPLICABLE –

B. Remuneration to Other Directors:

– NOT APPLICABLE –

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

– NOT APPLICABLE –

VII. 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 14, 2017

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

Form No. AOC – 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures

PART "A": SUBSIDIARIES

(₹ in lakhs)

1	**Name of the Subsidiary**	**Essar Bulk Terminal (Salaya) Limited**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2017
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign Subsidiaries	N/A
4	Share capital	406.07
5	Reserves & surplus * Equity component of 0.01 Compulsorily Convertible Cumulative Participating Preference Shares	48,002.81*
6	Total assets	185,955.64
7	Total Liabilities	137,546.76
8	Investments	–
9	Turnover	–
10	Profit / (Loss) before taxation	(22.72)
11	Provision for taxation	–
12	Profit / (Loss) after taxation	(22.72)
13	Proposed Dividend	–
14	% of shareholding	93.2%
	Notes: The following information shall be furnished at the end of the statement:	
1	Names of subsidiaries which are yet to commence operations	Nil
2	Names of subsidiaries which have been liquidated or sold during the year.	Nil

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

Mumbai, November 14, 2017

ESSAR PORTS

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 undue first proviso to section 188
NIL								

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

(₹ in lakhs)

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
NIL							

For and on behalf of the Board

Mumbai
November 14, 2017

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

DETAILS OF ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

BOARD MEETINGS

Name of the Director	Category of Director	Number of Board Meetings held and attended during the year	
		Held during the year	Attended
Shri. Rajiv Agarwal *	Director	11	4
Capt. Deepak Sachdeva *	Director	11	11
Shri. Kumar Nandula *	Director	11	11
Shri. Rakesh Kankanala *	Director	11	11

* Part of the year

INDEPENDENT AUDITOR'S REPORT

To the Members of SALAYA BULK TERMINALS LIMITED (formerly known as Hazira Coke Limited)

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Salaya Bulk Terminals Limited (formerly known as Hazira Coke Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 standalone Ind AS 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 Ind AS financial statements based on our audit.

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

We conducted our audit of the standalone Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 (financial position) of the Company as at 31st March, 2017, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 25 to the standalone Ind AS financial statements pertaining to the restatement of the financial statements of the Company to account for the common control transaction by the Company using pooling of interest method in accordance with Ind AS 103: Business Combination.

Our opinion is not modified in respect of this matter.

Other Matter

a) The Indian GAAP financial statements of the Company for the year ended 31st March, 2016, were audited by another auditor whose report dated July 26, 2016 expressed an unmodified opinion on those statements.

b) The comparative financial information of the Company for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounts) Rules, 2014 audited by the predecessor auditor whose report for the year ended 31st March, 2016 and 31st March, 2015 dated July 26, 2016 and August 17, 2015 respectively expressed an unmodified audit opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

c) As stated in Note 25 to the standalone Ind AS financial statement the common control transaction have been accounted on the basis of the management prepared statement of financial information. This statement was not subject to independent audit or review by us or predecessor auditors of the Company.

Our opinion is not modified in respect of these matters.

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, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.

   (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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'

   (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.

      iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 – Refer Note 21 of the Ind AS financial statements.

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

For **MSKA & Associates**
(formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration No. 105047W

Anita Somani
Partner
Membership No. 124118

Place : Mumbai
Date : November 24, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

of even date on the Financial Statements of Salaya Bulk Terminals Limited (Formerly known as Hazira Coke Limited)

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

We have audited the internal financial controls over financial reporting of Salaya Bulk Terminals Limited (formerly known as Hazira Coke Limited) ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note". 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 Act.

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 and the Standards on Auditing as specified under section 143(10) of the Act, 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

For **MSKA & Associates**
(formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration No. 105047W

Anita Somani
Partner
Membership No. 124118

Place : Mumbai
Date : November 24, 2017

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Salaya Bulk Terminals Limited on the financial statements for the year ended March 31, 2017]

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

(b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepencies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties and accordingly the clause (i)(c) is not applicable.

ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, sales-tax, duty of customs, value added tax, cess and any other statutory dues applicable to it except value added tax where there were significant delays. As informed to us, the provisions of employees' state insurance and excise duty were not applicable to the Company during the year.

According to the information and explanations given to us, the Company has not deposited value added tax which were outstanding as at March 31, 2017 for a period of more than six months from the date they become payable. Dues in the nature of provident fund, employees' state insurance, sales-tax, service tax, duty of customs, duty of excise, cess and any other statutory dues are not applicable to the Company.

Name of the statute	Nature of the dues	Amount ₹	Period to which the amount relates	Due Date	Date of Payment
Gujarat Value Added tax Act, 2003	Value added Tax	180,000	July 1, 2016 to August 30, 2016	Various	10 November 2017

(b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and any other statutory dues which have not been deposited on account of any dispute.

viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us, the Company does not have a managing director, whole time director or manager, hence, reporting under Clause (xi) is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For **MSKA & Associates**
(formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration No. 105047W

Anita Somani
Partner
Membership No. 124118

Place : Mumbai
Date : November 24, 2017

ESSAR PORTS

Balance Sheet as at March 31, 2017

₹ in lakhs

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
I ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	649.71	710.67	782.79
(b) Financial assets				
(i) Investment in subsidiary	6	45,630.55	45,630.55	32,643.48
Total non-current assets		**46,280.26**	**46,341.22**	**33,426.27**
Current assets				
(a) Financial assets				
(i) Trade receivables	7	55.57	–	–
(ii) Cash and cash equivalents	8	4.72	4.73	4.99
(b) Current tax assets	9	2.46	–	–
Total current assets		**62.75**	**4.73**	**4.99**
Total Assets		**46,343.01**	**46,345.95**	**33,431.26**
II EQUITY AND LIABILITIES				
Equity				
(a) Share capital	10	2,141.28	5.00	5.00
(b) Other equity	11	23,821.04	28,340.42	15,425.43
Total equity		**25,962.32**	**28,345.42**	**15,430.43**
Liabilities				
Non current liabilities				
(a) Deferred tax liability	12	76.31	73.07	130.27
Total non current liabilities		**76.31**	**73.07**	**130.27**
Current liabilities				
(a) Financial liabilities				
(i) Trade payables	13	680.30	24.04	35.46
(ii) Other financial liabilities	14	19,615.31	17,903.42	17,835.10
(b) Other current liabilities	15	8.77	–	–
Total current liabilities		**20,304.38**	**17,927.46**	**17,870.56**
Total Liabilities		**20,380.69**	**18,000.53**	**18,000.83**
Total equity and liabilities		**46,343.01**	**46,345.95**	**33,431.26**
See accompanying notes to the financial statements				

In terms of our report attached
MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Anita Somani
Partner

Mumbai, November 24, 2017

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

Ketki Belhe
Company Secretary
Membership no: A21418

Mumbai, November 14, 2017

Statement of Profit and Loss for the year ended March 31, 2017

₹ in lakhs

	Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
I	Revenue from operations	16	108.00	180.00
II	Other income	17	308.73	–
III	**Total Income (I + II)**		**416.73**	**180.00**
IV	**Expenses:**			
	(a) Other expenses	18	682.97	424.36
	(b) Depreciation	5	60.96	72.12
	(b) Finance costs	19	1,593.11	289.77
V	**Total Expenses**		**2,337.04**	**786.25**
VI	**Profit / (Loss) before tax**		**(1,920.31)**	**(606.25)**
VII	**Tax expense/(benefit):**			
	(a) Current tax	26	–	–
	(b) Deferred tax	26	3.24	(57.20)
			3.24	**(57.20)**
VIII	**Loss for the year (VII-VI)**		**(1,923.55)**	**(549.05)**
	Other comprehensive income		–	–
IX	**Total other comprehensive income**		**–**	**–**
X	**Total comprehensive loss for the year (VIII+IX)**		**(1,923.55)**	**(549.05)**
XI	**Earnings per equity share**			
	(1) Basic (in ₹)	22	(8.96)	(2.56)
	(2) Diluted (in ₹)	22	(8.96)	(2.56)
	See accompanying notes to the financial statements			

In terms of our report attached
MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Anita Somani
Partner
Mumbai, November 24, 2017

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

Ketki Belhe
Company Secretary
Membership no: A21418

Mumbai, November 14, 2017

ESSAR PORTS

Cash Flow Statement for the year ended March 31, 2017

₹ in lakhs

	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A	**Cash flow from operating activities**		
	Net Profit / (Loss) before taxation	(1,920.31)	(606.25)
	Adjustment for		
	Depreciation and amortisation expense	60.96	–
	Exchange gain	(308.73)	–
	Restatement under common control transaction (refer note 2 below)	(45.67)	606.01
	Finance Costs	1,593.11	–
	Operating loss before working capital changes	**(620.64)**	**(0.24)**
	Movements in Working Capital:		
	Increase /(Decrease) in trade payables	668.19	(0.02)
	Increase / (Decrease) in other financial liabilities	1.70	–
	(Increase) / Decrease in trade receivables	(55.57)	–
	Increase / (Decrease) in other current liabilities	8.77	–
	Cash generated from operations	**2.45**	**(0.26)**
	Taxes Paid	(2.46)	–
	Net cash generated from operating activities	**(0.01)**	**(0.26)**
B	**Cash flow from investing activities**	–	–
	Net cash from investing activities	**–**	**–**
C	**Cash Flow from Financing activities**		
	Proceeds from issuance of Share Capital	–	–
	Net cash flow from Financing activities	**–**	**–**
	Net increase in cash and cash equivalents (A+B+C)	**(0.01)**	**(0.26)**
	Cash and cash equivalents at the beginning of the year	4.73	4.99
	Cash and cash equivalents at the end of the year	**4.72**	**4.73**

Components of cash and cash equivalents	As at March 31, 2017	As at March 31, 2016
With banks - on current account	4.72	4.73
Total	**4.72**	**4.73**

Footnotes:

1) The above cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 on cash flow statement notified under Section 133 of the Companies Act 2013, read together with companies (Indian Accounting Standard) Rules 2015 (as amended)

2) Restatement effect in the statement of profit and loss for the year ended March 31, 2017 and for the period April 01, 2016 to June 30, 2016 and the movement of assets and liabilities acquired as part of the composite scheme of arrangement (refer note 25) being non cash transaction have been excluded from the cash flow statement.

3) 21,412,813 number of equity shares are issued persuant to the composite scheme of arrangement (refer note 25) for consideration other than cash.

In terms of our report attached
MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Anita Somani
Partner
Mumbai, November 24, 2017

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

Ketki Belhe
Company Secretary
Membership no: A21418

Mumbai, November 14, 2017

Statement of Changes in Equity for the year ended March 31, 2017

A. EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	Amount
Balance as at April 01, 2015	5.00
Changes in equity share capital during the year	–
Balance as at March 31, 2016	5.00
Cancellation of equity shares upon implementation of the Composite Scheme of Arrangement (the "Scheme") (refer note 25)	(5.00)
Issue of equity shares pursuant to the Scheme (refer note 25)	2,141.28
Balance as at March 31, 2017	**2,141.28**

B. OTHER EQUITY

₹ in lakhs

Particulars	Capital Reserve	Retained earnings	Equity component of financial instrument	Total
	On common control business combination			
Balance as at April 01, 2015	14,995.31	(0.58)	430.70	15,425.43
Profit/(Loss) for the year		(549.05)	–	(549.05)
Other comprehensive income for the year, net of income tax	–	–	–	–
Total comprehensive income/ (loss) for the year	**–**	**(549.05)**	**–**	**(549.05)**
Other adjustments (on account of composite scheme of arrangement) (refer note 25) :	13,464.03	–	–	13,464.03
Balance as at March 31, 2016	**28,459.34**	**(549.63)**	**430.70**	**28,340.42**
Profit/(Loss) for the year	–	(1,923.55)	–	(1,923.55)
Other comprehensive income for the year, net of income tax	–	–	–	–
Total comprehensive income/ (loss) for the year	**–**	**(1,923.55)**	**–**	**(1,923.55)**
Accounting effects pursuant to implementation of the Scheme (refer note 25)				
Other adjustments (on account of composite Scheme of arrangement) (refer note 25):	(454.54)	–	–	(454.54)
Issue of share capital (refer note 25)	(2,141.28)	–	–	(2,141.28)
Balance as at March 31, 2017	**25,863.52**	**(2,473.18)**	**430.70**	**23,821.04**
See accompanying notes to the financial statements				

In terms of our report attached
MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Anita Somani
Partner
Mumbai, November 24, 2017

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

Ketki Belhe
Company Secretary
Membership no: A21418

Mumbai, November 14, 2017

1. CORPORATE INFORMATION

Salaya Bulk Terminals Limited ("the Company") is a public limited company incorporated under the Companies Act, 1956 and its registered office is located at Salaya Administrative Building, 44 KM, P. O. box 7, Taluka Khambaliya, District Dev Bhoomi Dwarka, Jamnagar, Gujarat . Principal place of business of the Company is located at Salaya, Gujarat.

The Company through its subsidiary is developing a dry bulk port facility at Salaya in Gujarat which is designed to handle dry bulk cargo of 20 million metric tonne per annum. The facility will include 385 meters long jetty, two ship unloaders and a loader, conveyors belts of 12.8 kms for transportation of cargo from the jetty till the stock yard, storage facilities for cargo and other port facilities for handling of captive and third party cargo.

The financial statements were approved for issue by the board of directors on November 14, 2017.

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakh, except where otherwise indicated.

2. BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance: The Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 and accounting principles generally accepted in India.

For all periods up to and including the year ended 31st March 2016, the Company prepared its financial statements in accordance with requirements of the Accounting Standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP"). These are the first Ind AS Financial Statements of the Company. The date of transition to Ind AS is April 1, 2015. Refer note 27 for the details of first-time adoption exemptions availed by the Company.

First-time adoption: In accordance with Ind AS 101 on First-time adoption of Indian Accounting Standards, the Company's first Ind AS financial statements include, three balance sheets, namely, the opening balance sheet as at April 1, 2015 and balance sheets as at March 31, 2016 and March 31, 2017, and, two statements each of profit and loss, cash flows and changes in equity for the years ended March 31, 2016 and 2017 together with related notes (together hereinafter referred to as "the Financial Statements"). The same accounting policies have been used for all periods presented, except where the Company has made use of exceptions and exemptions allowed under Ind AS 101 in the preparation of the opening Ind AS balance sheet (refer note 27).

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments and property, plant and equipment measured at fair values, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value: is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurement that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition for financial reporting purposes, fair value measurement are categorized into level 1, 2 and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirely, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly, and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Property, plant and equipment

The cost of property, plant and equipment 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 on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets.

Capital work in progress comprise of those costs that relate directly to specific assets and those that are attributable to the construction or project activity in general and can be allocated to specific assets up to the date the assets are put to their intended use. At the point when an asset is operating at management's intended use, the capital work in progress is transferred to the appropriate category of property, plant and equipment and depreciation commences. Major inspections and overhauls are identified and accounted for as an asset if that component is used over more than one reporting period.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has

Notes forming part of the financial statements

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.

Class of assets	Years
Plant and equipment	10 – 15

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Freehold land is not depreciated.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

B. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

C. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

As lessor -

Operating lease income for equipment rentals is recognized on a straight-line basis over the lease term. An arrangement that is not in the legal form of a lease is accounted for as a lease if it is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. Receivables from finance leases, in which the Company as lessor transfers substantially all the risks and rewards incidental to ownership to the customer are recognized at an amount equal to the net investment in the lease. Finance income is subsequently recognized based on a pattern reflecting a constant periodic rate of return on the net investment using the effective interest method.

As Lessee -

Leases in which the Company is the lessee and has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the commencement of the lease at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The interest element of the finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The corresponding rental obligations, net of finance charges, are included in other short-term and other non-current liabilities. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the assets and the lease term.

Leases in which the Company is the lessee and in which substantially all risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognized in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

In case of changes in the provisions of the lease resulting in different classification, the revised agreement is regarded as a new agreement over its term. Gain / loss, if any, resulting from the reclassification is charged to the Statement of Profit and Loss.

D. Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from operations

Revenue from operation represents revenue from handling and dispatch of cargo. 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..

Interest income

Interest income is recognised on a time proportion basis following effective interest rate method.

Dividend income

Revenue is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

E. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Capitalisation of the borrowing costs is suspended during extended periods in which it suspends active development of a qualifying asset.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

F. Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the Statement of profit and loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

G. Foreign currencies

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated

Notes forming part of the financial statements

in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks;

H. Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial asset primarily comprise of investments, loans and advances, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings, trade and other payables.

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

I. Financial assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

b) Investments in subsidiaries and associates

Investment in subsidiaries and associates are accounted at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to Statement of Profit and Loss.

c) Classification of financial assets

For purposes of subsequent measurement, financial assets are classified in two broad categories:

1. Financial assets at amortised cost
2. Financial assets at fair value

Where assets are measured at fair value, gains and losses are either recognized in the statement of profit and loss (i.e. fair value through profit and loss) (FVTPL), or recognized in other comprehensive income (i.e. fair value through other comprehensive income) (FVTOCI)

Financial asset at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Financial assets at fair value

Debt instruments

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the

Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company has made an irrevocable election to designate an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. Dividends on these investments are are recognized in the Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

d) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in the Statement of Profit and Loss and is included in the 'Other income' line item.

e) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

f) Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime

Notes forming part of the financial statements

expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

II. Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'Other Income' line item in the Statement of Profit and Loss.

Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) that are not held-for-trading and are not designated as at FVTPL are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit or Loss.

d) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through Statement of profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Statement of profit or loss, unless designated as effective hedging instruments.

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

I. Compound financial instrument

Compound financial instruments issued by the Company comprise of compulsory convertible cumulative participating preference shares and foreign currency convertible bonds. Compound financial instruments are separated into liability and equity components based on the terms of the contract.

The liability component of compound financial instrument is initially recognised at the fair value of the similar liability without an equity conversion option. The equity component is initially recognised as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Subsequent to initial recognition, the financial liability is measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The equity component of the compound financial instrument is not measured subsequently.

Transaction costs are apportioned between the liability and equity components of the compound financial instrument based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

J. Taxation

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that

Notes forming part of the financial statements

it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 during the specified period i.e., the period for which MAT credit is allowed to be carried forward as per tax laws. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal income tax during the specified period.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the period

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

K. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past event, and it is probable that an outflow of resources embodying economic benefits, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are not recognised but disclosed unless the probability of an outflow of resources is remote. Contingent assets are disclosed where inflow of economic benefits is probable.

L. Business combinations under common control

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method.

Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonise the accounting policies. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appeared in the financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

3.1. Key sources of estimation uncertainty and critical accounting judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognised in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Going Concern

The management at each close makes an assessment of the Company's ability to continue as a going concern. In making such evaluation, it considers, inter alia, the quantum and timing of its cash flows, in particular collection of all its recoverable amount and settlement of its obligations to pay creditors and lenders on due dates. The accounting policy choices in preparation and presentation of the financial statements is based on the Company's assessment that the Company will continue as a going concern in the foreseeable future. (Refer Note 57)

ii) Arrangement in the nature of lease and separating payments of lease from the other considerations

The Company has entered into arrangements on take or pay basis to cargo handling service to Essar Steel India Limited. Based on assessment of the terms of the arrangements, the Company has concluded that these arrangements are not in the nature of lease.

iii) Useful lives of property, plant and equipment and intangible assets

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

iv) Impairment of non-financial assets

The management performs annual impairment tests on cash generating units and capital work-in-progress for which there are indicators that the carrying amount might be higher than the recoverable amount. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 20.

v) Income Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

vi) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

vii) Recoverability of financial assets

Assessment of recoverability of trade receivables require significant judgment. Factors considered include the credit rating, assessment of intention and ability of the counter party to discharge the liability, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment. See Note 7 for further disclosures on impairment of trade receivables.

viii) Fair value measurement of financial instruments

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 20 for further disclosures.

3.2. Standards issued but not yet effective and have not been adopted early by the Company

Ind AS 7, 'Statement of Cash Flows'

The Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 (the 'Amendment rules') on 17 March 2017, notifying amendment to Ind AS 7, 'Statement of Cash Flows'.

The amendment to Ind AS 7 introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

These amendments shall come into force on the 1st day of April, 2017 and Company shall apply the amendments in its financial statements for annual periods beginning on or after 1 April 2017.

During initial application of the amendment in Ind AS 7, Company will have to give reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

Notes forming part of the financial statements

4 PROPERTY, PLANT AND EQUIPMENT

₹ in lakhs

Particulars	Plant and equipment
Deemed cost	
At April 01, 2015	782.79
Additions	–
At March 31, 2016	**782.79**
Addition	–
At March 31, 2017	**782.79**
Accumulated depreciation	
At April 01, 2015	–
Depreciation expense	72.12
At March 31, 2016	**72.12**
Depreciation expense	60.96
At March 31, 2017	**133.08**
Carrying amount	
At April 01, 2015	782.79
At March 31, 2016	**710.67**
As at March 31, 2017	**649.71**

Note: Plant and equipment of the Company has been secured against a term loan obtained by a fellow subsidiary

5 DEPRECIATION AND AMORTISATION EXPENSE

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation of Property, plant and equipment	60.96	72.12
Total depreciation and amortisation expenses	**60.96**	**72.12**

6 INVESTMENT IN SUBSIDIARY

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investment in Subsidiary *			
Investment in Equity Instruments (at Cost)			
Essar Bulk Terminal (Salaya) Limited	320.04	320.04	320.04
32,00,420 (as at March 31, 2016: 32,00,420; as at April 01, 2015: 32,00,420) equity shares of ₹ 10 each fully paid			
Investment in Prefrence Shares (at Cost) *			
Essar Bulk Terminal (Salaya) Limited			
45,31,05,100 (as at March 31, 2016: 45,31,05,100; as at April 01, 2015: 32,32,34,400) 0.01% compulsorily convertible cumulative Participating preference shares of ₹ 10/- each fully paid	45,310.51	45,310.51	32,323.44
Total	**45,630.55**	**45,630.55**	**32,643.48**

* These shares are acquired as part of the composite scheme of arrangement (refer note no. 25) and are in the process of being registered in the name of the Company.

Notes forming part of the financial statements

7 TRADE RECEIVABLES

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured, considered good			
From related party (refer note 27)	55.57	–	–
Total	**55.57**	**–**	**–**

The credit period on sale of services is 30 days. No interest is charged on overdue receivables.

In determining the allowance for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The expected credit loss allowance is based on an ageing of the receivables that are due and rates used in the provision matrix. The Company does not have any past due trade receivables.

8 CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with banks (refer note below)	4.72	4.73	4.99
Total	**4.72**	**4.73**	**4.99**

9 CURRENT TAX ASSETS

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Tax deducted at source (Net of provision for tax Nil)	2.46	–	–
Total	**2.46**	**–**	**–**

10 SHARE CAPITAL

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)
Authorised Capital						
Equity shares of ₹ 10/- each	25,000,000	2,500.00	50,000	5.00	50,000	5.00
Total	**25,000,000**	**2,500.00**	**50,000**	**5.00**	**50,000**	**5.00**
Issued capital						
Equity shares of ₹ 10/- each (refer note 25)	21,412,813	2,141.28	50,000	5.00	50,000	5.00
Total	**21,412,813**	**2,141.28**	**50,000**	**5.00**	**50,000**	**5.00**
Subscribed and fully paid up						
Equity shares of ₹ 10/- each	21,412,813	2,141.28	50,000	5.00	50,000	5.00
Total	**21,412,813**	**2,141.28**	**50,000**	**5.00**	**50,000**	**5.00**

Notes forming part of the financial statements

Notes:-

a) Reconciliation of Equity Shares outstanding at the beginning and at the end of the year

Particulars	Opening balance	Cancellation of equity shares on account of scheme of arrangement (refer note 25)	Issue of equity shares pursuant to the scheme of arrangement (refer note 25)	Closing balance
Equity Shares				
Year ended March 31, 2017				
- Number of shares	50,000	(50,000)	21,412,813	21,412,813
- Amount	5.00	(5.00)	2,141.28	2,141.28
Year ended March 31, 2016				
- Number of shares	50,000	–	–	50,000
- Amount	5.00	–	–	5.00

b) Terms / Rights attached to equity shares

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

c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates and details of the shareholding more than 5% shares in the Company.

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares	% shares	Number of shares	% shares	Number of shares	% shares
Paradeep Steel Company Limited, (Holding company) together with its nominees	–	–	50,000	100.00%	50,000	100.00%
Essar Africa Minerals Holdings Limited	13,083,215	61.10%	–	–	–	–
Ibrox Aviation and Trading Pvt Limited	7,433,324	34.71%	–	–	–	–
Total	**20,516,539**	**95.81%**	**50,000**	**100.00%**	**50,000**	**100.00%**

(d) During the year the Company has issued 2,14,12,813 shares of ₹ 10 each fully paid to the Shareholders of Essar Ports Limited for a consideration other than cash under the composite scheme of arrangement. The Company has not brough back any shares in the previous five years except equity shares cancelled during the year. (refer note 25)

(e) Shares reserved for issue under option

For details of shares reserved for issue under conversion of forreign currency convertible bond refer note no 23

11 OTHER EQUITY

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Retained earnings	(2,473.18)	(549.62)	(0.58)
(b) Equity component of Foreign currency convertible bonds	430.70	430.70	430.70
(c) Capital reserve on cancellation and fresh issue of equity share capital (refer note 25)	25,863.52	28,459.34	14,995.31
Total	**23,821.04**	**28,340.42**	**15,425.43**

Notes forming part of the financial statements

12 DEFERRED TAX LIABILITY

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
On difference between book balance and tax balance of fixed assets	74.75	67.65	73.46
Equity component of FCCB	1.56	5.42	56.81
Total	**76.31**	**73.07**	**130.27**

13 TRADE PAYABLES

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Total outstanding dues of creditors other than micro enterprises and small enterprises	680.30	24.04	35.46
Total	**680.30**	**24.04**	**35.46**

There is no amount due to Micro, Small and Medium Enterprises as defined under “ The Micro, Small and Medium Enterprise Development Act, 2006”. The information has been determined to the extent such parties have been identified on the basis of information available with the Company.

14 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Current maturities of long-term borrowings			
– foreign currency convertible bonds	7,442.02	7,165.29	6,601.02
– Inter corporate deposit	10,611.00	10,611.00	–
(b) Due to related parties	2.65	0.32	0.32
(c) Advance received towards purchase of shares	–	–	10,611.00
(d) Interest accrued on inter corporate deposits	1,559.64	126.81	622.76
Total	**19,615.31**	**17,903.42**	**17,835.10**

15 OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Statutory dues	8.77	–	–
Total	**8.77**	**–**	**–**

16 REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Fleet operating and chartering income	108.00	180.00
Total	**108.00**	**180.00**

Notes forming part of the financial statements

17 OTHER INCOME

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Foreing exchange gain / loss	308.73	–
Total	**308.73**	**–**

18 OTHER EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Auditors Remuneration	6.00	0.23
Professional Fee	624.81	–
Insurance charges	14.50	8.33
Stamp duty and other charges	37.66	0.01
Foreign exchange gain / (loss)	–	415.79
Total	**682.97**	**424.36**

19 FINANCE COST

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on loan from related party	1,433.47	141.29
Interest on FCCBs	159.64	148.48
Total	**1,593.11**	**289.77**

20 FINANCIAL INSTRUMENTS

1 Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company.

The Company is not subject to any externally imposed capital requirements. The Company's board of directors reviews the capital structure on an annual basis. The financial tie up for the company are long term in nature as it is in infrastructure business. Therefore all new capital requirements are duly discussed by the board of directors. The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes borrowings less cash and cash equivalents and other bank balances.

1.1 Gearing ratio

The gearing ratio at the end of the reporting period was as follows.

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Debt #	18,053.02	17,776.29	6,601.02
Less: Cash and cash equivalents (refer note 8)	4.72	4.73	4.99
Net debt	**18,048.30**	**17,771.56**	**6,596.03**
Total equity (equity and other equity)	**25,962.32**	**28,345.42**	**15,430.43**
Net debt to equity ratio	**0.70**	**0.63**	**0.43**

Debt is defined as long-term and short term borrowings

2 Categories of financial instruments

₹ in lakhs

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Carrying amount	Fair values	Carrying amount	Fair values	Carrying amount	Fair values
Financial assets						
Measured at amortised cost						
Trade receivables	55.57	55.57	–	–	–	–
Cash and cash equivalents	4.72	4.72	4.73	4.73	4.99	4.99
Financial assets measured at amortised cost / deemed cost	**60.29**	**60.29**	**4.73**	**4.73**	**4.99**	**4.99**
Financial liabilities						
Measured at amortised cost						
Long-term borrowings #	18,053.02	18,053.02	17,776.29	17,776.29	6,601.02	6,601.02
Other financial liabilities	1,562.29	1,562.29	127.13	127.13	11,234.07	11,234.07
Trade payables	680.30	680.30	24.04	24.04	35.46	35.46
Financial liabilities measured at amortised cost	**20,295.61**	**20,295.61**	**17,927.46**	**17,927.46**	**17,870.55**	**17,870.55**

including current maturities of long-term borrowings

3 Financial risk management objectives

The Company's Corporate finance department monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse the exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identification and mapping controls against these risks, monitor the risk and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and Company's activities to provide reliable information to the management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company. The Company's finance function reports quarterly to the Company's Board of Directors that monitors risks and policies implemented to mitigate risk exposures. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

3.1 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters. Quarterly reports are submitted to Board of Directors on the unhedged foreign currency exposures.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

₹ in lakhs

Particulars	As at March 31, 2017				As at March 31, 2016				As at April 01, 2015			
	USD	INR	Others	Total	USD	INR	Others	Total	USD	INR	Others	Total
Financial assets												
Trade receivables	–	55.57	–	55.57	–	–	–	–	–	–	–	–
Cash and cash equivalents	–	4.72	–	4.72	–	4.73	–	4.73	–	4.99	–	4.99
Total financial assets (A)	**–**	**60.29**	**–**	**60.29**	**–**	**4.73**	**–**	**4.73**	**–**	**4.99**	**–**	**4.99**

Notes forming part of the financial statements

Particulars	As at March 31, 2017				As at March 31, 2016				As at April 01, 2015			
	USD	INR	Others	Total	USD	INR	Others	Total	USD	INR	Others	Total
Financial liabilities												
Long Term Borrowings	7,442.02	10,611.00	–	18,053.02	7,165.29	10,611.00	–	17,776.29	6,601.02	–	–	6,601.02
Other financial liabilities	–	1,562.29	–	1,562.29	–	127.13	–	127.13	–	11,234.07	–	11,234.07
Trade Payables	–	680.30	–	680.30	–	24.04	–	24.04	–	35.46	–	35.46
Total financial liabilities (B)	**7,442.02**	**12,853.59**	**–**	**20,295.61**	**7,165.29**	**10,762.17**	**–**	**17,927.46**	**6,601.02**	**11,269.53**	**–**	**17,870.55**
Net financial (liabilities) / financial assets (B)-(A)	**7,442.02**	**12,793.30**	**–**	**20,235.32**	**7,165.29**	**10,757.44**	**–**	**17,922.73**	**6,601.02**	**11,264.53**	**–**	**17,865.55**
Hedge for foreign currency risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Net exposure of foreign currency risk	**7,442.02**	**12,793.30**	**–**	**20,235.32**	**7,165.29**	**10,757.44**	**–**	**17,922.73**	**6,601.02**	**11,264.53**	**–**	**17,865.55**
Sensitivity impact at 10% on statement of profit & loss	**744.20**	**NA**	**–**	**744.20**	**716.53**	**NA**	**–**	**716.53**	**660.10**	**NA**	**–**	**660.10**

Foreign currency sensitivity analysis

The Company is mainly exposed to USD currency.

The above table details the Company's sensitivity to a 10% increase and decrease in the INR against relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency risk denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A negative number above indicates an increase in profit/equity where the INR strengthens 10% against the relevant currency. For a 10% weakening of the INR against the relevant currency, there would be a comparable impact on the profit/equity and the balances above would be positive.

3.2 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Company's credit risk arises principally from the trade receivables, loans, cash and cash equivalents and other financial assets.

Trade receivables

Trade receivables consists of a single customer Essar Bulk Terminal LImited. The operations of the customer are limited to single industry and geographical area. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue trade receivables. The Company has taken security deposit from the customer as a collateral which is equivalent to nine months tariff charges liable under long-term arrangement with its customer

Cash and bank balances

The credit risk on liquid funds and other bank deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Loans, deposits and advances

The Company's corporate treasury function manages the financial risks related to the business. The treasury function focuses on capital protection, liquidity and yield maximisation.

Loans, deposits and advances are extended to counterparties after assessing their financial capabilities. Counterparty credit limits are reviewed and approved by Board/Audit Committee of the Company. These limits are set to minimise the concentration of risks and therefore mitigates the financial loss through counterparty's potential failure to make payments.

Collateral held as security and other credit enhancements

The Company does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial asset

3.3 Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. Ultimate responsibility for liquidity risk management rests with the board of directors. The Company manages liquidity risk by maintaining reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods and its financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate existing at the end of the reporting period.

₹ in lakhs

Particulars	As at March 31, 2017				As at March 31, 2016				As at April 01, 2015			
	< 1 year	1-5 years	> 5 years	Total	< 1 year	1-5 years	> 5 years	Total	< 1 year	1-5 years	> 5 years	Total
Financial liabilities												
Trade payables	680.30	–	–	680.30	24.04	–	–	24.04	35.46	–	–	35.46
Other financial liabilities	19,615.31	–	–	19,615.31	17,903.42	–	–	17,903.42	17,835.10	–	–	17,835.10
Total financial liabilities	**20,295.61**	**–**	**–**	**20,295.61**	**17,927.46**	**–**	**–**	**17,927.46**	**17,870.56**	**–**	**–**	**17,870.56**

21 The Company did not have any holdings or dealings in Specified Bank Notes or other denomination notes as defined in MCA notification G.S.R. 308 (E) dated March 31, 2017 during the period from 8th November, 2016 to 30th December, 2016 .

22 EARNINGS PER SHARE

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Basic Earnings per share (in ₹)	(8.96)	(2.56)
Diluted Earnings per share (in ₹) *	(8.96)	(2.56)

* Diluted EPS for the year ended March 31, 2017 and March 31, 2016 are considered same as basic EPS, since the effect is anti dilutive.

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Loss for the year attributable to owners of the Company (₹ in Lakhs)	(1,923.55)	(549.05)
Weighted average number of equity shares for the purposes of basic earnings per share#	21,462,813	21,462,813
Earnings per share - Basic (in ₹)	(8.96)	(2.56)

Notes forming part of the financial statements

Diluted earnings per share

The earnings used in calculation of diluted earnings per share are as follows.

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Earnings used in the calculation of basic earnings per share (₹ in Lakhs)	(1,923.55)	(549.05)
Interest on Foreign Currency Convertible Bonds (after tax at 34.608%) (₹ in Lakhs) (refer note 23)	159.64	148.48
Foreign exchange (gain) / loss	(308.73)	415.79
Earnings used in the calculation of diluted earnings per share (₹ in Lakhs)	**(2,072.64)**	**15.22**
Weighted average number of equity shares for the purposes of diluted earnings per share	27,150,442	27,150,442
Diluted earnings per share (₹)	(7.63)	0.06

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Weighted average number of equity shares used in the calculation of basic earnings per share #	21,462,813	21,462,813
Potential equity shares to be issued upon conversion of FCCBs	5,687,629	5,687,629
Weighted average number of equity shares used in the calculation of Diluted EPS	**27,150,442**	**27,150,442**

the number of equity shares issued pursuant to the scheme without corresponding change in resources, have been considered for all the periods presented.

23 FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBS)

Pursuant to the Composite Scheme of Arrangement (refer note 25), the obligations relating to the foreign currency convertible bonds (FCCB's) of ₹ 7,204.29 lakhs (Equivalent of US$ 11,111,111) (₹ 3,859.44 lakhs (US$ 5,952,381) Series A Bond and ₹ 3,344.85 lakhs (US$ 5,158,730) Series B Bond) attributable to the business acquired, out of FCCB's of ₹ 25,935.43 lakhs (equivalent of US$ 39,999,988) issued by Essar Ports Limited have been transferred to the company.

Salient Terms of the FCCBs are as under :

a) The Bonds bears interest rate of 5% per annum payable in arrears semi-annually.

b) The Bonds are convertible at an initial conversion price of ₹ 91.70 per share with a fixed rate of exchange on conversion of ₹ 46.94 to USD 1.00.

c) The Bonds are convertible by the bondholder into fully paid equity shares with full voting rights with a par value of ₹ 10 each of the Company. The Conversion price is subject to adjustment in certain circumstances.

d) Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed in U.S. Dollars on 24 August 2017 at par.

Equity element of the FCCBs attributable to the Company has been recognized under Reserves and Surplus as Equity compound of compound financial instruments.

Subsequent to the balance sheet date, the Company is in discussion with the bondholder for extension of the above maturity date in respect of the aforesaid FCCBs attributable to the Company, listed in the name of Essar Ports Limited. During the year, the company has requested and obtained waiver of interest payable to the bond holder for the year

24 SEGMENT INFORMATION

The Company is in the business of providing cargo handling services through its assets mainly located in India. The Chief Operating Decision Maker reviews the results of the Company for assessment of performance and resources allocation.

Revenue from the operations of the Company is mainly from a customers located in India.

25 A Composite Scheme of Arrangement ("the Scheme") amongst Essar Ports Limited ("EPL"), Vadinar Ports & Terminals Limited ("VPTL"), Vadinar Oil Terminal Limited ("VOTL"), Essar Power and Minerals Limited (EPML), the Company ("SBTL") 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 became effective on August 26, 2016 and has been implemented in phases with 30 June, 1 July and 2 July 2016 as the appointed dates.

Pursuant to the aforesaid Scheme, with effect from 1 July 2016, a flat bottomed crane barge, investments in Essar Bulk Terminal (Salaya) Limited, and related assets and liabilities have been demerged from EPL and transferred to and vested in SBTL. In consideration thereof, the Company has allotted 21,412,813 equity shares to the shareholders of EPL and 500,000 equity shares of the Company are cancelled.

This being a common control transaction from the group's perspective, was accounted for using pooling of interest method. Accordingly, the assets and liabilities acquired are reflected at their carrying amount with effect from 1 April 2015.

The financial information in respect of a flat bottomed crane barge business are extracted from the books and records of EPL.

Cancellation of equity share capital and issuance of shares as aforesaid by the Company has resulted in difference of ₹ 25,863.51 lakhs which is transferred to capital reserve.

26 INCOME TAXES

The Company is subject to Indian income tax on a standalone basis. Entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31. For each fiscal year, the entity profit or loss is subject to the higher of the regular income tax payable or the Minimum Alternative Tax ("MAT").

Provision for tax is determined based on book profits prepared under generally accepted accounting principles and adjusted for, inter alia, the Company's assessment of allowable expenditure (as applicable), including exceptional items, set off of tax losses and unabsorbed deprecation. Statutory income tax is charged at 30% plus a Surcharge and Cess. MAT for the fiscal year 2016-17 is payable at 18.5% as increased by Surcharge and Cess. MAT paid in excess of regular income tax payable during a year can be carried forward and set off against regular income taxes payable within a period of fifteen years succeeding the fiscal year in which MAT credit arises.

a) Income taxes

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Recognised in statement of profit and loss		
Current tax		
In respect of the current year	–	–
In respect of prior years	–	–
Deferred tax		
In respect of the current year	3.24	(57.20)
Total (A)	**3.24**	**(57.20)**
Recognised in other comprehensive income		
Deferred tax	–	–
Total (B)	**–**	**–**
Total (A + B)	**3.24**	**(57.20)**

Notes forming part of the financial statements

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognise income tax expense for the year indicated are as follows :

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Loss before taxes	**(1,920.31)**	**(606.25)**
Enacted tax rate in India	34.61%	34.61%
Income tax at statutory tax rate	(664.58)	(209.81)
Effect of:		
Tax effect of non deductible expenses	1.28	143.90
Tax effect of non taxable income	120.18	0.00
Deferred tax assets not recognised on carry forward of losses	543.12	0.00
On pooling of Interest accounting under the composite scheme of arrangement	–	65.91
Deferred tax assets	3.24	(57.20)
Income taxes recognised in the statement of income	**3.24**	**(57.20)**

Deferred tax assets and liabilities

Significant components of deferred tax liabilities / (assets) recognised in the financial statements are as follows : ₹ in lakhs

Deferred tax balances in relation to	As at March 31, 2016	Recognised / reversed during the year	As at March 31, 2017
Property, Plant and Equipment	67.65	7.10	74.75
Equity Component of FCCB	5.42	(3.86)	1.56
Total	**73.07**	**3.24**	**76.31**

Components of deferred tax assets and liabilities ₹ in lakhs

Deferred tax balances in relation to	As at April 01, 2015	Recognised / reversed during the year	As at March 31, 2016
Property, Plant and Equipment	73.46	(5.81)	67.65
Others	56.81	(51.39)	5.42
Total	**130.27**	**(57.20)**	**73.07**

27 RELATED PARTY RELATIONSHIP, TRANSACTIONS AND BALANCES.

a. Names of the related parties and description of relationship

Sr. No.	Nature of relationship	Name of Related Parties
1	Holding	Essar Global Fund Limited, Cayman Island, (ultimate holding company) Essar Ports Holdco Limited, Mauritius, (intermediate holding company) Essar Ports & Terminals Limited, Mauritius, (formerly known as Essar Africa Mineral Holdings Limited) (immediate holding company) Paradeep Steel Company Limited (Immediate Holding Company upto April 07, 2016)
2	Fellow Subsidiaries / other related parties	Essar Ports Limited Hazira Cargo Terminals Limited Essar Bulk Terminals Limited Arkay Logistics Limited Essar Bulk Terminal (Salaya) Limited

b. Transactions with related parties

₹ in lakhs

Nature of transactions	Holding companies		Other related parties		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Fleet operating income						
Essar Bulk Terminal Limited*	–	–	108.00	–	108.00	–
Arkay Logistics Limited	–	–	–	180.00	–	180.00
Interest on inter corporate deposit						
Essar Bulk Terminal Limited	–	–	1,075.34	141.29	1,075.34	141.29
Expenses incurred by others on behalf of the Company						
Essar Steel Jharkhand Limited	–	–	2.65	–	2.65	–
Essar Bulk Terminal (Salaya) Limited	–	–	42.73	–	42.73	–
Essar Ports Limited	–	–	636.26	–	636.26	–
Total	**–**	**–**	**681.64**	**–**	**681.64**	**–**

*Restated number under the composite scheme of arrangement (refer note 25)

c. Balances with related parties

₹ in lakhs

Nature of transactions	Holding companies			Other related parties			Total		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivable									
Essar Bulk Terminal Limited	–	–	–	55.57	–	–	55.57	–	–
Intercorporate deposit payable									
Essar Bulk Terminal Limited	–	–	–	10,611.00	10,611.00	–	10,611.00	10,611.00	–
Advance towards purchase of shares									
Essar Bulk Terminal Limited	–	–	–	–	–	10,611.00	–	–	10,611.00
Interest accrued on inter corporate deposit									
Essar Bulk Terminal Limited	–	–	–	1,559.64	–	–	1,559.64	–	–
Other paybles									
Essar Bulk Terminal (Salaya) Limited	–	–	–	42.73	–	–	42.73	–	–
Essar Steel Jharkhand Limited	–	–	–	2.65	–	–	2.65	–	–
Essar Ports Limited	–	–	–	636.26	–	–	636.26	–	–
Paradeep Steel Company Limited	–	–	–	0.32	0.32	0.32	0.32	0.32	0.32
Total	**–**	**–**	**–**	**681.96**	**0.32**	**0.32**	**681.96**	**0.32**	**0.32**

28 DISCLOSURE MADE UNDER IND AS 101- FIRST TIME IND AS ADOPTION OF IND AS

These financial statements, for the year ended 31 March 2017, are the first financial statement the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in

Notes forming part of the financial statements

restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from IGAAP to Ind AS:

1. **Ind AS optional exemptions**

   a. **Business Combination**

   Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

   The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

   b. **Investment in subsidiary, joint venture or associate**

   Ind AS 101 allows a first-time adopter to record the carrying value of investment in subsidiary, joint venture or associate as per IGAAP or fair value of investment in subsidiary, joint venture or associate at transition date as deemed cost under Ind AS.

   Accordingly, the Company has elected to carry its investment subsidiary, joint venture or associate at IGAAP carrying value on transition date.

   c. **Deemed Cost**

   Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the IGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

   Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their Previous GAAP carrying value.

   d. **Arrangement containing a lease**

   Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

   e. **Compound financial instruments**

   When the liability component of a compound financial instrument is no longer outstanding at the date of transition to Ind AS, a first-time adopter may elect not to apply Ind AS 32 retrospectively to split the liability and equity components of the instrument. The Company has used this exemption for FCCB's and other convertible instruments issued by the Company.

   f. **Unquoted equity instruments**

   The Company has designated unquoted equity instruments held at 1 April 2015 as fair value through OCI investments.

2. **Ind AS mandatory exceptions**

   Estimates

   An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

   Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with Previous GAAP, except the following items where application of Previous GAAP did not require estimation.

   - FVTOCI - Unquoted equity shares
   - Impairment of financial assets based on expected credit loss model

   Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS.

Notes forming part of the financial statements

Reconciliation of total equity as at March 31, 2016 and April 01, 2015 ₹ in lakhs

Particulars	Notes	As at March 31, 2016	As at April 01, 2015
Total equity (shareholders' funds) under previous GAAP		**4.18**	**4.42**
Impact on account of Scheme on account of common control business combination	25		
– Capital reserve		28,459.35	14,995.31
– Retained earnings		(548.81)	–
Equity component of compound financial instrument	23	430.70	430.70
Others			
Total equity under Ind AS		**28,345.42**	**15,430.43**

Reconcliation of total comprehensive income for the year ended March 31, 2016 ₹ in lakhs

Particulars	Notes	For the year ended March 31, 2016
Profit for the period (as per Indian GAAP)		**(0.24)**
Ind-AS adjustments		
Benefit/(Charge):		
Restatement of profit pursuant to scheme of demerger	25	(548.81)
Net Profit for the period (as per Ind-AS)		**(549.05)**
Other Comprehensive Income (OCI) (after tax)		–
Total Comprehensive Income for the period (as per Ind-AS)		**(549.05)**

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

29 NOTES TO THE RECONCILIATION

a Reclassification

To comply with the Companies (Accounting Standard) Rules, 2006, certain account balances have been regrouped as per the format prescribed under Division II of Schedule III to the Companies Act, 2013.

b Other comprehensive income

Under Ind AS, all items of income and expense recognized in the period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the Statement of Profit and Loss and "Other comprehensive income" includes re-measurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

c FCCB bifurcation in equity and liability

Under Ind AS, the compound instrument is bifurcated in to debt and equity component at the time of initial recognition. Accordingly, the equity component of the FCCBs of the Company has been recognised as 'equity component of compound instrument' under reserves and surplus and unwinding of interest on debt component upto transition date has been adjusted in opening retained earnings and thereafter in the Statement of Profit and Loss.

d Statement of cash flow

The transition from previous IGAAP to IndAS has not had a material impact on the statement of cash flows.

In terms of our report attached
MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Anita Somani
Partner

Mumbai, November 24, 2017

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

Ketki Belhe
Company Secretary
Membership no: A21418

Mumbai, November 14, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Salaya Bulk Terminals Limited (formerly known as Hazira Coke Limited)

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Salaya Bulk Terminals Limited (formerly known as Hazira Coke Limited)** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 including the Ind AS, of the consolidated financial position of the Group as at 31st March, 2017, and its consolidated financial performance including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matters

a. We draw attention to Note 38 to the consolidated Ind AS financial statements pertaining to the restatement of the financial statements of the Company to account for the common control transaction by the Company using pooling of interest method in accordance with Ind AS 103: Business Combination.

b. We draw attention to footnote to Note 5 to the consolidated Ind AS financial statements pertaining to assessment of recoverable amount of 20 MMTPA Dry Bulk Terminal Project of the Company at Salaya, Gujarat having regard to the increased project cost, in terms of Ind AS 36, Impairment of Assets, and the basis for determining that the recoverable amount of the project exceeds its carrying amount as at 31st March, 2017.

Our opinion is not modified in respect of this matter.

Other Matters

a. The group has prepared the consolidated Ind AS financial statements for the first time for the year ended 31st March 2017. The comparative consolidated Ind AS financial statements of the group for the year ended 31st March, 2016 and the opening consolidated balance sheet as at 1st April, 2015 are unaudited and have been furnished to us by the management.

b. The comparative financial information of the Group for the year ended 31st March, 2016 and the transition date opening consolidated balance sheet as at 1st April, 2015 included in these consolidated Ind AS financial statements, are based on the management prepared consolidated financial statements prepared in accordance with Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.

c. As stated in Note 38 to the consolidated Ind AS financial statement the common control transaction have been accounted on the basis of the management prepared statement of financial information. This statement was not subject to independent audit or review by us or predecessor auditors of the Company.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit 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 Ind AS financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   (e) The matter described in point b of Emphasis of matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.

   (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director of that Company in terms of Section 164 (2) of the Act.

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

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

      i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 33 to the consolidated Ind AS financial statements.

      ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31st March, 2017.

      iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India during the year ended 31st March, 2017.

      iv. The group did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 – Refer Note 12 of the consolidated Ind financial statements

For **MSKA & Associates**
(formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration No. 105047W

Anita Somani
Partner
Membership No. 124118

Place : Mumbai
Date : November 24, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

of even date on the Consolidated Financial Statements of Salaya Bulk Terminals Limited (Formerly Known As Hazira Coke Limited)

Report on the Internal Financial Controls 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 March 31, 2017, we have audited the internal financial controls over financial reporting of Salaya Bulk Terminals Limited (formerly known as Hazira Coke Limited) ("the Company") (hereinafter referred to as "the Holding Company") and its subsidiary company, which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company and its subsidiary company, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). 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 Act.

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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary company which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

For **MSKA & Associates**
(formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration No. 105047W

Anita Somani
Partner
Membership No. 124118

Place : Mumbai
Date : November 24, 2017

ESSAR

Consolidated Balance Sheet as at March 31, 2017

₹ in lakhs

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
I ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	704.46	784.01	863.53
(b) Capital work-in-progress	5	175,672.02	146,959.02	96,449.99
(c) Financial assets				
(i) Loans	7	184.95	165.85	–
(ii) Other financial assets	8	0.15	0.15	35.35
(d) Other non-current assets	9	7,959.76	9,291.95	14,394.28
(e) Non-current tax assets	10	433.23	345.69	256.10
Total non-current assets		**184,954.57**	**157,546.67**	**111,999.25**
Current assets				
(a) Financial assets				
(i) Trade receivables	11	55.57	–	–
(ii) Cash and cash equivalents	12	668.83	443.55	92.44
(iii) Bank balances other than cash and cash equivalents	13	20.97	772.13	66.79
(iv) Other financial assets	14	738.88	1,447.24	1,247.48
(b) Other current assets	15	168.37	662.96	263.60
(c) Current tax assets	16	2.46	–	–
Total current assets		**1,655.08**	**3,325.88**	**1,670.31**
Total assets		**186,609.65**	**160,872.55**	**113,669.56**
II EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	17	2,141.28	5.00	5.00
(b) Other equity	18	23,304.79	27,832.60	14,938.04
Equity attributable to owners of the Company		**25,446.07**	**27,837.60**	**14,943.04**
Non-controlling interests	41	3,294.59	103.81	104.02
Total equity		**28,740.66**	**27,941.41**	**15,047.06**
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	105,660.14	102,269.55	71,205.51
(ii) Other financial liabilities	20	–	34.71	32.74
(b) Deferred tax liabilities (net)	21	60.47	70.66	130.27
Total non-current liabilities		**105,720.61**	**102,374.92**	**71,368.52**
Current liabilities				
(a) Financial liabilities				
(i) Trade payables	22	637.54	24.03	35.46
(ii) Other financial liabilities	23	50,585.04	29,936.96	27,103.38
(b) Other current liabilities	24	856.50	557.96	80.08
(c) Provisions	25	69.30	37.27	34.03
(d) Current tax liabilities	26	–	–	1.03
Total current liabilities		**52,148.38**	**30,556.22**	**27,253.98**
Total liabilities		**157,868.99**	**132,931.14**	**98,622.50**
Total equity and liabilities		**186,609.65**	**160,872.55**	**113,669.56**
See accompanying notes to the consolidated financial statements				

In terms of our report attached
MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Anita Somani
Partner
Mumbai, November 24, 2017

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

Ketki Belhe
Company Secretary
Membership no: A21418

Mumbai, November 14, 2017

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

₹ in lakhs

	Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
I	Revenue from operations	27	108.00	180.00
II	Other income	28	308.73	–
III	**Total Income (I + II)**		**416.73**	**180.00**
IV	**Expenses**			
	(a) Other expenses	29	705.75	440.28
	(b) Depreciation and amortisation expense	6	60.96	72.13
	(c) Finance cost	30	1,593.11	289.77
	Total expenses (IV)		**2,359.82**	**802.18**
V	**Loss before tax (V-VI)**		**(1,943.09)**	**(622.18)**
VI	**Tax expense/(benefit):**			
	(a) Current tax	40	–	–
	(b) Deferred tax	40	3.24	(57.20)
			3.24	**(57.20)**
VII	**Loss for the year (V-VI)**		**(1,946.33)**	**(564.98)**
	Other comprehensive income			
	a) Items that will not be reclassified to profit or loss			
	(i) Remeasurement of the defined benefit plans		(38.79)	(6.98)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		13.42	2.42
VIII	**Total other comprehensive income (a + b)**		**(25.37)**	**(4.56)**
IX	**Total comprehensive loss for the year (VII+VIII)**		**(1,971.70)**	**(569.54)**
X	**Loss for the year attributable to:**			
	(a) Owners of the Company		(1,944.78)	(564.94)
	(b) Non-controlling interests		(1.55)	(0.04)
XI	**Other comprehensive income for the year attributable to:**			
	(a) Owners of the Company		(23.64)	(4.55)
	(b) Non-controlling interests		(1.73)	(0.01)
XII	**Total comprehensive income for the year attributable to:**			
	(a) Owners of the Company		(1,968.42)	(569.49)
	(b) Non-controlling interests		(3.28)	(0.05)
XIII	**Earnings per equity share (face value of ₹10 each)**			
	Basic and diluted (in ₹)	35	(9.08)	(2.64)
	See accompanying notes to the consolidated financial statements			

In terms of our report attached
MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Anita Somani
Partner

Mumbai, November 24, 2017

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

Ketki Belhe
Company Secretary
Membership no: A21418

Mumbai, November 14, 2017

ESSAR

Consolidated Cash Flow Statement as at March 31, 2017

₹ in lakhs

	Particulars		For the year ended March 31, 2017	For the year ended March 31, 2016
A	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit / (Loss) before taxation		**(1,943.09)**	**(622.18)**
	Adjustment for			
	Depreciation and amortisation expense		60.96	–
	Exchange gain		(308.73)	–
	Restatement under common control transaction (refer note 2 below)		(45.67)	606.02
	Finance Costs		1,593.11	–
	Operating loss before working capital changes		**(643.42)**	**(16.16)**
	Movements in Working Capital:			
	Adjustment for (increase)/decrease in operating assets			
	Loans and advances and other assets		2,465.94	(2,496.51)
	Trade payable, other liabilites and provisions		7,329.12	480.12
	Cash generated from operations		9,151.64	(2,032.55)
	Taxes Paid		(2.46)	(89.59)
	Cash flow from operations	**(A)**	**9,149.18**	**(2,122.14)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Capital expenditure on fixed assets including capital advances		(11,068.22)	(26,073.28)
	Purchase of fixed assets		–	(10.83)
	Inter corporate deposit given		–	(157.20)
	Inter corporate deposit refunded		–	–
	Proceeds from maturity of fixed deposits		3,027.59	10,544.86
	Bank deposits placed for a period of more than three months		(2,276.40)	(11,250.20)
	Interest income on fixed deposits		21.66	81.85
	Net cash used in investing activities	**(B)**	**(10,295.37)**	**(26,864.80)**

₹ in lakhs

	Particulars		For the year ended March 31, 2017	For the year ended March 31, 2016
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from issue of preference / equity shares		3,182.36	6,006.07
	Share application money received		–	640.00
	Share application money refunded		–	(621.54)
	Acceptances during the year		7,169.57	1,782.80
	Acceptances repaid during the year		(0.04)	–
	Proceeds from secured loans		3,390.61	29,354.34
	Proceeds from unsecured loans		8,056.37	12,981.45
	Refund of unsecured loans		(886.77)	(6,906.64)
	Finance cost paid		(19,540.63)	(13,898.43)
	Net cash used in investing activities	**(C)**	**1,371.47**	**29,338.05**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)		225.28	351.11
	Opening cash and cash equivalents		443.55	92.44
	Closing cash and cash equivalents		**668.83**	**443.55**

Components of cash and cash equivalents	As at March 31, 2017	As at March 31, 2016
Balances with banks in current accounts	668.83	443.55
Total	**668.83**	**443.55**

Footnotes:

1) The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of The Companies Act 2013, read together with Companies (Indian Accounting Standard) Rules 2015 (as amended).

2) Restatement effect in the statement of profit and loss for the year ended March 31, 2017 and for the period April 01, 2016 to June 30, 2016 and the movement of assets and liabilities acquired as part of the composite scheme of arrangement (refer note 38) being non cash transaction have been excluded from the cash flow statement.

3) 21,412,813 number of equity shares are issued persuant to the composite scheme of arrangement (refer note 38) for consideration other than cash.

In terms of our report attached
MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Anita Somani
Partner
Mumbai, November 24, 2017

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

Ketki Belhe
Company Secretary
Membership no: A21418

Mumbai, November 14, 2017

ESSAR

Statement of Changes in Equity for the year ended March 31, 2017

A. EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	Amount
Balance as at April 01, 2015	5.00
Changes in equity share capital during the year	–
Balance as at March 31, 2016	5.00
Cancellation of equity shares upon implementation of the Composite Scheme (refer note 38)	(5.00)
Issue of equity shares pursuant to the Composite Scheme (refer note 38)	2,141.28
Balance as at March 31, 2017	**2,141.28**

B. OTHER EQUITY

₹ in lakhs

Particulars	Capital Reserve	Equity component of compound financial instruments	Retained earnings	Other comprehensive income	Attributable to Minority Interest	Attributable to owners of the Group	Total
	On common control business combination			Remeasurement of defined benefit plan			
Balance as at April 01, 2015	14,995.31	430.70	(487.97)		104.02	14,938.04	15,042.06
Profit/(Loss) for the year	–		(564.94)	–	(0.04)	(564.94)	(564.98)
Other comprehensive income for the year, net of income tax	–		–	(4.55)	(0.01)	(4.55)	**(4.56)**
Total comprehensive income/ (loss) for the year	**–**	**–**	**(564.94)**	**(4.55)**	**(0.05)**	**(569.49)**	**(569.54)**
On account of the Scheme (refer note 38) :	13,464.05	–	–	–	(0.16)	13,464.05	**13,463.89**
Balance as at March 31, 2016	**28,459.36**	**430.70**	**(1,052.91)**	**(4.55)**	**103.81**	**27,832.60**	**27,936.41**
Profit/(Loss) for the year	–	–	(1,944.78)	–	(1.55)	(1,944.78)	(1,946.33)
Other comprehensive income for the year, net of income tax	–	–	–	(23.64)	(1.73)	(23.64)	(25.37)
Total comprehensive income/ (loss) for the year	**–**	**–**	**(1,944.78)**	**(23.64)**	**(3.28)**	**(1,968.42)**	**(1,971.69)**
Accounting effects pursuant to implementation of the Scheme (refer note 38)							
Issue of share capital (refer note 38)	(2,141.28)	–				(2,141.28)	(2,141.28)
Other adjustments (on account of the Scheme) (refer note 38) :	(454.56)	–	36.45	–	3,194.06	(418.11)	2,775.95
Balance as at March 31, 2017	**25,863.52**	**430.70**	**(2,961.24)**	**(28.19)**	**3,294.59**	**23,304.79**	**26,599.38**

See accompanying notes to the financial statements

In terms of our report attached
MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Anita Somani
Partner
Mumbai, November 24, 2017

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

Ketki Belhe
Company Secretary
Membership no: A21418

Mumbai, November 14, 2017

Notes forming part of the financial statements

1. CORPORATE INFORMATION

Salaya Bulk Terminals Limited ("the Company") is a Public Limited Company incorporated under the Companies Act, 1956 and its registered office is located at Salaya Administrative Building, 44 KM, P. O. box 7, Taluka Khambaliya, District Dev Bhoomi Dwarka, Jamnagar, Gujarat . Principal place of business of the Group is located at Salaya, Gujara.

The Company along with its subsidiary constitute "the Group". Refer note 41 to the consolidated financial statements for the percentage holding, nature of relationship and the principal business activities of the subsidiaries of the Group.

The consolidated financial statements were approved for issue by the board of directors on November 14, 2017

The consolidated financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakh, except where otherwise indicated.

2. BASIS OF PREPARATION AND PRESENTATION

A. Statement of Compliance with Indian Accounting Standards: The Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 and accounting principles generally accepted in India.

B. These are the first Consolidated Ind AS Financial Statements of the Group. The group did not prepare its consolidated financial statements in accordance with requirements of the then applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") for all the periods up to and including the year ended 31st March, 2016 as it was exempted from preparation of its consolidated financial statements vide notification dated October 14, 2014 of Ministry of Corporate Affairs. Hence, the comparative financial information of the Group for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015, included in these consolidated Ind AS financial statements, are unaudited.

C. First - time adoption: In accordance with Ind AS 101 on First-time adoption of Indian Accounting Standards, the Group's first Ind AS financial statements include, three consolidated balance sheets, namely, the opening consolidated balance sheet as at April 1, 2015 and consolidated balance sheets as at March 31, 2016 and March 31, 2017, and, two statements each of Consolidated Statement of profit and loss, Consolidated Statement of cash flows and changes in equity for the years ended March 31, 2016 and 2017 together with related notes. The same accounting policies have been used for all periods presented, except where the Group has made use of exceptions and exemptions allowed under Ind AS 101 in the preparation of the opening Ind AS balance sheet. Refer note 43 for the details of first-time adoption exemptions availed by the Group.

D. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the subsidiaries used in this consolidation are drawn upto the same reporting date of the Group.

b) The financial statements of the Group and its subsidiaries have been combined on a line by line basis adding together the book values of like items of assets, liabilities, income and expenses, after duly eliminating intra-group balances and intra group transactions and resulting unrealized profits or losses, if any.

c) Investment in associate is accounted using the equity method and is initially recognized at cost.

d) The excess of cost of the Group of its investment in a subsidiary over its share of the equity of subsidiary at the date on which the investment is made, is recognized as "Goodwill" in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary as at the date of investment is in excess of the cost of investment of the Group, it is recognized as "Capital Reserve" and shown under the head Reserves and Surplus in the consolidated financial statements.

e) Revenue items in case of foreign subsidiaries are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the foreign currency translation reserve.

f) The consolidated financial statements of the Group, its subsidiaries and associate Group have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

g) The Consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and property, plant and equipment measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

h) The Group has prepared the Consolidated financial statement for the first time for the year ended March 31, 2017 accordingly the comparative financial information of the Group for the year ended 31st March, 2016 and the transition date opening consolidated balance sheet as at 1st April, 2015 included in these consolidated Ind AS financial statements prepared in accordance previous GAAP, were not subject to independent audit. These management prepared previous GAAP comparative financial information are adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS

E. Fair value: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurement that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition for financial reporting purposes, fair value measurement are categorized into level 1, 2 and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirely, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly, and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Property, plant and equipment

The cost of property, plant and equipment 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 on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets.

Capital work in progress comprise of those costs that relate directly to specific assets and those that are attributable to the construction or project activity in general and can be allocated to specific assets up to the date the assets are put to their intended use. At the point when an asset is operating at management's intended use, the capital work in progress is transferred to the appropriate category of property, plant and equipment and depreciation commences. Major inspections and overhauls are identified and accounted for as an asset if that component is used over more than one reporting period.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of 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.

Class of assets	Years
Plant and equipment	10 – 15

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Freehold land is not depreciated.

The group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

B. Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any.

Intangible assets are amortised uniformly over the best estimate of their useful lives.

C. Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

The group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the group's CGUs to which the individual assets are allocated. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Notes forming part of the financial statements

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

D. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

As lessor -

Operating lease income for equipment rentals is recognized on a straight-line basis over the lease term. An arrangement that is not in the legal form of a lease is accounted for as a lease if it is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. Receivables from finance leases, in which the group as lessor transfers substantially all the risks and rewards incidental to ownership to the customer are recognized at an amount equal to the net investment in the lease. Finance income is subsequently recognized based on a pattern reflecting a constant periodic rate of return on the net investment using the effective interest method.

As Lessee -

Leases in which the Group is the lessee and has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the commencement of the lease at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The interest element of the finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The corresponding rental obligations, net of finance charges, are included in other short-term and other non-current liabilities. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the assets and the lease term.

Leases in which the group is the lessee and in which substantially all risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognized in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

In case of changes in the provisions of the lease resulting in different classification, the revised agreement is regarded as a new agreement over its term. Gain / loss, if any, resulting from the reclassification is charged to the Statement of Profit and Loss.

E. Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from operations

Revenue from operation represents revenue from handling and dispatch of cargo. 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..

Interest income

Interest income is recognised on a time proportion basis following effective interest rate method.

Dividend income

Revenue is recognized when the Group's right to receive the payment is established, which is generally when

shareholders approve the dividend.

F. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Capitalisation of the borrowing costs is suspended during extended periods in which it suspends active development of a qualifying asset.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

G. Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Group presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the Statement of profit and loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

H. Foreign currencies

The functional currency of the Group is determined on the basis of the primary economic environment in which it operates. The functional currency of the Group is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks;

I. Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial asset primarily comprise of investments, loans and advances, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings, trade and other payables.

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

I. Financial assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Notes forming part of the financial statements

b) Classification of financial assets

For purposes of subsequent measurement, financial assets are classified in two broad categories:

1. Financial assets at amortised cost
2. Financial assets at fair value

Where assets are measured at fair value, gains and losses are either recognized in the statement of profit and loss (i.e. fair value through profit and loss) (FVTPL), or recognized in other comprehensive income (i.e. fair value through other comprehensive income) (FVTOCI)

Financial asset at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Financial assets at fair value

Debt instruments

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group has made an irrevocable election to designate an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. Dividends on these investments are are recognized in the Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in the Statement of Profit and Loss and is included in the 'Other income' line item.

d) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

e) Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

II. Financial liabilities and equity instruments

a) Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

c) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or

- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'Other Income' line item in the Statement of Profit and Loss.

Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) that are not held-for-trading and are not designated as at FVTPL are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit or Loss.

d) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through Statement of profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Statement of profit or loss, unless designated as effective hedging instruments.

e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

J. Compound financial instrument

Compound financial instruments issued by the Group comprise of compulsory convertible cumulative participating preference shares and foreign currency convertible bonds. Compound financial instruments are separated into liability and equity components based on the terms of the contract.

The liability component of compound financial instrument is initially recognised at the fair value of the similar liability without an equity conversion option. The equity component is initially recognised as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Subsequent to initial recognition, the financial liability is measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The equity component of the compound financial instrument is not measured subsequently.

Transaction costs are apportioned between the liability and equity components of the compound financial instrument based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

K. Taxation

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 Group will pay normal income tax during the specified period i.e., the period for which MAT credit is allowed to be carried forward as per tax laws. The Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal income tax during the specified period.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax for the period

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

L. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of past event, and it is probable that an outflow of resources embodying economic benefits, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are not recognised but disclosed unless the probability of an outflow of resources is remote. Contingent assets are disclosed where inflow of economic benefits is probable.

M. Business combinations under common control

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method.

Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonise the accounting policies. The financial information in the consolidated financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the consolidated financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appeared in the consolidated financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

3.1 KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying

Notes forming part of the financial statements

the Group's accounting policies and that have the most significant effect on the amount recognised in the consolidated financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Going Concern

The management at each close makes an assessment of the Group's ability to continue as a going concern. In making such evaluation, it considers, inter alia, the quantum and timing of its cash flows, in particular collection of all its recoverable amount and settlement of its obligations to pay creditors and lenders on due dates. The accounting policy choices in preparation and presentation of the consolidated financial statements is based on the Group's assessment that the Group will continue as a going concern in the foreseeable future.

ii) Useful lives of property, plant and equipment and intangible assets

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

iii) Impairment of non-financial assets

The management performs annual impairment tests on cash generating units and capital work-in-progress for which there are indicators that the carrying amount might be higher than the recoverable amount. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

iv) Income Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

v) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 39

vi) Recoverability of financial assets

Assessment of recoverability of trade receivables require significant judgment. Factors considered include the credit rating, assessment of intention and ability of the counter party to discharge the liability, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment. See Note 11 for further disclosures on impairment of trade receivables.

vii) Fair value measurement of financial instruments

When the fair values of financial assets or financial liabilities recorded or disclosed in the consolidated financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 34 for further disclosures.

3.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED EARLY BY THE GROUP

Ind AS 7, 'Statement of Cash Flows

The Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 (the 'Amendment rules') on 17 March 2017, notifying amendment to Ind AS 7, 'Statement of Cash Flows'.

The amendment to Ind AS 7 introduces an additional disclosure that will enable users of consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

These amendments shall come into force on the 1st day of April, 2017 and Group shall apply the amendments in its consolidated financial statements for annual periods beginning on or after 1 April 2017.

During initial application of the amendment in Ind AS 7, Group will have to give reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

Notes forming part of the financial statements

4 PROPERTY, PLANT AND EQUIPMENT

₹ in lakhs

Particulars	Freehold land	Plant and equipment	Furniture and fixtures	Office equipment	Total
Cost or deemed cost					
As at April 01, 2015	24.51	782.79	29.58	26.65	863.53
Additions	–	–	3.30	7.53	10.83
As at March 31, 2016	**24.51**	**782.79**	**32.88**	**34.18**	**874.36**
Additions	–	–	–	–	–
As at March 31, 2017	**24.51**	**782.79**	**32.88**	**34.18**	**874.36**
Accumulated depreciation and impairment					
As at April 01, 2015					
Depreciation expense	–	72.13	4.44	13.78	90.35
As at March 31, 2016	**–**	**72.13**	**4.44**	**13.78**	**90.35**
Depreciation expense	–	60.97	4.86	13.72	79.55
As at March 31, 2017	**–**	**133.10**	**9.30**	**27.50**	**169.90**
Carrying amount					
As at April 01, 2015	24.51	782.79	29.58	26.65	863.53
As at March 31, 2016	**24.51**	**710.66**	**28.44**	**20.40**	**784.01**
As at March 31, 2017	**24.51**	**649.69**	**23.58**	**6.68**	**704.46**

Notes

(a) Depreciation for the year amounting to ₹18.58 Lakhs (previous year ₹ 18.22 Lakhs) has been capitalised as part of expenditure during construction. (refer note 5)

(b) The property, plant and equipment are secured against rupee term loans availed by the company from banks and financial institution

5 CAPITAL WORK IN PROGRESS

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Capital work-in-progress	102,733.64	94,223.69	57,585.24
Expenditure during the construction (refer note below)	72,938.38	52,735.33	38,864.74
Total	**175,672.02**	**146,959.02**	**96,449.99**

Footnote :

Due to increase in cargo from third parties and various other modification requirements of the project in order to effectively operate for higher cargo handling, the group's estimated cost of completion of the Project is ₹ 1,95,455 lakhs (As at Mach 31, 2016 is ₹ 1,52,600 lakhs, As at April 01, 2015 ₹ 1,06,800 lakhs) and its expected date of completion of above work and full commissioning date is by 31 December 2017. The Management has assessed the recoverable amount of the Project on the basis of its value in use in terms of Indian Accounting Standard (IND AS) 36 Impairment of Assets by estimating the future cash flows over the estimated useful life of the project. The cash flow projections includes assumptions relating to revenue from existing long term contracts with related parties, revenue from third parties, availability of regulatory approvals for handling third party cargo, demand / capacity utilization based on report on traffic study conducted by an independent expert, operational performance, exchange variation and inflation, which are considered reasonable . On a careful evaluation of the aforesaid factors, the Management has concluded that the recoverable amount of the Project is higher than its carrying amount as at 31 March, 2017.

Further pending completion of the facility, expenditure during construction period is netted off with the cargo handling income generated from the use of certain assets, as the use of these assets was not the intended purpose of the management.

Notes forming part of the financial statements

6 DEPRECIATION EXPENSE

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation of Property, plant and equipment	60.96	72.13
Total	**60.96**	**72.13**

7 LOANS (NON-CURRENT)

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured and considered good, unless otherwise stated			
(a) Loans			
- to related parties (refer note 42)	184.95	165.85	–
Total	**184.95**	**165.85**	**–**

8 OTHER FINANCIAL ASSETS (NON-CURRENT)

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Security deposits			
– To related parties (refer note 42)	–	–	35.20
– To Others	0.15	0.15	0.15
Total	**0.15**	**0.15**	**35.35**

9 OTHER NON-CURRENT ASSETS

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured and considered good, unless otherwise stated			
(a) Prepaid expenses	–	7.35	25.80
(b) Cenvat receivable	3,451.64	3,174.06	1,900.14
(c) Service tax receivable	1,680.29	1,504.68	353.18
(d) Capital advances			
– related parties (refer note 42)	2,827.83	4,537.62	11,778.28
– others	–	68.24	336.88
Total	**7,959.76**	**9,291.95**	**14,394.28**

10 NON CURRENT TAX ASSETS

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advance income tax / Tax deducted at source	433.23	345.69	256.10
Total	**433.23**	**345.69**	**256.10**

Advance tax is net of provision of ₹ 107.36 lakhs (as at March 31, 2016 ₹107.36 Lakhs, as at April 01, 2015 ₹ 107.36 Lakhs)

Notes forming part of the financial statements

11 TRADE RECEIVABLES

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured, considered good (refer note 42)	55.57	–	–
Total	**55.57**	**–**	**–**

The credit period on sale of services is 30 days. No interest is charged on overdue receivables.

In determining the allowance for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The expected credit loss allowance is based on an ageing of the receivables that are due and rates used in the provision matrix. The Company does not have any past due trade receivables.

12 CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with banks in current accounts	668.83	443.55	92.44
Total	**668.83**	**443.55**	**92.44**

The Company did not have any holdings or dealings in Specific bank notes or other denomination notes as defined in MCA notification G.S.R 308(E) dated 30 March 2017 during the period from 08 November 2016 to 30 December 2016

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balance with banks held as margin money (lien against letter of credit)	20.97	772.13	66.79
Total	**20.97**	**772.13**	**66.79**

14 OTHER FINANCIAL ASSETS (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured and considered good, unless otherwise stated			
(a) Security deposits			
– to others	–	–	133.00
(b) Other receivables			
– From related parties (refer note 42)	566.62	781.11	1,077.43
– From others	172.08	663.76	36.81
(c) Interest accrued on bank deposits	0.18	2.37	0.24
Total	**738.88**	**1,447.24**	**1,247.48**

Notes forming part of the financial statements

15 OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured and considered good, unless otherwise stated			
(a) Advances towards provision of services			
– To related parties (refer note 42)	0.95	12.80	6.33
– To others	12.50	–	–
(b) Prepaid expenses	35.41	35.15	34.72
(c) Advances to vendors	119.51	615.01	222.54
Total	**168.37**	**662.96**	**263.60**

16 CURRENT TAX ASSETS

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Current tax assets (net of provision NIL)	2.46	–	–
Total	**2.46**	**–**	**–**

17 SHARE CAPITAL

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares	Amount (₹)	Number of shares	Amount (₹)	Number of shares	Amount (₹)
Authorised Capital						
Equity shares of ₹ 10/- each	25,000,000	2,500.00	50,000	5.00	50,000	5.00
Total	**25,000,000**	**2,500.00**	**50,000**	**5.00**	**50,000**	**5.00**
Issued capital						
Equity shares of ₹ 10/- each	21,412,813	2,141.28	50,000	5.00	50,000	5.00
Total	**21,412,813**	**2,141.28**	**50,000**	**5.00**	**50,000**	**5.00**
Subscribed and fully paid up						
Equity shares of ₹ 10/- each	21,412,813	2,141.28	50,000	5.00	50,000	5.00
Total	**21,412,813**	**2,141.28**	**50,000**	**5.00**	**50,000**	**5.00**

Notes:-

a) Reconciliation of Equity Shares outstanding at the beginning and at the end of the year

Particulars	Opening balance	Shares cancelled pursuant to composite scheme (refer note 35)	Shares issued during the year pursuant to composite scheme (refer note 35)	Closing balance
Equity Shares				
Year ended March 31, 2017				
– Number of shares	50,000	(50,000)	21,412,813	21,412,813
– Amount (₹ Lakhs)	5.00	(5.00)	2,141.28	2,141.28
Year ended March 31, 2016				
– Number of shares	50,000	–	–	50,000
– Amount (₹ Lakhs)	5.00	–	–	5.00

b) Terms/ Rights attached to equity shares

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

c) Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Number of shares	% shares	Number of shares	% shares	Number of shares	% shares
Paradeep Steel Company Limited, (Holding company) together with its nominees	–	0.00%	50,000	100.00%	50,000	100.00%
Essar Africa Minerals Holdings Limited	13,083,215	61.10%	–	–	–	–
Ibrox Aviation and Trading Pvt Limited	7,433,324	34.71%	–	–	–	–
Total	**20,516,539**	**95.81%**	**50,000**	**100.00%**	**50,000**	**100.00%**

d) Share issued for consideration other than cash

During the year the Company has issued 2,14,12,813 shares of ₹ 10 each fully paid to the Share holders of Essar Ports Limited for a consideration other than cash under the composite scheme of arrangement (refer note 38)

e) Share reserved for issue under option

For details of share reserved for issue under conversion of foreign currency convertible bond (refer note 36).

18 OTHER EQUITY

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Capital reserve on cancellation and fresh issue of equity share capital (refer note 38)	25,863.52	28,459.36	14,995.31
(b) Remeasurment of defined benefit obligation net of tax	(28.19)	(4.55)	–
(c) Retained Earning	(2,961.24)	(1,052.91)	(487.97)
(d) Equity Component of compound financial instrument	430.70	430.70	430.70
Total	**23,304.79**	**27,832.60**	**14,938.04**

19 BORROWINGS (NON-CURRENT)

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Secured borrowings- at amortised cost			
(a) Rupee term loans from banks	92,986.89	87,021.23	74,274.23
(b) Rupee term loans from financial institutions	17,749.61	16,492.69	–
(c) Unamortised portion of ancillary borrowing cost	(365.68)	(405.08)	(331.98)
Less : Interest accrued and due on rupee term loans from banks & Financial Institutiion	(903.14)	(2,669.05)	(2,855.70)
Less: Current maturities of long-term borrowings	(4,548.23)	–	–
(d) Acceptances in respect of capital goods *	740.69	1,829.76	118.96
Total	**105,660.14**	**102,269.55**	**71,205.51**

Notes forming part of the financial statements

Notes :-

(a) Rupee term loans of ₹ 89,213.73 lakhs (March 31, 2016 ₹ 87,021,23 lakhs and April 01, 2015 ₹ 74,274.23 lakhs) carry interest of 14-16% p.a. with repayment in 36 equal quarterly installments starting from quarter ending June, 2017 to quarter ending in March, 2026 and rupee term loan of ₹ 2,870.01 lakhs from banks are repayable in 36 equal quarterly installments starting from quarter ending June, 2018 to quarter ending in March, 2027

(b) Rupee term loan of ₹ 16,326.98 lakhs (March 31, 2016 16,492.69 lakhs and April 01, 2015 NIL) carry interest of 14-16% p.a. with repayment in 44 equal quarterly installments starting from quarter ending June, 2017 and ending in March, 2028 and rupee term loan of ₹ 1,422.63 lakhs (March 31, 2016 NIL and April 01, 2015 NIL) from a financial institution is repayable in 44 equal quarterly installments starting from quarter ending June, 2018 and ending in March, 2029.

(c) Rupee term loans from banks and a financial institution are secured by first mortgage and charge of all present and future movable and immovable assets / properties of the group and pledge of certain shares of the group held by promoters. The loans are further secured by construction payment guarantee of Essar Ports Limited for ₹ 106,852 Lakhs (As at March 31, 2016 ₹ 106,852 Lakhs and As at April 01,2015 ₹ 76,686 Lakhs).

(d) The classification of loans between current liabilities and non-current liabilities continues to be 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.

(e) During the year the group had delays in the payment of interest to lenders as at 31st March, 2017 of ₹ 903.14 lakhs (₹ 2,669.05 as at 31st March 2016, ₹ 2,855.70 as at 1st April, 2015) which was paid subsequent to the year end. The Group also did not comply with certain loan covenants. However, the lenders have not accelerated the repayment of loans and the terms of the loans also remained unchanged.

*Issued under letter of credit issued in favour of the company by lender banks and to be converted into long-term loans as per terms of loan agreements.

20 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Payable for capital expenses			
– To others	–	34.71	32.74
Total	**–**	**34.71**	**32.74**

21 DEFERRED TAX (ASSETS)/ LIABILITIES (NET)

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Tax effect of items constituting deferred tax liabilities			
Deferred tax liability	74.75	67.66	73.46
Equity component of FCCB	1.56	5.42	56.81
Total (A)	**76.31**	**73.08**	**130.27**
Tax effect of items constituting deferred tax assets			
On remeasurment of defined benefit obligation	15.84	2.42	–
Total (B)	**15.84**	**2.42**	**–**
Net deferred tax liabilites/(assets)	**60.47**	**70.66**	**130.27**

22 TRADE PAYABLES

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Micro and small enterprise (refer note below)	–	–	–
(b) Others	637.54	24.03	35.46
Total	**637.54**	**24.03**	**35.46**

Dues payable to Micro and Small Enterprises:

There is no amount due to Micro, Small and Medium Enterprises as defined under " The Micro, Small and Medium Enterprise Development Act, 2006". The information has been determined to the extent such parties have been identified on the basis of information available with the Group.

23 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Current maturities of long-term borrowings			
– to banks	4,548.23	–	–
– foreign currency convertible bonds	7,442.02	7,165.29	6,601.03
– Inter Corporate deposit from related party* (refer note 35)	21,563.22	14,393.66	2,840.96
(b) Interest accured on Inter corporate deposit	1,559.64	409.26	712.14
(c) Interest accrued and due on rupee term loans from banks	903.14	2,669.05	2,855.70
(d) Due to related parties (refer note 42)	2.65	0.32	0.32
(e) Advance received towards purchase of shares (refer note 35)	–	–	10,611.00
(f) Payable for capital expenses			
– To related parties (refer note 35)	811.32	127.54	401.66
– To others	6,219.82	5,171.84	1,340.28
(g) Share application money pending allotment (refer note 42)	7,535.00	–	1,740.29
Total	**50,585.04**	**29,936.96**	**27,103.38**

*Includes ₹ 10952.22 Lakhs (As at 31st March 2016 - ₹ 3782.66 Lakhs, As at 1st April 2015 - 2840.96 Lakhs) received from a related party, Vadinar Oil Terminal Limited, which has been assigned to Essar Steel Jharkhand Limited on 31st March 2017.

24 OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Statutory dues	856.50	557.96	80.08
Total	**856.50**	**557.96**	**80.08**

Notes forming part of the financial statements

25 PROVISIONS (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for employee benefits			
(i) Compensated absences (refer note 39)	18.52	11.77	24.26
(ii) Gratuity (refer note 39)	50.78	25.50	9.77
Total	**69.30**	**37.27**	**34.03**

26 CURRENT TAX LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for taxation (net of advance tax of ₹ Nil (as at March 31, 2016 ₹ Nil, as at April 01, 2015 ₹ Nil)	–	–	1.03
Total	**–**	**–**	**1.03**

27 REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended April 01, 2016
Fleet operating and chartering earnings	108.00	180.00
Total	**108.00**	**180.00**

28 OTHER INCOME

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended April 01, 2016
Foreign exchange gain / (loss)	308.73	–
Total	**308.73**	**–**

29 OTHER EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended April 01, 2016
(a) Consultancy and professional charges	624.81	–
(b) Auditors' remuneration	17.00	14.70
(c) Other Expenses	52.16	9.79
(d) Director Sitting Fees	3.62	–
(e) Stamp Duty Expenses	8.16	–
(f) Foreign exchange gain / (loss)	–	415.79
Total	**705.75**	**440.28**

Notes forming part of the financial statements

30 FINANCE COST

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended April 01, 2016
(a) Interest on loan from related party (refer note 42)	1,433.47	141.29
(b) Unwinding of Interest on FCCB	159.64	148.48
Total	**1,593.11**	**289.77**

31 LEASES

i) Operating lease

The Group as lessee

The Group had entered into an operating lease agreement for office premises for a period of 5 years from 1 october, 2012 with monthly lease rental of ₹ 2.39 Lakhs which has been terminated mutually by both the parties with effect from 16 April, 2015. The minimum lease payment recognised in capital work in progress for the year is ₹ NIL (March 31, 2016 ₹ 2.41 lakhs)

Operating lease commitments

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Payable not later than 1 year	–	–	28.27
Payable later than 1 year and not later than 5 years	–	–	42.42
Payable later than 5 years	–	–	–
Total	**–**	**–**	**70.69**

32 CAPITAL COMMITMENTS

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	16,854.40	28,200.00	44,080.03
Total	**16,854.40**	**28,200.00**	**44,080.03**

33 CONTINGENT LIABILITY

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Disputed Income Tax cases (AY 2012-13 to 2014-15)	5,581.22	–	–
Total	**5,581.22**	**–**	**–**

34 FINANCIAL INSTRUMENTS

1 Capital management

The Group's objective while managing capital is to safeguard its ability to continue as a going concern while maximising the return to stakeholders through optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (non-current borrowing, current portion of non-current borrowings as detailed in notes 19 and 23, offset by cash and bank balances) and total equity. The group is not subject to any externally imposed capital requirements. The group's board of directors reviews the capital structure on an annual basis. The financial tie up for the company are long term in nature as it is in infrastructure business. Therefore all new capital requirements are duly discussed by the board of directors. The group monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes borrowings less cash and cash equivalents and other bank balances.

Notes forming part of the financial statements

1.1 Gearing ratio

The gearing ratio at the end of the reporting period was as follows.

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Debt#	139,213.61	123,828.50	80,647.49
Less: Cash and cash equivalents (refer note 12)	668.83	443.55	92.44
Less: Bank balances other than cash and cash equivalents (refer note 13)	20.97	772.13	66.79
Net debt	**138,523.81**	**122,612.82**	**80,488.26**
Total equity (equity and other equity)	**28,740.66**	**27,941.41**	**15,047.06**
Net debt to equity ratio	**4.82**	**4.39**	**5.35**

Debt is defined as long-term and short term borrowings (excluding derivative), as described in earlier notes (refer note 19 and 23).

2 Categories of financial instruments

₹ in lakhs

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	Carrying amount	Fair values	Carrying amount	Fair values	Carrying amount	Fair values
Financial assets						
Measured at amortised cost						
Trade receivables	55.57	55.57	–	–	–	–
Cash and cash equivalents	668.83	668.83	443.55	443.55	92.44	92.44
Bank balances other than above cash and cash equivalents	20.97	20.97	772.13	772.13	66.79	66.79
Loans	184.95	184.95	165.85	165.85	–	–
Other financial assets	739.03	739.03	1,447.39	1,447.39	1,282.83	1,282.83
Total financial assets carried at amortised cost	**1,669.35**	**1,669.35**	**2,828.92**	**2,828.92**	**1,442.06**	**1,442.05**
Financial liabilities						
Measured at amortised cost						
Long-term borrowings #	139,213.62	139,213.62	123,828.50	123,828.50	80,647.49	80,647.49
Other financial liabilities	2,465.44	2,465.44	3,113.33	3,113.33	14,211.90	14,211.90
Trade payables	637.54	637.54	24.03	24.03	35.46	35.46
Financial liabilities measured at amortised cost	**142,316.60**	**142,316.60**	**126,965.86**	**126,965.86**	**94,894.85**	**94,894.85**

including current maturities of long-term borrowings

3 Financial risk management objectives

The Group's Corporate finance department monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse the exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

"The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identification and mapping controls against these risks, monitor the risk and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and Company's activities to provide reliable information to the management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Group. The Group's finance function reports quarterly to the Group's Board of Directors that monitors risks and policies implemented to mitigate risk exposures. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

Notes forming part of the financial statements

3.1 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters. Quarterly reports are submitted to Board of Directors on the unhedged foreign currency exposures.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

Amount in ₹

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Financial liabilities			
Long term borrowings	7,442.02	7,165.29	6,601.03
Total financial liabilities	**7,442.02**	**7,165.29**	**6,601.03**
Net exposure of foreign currency risk	**(7,442.02)**	**(7,165.29)**	**(6,601.03)**
Sensitivity impact on profit and loss on liabilities exposure at 10%	**(744.20)**	**(716.53)**	**(660.10)**

Foreign currency sensitivity analysis

The Group is mainly exposed to USD currency.

The above table details the Group's sensitivity to a 10% increase and decrease in the INR against relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency risk denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A negative number above indicates an increase in profit/equity where the INR strengthens 10% against the relevant currency. For a 10% weakening of the INR against the relevant currency, there would be a comparable impact on the profit/equity and the balances above would be positive.

3.2 Interest rate risk management

The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Group has exposure to interest rate risk, arising principally on changes in MCLR and base rates. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like long term loans and short term loans. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate borrowings at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period, was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The following table provides a break-up of the Group's fixed and floating rate borrowings and interest rate sensitivity analysis.

₹ in lakhs

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016		For the year ended April 01, 2015	
	Gross amount	Interest rate sensitivity @0.50%	Gross amount	Interest rate sensitivity @0.50%	Gross amount	Interest rate sensitivity @0.50%
Borrowings with variable interest rate	110,208.38	551.04	102,269.55	511.35	71,205.51	356.03
Borrowings with fixed interest rate	29,005.24	NA	21,558.95	NA	9,441.98	NA
Total	**139,213.62**	**551.04**	**123,828.50**	**511.35**	**80,647.49**	**356.03**

Notes forming part of the financial statements

3.3 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Group's credit risk arises principally from the trade receivables, loans, cash and cash equivalents and other financial assets.

Trade receivables

Trade receivables consists of a single customer . The operations of the customer are limited to single industry and geographical area. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue trade receivables.

Cash and bank balances

The credit risk on liquid funds and other bank deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Loans, deposits and advances

The Group's corporate treasury function manages the financial risks related to the business. The treasury function focuses on capital protection, liquidity and yield maximisation.

Loans, deposits and advances are extended to counterparties after assessing their financial capabilities. Counterparty credit limits are reviewed and approved by Board/Audit Committee of the Company. These limits are set to minimise the concentration of risks and therefore mitigates the financial loss through counterparty's potential failure to make payments.

Collateral held as security and other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial asset

3.4 Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. Ultimate responsibility for liquidity risk management rests with the board of directors. The Group manages liquidity risk by maintaining reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods . The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

₹ in lakhs

Particulars	As at March 31, 2017				As at March 31, 2016				As at April 01, 2015			
	< 1year	1-5 years	> 5 years	Total	< 1year	1-5 years	> 5 years	Total	< 1year	1-5 years	> 5 years	Total
Financial liabilities												
Long-term borrowings	–	105,660.14	–	105,660.14	–	–	102,269.55	102,269.55	–	71,205.51	–	71,205.51
Short-term borrowings	–	–	–	–	–	–	–	–	–	–	–	–
Trade payables	637.54	–	–	637.54	24.03	–	–	24.03	35.46	–	–	35.46
Other financial liabilities	50,585.04	–	–	50,585.04	29,936.96	34.71	–	29,971.67	27,103.38	32.74	–	27,136.12
Total financial liabilities	**51,222.58**	**105,660.14**	**–**	**156,882.72**	**29,960.99**	**34.71**	**102,269.55**	**132,265.25**	**27,138.84**	**71,238.25**	**–**	**98,377.09**

Future interest obligations:-

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	<1 year	1-5 year	>5year	<1 year	1-5 year	>5year	<1 year	1-5 year	>5year
Long Term Borrowings	15,413	62,893	17,073	14,717	68,830	26,549	11,112	72,050	38,047
Total	**15,413**	**62,893**	**17,073**	**14,717**	**68,830**	**26,549**	**11,112**	**72,050**	**38,047**

35 EARNINGS PER SHARE

Particulars	For the year ended March 31, 2017	For the year ended April 01, 2016
Basic Earnings per share (in ₹)	(9.08)	(2.64)
Diluted Earnings per share (in ₹)	(9.08)	(2.64)

* Diluted EPS for the year ended March 31, 2017 and March 31, 2016 are considered same as basic EPS, since the effect is anti dilutive.

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended March 31, 2017	For the year ended April 01, 2016
Loss for the year attributable to owners of the Group	(1,944.79)	(564.94)
Weighted average number of equity shares for the purposes of basic earnings per share #	21,412,813	21,412,813
Earnings per share - Basic (in ₹)	(9.08)	(2.64)

Diluted earnings per share

The earnings used in calculation of diluted earnings per share are as follows.

Particulars	For the year ended March 31, 2017	For the year ended April 01, 2016
Earnings used in the calculation of basic earnings per share (₹ in lakhs)	(1,944.78)	(564.94)
Interest on Foreign Currency Convertible Bonds (₹ in lakhs)	159.64	148.48
Foreign exchange (gain) / loss	(308.73)	415.79
Earnings used in the calculation of diluted earnings per share (₹ in lakhs)	**(2,093.87)**	**(0.67)**
Weighted average number of equity shares for the purposes of diluted earnings per share	27,100,442	27,100,442
Diluted earnings per share (₹)	(7.73)	(0.00)

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	For the year ended March 31, 2017	For the year ended April 01, 2016
Weighted average number of equity shares used in the calculation of basic earnings per share#	21,412,813	21,412,813
Potential equity shares to be issued upon conversion of FCCBs	5,687,629	5,687,629
Weighted average number of equity shares used in the calculation of Diluted EPS	**27,100,442**	**27,100,442**

#the number of equity shares issued pursuant to the scheme (refer note 35) without corresponding change in resources, have been considered for all the period presented

36 FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBS)

Pursuant to the Composite Scheme of Arrangement (refer note 38), the obligations relating to the foreign currency convertible bonds (FCCB's) of ₹ 7,204.29 lakhs (Equivalent of US$ 11,111,111) (₹ 3,859.44 lakhs (US$ 5,952,381) Series A Bond and ₹ 3,344.85 lakhs (US$ 5,158,730) Series B Bond) attributable to the business acquired, out of FCCB's of ₹ 25,935.43 lakhs (equivalent of US$ 39,999,988) issued by Essar Ports Limited have been transferred to the company.

Notes forming part of the financial statements

Salient Terms of the FCCBs are as under :

a) The Bonds bears interest rate of 5% per annum payable in arrears semi-annually.

b) The Bonds are convertible at an initial conversion price of ₹ 91.70 per share with a fixed rate of exchange on conversion of ₹ 46.94 to USD 1.00.

c) The Bonds are convertible by the bondholder into fully paid equity shares with full voting rights with a par value of ₹ 10 each of the Company. The Conversion price is subject to adjustment in certain circumstances.

d) Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed in U.S. Dollars on 24 August 2017 at par.

Equity element of the FCCBs attributable to the Company has been recognized under Reserves and Surplus as Equity compound of compound financial instruments.

Subsequent to the balance sheet date, the Company is in discussion with the bondholder for extension of the above maturity date in respect of the aforesaid FCCBs attributable to the Company, listed in the name of Essar Ports Limited. During the year, the company has requested and obtained waiver of interest payable to the bond holder for the year.

37 SEGMENT INFORMATION

Services from which reportable segments derive their revenues

The Group is in the business of providing cargo handling services through its assets mainly located in India. The Chief Operating Decision Maker reviews the results of the group for assessment of the performance and resources allocation.

Revenue from the operations of the group is mainly from a customer (related party) located in India.

38 A Composite Scheme of Arrangement ("the Scheme") amongst Essar Ports Limited ("EPL"), Vadinar Ports & Terminals Limited ("VPTL"), Vadinar Oil Terminal Limited ("VOTL"), Essar Power and Minerals Limited (EPML), the Company ("SBTL") 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 became effective on August 26, 2016 and has been implemented in phases with 30 June, 1 July and 2 July 2016 as the appointed dates.

Pursuant to the aforesaid Scheme, with effect from 1 July 2016, a flat bottomed crane barge, investments in Essar Bulk Terminal (Salaya) Limited, and related assets and liabilities have been demerged from EPL and transferred to and vested in SBTL. In consideration thereof, the Company has allotted 21,412,813 equity shares to the shareholders of EPL and 500,000 equity shares of the Company are cancelled.

This being a common control transaction from the group's perspective, was accounted for using pooling of interest method. Accordingly, the assets and liabilities acquired are reflected at their carrying amount with effect from 1 April 2015. The financial information in respect of a flat bottomed crane barge business are extracted from the books and records of the EPL.

Cancellation of equity share capital and issuance of shares as aforesaid by the Company has resulted in difference of ₹ 25,863.52 lakhs which is transferred to capital reserve.

39 EMPLOYEE BENEFITS

Defined contribution plans

Group has recognised the following amounts in the expenditure during construction :

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended April 01, 2016
a) Employer's contribution to provident fund	29.71	19.38
Total	**29.71**	**19.38**

The above amounts are included in contribution to staff provident fund.

Defined benefit plans

A Gratuity: (funded)

The Group sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by Life Insurance Corporation of India (LIC) and every year the required contribution amount is paid to LIC.

Under the Gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 58 with the payment ceiling of ₹ 1,000,000. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years.

The plans in India typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of actuarial valuation were as follows:

Particulars	Valuation as at		
	March 31, 2017	March 31, 2016	April 01, 2015
Discount rate (p.a)	6.90%	7.70%	7.80%
Expected rate(s) of salary increase (p.a)	7.00%	9.00%	9.00%
Expected return on plan assets (p.a)	8.50%	8.50%	8.50%
Attrition rate (p.a)	10.00%	10.00%	10.00%

In assessing the Group's post retirement liabilities, the Group monitors mortality assumptions and uses up-to-date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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.

Amount recognised in Statement of profit and loss in respect of these defined benefit plans are as follows:

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended April 01, 2016
Current service cost	8.71	6.10
Net interest expense	1.07	2.97
Component of defined benefit costs recognised in Statement of Profit and Loss	**9.78**	**9.07**
Remeasurement of net defined benefit liability:		
Actuarial gain on defined benefit obligation	38.79	6.98
Components of defined benefit costs recognised in other comprehensive income	**38.79**	**6.98**
Total	**48.57**	**16.05**

Notes forming part of the financial statements

The current service cost and net interest expense for the year are included in the expenditure during construction.

The Remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plans are as follows:

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Present value of funded defined benefit obligation	92.61	48.57	43.81
Fair value of plan assets	41.83	23.07	34.04
Net liability/(asset) arising from defined benefit obligation	**50.78**	**25.50**	**9.77**

Movement in the present value of the defined benefit obligation are as follows:

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended April 01, 2016
Balance at the beginning of the year	48.57	43.81
Current service cost	8.71	6.10
Interest cost	3.47	2.97
Remeasurement (gains)/losses:		
Actuarial (gains)/losses	38.94	7.19
Benefits paid	(7.08)	(11.50)
Transfer of obligation		
Acquisitions cost	–	–
Balance at the end of the year	**92.61**	**48.57**

Movement in the fair value of the plan assets are as follows:

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended April 01, 2016
Balance at the beginning of the year	23.07	34.04
Acquisition adjustment	–	(16.79)
Interest income on plan assets	2.40	1.51
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	0.15	0.21
Contribution from the employer	23.29	15.60
Transfer of assets	–	–
Benefits paid	(7.08)	(11.50)
Balance at the end of the year	**41.83**	**23.07**

Composition of the plan assets:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Scheme of insurance - conventional products	100%	100%	100%

The fair value of the instruments are determined based on quoted market prices in active markets.

The actual return on plan assets for the year ended March 31, 2017 was ₹0.15 lakhs (for the year ended March 31, 2016: ₹ 0.21 lakhs).

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Estimate of amount of contribution in the immediate next year	10.27	4.24	7.55

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

₹ in lakhs

Particulars	As at March 31, 2017		As at March 31, 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(2.97)	3.15	(1.73)	1.85
Future salary growth (0.5% movement)	2.67	(2.57)	1.52	(1.49)
Attrition rate (5% movement)	0.45	0.47	(1.03)	1.30

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analyzed in terms of risk-and-return profiles. Investment and contribution policies are integrated within this study.

The weighted average duration of the benefit obligation at March 31, 2017 is 6 years (as at March 31, 2016: 6 years).

The expected benefits payments analysis of projected benefit obligation is as follows:

₹ in lakhs

Particulars	Less than a year	Between 1 to 5 years	Over 5 years	Total
As at March 31, 2017				
Defined benefit obligation	10.26	50.45	82.98	143.69
As at March 31, 2016	4.24	29.80	49.33	83.37
Defined benefit obligation				
As at April 01, 2015				
Defined benefit obligation	7.55	22.30	40.82	70.67

B Compensated absences: (unfunded)

Under the Compensated absences plan, leave encashment is payable to all eligible employees on separation from the Group due to death, retirement, superannuation or resignation. Leave balance as on December 31, 2015 to the extent not availed by the employees is available for encashment on separation from the Group upto a maximum of 120 days at the rate of daily salary as at December 31, 2015.

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Present value of unfunded obligation (₹ in lakhs)	18.51	11.77	24.26
Expense recognised in Statement of Profit and Loss (₹ in lakhs)	6.89	11.77	21.12
Discount rate (p.a)	6.90%	7.70%	7.80%
Salary escalation rate (p.a)	7.00%	9.00%	9.00%
Attrition rate (p.a)	10.00%	10.00%	10.00%

Notes forming part of the financial statements

40 INCOME TAXES

The group is subject to Indian income tax on a standalone basis. Group is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31. For each fiscal year, the entity profit or loss is subject to the higher of the regular income tax payable or the Minimum Alternative Tax ("MAT").

Provision for tax is determined based on book profits prepared under generally accepted accounting principles and adjusted for, inter alia, the Group's assessment of allowable expenditure (as applicable), including exceptional items, set off of tax losses and unabsorbed deprecation. Statutory income tax is charged at 30% plus a Surcharge and Cess. MAT for the fiscal year 2016-17 is payable at 18.5% as increased by Surcharge and Cess. MAT paid in excess of regular income tax payable during a year can be carried forward and set off against regular income taxes payable within a period of fifteen years succeeding the fiscal year in which MAT credit arises.

a) Income taxes

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended April 01, 2016
Recognised in statement of profit and loss		
Current tax		
In respect of the current year	–	–
In respect of prior years	–	–
Deferred tax		
In respect of the current year	3.24	(57.20)
Total (A)	**3.24**	**(57.20)**
Recognised in other comprehensive income		
Deferred tax	13.42	2.42
Total (B)	**13.42**	**2.42**
Total (A + B)	**16.66**	**(54.78)**

A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognise income tax expense for the year indicated are as follows :

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended April 01, 2016
Loss before taxes	(1,943.09)	(622.18)
Enacted tax rate in India	34.61%	34.61%
Income tax at statutory tax rate	(672.46)	(215.32)
Effect of:		
Tax effect of non deductible expenses	1.27	0.00
Tax effect of non taxable income	120.18	215.32
Deferred tax assets not recognised on carry forward of losses	551.01	0.00
Deferred tax assets	3.24	(57.20)
Deferred tax assets on other comprehensive income	13.42	2.42
Income taxes recognised in the statement of income	**16.66**	**(54.78)**

Deferred tax assets and liabilities

Significant components of deferred tax liabilities / (assets) recognised in the financial statements are as follows :

₹ in lakhs

Deferred tax balances in relation to	As at March 31, 2016	Recognised / reversed during the year	As at March 31, 2017
Property, Plant and Equipment	–	74.75	74.75
Equity Component of FCCB	5.43	(3.87)	1.56
Employee Benefit Obligations	(2.42)	13.42	(15.84)
Others	67.65	(67.65)	–
Total	**70.66**	**16.65**	**60.47**

Components of deferred tax assets and liabilities

₹ in lakhs

Deferred tax balances in relation to	As at April 01, 2015	Recognised / reversed during the year	As at March 31, 2016
Equity Component of FCCB	56.81	(51.38)	5.43
Others	73.46	(5.81)	67.65
Employee Benefit Obligations	–	(2.42)	(2.42)
Total	**130.27**	**(59.61)**	**70.66**

41 (A) DETAILS OF SUBSIDIARY AND COMPOSITION OF GROUP

Essar Bulk Terminal (Salaya) Limited, a company incorporated in India, is a subsidiary which has been consolidated while preparation of these financial statements. Effective holding is 93.2% in subsidiary company. Principal activity of EBTSL is to provide port and terminal cargo handling services

Non controlling interest

Financial information of Essar Bulk Terminal (Salaya) Limited

₹ in lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Non current assets	184,350.63	156,842.97	111,216.28
Current Assets	1,635.07	3,321.15	1,665.31
Non current liabilities	105,660.15	102,304.26	71,238.25
Current liabilities	31,886.76	12,628.80	9,383.28
Equity attributable to the owners of the equity	25,446.07	–	–
Non controlling interest	3,294.59	103.81	104.02

₹ in lakhs

Particulars	For the year ended March 31, 2017	For the year ended April 01, 2016
Revenue	0.00	0.00
Expenses	22.78	15.92
Loss for the year	(22.78)	(15.92)
Loss attributable to the owners of equity	(19.51)	0.00
Loss attributable to the non-controlling interest	(3.28)	(0.05)

Notes forming part of the financial statements

41 (B) ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013

Name of the entities in the Group	Net assets, i.e. total assets minus total liabilities as at March 31, 2017		Share of profit or loss for the year ended March 31, 2017		Share in other Comprehensive Income / (loss) for the year ended March 31, 2017		Share in total Comprehensive Income / (loss) for the year ended March 31, 2017	
	As % of consolidated net assets	₹ in lakhs	As % of consolidated profit or loss	₹ in lakhs	As % of consolidated other comprehensive income / (loss)	₹ in lakhs	As % of total comprehensive income / (loss)	₹ in lakhs
Parent								
Salaya Bulk Terminals Limited	90.33%	25,962.32	98.83%	(1,923.54)	–	–	97.56%	(1923.54)
Subsidiaries								
Essar Bulk Terminal (Salaya) Limited	168.54%	48,438.79	1.17%	(22.79)	100.00%	(25.37)	2.44%	(48.15)
Intercompany elimination and consolidation adjustments	(158.87)%	(45,660.46)	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
Grand Total	**100.00%**	**28,740.66**	**100.00%**	**(1946.33)**	**100.00%**	**(25.37)**	**100.00%**	**(1971.70)**

42 RELATED PARTY RELATIONSHIP, TRANSACTIONS AND BALANCES.

a. Names of the related parties and description of relationship

Sr. No.	Nature of relationship	Name of Related Parties
1	**Holding**	Essar Global Fund Limited, Cayman Island, (ultimate holding company) Essar Ports Holdco Limited, Mauritius, (intermediate holding company) Essar Ports & Terminals Limited, Mauritius, (formerly known as Essar Africa Mineral Holdings Limited) (immediate holding company) Paradeep Steel Company Limited (Immediate Holding Company upto April 07, 2016)
2	**Other related parties**	Essar Ports Limited Hazira Cargo Terminals Limited Essar Bulk Terminals Limited Arkay Logistics Limited Aegis Limited Essar Bulk Terminal Paradip Limited Essar Engineering Services Limited Essar Oil Limited Essar Paradip Terminals Limited Essar Power Gujarat Limited Essar Projects (India) Limited Essar Projects Management Consultants Limited Essar Services India Limited Essar Steel India Limited Essar Vizag Terminals Limited Vadinar Oil Terminal Limited Vadinar Ports and Terminals Limited
3	**Key Management Personnel**	Mr Kumar Nandula (CFO & Whole Time Director) Mr Rajiv Agarwal (Director) Mr K K Sinha (Director) Mr B S Kumar (Director) Mr Prabhatkumar Srivastava (Director) Mr S V Venkatesan (Director)

Transactions with related parties :-

₹ in lakhs

Nature of transactions	Holding companies		Other related parties		Key management personnel		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Share application money received								
Essar Ports Limited	–	–	8,355.50	90.00	–	–	8,355.50	90.00
Vadinar Ports & Terminals Limited	–	–	–	550.00	–	–	–	550.00
Essar Bulk Terminal Limited	–	–	2,400.00	–	–	–	2,400.00	–
Essar Paradip Terminal Limited	–	–	1,570.00	–	–	–	1,570.00	–
Total	**–**	**–**	**12,325.50**	**640.00**	**–**	**–**	**12,325.50**	**640.00**
Share application money refunded								
Essar Ports Limited	–	–	1,560.00	90.00	–	–	1,560.00	90.00
Vadinar Ports & Terminals Limited	–	–	–	531.54	–	–	–	531.54
Total	**–**	**–**	**1,560.00**	**621.54**	**–**	**–**	**1,560.00**	**621.54**
Share application converted into Inter corporate deposit								
Vadinar Oil Terminal Limited (VPTL)	–	–	–	570.46	–	–	–	570.46
Total	**–**	**–**	**–**	**570.46**	**–**	**–**	**–**	**570.46**
Inter corporate deposits received								
Vadinar Ports and Terminals Limited	–	–	–	3,405.73	–	–	–	3,405.73
Vadinar Oil Terminal Limited	–	–	7,078.00	9,469.00	–	–	7,078.00	9,469.00
Essar Ports Limited	–	–	730.00	–	–	–	730.00	–
Total	**–**	**–**	**7,808.00**	**12,874.73**	**–**	**–**	**7,808.00**	**12,874.73**
Inter corporate deposits refunded								
Vadinar Ports and Terminals Limited	–	–	–	5.00	–	–	–	5.00
Vadinar Oil Terminal Limited	–	–	886.80	6,851.64	–	–	886.80	6,851.64
Essar Ports Limited	–	–	730.00	–	–	–	730.00	–
Total	**–**	**–**	**1,616.80**	**6,856.64**	**–**	**–**	**1,616.80**	**6,856.64**
Interest on Inter Corporate deposits								
Vadinar Ports & Terminals Limited	–	–	–	182.98	–	–	–	182.98
Vadinar Oil Terminal Limited	–	–	796.19	240.37	–	–	796.19	240.37
Essar Bulk Terminal Limited	–	–	1,075.34	–	–	–	1,075.34	–
Total	**–**	**–**	**1,871.53**	**423.35**	**–**	**–**	**1,871.53**	**423.35**
Preference shares Issued								
Essar Ports Limited	–	–	3,230.50	90.00	–	–	3,230.50	90.00
Vadinar Ports & Terminals Limited	–	–	–	11,652.07	–	–	–	11,652.07
Essar Bulk Terminal Limited	–	–	–	1,245.00	–	–	–	1,245.00
Total	**–**	**–**	**3,230.50**	**12,987.07**	**–**	**–**	**3,230.50**	**12,987.07**
Capital advances given								
Essar Vizag Terminals Limited	–	–	–	606.28	–	–	–	606.28
Total	**–**	**–**	**–**	**606.28**	**–**	**–**	**–**	**606.28**
Capital advance refund back								
Essar Vizag Terminals Limited	–	–	–	606.28	–	–	–	606.28
Total	**–**	**–**	**–**	**606.28**	**–**	**–**	**–**	**606.28**

Notes forming part of the financial statements

₹ in lakhs

Nature of transactions	Holding companies		Other related parties		Key management personnel		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Fleet Operating Income								
Essar Bulk Terminal Limited**	–	–	108.00	–	–	–	108.00	–
Arkay Logistics Limited	–	–	–	180.00	–	–	–	180.00
Purchase of fixed assets / Capital work-in-progress / Expenditure during construction								
Aegis Limited	–	–	–	46.93	–	–	–	46.93
Essar Bulk Terminal Limited	–	–	16.59	299.22	–	–	16.59	299.22
Essar Projects (India) Limited- (Engg Division)	–	–	19.49	524.06	–	–	19.49	524.06
Essar Oil Limited	–	–	274.72	–	–	–	274.72	–
Essar Ports Limited	–	–	443.80	350.63	–	–	443.80	350.63
Essar Power (Gujarat) Limited	–	–	41.27	–	–	–	41.27	–
Essar Projects (India) Limited	–	–	16,549.61	12,534.17	–	–	16,549.61	12,534.17
Vadinar Oil Terminal Limited	–	–	–	66.60	–	–	–	66.60
Essar Steel India Limited	–	80.57	–	–	–	–	–	80.57
Total	**–**	**80.57**	**17,345.48**	**13,821.61**	**–**	**–**	**17,345.48**	**13,902.18**
Cargo handling income (credited to EDC)								
Essar Power Gujarat Limited	–	–	2,536.75	2,379.21	–	–	2,536.75	2,379.21
Essar Oil Limited	–	–	1,794.32	1,733.36	–	–	1,794.32	1,733.36
Total	**–**	**–**	**4,331.07**	**4,112.57**	**–**	**–**	**4,331.07**	**4,112.57**
Expenses incurred by others on behalf of the Company								
Essar Steel Jharkhand Limited	–	–	2.65	–	–	–	2.65	–
Essar Ports Limited	–	–	636.26	–	–	–	636.26	–
Total	**–**	**–**	**638.91**	**–**	**–**	**–**	**638.91**	**–**
Remuneration*								
Kumar Nandula	–	–	–	–	43.29	32.58	43.29	32.58
Inter corporate deposit given								
Essar Bulk Terminal Paradip Limited	–	–	–	141.29	–	–	–	141.29
Interest on Inter Corporate deposit given								
Essar Bulk Terminal Paradip Limited	–	–	21.22	9.61	–	–	21.22	9.61
Guarantees given by others on behalf of the company								
Essar Ports Limited	–	–	–	30,166.00	–	–	–	–

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

** Restated number under the Composite Scheme of Arrangement (Refer Note 38)

figure does not include the amount payable gratuity and compensated absence by the Company as the same is calculated for the company as a whole on actuarial basis.

Notes forming part of the financial statements

Balance with related parties at the year end

₹ in lakhs

Nature of balances	Holding companies			Other related parties			Total		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Share Application pending for allotment									
Essar Ports Limited	–	–	–	3,565.00	–	–	3,565.00	–	–
Essar Bulk Terminal Limited	–	–	–	2,400.00	–	1,188.29	2,400.00	–	1,188.29
Essar Paradip Terminals Limited	–	–	–	1,570.00	–	–	1,570.00	–	–
Vadinar Port and Terminals Limited	–	–	–	–	–	552.00	–	–	552.00
Total	**–**	**–**	**–**	**7,535.00**	**–**	**1,740.29**	**7,535.00**	**–**	**1,740.29**
Capital creditors									
Aegis Limited	–	–	–	–	23.58	56.64	–	23.58	56.64
Essar Ports Limited	–	–	–	268.76	–	27.77	268.76	–	27.77
Essar Project Management Consultant	–	–	–	–	12.50	12.50	–	12.50	12.50
Vadinar Oil Terminal Limited	–	–	–	–	–	4.52	–	–	4.52
Essar Bulk Terminal Limited	–	–	–	379.21	78.01	–	379.21	78.01	–
Essar Power Gujarat Limited	–	–	–	17.35	13.45	–	17.35	13.45	–
Essar Oil Limited	–	–	–	17.38	–	–	17.38	–	–
Essar Projects (India) Limited - (Engg Division)	–	–	–	128.62	–	300.23	128.62	–	300.23
Total	**–**	**–**	**–**	**811.32**	**127.54**	**401.66**	**811.32**	**127.54**	**401.66**
Capital advances given								**–**	**–**
Essar Projects Management Consultants Limited	–	–	–	38.88	38.88	38.88	38.88	38.88	38.88
Arkay Logistics Limited	–	–	–	63.54	63.54	63.54	63.54	63.54	63.54
Essar Vizag Terminals Limited	–	–	–	–	606.28	–	–	606.28	–
Essar Projects (India) Limited	–	–	–	2,725.41	3,828.92	11,675.86	2,725.42	3,828.92	11,675.86
Total	**–**	**–**		**2,827.83**	**4,537.62**	**11,778.28**	**2,827.84**	**4,537.62**	**11,778.28**
Trade Receivable									
Essar Bulk Terminal Limited	–	–	–	55.57	–	–	55.57	–	–
Total	**–**	**–**	**–**	**55.57**	**–**	**–**	**55.57**	**–**	**–**
Other receivables from related parties									**–**
Essar Oil Limited	–	–	–	189.10	235.32	174.01	189.10	235.32	174.01
Essar Power Gujarat Limited	–	–	–	377.52	521.99	903.42	377.52	521.99	903.42
Essar Ports Limited	–	–	–	–	23.80	–	–	23.80	–
Total	**–**	**–**	**–**	**566.62**	**781.11**	**1,077.43**	**566.62**	**781.11**	**1,077.43**

Notes forming part of the financial statements

₹ in lakhs

Nature of balances	Holding companies			Other related parties			Total		
	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Inter corporate deposits given (including interest accrued & not due)									
Essar Bulk Terminal Paradip Limited	–	–	–	184.95	165.85	–	184.95	165.85	–
Inter corporate deposits payable									
Vadinar Ports and Terminals Limited	–	–	–	–	465.30	2,140.96	–	465.30	2,140.96
Vadinar Oil Terminal Limited	–	–	–	–	3,317.36	700.00	–	3,317.36	700.00
Essar Bulk Terminal Limited	–	–	–	10,611.00	10,611.00	–	10,611.00	10,611.00	–
Essar Steel Jharkhand Limited	–	–	–	10,952.22	–	–	10,952.22	–	–
Total	**–**	**–**	**–**	**21,563.22**	**14,393.66**	**2,840.96**	**21,563.22**	**14,393.66**	**2,840.96**
Interest accured but not due on inter corporate deposits received									
Vadinar Ports and Terminals Limited	–	–	–	–	1.39	89.15	–	1.39	89.15
Vadinar Oil Terminal Limited	–	–	–	–	281.06	0.23	–	281.06	0.23
Total	**–**	**–**	**–**	**–**	**282.45**	**89.38**	**–**	**282.45**	**89.38**
Advance towards purchase of shares									
Essar Bulk Terminal Limited	–		–	–	–	10,611.00	–	–	10,611.00
Total	**–**	**–**	**–**	**–**	**–**	**10,611.00**	**–**	**–**	**10,611.00**
Security Deposit given									
Essar Ports Limited	–	–	–	–	–	35.20	–	–	35.20
Other paybles									
Essar Steel Jharkhand Limited	–	–	–	2.65	–	–	2.65	–	–
Essar Ports Limited	–	–	–	636.26	–	–	636.26	–	–
Essar Bulk Terminal Limited	–	–	–	1,559.64	–	–	1,559.64	–	–
Paradeep Steel Company Limited	–	–	–	0.32	0.32	0.32	0.32	0.32	0.32
Total	**–**	**–**		**2,198.87**	**0.32**	**0.32**	**2,198.87**	**0.32**	**0.32**
Advance towards provision of services									
Essar Oil Limited	–	–	–	0.68	12.80	6.33	0.68	12.80	0.68
Essar Vizag Terminals Limited	–	–	–	0.27	–	–	0.27	–	–
Total	**–**	**–**	**–**	**0.95**	**12.80**	**6.33**	**0.95**	**12.80**	**6.33**
Guarantees given by others on behalf of the company									
Essar Ports Limited	–	–	–	106,852.00	106,852.00	76,686.00	106,852.00	106,852.00	76,686.00

Composite Scheme of Arrangement (Scheme) amongst Vadinar Ports & Terminals Limited, Essar Ports Limited (EPL), Essar Power and Minerals Limited, Salaya Bulk Terminals Limited (SBTL) (formerly known as Hazira Coke Limited) and Hazira Cargo Terminals Limited (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 become effective from 2 July, 2016. Pursuant to the Scheme, SBTL has become the immediate holding Company of Essar Bulk Terminal Salaya Limited.

Notes forming part of the financial statements

43 DISCLOSURE MADE UNDER IND AS 101- FIRST TIME IND AS ADOPTION OF IND AS

These financial statements, for the year ended 31 March 2017, are the first financial statement the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at 1 April 2015, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Previous GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from IGAAP to Ind AS:

1. Ind AS optional exemptions

a. Business Combination

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

b. Deemed Cost

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the IGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Accordingly, the group has elected to measure all of its property, plant and equipment, intangible assets and investment property at their Previous GAAP carrying value.

c. Arrangement containing a lease

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

d. Compound financial instruments

When the liability component of a compound financial instrument is no longer outstanding at the date of transition to Ind AS, a first-time adopter may elect not to apply Ind AS 32 retrospectively to split the liability and equity components of the instrument. The Group has used this exemption for FCCB's and other convertible instruments issued by the Group.

e. Unquoted equity instruments

The Company has designated unquoted equity instruments held at 1 April 2015 as fair value through OCI investments.

2. Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with Previous GAAP, except the following items where application of Previous GAAP did not require estimation.

Notes forming part of the financial statements

- FVTOCI - Unquoted equity shares
- Impairment of financial assets based on expected credit loss model

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS.

Reconciliation of total equity as at March 31, 2016 and April 01, 2015

₹ in lakhs

Particulars	Notes	As at March 31, 2016	As at April 01, 2015
Total equity (shareholders' funds) under previous GAAP		**4.18**	**4.42**
Impact on account of Scheme on account of common control business combination	38		
- Capital reserve		28,459.36	14,995.31
- Retained earnings		(1,052.12)	(487.39)
- Remeasurement of defined benefit plans		(4.55)	–
- Non controlling interest		103.82	104.02
Equity component of compound financial instrument	36	430.70	430.70
Total equity under Ind AS		**27,941.41**	**15,047.06**

Reconcliation of total comprehensive income for the year ended March 31, 2016

₹ in lakhs

Particulars	Notes	For the year ended March 31, 2016
Profit for the period (as per Indian GAAP)		**(16.16)**
Ind-AS adjustments		
Benefit/(Charge):		
Restatement of profit pursuant to scheme of demerger	38	(548.82)
Net Profit for the period (as per Ind-AS)		**(564.98)**
Other Comprehensive Income (OCI) (after tax)		
Actuarial gain/loss on employee benefits classified to OCI	b	(6.98)
Deferred tax on OCI adjustment	a	2.42
Total Comprehensive Income for the period (as per Ind-AS)		**(569.54)**

Note: Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

44 NOTES TO THE RECONCILIATION

a) Deferred Tax

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profits and accounting profits for the period. Under Ind AS deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

b) Defined benefit liabilities

Under Ind AS, remeasurement i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognised in other comprehensive income instead of Statement of Profit and Loss in previous GAAP.

c) Reclassification

To comply with the Companies (Accounting Standard) Rules, 2006, certain account balances have been regrouped as per the format prescribed under Division II of Schedule III to the Companies Act, 2013.

d) Other comprehensive income

Under Ind AS, all items of income and expense recognized in the period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the Statement of Profit and Loss and “Other comprehensive income” includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

e) FCCB bifurcation in equity and liability

Under Ind AS, the compound instrument is bifurcated in to debt and equity component at the time of initial recognition. Accordingly, the equity component of the FCCBs of the Company has been recognised as ‘equity component of compound instrument’ under reserves and surplus and unwinding of interest on debt component upto transition date has been adjusted in opening retained earnings and thereafter in the Statement of Profit and Loss.

f) Statement of cash flow

The transition from previous GAAP to IndAS has not had a material impact on the statement of cashflows

In terms of our report attached
MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Anita Somani
Partner
Mumbai, November 24, 2017

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

Ketki Belhe
Company Secretary
Membership no: A21418

Mumbai, November 14, 2017

Notes

Notes

ESSAR

SALAYA BULK TERMINALS LIMITED

Regd. Office: Salaya Administrative Building, 44 KM, P.O.Box 7, Salaya, Taluka Khambhalia, District Devbhumi Dwarka, Jamnagar, Gujarat 361 305

CIN : U61100GJ2014PLC078242

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															

D.P. ID															

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 ____________________

(contd. overleaf)

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 3rd Annual General Meeting of the Company, to be held on Thursday, December 21, 2017 at 11.15 a.m. at the Registered Office of the Company, Salaya Administrative Building, 44 KM P.O.Box 7, Salaya, Taluka Khambhalia, District Devbhumi Dwarka, 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
Ordinary business				
1.	Adoption of audited (a) Standalone Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2017; (b) Consolidated Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2017;			
2.	Appoint a Director in the place of Shri. Rakesh Kankanala (DIN No. 07413365) who retires by rotation and being eligible, offers himself for re-appointment			
3.	Ratification of appointment of : (a) Messrs. MSKA & Associates, (Formerly known as MZSK & Associate) (Firm Registration no.: 105047W) Chartered Accountants, Floor 2, Enterprise Centre, Nehru Road, Vile Parle (East), Mumbai 400 099 as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of Messrs. Nisar & Kumar, Chartered Accountants (b) Messrs. MSKA & Associates, (Formerly known as MZSK & Associate) (Firm Registration no.: 105047W), Chartered Accountants, as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 7th AGM of the Company to be held in the year 2021 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors			
Special business				
4.	Appointment of Shri. Rajiv Agarwal (DIN 00903635) as a Director of the Company liable to retire by rotation			
5.	Appointment of Capt. B. S. Kumar (DIN 00284649) as a Director of the Company to hold office for a term of five consecutive years commencing from December 21, 2017			
6.	Appointment of Dr. Jose Paul (DIN 01256347) as a Director of the Company to hold office for a term of five consecutive years commencing from December 21, 2017			
7.	Approval pursuant to the provisions of Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 1956 to give any guarantee or provide security in connection with a loan to any Body Corporate(s) / person (s); and (c) acquire by way of subscription, purchase or otherwise, securities of any Body Corporate from time to time in one or more trenches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding ₹ 500,00,00,000/- (Indian Rupees Five Hundred Crores only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013			
8.	Approval for issue of Bonds and other debt instruments in domestic and foreign markets for an amount not exceeding ₹ 1,500 crore			

9.	Approval under Section 61(1)(a) read with Section 13 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), for increase of Authorised Capital from the present ₹25,00,00,000/- (Rupees Twenty Five crore only) divided into 2,50,00,000 Equity Shares of ₹ 10/- each to ₹ 30,00,00,000/- (Rupees Thirty crore only) divided into 3,00,00,000 Equity Shares of ₹ 10/- each with power to the Board to classify the same and to attach rights, privileges and conditions thereto into different classes as may be permitted under the Act from time to time			
10.	Approval pursuant to Section 180(1)(c) of the Companies Act, 2013 (the Act) corresponding to section 293(1)(d) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for creating mortgages and / or charges, hypothecation, pledge and / or any other encumbrances up to an equivalent aggregate amount as approved by the members pursuant to Section 180(1)(c) of the Companies Act, 1956 and as amended from time to time for an amount of upto ₹ 1500 crore			
11.	Approval pursuant to Section 180(1)(a) of the Companies Act, 2013 (the Act) corresponding to section 293(1)(a) of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company for creating mortgages and / or charges, hypothecation, pledge and / or any other encumbrances up to an equivalent aggregate amount as approved by the members pursuant to Section 180(1)(c) of the Companies Act, 1956 and as amended from time to time			

Signed this …………………………...........................…… day of ……………………… 2017.

Affix revenue Stamp of not Less than ₹ 0.15

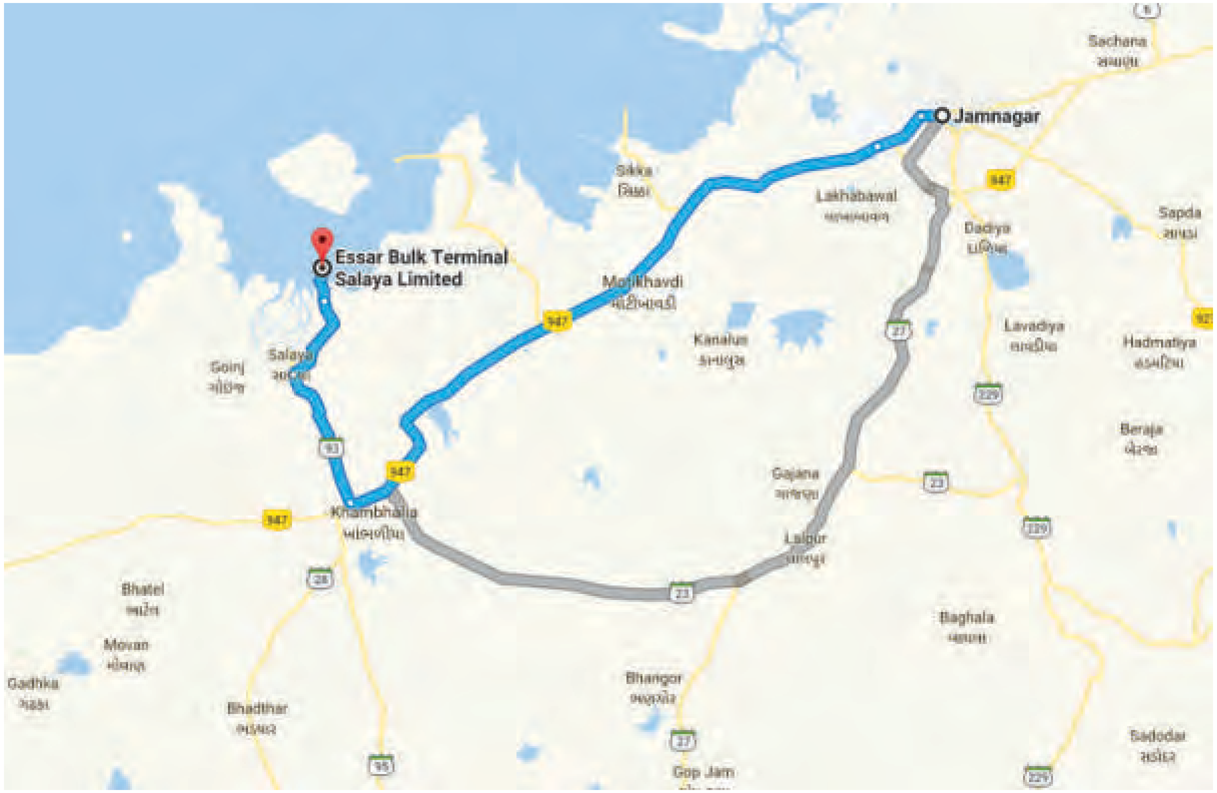
……………………………..
Signature of the member

…………………………………..
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.

Notes



AGM Venue: “Salaya Administrative Building”, ER-2 Building, Salaya,
Taluka Khambhalia, District Devbhumi Dwarka, Gujarat 361305

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