ESSAR

Salaya Bulk Terminals Limited

Annual Report 2017-18

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. Rajiv Agarwal
Director

Capt. B. S. Kumar
Independent Director

Dr. Jose Paul
Independent Director

Shri. Rakesh Kankanala
Director

Shri. Ankit Vaishnav
Director

KEY MANAGERIAL PERSONNEL

Shri. Ankit Vaishnav
Chief Executive Officer

Shri. Ashwin Menon
Chief Financial Officer

Shri. Siddhant Agarwal
Company Secretary

AUDITORS

MSKA & Associates, Charterd Accountants
Floor 2, Enterprise Centre, Nehru Road,
Near Domestic Airport, Vileparle (East),
Mumbai 400099, Maharashtra, India.

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

AUDIT COMMITTEE

Capt. B. S. Kumar

Dr. Jose Paul

Shri. Rajiv Agarwal

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Shri. Rajiv Agarwal
Capt. B. S. Kumar
Dr. Jose Paul

NOMINATION AND REMUNERATION COMMITTEE

Shri. Rajiv Agarwal
Capt. B. S. Kumar
Dr. Jose Paul

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Shri. Rajiv Agarwal
Dr. Jose Paul
Shri. Rakesh Kankanala

REGISTERED OFFICE

Salaya Administrative Building
44 KM, P. O. Box No.7,
Salaya,
Taluka Khambhalia,
District Devbhumi Dwarka, Jamnagar,
Gujarat 361 305, India.
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, Maharashtra, India.
Tel: +91 22 6660 1100 / 4001 1100
Fax: +91 22 2354 4330
e-mail: epl.secretarial@essarport.co.in

NOTICE TO MEMBERS

Notice is hereby given that the Fourth 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 Monday, September 24, 2018 at 03.30 p.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, 2018 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, 2018 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. Rajiv Agarwal (DIN 00903635) who retires by rotation and being eligible, has been recommended for re-appointment by the Nomination and Remuneration Committee.

SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to Section 152 and other applicable provisions if any, of Companies Act, 2013 ('Act') and the rules made thereunder Shri. Ankit Vaishnav (DIN: 08206868) who was appointed as an Additional Director of the Company by the Board of Directors with effect from August 29, 2018 and who holds office up to the date of this Annual General Meeting and whose appointment has been recommended by the Nomination and Remuneration Committee, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retire by rotation."

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

4. 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, 2013 (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 acquire by way of subscription, purchase or otherwise, securities of any Body Corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding ₹ 2000,00,00,000/- (Indian Rupees Two Thousand 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 and Key Managerial Personnel of the Company and/or any person authorized by the Board from time to time be and are hereby severally 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."

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

   "RESOLVED THAT pursuant to the provisions of 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 ₹ 6000 crores (Rupees Six Thousand 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 of Directors and Key Managerial Personnel of the Company be and are hereby severally 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."

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

"RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder (including any statutory modifications, amendments thereto or re-enactment thereof, the circulars, notifications, regulations, rules, guidelines, if any, issued thereunder), the consent of the members of the Company be and is hereby accorded to increase the authorized share capital of the Company from the existing ₹ 30,00,00,000 (Rupees Thirty Crores only) divided into 3,00,00,000 equity shares of ₹ 10/- each to ₹ 31,00,00,000 (Rupees Thirty One Crores only) divided into 3,00,00,000 equity shares of ₹ 10/- each and 10,00,000 preference shares of ₹ 10/- each and that Clause V of the Memorandum of Association of the Company be and is hereby replaced with the following:

"The Authorised Share Capital of the Company is ₹ 31,00,00,000 (Rupees Thirty One Crores only) divided into 3,00,00,000 equity shares of ₹ 10/- each and 10,00,000 preference shares of ₹ 10/- each."

“The minimum paid up capital of the company will be ₹ 5,00,000/- (Rupees Five Lakhs Only).”

“RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel of the Company be and are hereby severally authorized to execute and file and/ or submit necessary forms and other documents as may be required by the statutory authorities, including with the jurisdictional Registrar of Companies, and to do all such acts and deeds as may be necessary, proper or expedient for the implementation of these resolutions.”

“RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel of the Company be and are hereby severally authorized to certify a copy of this resolution and issue the same to all concerned parties.”

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 14 and other applicable provisions, if any, of the Companies Act, 2013, read with rules framed thereunder (including any statutory modifications, amendments thereto or re-enactment thereof, the circulars, notifications, regulations, rules, guidelines, if any, issued thereunder), the consent of the members of the Company, be and is hereby accorded to the alteration of the Articles of Association of the Company (the “Altered Articles”), and the Altered Articles be and are hereby approved in substitution for, and to the entire exclusion, of the existing Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel of the Company be and are hereby severally authorized to execute and file and/ or submit necessary forms and other documents as may be required by the statutory authorities, including with the jurisdictional Registrar of Companies, and to do all such acts and deeds as may be necessary, proper or expedient for the implementation of these resolutions.”

“RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel of the Company be and are hereby severally authorized to certify a copy of this resolution and issue the same to all concerned parties.”

By Order of the Board

Siddhant Agarwal
Company Secretary
M. No. : A41137

Mumbai
August 29, 2018

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 August 17, 2018 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 Businesses is at item Nos. 3 to 7 of the accompanying Notice is annexed.

5. Members desiring any information and document regarding the Annual Report 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). The Members, whose names appear in the Register of Members / list of Beneficial Owners as on September 17, 2018, i.e. the Record Date fixed by the Company for the purpose of AGM are entitled to vote on the Resolutions set forth in this Notice. The members may cast their votes on electronic voting system from place other than the venue of the meeting. The e-voting period will commence at 9.00 a.m. on September 19, 2018 and will end at 5.00 p.m. on September 23, 2018. 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 Wednesday, September 19, 2018 at 9.00 am and ends on Sunday, September 23, 2018 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 Monday, September 17, 2018 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. 3

The Board of Directors of your Company have appointed Shri. Ankit Vaishnav (DIN: 08206868) as an Additional Independent Director on the Board of the Company with effect from August 29, 2018.

Mr. Vaishnav is an alumnus of the National Defence Academy, Khadakvasla, Pune and a post graduate from the Defence Services Staff College, Wellington, (Nilgiris), Ooty. In a distinguished career spanning over 40 years, he has held prestigious appointments both in the Indian Navy and commercial ports & shipping industry.

He is a qualified Lead Auditor for ISO 9001:2008. Besides, he is also an instructor and acknowledged expert in IALA V 103 Certificate Training for Vessel Traffic Services (VTS) Operators and Supervisors. Recently, he was deputed to Algiers in North Africa to train VTS Operators of Algerian CG and Port Authority.

In terms of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Shri. Ankit Vaishnav will hold the office as an Additional Director upto the date of the ensuing Annual General Meeting of the Company.

The Nomination and Remuneration Committee has recommended the candidature of Shri. Ankit Vaishnav for the office of Director of the Company in terms of provisons of Section 160 of the Companies Act, 2013.

The Board is of the opinion that the appointment of Shri. Ankit Vaishnav would be in the best interest of the Company. The Board accordingly recommends the Ordinary Resolution at item no.3 of the accompanying notice for your approval.

None of the Directors other than Shri. Ankit Vaishnav is concerned or interested in the resolution of the accompanying Notice.

Item No. 4

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.

Your Company is in the business of providing infrastructural activities. Hence, the exemption granted by Section 186, subsection 11 (a) regarding providing Loan or Guarantees to the Companies, your Company need not seek approval for from the members of the Company.

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 ₹ 20000,00,00,000/- (Indian Rupees Two thousand Crores only) outstanding at any time notwithstanding that such investments, 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. 4 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. 5

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 ₹ 6000 Crores (Rupees Six Thousand 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. 5 of the accompanying notice for approval by the members.

Item No. 6

The Company proposes to increase its authorized share capital from ₹ 30,00,00,000 (Rupees Thirty Crores only) divided into 3,00,00,000 equity shares of ₹ 10/- each to ₹ 31,00,00,000 (Rupees Thirty One Crores only) divided into 3,00,00,000 equity shares of ₹ 10/- each and 10,00,000 preference shares of Rs. 10/- each to enable the Company to issue 0.0001% Compulsorily Convertible Cumulative Participating Preference Shares of ₹ 10/- each ("CCCPPS").

The resolutions contained in Item No. 6 of the accompanying Notice accordingly seek the approval of the members of the Company by way of an Ordinary Resolution for the increase in the authorised share capital of the Company and the alteration of Clause V of the Memorandum of Association of the Company, and this resolution, if passed, will have the effect of increase of the authorised share capital of the Company.

The Board of the Company recommends this resolution for approval of the members of the Company as an Ordinary Resolution.

None of the Promoters, Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding as members.

Item No. 7

Essar Ports & Terminals Limited, a body corporate incorporated in Mauritius ("EPTL"), directly or indirectly, holds approximately 97.6% of the total issued and paid-up share capital of the Company. EPTL is in the process of discussions with lenders for the purposes of availing a financing facility either by itself or through its subsidiaries (the "Facility"), the proceeds of which will, inter alia, be used by EPTL.

As requested by EPTL, its majority shareholder, the Company proposes to issue the CCCPPS following the disbursement of the Facility. The said CCCPPS will have certain rights attached thereto (including the right to appoint a nominee on the Board of Directors of the Company and its subsidiaries), which are in the nature of customary protection rights, which rights will become effective only after EPTL (and/ or its affiliates) has drawn down funds disbursed pursuant to the Facility.

The Board of Directors of the Company has, by way of a resolution passed at its meeting held on 29 August, 2018, approved the alteration and amendment of the Articles of Association of the Company to incorporate the rights to be provided by the Company to the holder of the CCCPPS issued by the Company upon draw-down of funds disbursed pursuant to the Facility by EPTL and/ or its affiliates.

The resolutions contained in Item No. 7 of the accompanying Notice, accordingly, seek the approval of the members of the Company by way of a Special Resolution for the amendment and alteration of the Articles of Association of the Company and this Special Resolution, if passed, will have the effect of the amendment and alteration of the articles of the Company. The new set of Article of Association to be replaced for the existing Article of Association has been attached herewith as **Annexure "A".**

The Board of the Company recommends this resolution for approval of the members of the Company as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested financially or otherwise in the said Resolution.

By Order of the Board

Siddhant Agarwal
Company Secretary
M. No. : A41137

Mumbai
August 29, 2018

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

Annexure A

THE COMPANIES ACT, 2013

COMPANY LIMITED BY SHARES

*ARTICLES OF ASSOCIATION

OF

SALAYA BULK TERMINALS LIMITED

(Incorporated under the Companies Act, 1956)

The Articles of Association of Salaya Bulk Terminals Limited (the "**Company**") are divided into two parts - Part A and Part B. The provisions of Part A shall apply to all the matters to which they pertain, to the extent, and only in so far, as they are not inconsistent with the special provisions of Part B. As long as Part B remains a part of these Articles and notwithstanding what is stated elsewhere in these Articles, in case of inconsistency between Part A and Part B, the provisions of Part B shall prevail over the other provisions of Part A, to the maximum extent permitted under the Companies Act, 2013.

PART A

Interpretation

I. 1. In these regulations—

(a) "the Act" means the Companies Act, 2013, (b) "the seal" means the common seal of the company.

2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

*****The new set of Articles of Association was adopted by a Special Resolution passed at the EGM held on July 27, 2016.

Share capital and variation of rights

II. 1. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Lien

9. (i) The company shall have a first and paramount lien—

(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(i) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(i) The Board shall be at liberty to waive payment of any such interest wholly or in part.

17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(i) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

18. The Board—

(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of shares

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

20. The Board may, subject to the right of appeal conferred by section 58 decline to register—

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the company has a lien.

21. The Board may decline to recognise any instrument of transfer unless—

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;

(b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transmission of shares

23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

(i) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.

(i) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(ii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of shares

27. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

28. The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.

(i) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(i) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(ii) The transferee shall thereupon be registered as the holder of the share; and

(iii) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

34. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

35. Subject to the provisions of section 61, the company may, by ordinary resolution,—

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

(d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

36. Where shares are converted into stock,—

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

37. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

(a) its share capital;

(b) any capital redemption reserve account; or (c) any share premium account.

Capitalisation of profits

38. (i) The Company in general meeting may, upon the recommendation of the Board, resolve—

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (b);

(d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;

(e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall —

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(i) The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(ii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General meetings

41. All general meetings other than the annual general meetings shall be extra-ordinary general meetings.

42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.

45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.

46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Adjournment of meeting

47. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.

49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

50. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

54. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(i) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

58. The persons hereinafter named are the First Directors of the Company at the time of adoption of these Articles.

1. Shri. Shivram Krishnan
2. Shri Ashutosh Agarwala
3. Shri. P.K.Jain

59. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

60. The Board may pay all expenses incurred in getting up and registering the company.

61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping

of any such register.

62. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

64. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(i) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

Proceedings of the Board

65. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

66. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(i) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

68. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(i) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

69. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(i) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

70. (i) A committee may elect a Chairperson of its meetings.

(i) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

71. (i) A committee may meet and adjourn as it thinks fit.

(i) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.

73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

74. Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

76. (i) The Board shall provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

79. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

80. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(i) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(ii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

82. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(i) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

85. No dividend shall bear interest against the company.

Accounts

86. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Winding up

87. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

88. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

PART B

It is clarified that the matters listed in Part B of these Articles are in addition to all other rights that the CCCPPS Holder (as defined below) will have as a Shareholder of the Company under Part A of the Articles and under applicable laws. As long as Part B remains a part of these Articles and notwithstanding what is stated elsewhere in these Articles, in case of a conflict or inconsistency or contradiction between Part A of these Articles and Part B of these Articles, Part B of these Articles shall always over-ride and prevail over the provisions of Part A of these Articles to the maximum extent permitted under the Companies Act, 2013. Part B of these Articles shall cease to have any force and effect upon the repayment of all amounts due under the Facility Agreement in accordance with its terms.

In the event of any ambiguity or discrepancy between the provisions of the Facility Agreement and these Articles, it is intended that the provisions of the Facility Agreement shall prevail and accordingly, the Shareholders shall exercise all voting and other rights and powers available to them to procure any amendment to these Articles, so as to give effect to the provisions of the Facility Agreement.

90. Definitions

(a) "Affiliate" in relation to any person means (a) any company, firm, business, association, trust or foundation Controlling or Controlled by or under common Control with such person; or (b) any group companies of such person (as understood under the provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Sixteenth Amendment) Regulations, 2013, or under any applicable accounting standards prescribed by the Institute of Chartered Accountants of India).

(b) "Affirmative Vote Item" means the matters specified in Article 96, in respect of the Company or the Subsidiary, as the context may require.

(c) "Applicable Law" means any applicable statute, law, regulation, ordinance, notifications, rule, judgment, order, decree, binding directive, binding guideline, binding policy or binding circulars by any Governmental Authority;

(d) "Board" means the board of directors of the Company, as constituted from time to time.

(e) "CCCPPS Holder" means the holder of the 0.01% compulsorily convertible cumulative participating preference shares that shall have been issued by the Company as per the terms set out in Schedule I to these Articles from time to time.

(f) "Committee" means the committees of the Board, as constituted from time to time.

(g) "Control" (including the terms "**Controlled by**" and "**under common Control with**") shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

(h) "Event of Default" shall have the meaning assigned to the term in the Facility Agreement.

(i) "Facility Agreement" means the facility agreement to be entered into by *inter alia* the CCCPPS Holder (or its Affiliate) and the

Promoter (or its Affiliate) pursuant to which the CCCPPS Holder (and/ or its Affiliate) will extend certain loan facilities to the Promoter (and/ or its Affiliates).

(j) “Governance Manual” means such written manual which contains provisions in relation to operation and management of the Company and is identified as the “Governance Manual” by the CCCPPS Holder in writing, as amended from time to time only with the mutual written consent of the Promoter and the CCCPPS Holder.

(k) “Governmental Authority” means any nation or government or any province, state or any other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any agency, department, board, commission or instrumentality of any country or any political subdivision thereof or any other jurisdiction, any court, tribunal or arbitrator.

(l) “Material Contracts” means (i) such contracts wherein the financial implication on the Company or any Subsidiary, as the case may be, is more than the threshold prescribed in the Governance Manual in relation to the revenue or the assets of the Company or the Subsidiary (as the case may be) in the previous financial year, (ii) concession agreement executed by the Company or any Subsidiary, as the case may be, and (iii) land use agreements executed by the Company or any Subsidiary, as the case may be.

(m) “Promoter” means Essar Ports & Terminals Limited being a body corporate having its registered office at Essar House, 10, Frere Felix De Valois Street, Port Louise, Mauritius.

(n) “Shares” shall mean and include all equity shares and preference shares forming part of the share capital of the Company, as applicable.

(o) “Shareholder” means any holder of shares of the Company including preference shareholders

(a) “Subsidiary” means Essar Bulk Terminal (Salaya) Limited, being a company incorporated under the Companies Act, 1956 and having corporate identification number U63032GJ2007PLC093255 and having its registered office at Salaya Administrative Building, 44 KM Stone, Jamnagar – Okha Highway, PO Box No. 07, Khambhaliya, Jamnagar, Gujarat – 361305, India.

Appointment of CCCPPS Holder Director

90. Subject to the provisions of Section 152 of the Companies Act, 2013 and so long as the CCCPPS Holder holds any CCCPPS, the CCCPPS Holder shall have a right to nominate 1 (one) Director on the Board (the “**CCCPPS Holder Director**”) and one director on the board of directors of the Subsidiary (the “**CCCPPS Holder Subsidiary Director**”).

91. Each of the CCCPPS Holder Director and the CCCPPS Holder Subsidiary Director shall be a person who is not disqualified from being appointed as a director under the provisions of the Act and other applicable laws and whose office is not capable of being vacated by retirement or by rotation. The CCCPPS Holder shall make reasonable endeavours to nominate such persons for appointment as the CCCPPS Holder Director and CCCPPS Holder Subsidiary Director, who are Indian nationals and are reputed professionals; provided, however, that nothing in the foregoing shall restrict the right of CCCPPS Holder to nominate such persons for appointment as a director on the Board of the Company and on the board of directors of the Subsidiary as the CCCPPS Holder deems fit. The CCCPPS Holder Director shall be a non-executive Director on the Board, and shall not be responsible for the day-to-day management and operations of the Company. The CCCPPS Holder Director shall not be held liable, by the Company and / or any Shareholder, for any failure by the Company to comply with Applicable Law and / or, without an express written consent of the CCCPPS Holder Director, designate or hold liable the CCCPPS Holder Director to be an ‘officer in default’ (under the Act) or ‘occupier’ (of the Company’s premises) under Applicable Law or any other similar obligation under any Applicable Law. The Company shall assert such position in any notice, reply, proceedings or other action in which any liability is sought to be attached to the Directors of the Company. The Company and the Promoters shall ensure that (i) the CCCPPS Holder Subsidiary Director shall be a non-executive director on the board of directors of the Subsidiary, and shall not be responsible for the day-to-day management and operations of the Subsidiary; (ii) the CCCPPS Holder Subsidiary Director shall not be held liable, by the Subsidiary and / or any Shareholder, for any failure by the Subsidiary to comply with Applicable Law; (iii) without an express written consent of the CCCPPS Holder Subsidiary Director, designate or hold liable the CCCPPS Holder Subsidiary Director to be an ‘officer in default’ (under the Act) or ‘occupier’ (of the Subsidiary ‘s premises) under Applicable Law or any other similar obligation under any Applicable Law; and (iv) the Subsidiary shall assert such position in any notice, reply, proceedings or other action in which any liability is sought to be attached to the directors of the Subsidiary. The CCCPPS Holder Director shall not be entitled to receive any sitting fees from the Company. The CCCPPS Holder Director shall be entitled to receive, always by electronic means and in writing, all notices, agenda, etc. including but not limited to those received by the members of the Board, in relation to the meetings of the Board, and the Shareholders of the Company. in relation to the general meetings of Shareholders, and to attend all meetings of the Shareholders, meetings of the Board and meetings of the Committees. The Company shall ensure that the CCCPPS Holder’s nominee director on the board of directors of the Subsidiary shall be entitled to receive, always by electronic means and in writing, all notices, agenda, etc. including but not limited to those received by the members of the board of directors of the Subsidiary, in relation to the meetings of the board of directors of the Subsidiary, and the shareholders of the Subsidiary, in relation to the general meeting of shareholders of the Subsidiary, and to attend all meetings of the shareholders of the Subsidiary.

92. The Company shall not, without the prior written consent of the CCCPPS Holder, remove the CCCPPS Holder Director from the Board or the board of directors of the Subsidiary, unless:

i. The CCCPPS Holder Director has resigned from the Board or the board of directors of the Subsidiary, as the case may be;

ii. The CCCPPS Holder Director is, in accordance with Applicable Law, dismissed for cause, upon written notice being served thereupon, of his dismissal, by the Company or the Subsidiary, as the case may be;

iii. The CCCPPS Holder Director is disqualified from being a director of the Company or the Subsidiary, as the case may be, pursuant to the provisions of the Companies Act, 2013, or any other Applicable Law relating to the appointment of directors or an order of an adjudicatory or regulatory authority.

93. The CCCPPS Holder may remove or replace the CCCPPS Holder Director and/or CCCPPS Holder Subsidiary Director nominated by it by a written notice issued to the Company and thereupon the Company shall, in relation to CCCPPS Holder Director, provide notice thereof to the Shareholders in accordance with Applicable Law and , in relation to CCCPPS Holder Subsidiary Director, provide notice thereof to the shareholders of relevant Subsidiary in accordance with Applicable Law. Subject to Applicable Laws, (i) the Shareholders shall exercise their vote in relation to the Shares controlled by them for removal or replacement, as the case may be, of the CCCPPS Holder Director from or on the Board; and (ii) the Company shall: (a) exercise its vote in relation to the shares controlled by it in the Subsidiary, and (b) cause its nominees on the board of directors of the Subsidiary to exercise their votes, for the removal or replacement, as the case may be, of the CCCPPS Holder Subsidiary Director upon the written request of the CCCPPS Holder.

94. The Board may constitute such Committees as it may deem fit and proper to assist with the management of specific aspects of the business of the Company. The CCCPPS Holder shall have the right to nominate the CCCPPS Holder Director as a member on each such Committee. The meetings of each Committee shall be convened at such frequency as the members of such Committee of the Board may decide from time to time. No decision with respect to any Affirmative Vote Item shall be taken by any Committee. The provisions of various Articles in relation to the quorum, notice, meeting, voting and other aspects of the Board shall apply to each Committee. The Company shall cause its Subsidiary to ensure that the CCCPPS Holder Subsidiary Director on its board of directors is a member of each committee of the board of directors of the Subsidiary.

Affirmative Vote Items

95. Notwithstanding anything contained in these Articles, no action or decision relating to any Affirmative Vote Item shall be taken, whether by the Board, any Committee, the Shareholders or any of the employees, officers or managers of the Company, without the prior written consent of the CCCPPS Holder. In this regard, the Company shall obtain the prior written consent of the CCCPPS Holder before any Affirmative Vote Item is taken up for discussion at a meeting of the Board, Committee or at a meeting of the Shareholders.

96. The Promoter and the Company shall, jointly and severally, cause the Subsidiary to ensure that:

(i) no action or decision relating to any Affirmative Vote Item shall be taken, whether by its board of directors, any committee of board of directors, its shareholders or any of the employees, officers or managers of the Subsidiary, without the prior written consent of the CCCPPS Holder is received by the Subsidiary;

(ii) none of the Affirmative Vote Items in respect of the Subsidiary is taken up for discussion or decision at any meeting of the board of directors of the Subsidiary or any committee thereof;

(iii) no Affirmative Vote Item shall be taken up for discussion or decision by shareholders of the Subsidiary unless:

(a) such Affirmative Vote Item is referred to the Company under a written notice;

(b) the Board of the Company has approved such Affirmative Vote Item, in accordance with these Articles, and the decision of the Board is informed in writing by the Company to the Subsidiary;

(iv) upon the Board of the Company having approved such Affirmative Vote Item, the Company shall, and the Promoter shall cause the Company to, vote in accordance with the decision of the Board as per (iii)(b) above, at the shareholders meeting of the Subsidiary, convened to discuss and decide upon such Affirmative Vote Item in accordance with regulations applicable to the Subsidiary.

97. The following matters in respect of the Company or the Subsidiary, as the case may be, are the Affirmative Vote Items; provided however in respect of any Affirmative Vote Item the threshold specified below shall stand modified, if at all, by the extant Governance Manual:

(i) Incurring any commitment involving capital expenditure in excess of USD 10,000,000 (US Dollars Ten Million only) in any financial year;

(ii) Investing in or acquisition or disposition of any shares, interest or other investment: (a) in any company or entity (including a joint venture entity) not being a Subsidiary and (b) in a Subsidiary which is in excess of the threshold prescribed in this respect in the Governance Manual;

(iii) Any proposal to effect a merger, demerger, consolidation or other corporate restructuring including by way of a scheme of amalgamation, arrangement/ compromise/ reorganization;

(iv) Commencement of such new line of business that is not permitted under the Memorandum of Association or undertaking any new project or enter into any new concession agreement, which involves incurring any commitment involving capital expenditure in excess of USD 10,000,000 (US Dollars Ten Million only) in any financial year;

(v) Acquiring, disposing or selling or approving the acquisition, disposal or sale of any material asset, and/ or business, the value of which exceeds USD 10,000,000 (US Dollars Ten Million only);

(vi) Acquisition, disposal or sale or approval of such acquisition, disposal or sale of an undertaking of the Company/ any Subsidiary, if such undertaking exceeds 20% (twenty per cent.) of its net worth as per its audited balance sheet for the preceding financial year or an undertaking which generates 20% (twenty per cent.) of the total income of the Company or such Subsidiary, as the case may be, during the previous financial year;

(vii) Issuing, selling or encumbering or causing the issuance, sale or encumbrance of, any shares or securities of any class (including issuance of options, warrants, schemes or rights or instruments to subscribe for any such shares or securities), other than (in case of the Subsidiary) on account of the terms and conditions of the facility agreements, which are valid and subsisting as of the date of these Articles coming into force, executed for the loans availed by the Subsidiary;

(i) Changing the capital structure, including (without limitation) any proposed redemption or reduction in capital, any share buy-backs or bonus issues, save and except for any rights issues to the existing shareholders subject to thresholds prescribed in this respect in the Governance Manual;

(ii) Creating, granting or giving any encumbrance in respect of all or any part of the property or assets of the Company or the Subsidiary, as the case may be, except creating, granting or giving any encumbrance by the Subsidiary in favour of the lenders who have provided financing facility to the Subsidiary;

(iii) Extending any loans, advances or guarantees to any person, outside the ordinary course of business, or on terms which are not on an arm's length basis;

(iv) Creating, incurring, or agreeing to create or incur any additional indebtedness, which would result in the borrowings of the Company or the Subsidiary, as the case may be, exceeding the higher of: (a) USD 10,000,000 (US Dollars Ten Million only); or (b) the aggregate of its paid-up share capital, free reserves and securities premium, apart from short term loans obtained from its bankers (and fixing of the limits up to which its board of directors may borrow), in accordance with the provisions of the Act;

(v) Any amendment to or restatement of the articles of association or memorandum of association;

(vi) Termination of any of the Material Contracts, or any amendment or waiver of any Material Contracts outside the ordinary course of business;

(vii) Any related party transactions other than those that are in the ordinary course of business or are not on an arm's length basis;

(viii) Appointing or changing the statutory auditor or the company secretary;

(ix) Any changes to the accounting methods or policies, except as may be required under Applicable Law;

(x) Any resolution proposing to amend, vary, or modify the provisions of this Article 97 in any manner whatsoever;

(xi) Any act or omission to be undertaken which may result into or have the effect of breach of the Facility Agreement by any party thereto other than the lenders; and

(xii) Any approval, adoption, modification or amendment of or to the Governance Manual.

Quorum for a Shareholders' meeting

98. The quorum for all general meetings of the Company shall be in accordance with the Act; provided that at least 1 (one) representative of the CCCPPS Holder (it being clarified that the CCCPPS Holder shall have the right to waive its right under this Article by providing a notice in writing to the Company) shall be present throughout each shareholder meeting. No meeting of shareholders shall be called at a shorter notice without the prior written consent of the CCCPPS Holder. All notices and agenda, in respect of any shareholders

meeting, shall be provided to the CCCPPS Holder in writing and through electronic means.

99. Unless the CCCPPS Holder has provided its prior written consent in respect of the Affirmative Vote Item(s) proposed to be discussed at a meeting of the Shareholders, if a valid quorum is not present for a meeting of the Shareholders within 30 (thirty) minutes of the time specified for the meeting, in such a case, the meeting will be adjourned to a date that is not later than 7 (seven) Business Days after the original meeting and at the same time and place as the original meeting (the "**First Adjourned Shareholders Meeting**"). The quorum requirement set out in Article 97 shall also be applicable at such First Adjourned Shareholders Meeting. If no quorum is present at the First Adjourned Shareholders Meeting within 30 (thirty) minutes of the time specified for the First Adjourned Shareholders Meeting, the Shareholders present at the First Adjourned Shareholders Meeting, shall, subject to Applicable Law, constitute quorum for matters to be discussed at such meeting; provided that no decision with respect to any Affirmative Vote Item shall be taken at such First Adjourned Shareholders Meeting in the absence of the representative of the CCCPPS Holder.

Quorum for a Board Meeting

100. The quorum for all meetings of the Board shall be in accordance with the Act; provided that no quorum shall be deemed to be complete unless 1 (one) CCCPPS Holder Director and 1 (one) Promoter Director shall be present at the beginning and throughout each meeting of the Board.

101. Unless the CCCPPS Holder has provided its prior written consent in respect of the Affirmative Vote Item(s) proposed to be discussed at a meeting of the Board, if a valid quorum is not present for a meeting of the Board within 30 (thirty) minutes of the time specified for the meeting, the meeting will be adjourned to a date that is not later than 7 (seven) Business Days after the original meeting and at the same time and place as the original meeting (the "**First Adjourned Board Meeting**"). The quorum requirement set out in Article 98 shall also be applicable at such First Adjourned Board Meeting. If no quorum is present at the First Adjourned Board Meeting within 30 (thirty) minutes of the time specified for the First Adjourned Board Meeting, the members of the Board present at the First Adjourned Board Meeting, shall, subject to Applicable Law, constitute quorum for matters to be discussed at such meeting provided that no decision with respect to any Affirmative Vote Item shall be taken at such First Adjourned Board Meeting, in the absence of the CCCPPS Holder Director.

Notice for Board meetings

102. A meeting of the Board may be called by the chairperson of the Board or any other Director by giving notice in writing to the company secretary of the Company, specifying the date, time and agenda for such meeting. Any notice for a Board meeting shall include an agenda, in writing, identifying in reasonable detail the matters to be discussed at the Board meeting together with copies of any relevant papers to be discussed at the Board meeting. Such written notice shall be given at the usual residential address of the Director in India and in case of Directors not ordinarily residing in India or currently out of India, the same shall be given at such address as notified by the concerned Director as a valid address for the service of notices for the time being. Notices may also be provided by electronic mail at such address notified by the concerned Director to the Company.

103. The Board shall not take up or discuss any matter in any meeting of the Board that is not expressly specified in the agenda for such meeting unless a majority of the Directors present at such meeting, which shall include the CCCPPS Holder Director, agree to discuss and vote on such matter at such meeting; notwithstanding the foregoing, no Affirmative Vote Item shall be taken up or discussed in any meeting of the Board that is not expressly specified in the agenda for such meeting. If any Affirmative Vote Item is proposed to be placed or tabled before the Board, then the agenda shall specifically state that an Affirmative Vote Item is proposed to be so placed or tabled.

Telephonic and Video Participation at Board Meetings

104. The Directors may participate in Board meetings by telephone conferencing, video conferencing or any other means of audio – visual communication in accordance with the provisions of the Act. The quorum and other requirements applicable to Board meetings shall also apply to such meetings undertaken by audio – video participation. The Company shall provide participation for the Directors at meetings of the Board and the Committees through video conference and provide necessary information to enable the Directors to effectively use such video conferencing facility for the meeting of the Board and the Committees.

Control over the Company

105. Subject to the other provisions of these Articles, the Promoter shall remain solely in absolute Control of the Company at all times, unless otherwise set out in the Facility Agreement.

106. Subject to the other provisions of these Articles, notwithstanding anything contained in the Facility Agreement, the CCCPPS Holder agrees that the Promoter shall continue to exercise Control over the Company in respect of, including but not limited, the following matters:

(i) the day to day management, operations and policies of the Company and its Subsidiary; and

(ii) appointment and removal of key managerial personnel.

ESSAR

SCHEDULE I : TERMS OF CCCPPS

All capitalized terms used herein but not defined shall have the meaning given to them under the Articles.

1. **Face Value**

Each CCCPPS shall have a face value of Rs. 10 (Rupees Ten only).

2. **Term**

Unless converted in accordance with the terms of these Articles and Applicable Law, the term of the CCCPPS shall be a maximum of 20 (twenty) years from their date of issuance.

3. **Distributions**

3.1 If the Board proposes to declare any dividend on Shares, the holders of the CCCPPS shall have the right to be paid on cumulative basis from the date of allotment, out of the dividend proposed to be declared, a dividend equal to 0.01% (zero point zero one per cent) of the aggregate monies paid towards subscription to CCCPPS, in preference and priority to the payment of dividend in respect of all other Shares, present or future. Without prejudice to the foregoing and in addition thereto, upon the Board declaring dividend on any Shares, the holders of the CCCPPS shall be entitled to participate in such dividend, on a *pari passu* basis with the holders of the equity Shares, on an as if converted basis, in priority to payment of dividend to the holders of the equity Shares.

3.2 Upon conversion of the CCCPPS into equity Shares, the holders of the CCCPPS shall be entitled to participate in the dividend on the equity Shares, on a *pari passu* basis with the holders of all other equity Shares.

4. **Conversion**

4.1 Each CCCPPS will be convertible into one equity Share having face value of INR 10 (Rupees Ten only) at a conversion ratio of 1:1 (the "**Conversion Ratio**"). It is hereby clarified that the equity Shares issued pursuant to the conversion of CCCPPS shall rank *pari passu* with the existing equity Shares.

4.2 The CCCPPS shall be convertible into equity Shares at the option of the holders of the CCCPPS in accordance with Paragraph 4.3. Any CCCPPS that have not been converted into equity Shares shall, compulsorily convert into equity Shares upon the earlier of:

(i) Repayment of all amounts by the Promoter to the lenders under, and in accordance with, the Facility Agreement;

(ii) Transfer, by the CCCPPS Holder, of the CCCPPS (whether in whole or in part or any rights attached thereto) to any Person other than any lender of the Promoter to whom rights under the Facility Agreement have been assigned by the CCCPPS Holder; and

(iii) The date which is one day prior to 20 (twenty) years from the date of allotment of the CCCPPS;

in accordance with these Articles.

In the event of conversion being pursuant to (i) or (ii), the Promoter shall have the right to acquire the equity Shares held by the holders of the CCCPPS upon conversion for an amount of USD 1 (US Dollar One only).

4.3 **Optional Conversion**

(i) Subject to the terms of these Articles and Applicable Law, the CCCPPS Holder shall have the right, at any time and from time to time after the expiry of 1 (one) year from the date of allotment of the CCCPPS, to require the Company, by written notice (the "**Conversion Notice**"), to convert all or a portion of the CCCPPS into equity Shares.

(ii) The Conversion Notice shall be dated and shall set forth:

(a) The number of CCCPPS in respect of which the holder of the CCCPPS is exercising its right to conversion in accordance with this paragraph 4.3; and

(b) The number of equity Shares that such CCCPPS shall convert into.

(iii) Upon receipt of the Conversion Notice, the Company shall:

(a) Convene a meeting of the Board, in which meeting the Company shall approve the following:

(A) The conversion of such number of CCCPPS as are mentioned in the Conversion Notice;

(B) The cancellation of the share certificates representing such number of CCCPPS; and

(C) The issuance and allotment of such number of equity Shares, in each case, as are mentioned in the Conversion Notice;

(b) Issue duly stamped equity share certificates to the holders of the CCCPPS to evidence such holders of the CCCPPS as the owners of the equity Shares issued upon conversion of such number of the CCCPPS as are mentioned in the Conversion Notice; and

(c) Update its register of members to reflect the holders of the CCCPPS as the owners of the equity Shares issued pursuant to the conversion of such number of CCCPPS as are mentioned in the Conversion Notice.

4.4 The CCCPPS Holder shall lose the right to nominate the CCCPPS Holder Director upon exercising the right to convert the CCCPPS into equity Shares under Clause 4.2 or 4.3 above.

5. **As to capital**

5.1 On a distribution of capital on a winding up, the assets of the Company available for distribution to its members shall be applied in such a manner that each holder of CCCPPS shall be entitled to receive from the total proceeds available for distribution from such winding up, in preference to the holders of equity Shares, in accordance with the process under Applicable Law, the higher of the amounts set out in (a) and (b) below:

(a) an amount which is the equivalent of their pro rata share of the assets or consideration; or

(a) the amount equivalent to their investment, plus declared and unpaid dividends.

5.2 After making such payments to the holder of CCCPPS as set out above, if there are any proceeds remaining, the other Shareholders shall be entitled to receive an amount pro rata to their respective shareholding in the Company to the extent of the amounts invested by them in the Company plus declared and unpaid dividends.

ESSAR

DIRECTORS' REPORT

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

Your Directors have pleasure in presenting the Fourth Annual Report together with the Audited Financial Statements of the Company for the year ended March 31, 2018.

1. FINANCIAL RESULTS

The summary of consolidated and standalone financial results of your Company for the year ended March 31, 2018 are furnished below:

(₹ in lakhs)

Particulars	Consolidated		Standalone	
	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017
Total Revenue	2,484.59	416.73	284.98	416.73
Total Expenses	3,879.55	2,359.82	503.16	2,337.04
EBITDA	1,696.55	(289.02)	197.59	(266.24)
Loss for the year	**(1,366.78)**	**(1,971.70)**	**(145.62)**	**(1,923.55)**

2. DIVIDEND

Considering the losses incurred during the year, your directors do not recommend any dividend on Equity Shares.

3. MANAGEMENT DISCUSSION & ANALYSIS

The discussion and analysis hereunder covers Company's & its Subsidiary's financial performance and business outlook for the year 2017 – 2018. 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.

Economic Outlook

Global economic activity during the year 2017 – 2018 have furthered momentum both in advance and emerging economies. Global economic growth during 2017 is estimated to be 3.8%. IMF estimates global growth to be around 4% for 2018 and 2019 respectively. As per the IMF estimates trade volume in goods and service growth will be nearly 4.7% in 2018. While World Trade Organization foresees trade as a driver in this global growth.

American and European economic activity continued to make growth in robust manner with some weak note appearing in Q1 FY 2018. In US risks of reflationary policies remain with anticipation of rate hike moves by the US fed. While in Europe, consumer spending and factory activity slowed down due to strengthening of Euro. Also, during the year 2017, Japan registered straight eight quarters of growth and China grew above the official target of 2017.

Business cycle in India is at its peak phase with GDP (Gross Domestic Product) growing around 7.6% in 2017 -2018. The growth was largely impacted due to acceleration in service and software sector throughput. Growth outlook ahead remains even better on account of reforms like GST, FDI Regulation, etc. and formalization of economy, aided by lower rates.

Industry Outlook – Ports – Indian Scenario

In contrast to the world, India has not seen the noticeable recovery in cargo handling and services. During the year 2017 – 2018, Major and Non-Major Ports in India have accomplished a total cargo throughput of around 1182 MMT translating into a growth of 4.4% over a 1132 MMT of cargo handled during FY 2016 - 2017. In FY 2017 – 2018, cargo traffic in containers, petroleum-oil-lubricants witnessed a modest growth; while growth in commodities like iron ore, coal and fertilizers remained stable. The volume of traffic handled at Major and Non-Major Ports was nearly 648 MMT & 534 MMT respectively in FY 2017 - 2018.

Launch of "Sagarmala" has brought optimism and a new focuses to port-led area development. The real impact of this project will take time to show, the steady progress on the port modernization and improvement in connectivity front are the initial signs. The amendments in the ports concession agreement are expected to make projects more investor friendly and make investment climate in the port sector more attractive.

Performance Overview

During the year under review the performance of your Company has achieved a significant progress and is encouraging. The Company is now well poised for next level of growth. The Company through it's subsidiary Essar Bulk Terminal (Salaya) Limited (EBTSL) has successfully commissioned an all-weather terminal at Salaya Jetty, in Jamnagar, Gujarat, India in Q4 FY 2017 - 2018. The Salaya Port has a handling capacity of 20 MMT fully mechanized 380 m berth with one ship loader of rated capacity of 1500 TPH and two ship unloaders of rated capacity of 2500 TPH. The berth is connected to stockyard via 12.8 Km long conveyor belt. Salaya Jetty has a draft depth of 14 m in the Saurashtra region. The Company would continue to lead innovative practices, adoption of technology and setting examples in the regions.

Financial Highlights

The Key Financials performance highlights for the year are as below:

- Total Revenue contribution on consolidated basis was ₹2,484.59 Lakhs;
- EBITDA for the year on consolidated basis was ₹1,696.55 Lakhs;
- Net Loss for the year on consolidated basis was ₹1,366.78 Lakhs.

Risk, Opportunity and Threats

On the front of cargo commodities like thermal coal, iron ore, fertilizers. Coal imports are seeing an increase trend for FY 2018. However, long term import of thermal coal might witness a decreasing trend, due to Government focus on enhancing domestic production and availability of thermal coal blocks. Connectivity and operational efficiency improvements at Major Ports is also likely to pose a challenge to Non-Major Ports and marketing efforts. The Company has a formal risk assessment and management system which periodically identifies risk areas, evaluates their consequences, and initiates risk mitigation strategies and implement corrective actions where ever required. The Company has been making steady progress in addressing specific risks and threats through cargo diversification, strategic capacities at ports, long-term customer contracts, and enhancement in operational efficiencies, cost optimization and provision of integrated logistics services.

At Domestic level, new business opportunities are also being generated especially in natural gas sector and handling of container traffic. With increased vessel sizes, shipping liners prefer ports with deep draft, longer quays, high mechanization and ports infrastructure. The Company is keenly following these market trends and many of the Company projects are getting ready to capture value from such opportunities at right time.

Internal Control systems and their adequacy

The Company has put in place strong internal control systems and process to commensurate with its size and scale of operations. Some of the key features of the Company's internal control systems are:

- Adequate documentation of Financials, Company Policies and Guidelines.
- Preparation of Annual Budget plan through monthly review for all operating entities at Management level.
- The Company has a management system which runs on a one-on-one monitoring activities with all entities whenever required.
- The Company has a well-defined allocation of power with authority limits for approving revenue and Capex expenditure which is reviewed and suitably amended on an annual & monthly basis by the Senior Management.

4. SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES

As on March 31, 2018, Essar Bulk Terminal (Salaya) Limited continues to be the subsidiary of your Company. A statement containing the salient features of the financial statements of the subsidiary company, in Form AOC-1, has been enclosed as an annexure to this report.

The Company had no associates and joint ventures during the financial year.

5. 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.

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

Composition of Board of Directors as on March 31, 2018:

Sl. No.	DIN	Name of the Directors	Designation
1	00903635	Shri. Rajiv Agarwal	Director
2	07413365	Shri. Rakesh Kankanala	Director
3	01256347	Dr. Jose Paul	Independent Director
4	00284649	Capt. B. S. Kumar	Independent Director

The following Directors and Key Managerial Personnel were appointed/ got resigned during the financial year:

Sl. No.	Name of the Directors	DIN	Designation	Date of Appointment/ Resignation	Remarks
1.	Dr. Jose Paul	01256347	Additional Director (Independent)	April 1, 2017	Appointment
2.	Capt. B. S. Kumar	00284649	Additional Director (Independent)	April 1, 2017	Appointment
3.	Shri. Kumar Nandula	01998961	Director	September 25, 2017	Resignation
4.	Smt. Ketki Belhe	-	Company Secretary	October 6, 2017	Appointment
5.	Dr. Jose Paul	01256347	Independent Director	December 21, 2017	Change in Designation
6.	Capt. B. S. Kumar	00284649	Independent Director	December 21, 2017	Change in Designation
7.	Capt. Deepak Sachdeva	05176410	Director	March 31, 2018	Resignation
8.	Smt. Ketki Belhe	-	Company Secretary	February 1, 2018	Resignation

The following Directors and Key Managerial Personnel (KMP) were appointed/ got resigned post closure of the financial year and upto the date of this Report:

Sl. No.	Name of the Directors	DIN	Designation	Date of Appointment/ Resignation	Remarks
1.	Shri. Girish Joshi	-	Chief Financial Officer (CFO)	May 24, 2018	Appointment
2.	Shri. Sunil Kapoor	-	Manager	May 24, 2018	Appointment
3.	Shri. Siddhant Agarwal	-	Company Secretary	May 24, 2018	Appointment
4.	Shri. Girish Joshi	-	Chief Financial Officer (CFO)	June 29, 2018	Resignation
5.	Shri. Sunil Kapoor	-	Manager	July 15, 2018	Resignation
6.	Shri. Ankit Vaishnav	-	Chief Executive Officer (CEO)	August 29, 2018	Appointment
7.	Shri. Ashwin Menon	-	Chief Financial Officer (CFO)	August 29, 2018	Appointment
8.	Shri. Ankit Vaishnav	08206868	Additional Director	August 29, 2018	Appointment

Your Board places on record its appreciation for the valuable contributions made by the Directors/ KMPs in the growth and progress of the Company during their tenure.

Approval of the members is being sought at the ensuing Annual General Meeting of the Company for –

- Re-appointment of Shri. Rajiv Agarwal (DIN 00903635), who retires at the ensuing Annual General Meeting of the Company and whose appointment is recommended by the Nomination and Remuneration Committee;
- Appointment of Shri. Ankit Vaishnav (DIN 08206868) as a Director of the Company whose period of office shall be liable to retire by rotation;

7. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND ATTENDANCE OF THE DIRECTORS

The Board of Directors of the Company had met 5 times during the financial year on the below mentioned dates:

- April 3, 2017;
- July 9, 2017;
- October 6, 2017;
- November 14, 2017; and
- February 28, 2018

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	5	5
Capt. Deepak Sachdeva*	Director	5	5
Dr. Jose Paul	Independent Director	5	2
Capt. B.S. Kumar	Independent Director	5	3
Shri. Rakesh Kankanala	Director	5	5
Shri. Kumar Nandula#	Director	5	0

* Resigned w.e.f. March 31, 2018. # Resigned w.e.f. September 25, 2017.

The meetings of the Board have been held at regular intervals with a time gap of not more than 120 days between two consecutive meetings

8. DECLARATION OF INDEPENDENCE

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

9. COMPOSITION OF THE AUDIT COMMITTEE

As on March 31, 2018 and as on the date of this report, the Audit Committee comprises 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.

10. QUALITY, SAFETY AND ENVIRONMENT

In order to ensure highest standard of safety, your Company 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.

11. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

As per Section 135 of Companies Act, 2013, your Company constituted CSR Committee in the Board Meeting held on February 28, 2018. As on March 31, 2018 and as on the date of this report, the CSR Committee comprises of Shri. Rajiv Agarwal as the Chairman of the Committee and Dr. Jose Paul (Independent Director) and Shri. Rakesh Kankanala are the other members of the Committee.

The composition and terms of reference of the CSR Committee had been fixed by the Board of Directors of your Company. The Company statutorily is not required to incur CSR spend, as the Company has negative profits. However, the Company has initiated CSR activities through its subsidiary company. The CSR policy along with the Annual report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as Annexure to this Report.

12. NOMINATION AND REMUNERATION COMMITTEE

As on March 31, 2018 and as on the date of this report, the Nomination and Remuneration Committee comprises of Dr. Jose Paul as the Chairman of the Committee and Shri. Rajiv Agarwal and Capt. B. S. Kumar are the other members of the Committee.

The Committee has formulated a policy on the Directors' appointment and remuneration including recommendation of remuneration of the Key Managerial Personnel and other employees. The said policy has been enclosed as an Annexure to this Report.

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 FRAMEWORK

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. DEPOSITS

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, during the financial year.

17. AUDITORS

The Company's Auditors, Messrs. MSKA & Associates, Chartered Accountants, (ICAI Firm Registration Number: 105047W), were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 3rd Annual General Meeting of the Company till the conclusion of the 7th Annual General Meeting to be held in the year 2021. The Auditors have confirmed their eligibility under Section 141 of the Act and the Rules framed thereunder for re-appointment as Auditors of the Company.

There are no audit qualifications/adverse remarks in the Auditors Report to the shareholders on the Accounts of the Company for the year ended March 31, 2018.

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. 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.

20. 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.

21. 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.

22. 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.

23. 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 2017-18.

24. 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.

25. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

All Directors responded through a structured questionnaire giving feedback about the performance of the Board, its Committees, individual Directors and the Chairman. The questionnaire included inputs on composition, functioning, information availability, effectiveness, etc. The questionnaire also covered, in the case of individual directors, qualitative assessment and in the case of Chairman additional criteria like leadership qualities and other key aspects of his role.

The inputs received were circulated to the members of the Nomination and Remuneration Committee of the Board and was also discussed at the subsequent meeting of the Board.

26. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans, guarantees and investments have been disclosed in the notes to the financial statements of the Company for the financial year 2017-2018.

27. REPORTING OF FRAUD

There were no instances of fraud committed against the Company by its officers or employees as specified under Section 143(12) of the Companies Act, 2013 and accordingly no such reporting was done by the Auditors of the Company.

28. GENERAL DISCLOSURES

Your Directors hereby state and confirm that for the year ended March 31, 2018:

- The Executive Director did not receive any remuneration from the holding and/or subsidiary companies.
- The Company has neither revised the financial statements nor the report of Board of Directors.
- The Company has not issued equity shares with differential rights as to dividend, voting, or otherwise or sweat equity shares.
- No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the going concern status or Company's operations in future.
- There has been no change in the nature of business of the Company during the year.

29. AMOUNTS, IF ANY, PROPOSED TO BE CARRIED TO ANY RESERVES

Your Company has not transferred any amount to any reserves during the current financial year.

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

In view of the nature of activities that are being carried on by your Company, the particulars required under Section 134 of the Companies Act, 2013 and Rules made thereunder regarding conservation of energy and technology absorption are not applicable to your Company.

There were no foreign exchange earnings and outgo as required to be disclosed under the provisions of Section 134 and Rule 8(3) of Companies (Accounts) Rules, 2014 during the financial year.

31. MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013

The provisions of Section 148(1) of the Companies Act, 2013 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.

32. CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Section 129(3) of the Companies Act, 2013 and prepared in accordance with the applicable Accounting Standards.

33. 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

	Rajiv Agarwal	**Rakesh Kankanala**
Mumbai	Director	Director
August 29, 2018	DIN : 00903635	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)

Sr. No.	Name of the Subsidiary	Essar Bulk Terminal (Salaya) Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2018
2	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign Subsidiaries	N/A
3	Share capital	406.07
4	Reserves & surplus* * includes Equity Component of 0.01% Compulsorily Convertible Cumulative Participating Preference Shares and equity component of 0% compulsorily convertible debentures.	60,607.36
5	Total assets	212,478.17
6	Total Liabilities	151,464.74
7	Investments	-
8	Turnover	2,199.61
9	Profit / (Loss) before taxation	(1,176.80)
10	Provision for taxation	25.71
11	Profit / (Loss) after taxation	(1,202.51)
12	Proposed Dividend	-
13	% of shareholding	74%

Notes: The following information shall be furnished at the end of the statement:

1	Names of subsidiaries which are yet to commence operations	25.71
2	Names of subsidiaries which have been liquidated or sold during the year.	(1,202.51)

Since the Company had no Associates/ Joint Ventures during the financial year, the reporting under "Part B" of the Form AOC-1 is not applicable to the Company.

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

Mumbai, August 29, 2018

Corporate Social Responsibility Policy

Table of Content

1.0 About the Company

Salaya Bulk Terminals Ltd. (SBTL or the Company) is part of one of the largest private sector port companies in India offering a range of port and terminal services for liquid, dry bulk, break bulk and general cargo. The Company through it's subsidiary Essar Bulk Terminal (Salaya) Limited (EBTSL) has successfully commissioned an all-weather terminal at Salaya Jetty, in Jamnagar, Gujarat, India in Q4 FY 2017 - 2018. The Salaya Port has a handling capacity of 20 MMT fully mechanized 380 m berth with one ship loader of rated capacity of 1500 TPH and two ship unloaders of rated capacity of 2500 TPH. The berth is connected to stockyard via 12.8 Km long conveyor belt. Salaya Jetty has a draft depth of 14 m in the Saurashtra region. The Company would continue to lead innovative practices, adoption of technology and setting examples in the regions.

1.1 About Essar Group Foundation:

Essar Group Foundation is the Corporate Social Responsibility (CSR) arm of the Essar conglomerate that is committed to maintaining the highest standards of CSR in its business activities and aims to make a difference wherever it operates. Essar Foundation collaborates with key stakeholders, especially the local administration and institutions to facilitate development focused on education, livelihoods, women's empowerment and health. It aspires towards creating lasting impacts, ultimately leading to positive change and sustainability. Essar Foundation imbibes the essence of the ten Principles of United Nations Global Compact (UNGC), undertakes interventions in line with the UN Millennium Development Goals and also Companies Act, 2013. It has impacted more than a million lives positively upto now across 500 villages in eight states of India.

1.1.1 Approach:

The Foundation aligns its vision with the larger vision of the conglomerate based on the four Ps – PEOPLE at the core, PROGRESS towards aspirations, POWER of synergy, and PASSION with compassion.

PEOPLE at the core: All interventions of the Foundation place people it works with and people it works for at its core. So the vision entails holistic development that is human development centric. Environment conservation, capacity building, awareness generation, improving health and education leading to empowerment are keys to this aspect of the vision.

PROGRESS towards aspirations: Progress and growth towards the better is what drives every individual, family or community. Essar Foundation believes in fueling the same by promoting learning, innovation and the entrepreneurial spirit. Progressive economic development and livelihood promotion are main impacts under this.

POWER of synergy: The Foundation strongly bases its efforts on collective strength of responsible partnerships that ensures sustainability of the impact created. Convergence with government delivery mechanism, local administration, civil society organisations and community based institutions are integral to the approach.

PASSION with compassion: The compassion or humaneness in the endeavors is what makes all the difference. Sensitivity to local context and respect towards diversities is crucial and so is the need to make every initiative consultative, participatory and integrated. The vision is to promote shared values and ownership.

2.0 CSR Vision

To empower the communities around our areas of operation towards development that is collaborative, progressive, inclusive and sustainable through optimal realisation of human potential and responsible utilisation of resources.

ESSAR

3.0 CSR Mission

- To undertake strategically sustainable development initiatives that contributes towards progress in human and social development indicators.
- To complement and supplement the ongoing community development efforts of the Government while introducing innovations in the areas where there is a scope and need for the same.
- To encourage partnerships, support and build the capacities of community based institutions, civil society organizations.

4.0 CSR Objectives

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

5.0 CSR Approach

- To build sustained relationships with all stakeholders by developing mutual understanding and respect.
- To undertake baseline studies and follow a strategic planning process for developing short, medium and long term action plans based on criticality, priority and resource optimisation.
- To implement planned initiatives in a phased manner under agreed larger thematic areas through professional teams, delegated resources and relevant partnerships.
- To set indicators for outputs and success of initiatives; monitor and evaluate the progress and eventual impact of the initiatives towards desired direction of development.
- To document the outcome of initiatives, draw learnings from the experience and set progressive benchmarks for subsequent action plans.
- To set and execute initiatives with clearly drawn exit strategies that ensures sustainability of the initiatives' outcome.

6.0 Scope of CSR Activities

- Communities and villages directly or indirectly impacted by the business operations.
- Communities and villages surrounding the business operations in a particular location.
- Any other areas adopted under any specific MoU or agreement with the Government.

7.0 Focus areas

The Company will undertake CSR initiatives by investing resources in any of the following activities in India, excluding activities undertaken in pursuance of normal course of business of the Company and activities that benefit only the employees of the Company and their families:

- Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.
- Promoting education; including special education and employment enhancing vocational skills especially among children, woman, elderly and the differently abled people and livelihood enhancement projects.
- Promoting gender equality, empowering women and creating facilities which will enable reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining of quality of soil, air and water including contributions to the clean Ganga Fund set up by the Central Government for the rejuvenation of river Ganga.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of public libraries; promotion and development of traditional arts and handicrafts.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognised sports, paralympics sports and olympic sports.
- Contributions or funding technology incubators located within academic institutions which are approved by the Central Government.
- Rural development projects.
- Slum area development.

8.0 Implementation

The CSR initiatives will be implemented either directly by the Company or through implementing partners. The main implementing partner for SBTL will be the "Essar Group Foundation". The other partners with whom the Company may partner directly or through Essar Foundation may include the Government, Knowledge Institutions, Business Associates, NGOs, Community Based Organisations (CBOs) and the communities themselves. The precise roles of stakeholders depend on the local context and changes along with business phases and the stages of community interventions.

The Company may also collaborate with other companies to undertake other CSR projects or programmes provided that the CSR Committee of the respective companies are in a position to report separately on such projects or programmes.

9.0 Budget and expenditure

Before the commencement of each financial year, an Annual Business Plan (CSR ABP) for the CSR projects, programmes and activities, both new and ongoing, (excluding activities undertaken in pursuance of the Company's normal course of business) along with the expenditure for the same shall be recommended by the CSR and Sustainability Committee to the Board for approval. Each year, post adoption of CSR ABP by the Board, the same will be deemed to form integral part of this Policy.

The surplus arising out of the CSR activities will not be considered as a part of business profits of the Company.

10.0 Monitoring and evaluation

The "CSR Committee" constituted by the Board of Directors shall be responsible for monitoring the CSR policy from time to time. The CSR Committee shall approve and recommend to the Board, the projects or programmes or activities to be undertaken, the expenditure to be incurred on the projects / programmes, the modalities for execution and implementation schedule.

The CSR Committee shall periodically monitor implementation of the CSR Policy and the projects, programmes and activities being undertaken as per CSR ABP. The Essar Group Foundation or any other implementing partners assigned with tasks under the CSR ABP shall also submit their reports in such manner and periodicity as may be required by the CSR Committee.

11.0 Reporting

Both qualitative and quantitative report of all CSR activities will be generated and compiled on a periodic basis and presented to "CSR Committee" from time to time. The Company will publish an "Annual CSR Report" and will be shared with external stakeholders.

For and on behalf of the Board

	Rajiv Agarwal	**Rakesh Kankanala**
Mumbai	Director	Director
August 29, 2018	DIN : 00903635	DIN - 07413365

Annual Report on CSR Activities

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

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

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

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

   It has been decided that the CSR activities of Salaya Bulk Terminals Limited will be implemented by "Essar Group Foundation."

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

(₹ in lakhs)

	2016-17	2015-16	2014-15	Average
Net Profit / (Loss) as per P & L (Before Tax)	(1920.31)	(0.24)	(0.58)	(640.38)

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

   As the Company does not have positive average profits for the last three financial years and hence the Company is not required to incur any CSR expenditure during the year 2017 - 18 as per regulations. However, the Company has undertaken CSR activities through its subsidiary company.

5. Details of CSR spent during the financial year:

   (a) Total amount to be spent for the financial year - NIL

   (b) Amount unspent if any - N.A.

   (c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the Project is Covered	Projects or programs (1) Local area or (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on projects or programs Sub-heads: (1) District expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency*
NOT APPLICABLE							

6. In case the Company has failed the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.

   Not Applicable.

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

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

For Salaya Bulk Terminals Limited

Mumbai	**Rajiv Agarwal**	**Jose Paul**
August 29, 2018	DIN: 00903635	DIN: 01256347

Nomination and Remuneration Committee Policy

POLICY FOR BOARD DIVERSITY, APPOINTMENT, REMUNERATION, TRAINING AND EVALUATION OF DIRECTORS AND EMPLOYEES

Table of Content

1. General

1.1 The Companies Act, 2013 requires the Company to formulate the criteria for determining qualifications, positive attributes and independence of directors. The Company is also required to adopt a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

1.2 In addition, Listing Agreement requires listed companies to develop a policy on Board diversity, remuneration and evaluation criteria.

1.3 To meet these objectives, the Policy on Board Diversity, Appointment, Remuneration, Training and Evaluation of Directors has been adopted by the Board of Directors on July 9, 2017.

2. Board Diversity

2.1 The Company recognizes that a truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

2.2 The Articles of Association of the Company provide that the Board shall comprise of a minimum of three directors and a maximum of fifteen directors. Within these parameters the Board has to determine the size and composition of the Board.

2.3 The Board of Directors of the Company shall have an optimum combination of executive and non-executive directors and not less than fifty percent of the Board of Directors will comprise of non-executive directors.

2.4 Where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case the company does not have a regular non-executive Chairman, at least half of the Board should comprise independent directors.

Provided that where the regular non-executive Chairman is a promoter of the company or is related to any promoter or person occupying management positions at the Board level or at one level below the Board, at least one-half of the Board of the company shall consist of independent directors. The term 'related to any promoter' shall have the same meaning as contained in clause 49 of the Indian Listing agreement, as amended from time to time.

Any intermittent vacancy in office of an Independent Director shall be filled up by the Board in the immediate next Board meeting or 3 months from the date of vacancy, whichever is later.

2.5 The Board shall have at least one woman director. This provision shall be applicable as per the provisions of Companies Act, 2013.

2.6 The Company at all times shall have atleast one director who has stayed in India for a total period of not less than one hundred and eighty two days in the previous calendar year.

2.7 The Board shall have one or more Managing Directors. In addition, the Board will have power to appoint from time to time one or more Wholetime Director or Directors upon such terms and conditions and for such term not exceeding five years at a time.

2.8 In compliance with the provisions of section 151 of the Companies Act, 2013 the Company may have one director elected by small shareholders on conditions specified in The Companies (Appointment and Qualification of Directors) Rules, 2014.

2.9 The Lenders will have right to appoint one or more nominees on the Board in terms of Articles of Association of the Company and the loan agreements entered into between the Company and the lenders. The lenders nominees shall hold office so long as they have right to appoint nominees so long as any monies/liabilities in relation to Facilities remain owning by the Company to these Lenders.

2.10 The Nomination & Remuneration Committee of the Board ('the Committee') reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors.

2.10.1 In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

2.10.2 In identifying suitable candidates for appointment to the Board, the Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

2.11 The Committee will discuss and agree on all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

2.12 The criteria for maintaining diversity of the Board may among others include the following :

2.12.1 Age of individual directors and average age of the Board.

2.12.2 Ports & Terminal Industry representation adequately covering experience of professionals in public and private sector ports.

2.12.3 Experts from various fields including but not limited to finance and taxation, banking, corporate governance, administration, corporate social responsibility, risk management and human resources.

2.12.4 Diversity based on geographical background.

2.12.5 The needs of the Company's business currently and going forward.

2.13 The Committees of the Board will be constituted ensuring that diversity is maintained as per requirements of the Act and the Listing Agreement with stock exchanges.

3. Selection, identification and appointment of Directors

3.1 The Nomination and Remuneration Committee is responsible for evaluating the qualifications of each director candidate and of those directors who are to be nominated for election by shareholders at each Annual General Meeting of shareholders, and for recommending duly qualified director nominees to the full Board for election. The qualification criteria set forth herein are designed to describe the qualities and characteristics desired for the Board as a whole and for Board members individually.

3.2 Director Selection Procedures

3.2.1 Corporate Human Resources (CHR) department shall facilitate the selection procedure by identifying prospective candidates for election to the Board, based on directors qualification criteria.

Candidates so identified for directorship shall be evaluated by the Nomination and Remuneration Committee which will then make a suitable recommendation to the Board.

3.2.2 To aid in the shortlisting and screening process the Nomination and Remuneration Committee may take the support of professional agencies, conduct interviews or have a personality check undertaken or take any other steps to ensure that the right candidates are identified.

3.2.3 A determination of a director's qualifications to serve on the Board shall be made by the Board, upon the recommendation of the Committee, prior to nominating said director for election at the Company's next Annual General Meeting.

3.2.4 Appointment of all Directors, other than directors appointed pursuant to nomination by Financial Institutions under section 161(3) of the Act will be approved by shareholders at a general meeting or through postal ballot.

3.2.5 The Company shall issue a formal letter of appointment to independent directors in the manner as provided in Paragraph IV(4) of Schedule VI the Act.

3.3 Director qualification criteria

3.3.1 The director candidates should have completed the age of 21 years. The maximum age of executive directors shall not be more than 70 years at the time of appointment / re-appointment. However a candidate who has attained the age of 70 years may be appointed if approved by shareholders by passing of special resolution.

3.3.2 The Board has not established specific education, years of business experience or specific types of skills for Board members, but, in general, expects qualified directors to have ample experience and a proven record of professional success, leadership and the highest level of personal and professional ethics, integrity and values.

3.3.3 The candidate to be appointed as Director shall have a Director Identification Number allotted under section 154 of the Companies Act, 2013 (Act).

3.3.4 A person shall not be eligible for appointment as director of the Company if:

3.3.4.1 He is disqualified for being appointed under section 164 of the Act.

3.3.4.2 The number of directorships post appointment as Director in the Company exceeds the total number of directorships permitted under section 165 of the Act and clause 49(II)(B)(2) of the listing agreement with Indian Stock Exchanges.

3.3.5 In addition any person to be appointed as a Managing Director or Wholetime Director in the Company (hereinafter referred to as 'Executive Directors') shall have to meet the following requirements for being eligible for appointment as set out in Part I of Schedule V of the Act and the limits of directorships set out in listing agreement with stock exchanges.

3.3.6 Further, while selecting Independent Directors:

3.3.6.1 the Company may select the candidate from data bank(s) containing names, address, qualification of persons who are eligible and willing to act as Independent Directors maintained by anybody, institute or association as may be notified by the Central Government having expertise in creation and maintenance of such data bank.

3.3.6.2 The prospective candidates for appointment as Independent Directors shall have to meet the criteria of Independence laid down in sub-section (6) of section 149 of the Act and clause 49(II)(B)(1) of the listing agreement.

3.3.6.3 The number of Independent directorships in listed companies post appointment as Director in the Company and the Committee positions held by them would be within the limits prescribed in clause 49 of the listing agreement.

3.3.7 In the process of short listing Independent Directors, the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

3.4 Tenure in office

3.4.1 The appointment of all directors by the Board except for directors appointed under section 161(3) of the Act shall be upto the date of the next Annual General Meeting and shall be subject to approval of shareholders at the Annual General Meeting unless approved by the shareholders earlier.

3.4.2 The Executive Directors shall be appointed for a term of upto 5 years.

3.4.3 Independent Directors shall hold office for a term upto 5 consecutive years on the Board of the Company and shall be eligible for reappointment for a second term.

3.4.4 Independent Directors shall not hold office for more than 2 consecutive terms. Each such term may be of 5 years or less.

3.4.5 After expiry of the 2 terms, the Independent Director would be eligible for appointment only after expiry of 3 years from ceasing to being an Independent Director.

4. Criteria for appointment of Key Managerial Personnel

4.1 The Nomination and Remuneration Committee is responsible for the appointment of Key Managerial Personnel in accordance with the laid down criteria.

4.2 The criteria laid down for the appointment of Executive Directors including the Key Managerial Personnel is set out below.

4.3 The Key Managerial Personnel are sourced from Internal and external sources. These resumes are shortlisted by the hiring manager and the shortlisted candidates are scheduled for Interviews to be managed by Human Resources department.

4.4 An Interview Committee is formed which comprises of the following members:

4.4.1 The Managing Director;

4.4.2 Head- HR; and

4.4.3 such persons as may be deemed appropriate having regard to domain knowledge and expertise.

4.5 The Interview Committee is responsible for leading the talent acquisition process and to ensure timely fulfilment of this vacancy. The HR Team will provide requisite support in the timely fulfilment of each step of the talent acquisition process.

5. Remuneration

5.1 All remuneration / fees / compensation, payable to directors shall be fixed by the Board of Directors and payment of such remuneration fees / compensation shall require approval of shareholders in general meeting except for sitting fee payable to Non Executive Directors for attending Board / Committee.

5.2 The Board shall decide on the remuneration / fees / compensation, payable to directors based on the recommendations of the Nomination and Remuneration Committee.

5.3 The total managerial remuneration payable, to its directors, including managing director and whole-time director, (and its manager) in respect of any financial year shall not exceed eleven per cent. of the net profits of the Company for that financial year computed in the manner laid down in section 198 of the Act. Provided that the Company in general meeting may, with the approval of the Central Government, authorise the payment of remuneration exceeding eleven per cent. of the net profits of the Company, subject to the provisions of Schedule V of the Act:

5.4 The Nomination and Remuneration Committee shall ensure the following while recommending the remuneration / fee / compensation payable to Directors:

5.4.1 Executive Directors

5.4.1.1 The remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent. of the net profits of the company and if there is more than one such director remuneration shall not exceed ten per cent. of the net profits to all such directors and manager taken together. Else the remuneration will be subject to approval of Central Government as may be required.

5.4.1.2 In case of inadequacy of profits mentioned in 5.3 and 5.4.1 above, the Committee while approving the remuneration for executive directors shall:

5.4.1.2.1 take into account, financial position of the company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.

5.4.1.2.2 be in a position to bring about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders.

5.4.2 While considering payment of remuneration / increase in remuneration payable to executive directors, key managerial personnel and other executives, the Nomination and Remuneration Committee may among other factors consider the following:

5.4.2.1 the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

5.4.2.2 relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

5.4.2.2.1 remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

5.4.2.2.2 the factors mentioned in The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, may be considered, which are required to be disclosed in the Directors Report.

5.4.3 Non executive Directors including Independent Directors:

5.4.3.1 The remuneration payable to Non Executive Directors shall not exceed 1% of the net profits of the Company.

5.4.3.2 A Non-Executive director may be paid remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever. The amount of such fee shall not exceed Rs. 1,00,000/- for attending each meeting of the Board or Committee thereof or such higher amount as may be prescribed by the Central Government.

5.4.3.3 An independent Director shall not be entitled to any stock option.

6. Training

6.1 The Company shall provide suitable training to Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

6.2 Every new Director, on appointment:

6.2.1 Will be provided with an Induction Manual

6.2.2 Will undertake an induction programme. It will provide an opportunity to the inductee to interact with the senior management team and help understand the strategy, operations, products, markets, organization structure, finance, human resources and risk management among others.

6.2.3 will be taken to visit the Company's key ports & terminals to familiarize them with the Company's operations.

6.2.4 Will be guided by the Company Secretary on the role and responsibilities of directors, the constitution and role of the Board and its Committees, the frequency of meetings and time commitment expected from them, decision making process being followed and compliance monitoring and reporting processes.

6.3 On an ongoing basis training will be provided to directors to update on developments in industry, technology and statutory, regulatory, economic environment, new accounting policies, corporate governance developments, etc. Specific training requirements of directors will also be met depending on the role and responsibilities they have to take up in the Company and the performance evaluation. Training will be imparted to directors through participation in conferences, seminars and workshops. The Company may also organize for training programmes conducted by internal / external faculty.

6.4 Details of such trainings provided shall be disclosed in the Annual Report.

7. Performance evaluation and re-appointment

7.1 The Board will annually evaluate its performance through a self-evaluation process. The evaluation identifies enhancements to director skill sets and ensures that board members are performing to expectations.

7.2 Evaluation review process

7.2.1 The Nomination & Remuneration Committee will annually oversee a review of the Board's performance, which shall include a self-evaluation by the Board, and will discuss the results of this review with the full Board following the end of each fiscal year.

7.2.2 Evaluation of the Board and Committees thereof – formal annual evaluation has to be made by the Board of its own performance and that of its Committees.

7.2.3 Evaluation of Chairman - A separate meeting of Independent Directors will review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors. They will forward their recommendations to the Nomination and Remuneration Committee.

7.2.4 Other Non-Independent Directors - The Independent Directors will also review the performance of non-independent directors and the Board as a whole and submit their recommendations to the Nomination and Remuneration Committee.

7.2.5 Executive Directors - The Nomination and Remuneration Committee conducts an annual review of the performance of the Managing Director & CEO and other Wholetime Directors against the Company's goals and objectives.

7.2.6 Independent Directors - The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated).

7.2.7 A statement indicating the manner of formal annual evaluation of the Board, its Committees and individual directors will be included in the Report of the Board of Directors each year.

7.3 Criteria for evaluation

7.3.1 Evaluation of Board as a whole

The Independent Directors and the Nomination and Remuneration Committee while undertaking board evaluation will decide on the criteria of evaluation of the Board and its Committees which among others may include:

7.3.1.1 the extent to which the Board and its Committees are successful in fulfilling their key roles and responsibilities.

7.3.1.2 the extent to which individual directors contribute to the achievement of these objectives.

7.3.1.3 the extent to which the Board and its Committees adhere to best practices in structure and procedure.

7.3.1.4 the Committee will consider the balance of skills, experience, independence and knowledge requirements at Essar Ports Ltd. including gender diversity and how the Board works together as a unit, and other factors relevant to its effectiveness.

7.4 Non Executive Directors

7.5 The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committees. An indicative list of factors that may be evaluated as part of this exercise is :

7.5.1 Participation in meetings and contribution by director.

7.5.2 Commitment including guidance provided to senior management executives outside of Board / Committee meetings.

7.5.3 Effective deployment of expertise and knowledge.

7.5.4 Effective management of relationship with stakeholders.

7.5.5 Integrity and maintenance of confidentiality.

7.5.6 Independence of behavior and judgement.

7.5.7 Impact and influence.

7.6 Executive Directors

7.6.1 The compensation will be finalized by the Nomination and Remuneration Committee based on evaluation of the individual director and the performance of the Company.

7.7 Structure of evaluation process

7.7.1 The structure of the evaluation process will be finalized by the Nomination and Remuneration Committee either on its own in consultation with Corporate Human Resources Department or by engaging the services of external consultants.

7.7.2 Each board evaluation may have slight differences in focus, priority and outcomes but will broadly follow a similar approach.

7.7.3 Board evaluation to be finalized by the Nomination and Remuneration Committee may cover the following areas :

7.7.3.1 Briefing of the Board.

7.7.3.2 Gathering of evidence using a questionnaire.

7.7.3.3 Drafting of Board evaluation report.

7.7.3.4 Discussion of the Board evolution report by the entire Board.

7.7.3.5 Meetings between the Chairman and individual directors to discuss individual director evaluation.

7.7.3.6 Determination of Board development strategy.

7.8 Reappointment of Directors

7.9 The reappointment of directors will not be automatic.

7.10 Before the expiry of term in office on account of retirement by rotation of Non Executive Non Independent Directors or the completion of term in office of the Executive Directors or Independent Directors, the Nomination and Remuneration Committee will make recommendations to the Board.

7.11 In determining whether the directors should be submitted to reappointment, the Nomination and Remuneration Committee should:

7.11.1 Consider extending or continue the term of appointment of the Directors on the basis of performance evaluation;

7.11.2 Assess the current Board's skills and qualities;

7.11.3 The needs of the Company's business currently and going forward;

7.11.4 Measure the retiring directors' skills against the selection criteria set by the Nomination and Remuneration Committee.

7.12 The directors eligible to retire by rotation shall be determined based on the provisions of section 152 of the Act.

7.13 Shareholders approval for reappointment of Executive Directors shall not be taken more than 1 year before expiry of their present term.

7.14 Disclosure

Summary of results of performance evaluation shall be disclosed in the Annual Report / Corporate Governance report and re-appointment of Independent directors shall be basis the outcome of such evaluation.

8. Mechanism for evaluation of Board, Chairman and Directors

8.1 The Nomination & Remuneration Committee has formulated the following mechanism for evaluation of the entire Board & Committees.

8.1.1 The evaluation of the Board as a whole shall be done by all the directors.

8.1.2 The evaluation of the Independent Directors shall be done by the entire Board excluding the director being evaluated.

8.1.3 The evaluation of the Non-Independent Directors shall be done by the Independent Directors.

8.1.4 The evaluation of performance of the Chairman shall be done by the Independent Directors.

8.2 The performance evaluation shall be undertaken based on the feedback provided by Board members and the guidelines formulated from time to time.

8.3 The report shall be submitted as under:

8.3.1 Evaluation report of the performance of the Board shall be submitted to the Chairman of the Nomination & Remuneration Committee, who shall present it to the Board.

8.3.2 Evaluation report of Individual Directors (excluding the Chairman of the Nomination & Remuneration Committee) shall be submitted to the Chairman of the Nomination & Remuneration Committee, who will have it submitted to the Committee. The evaluation report of the Chairman of the Committee will be forwarded to the Chairman of the Board who will have it submitted to the Board or Committee.

8.3.3 Evaluation report of the Chairman shall be submitted to the Chairman of the Nomination & Remuneration Committee, who will discuss the same with the Chairman and thereafter submit it to the Board

For and on behalf of the Board

	Rajiv Agarwal	**Rakesh Kankanala**
Mumbai	Director	Director
August 29, 2018	DIN: 00903635	DIN: 07413365

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

(As on the Financial Year ended on 31st March, 2018)

[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 Tel: +91 2833 664440 - Fax: +91 2833 661366 E-mail: epl.secretarial@essarport.co.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

Sl No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Service activities incidental to water transportation (Fleet operating and chartering income)	52220	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON MARCH 31, 2018:

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.	61.11%

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	74%

IV. SHAREHOLDING PATTERN (Equity share capital breakup as percentage of total equity)

i) Category-wise Shareholding

	Category of Shareholders	No. of Shares held at the beginning of the year 2017				No. of Shares held at the end of the year 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1	Indian									
(a)	Bodies Corporate	7794198	38829	7833027	36.58	7834223	0	7834223	36.59	0.01
	Sub-Total (A)(1)	7794198	38829	7833027	36.58	7834223	0	7834223	36.59	0.01
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)	**20879085**	**38829**	**20917914**	**97.69**	**20919110**	**0**	**20919110**	**97.69**	**0.00**
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	147	2416	2563	0.01	131	2416	2547	0.01	0.00
(c)	Insurance Companies	0	1	1	0.00	0	1	1	0.00	0.00
(d)	Foreign Institutional Investors	0	600	600	0.00	0	600	600	0.00	0.00
(e)	Qualified Foreign Investor									
(i)	Any other (Specify)									
(ii)	Foreign Bank	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	311	4611	4922	0.02	295	4611	4906	0.02	0.00
2	Non-Institutions									
(a)	Bodies Corporate	27138	4248	31386	0.15	26945	4517	31462	0.15	0.00
(i)	Indian									
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹1 lakh.	246072	196662	442734	2.07	246774	194235	441009	2.06	-0.01
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Others									
(i)	Qualified Foreign Investor									
-	Non Resident Individuals	6983	8874	15857	0.07	7521	8805	16326	0.08	0.01
-	Non Domestic Company	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(2)	280193	209784	489977	2.29	281240	207557	488797	2.28	-0.01
	Total Public Shareholding (B)=(B)(1)+B(2)	**280504**	**214395**	**494899**	**2.31**	**281535**	**212168**	**493703**	**2.31**	**0.00**
	TOTAL (A) + (B)	**21159589**	**253224**	**21412813**	**100.00**	**21200645**	**212168**	**21412813**	**100.00**	**0.00**
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
	GRAND TOTAL (A)+(B)+(C)	**21159589**	**253224**	**21412813**	**100.00**	**21200645**	**212168**	**21412813**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 2017			Shareholding at the end of the year 2018			% 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	IMPERIAL CONSULTANTS AND SECURITIES PRIVATE LIMITED	399703	1.87	1.68	0	0.00	0.00	-1.87
2	IBROX AVIATION PRIVATE LIMITED	7433324	34.71	34.70	7834223	36.59	34.71	1.88
3	ESSAR AFRICA MINERALS HOLDINGS LIMITED	13083215	61.10	61.10	0	0.00	0.00	-61.10
4	ESSAR PORTS AND SHIPPING LIMITED	1672	0.01	0.00	0	0.00	0.00	-0.01
5	ESSAR PORTS & TERMINALS LIMITED	0	0.00	0.00	13084887	61.11	61.10	61.11
	TOTAL	**20917914**	**97.69**	**97.48**	**20919110**	**97.69**	**95.81**	**0.00**

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

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year 01.04.2017		Date +	Increase/ Decrease (No. of shares)+	Reasons +	Cumulative Shareholding during the year (1.4.2017-31.03.2018)	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	IBROX AVIATION PRIVATE LIMITED	7433324	34.71	12.05.2017	360568	Purchase	7793892	36.40
				22.09.2017	40147	Purchase	7834039	36.59
				29.09.2017	184	Purchase	7834223	36.59
2	IMPERIAL CONSULTANTS AND SECURITIES PRIVATE LIMITED	399703	1.87	12.05.2017	-360568	Sale	39135	0.18
				19.05.2017	-32	Sale	39103	0.18
				09.06.2017	963	Purchase	40066	0.19
				07.07.2017	77	Purchase	40143	0.19
				14.07.2017	4	Purchase	40147	0.19
				22.09.2017	-40121	Sale	26	0.00
				29.09.2017	-26	Sale	0	0.00
3	ESSAR PORTS AND SHIPPING LIMITED	1672	0.01	23.06.2017	-1672	Sale	0	0.00
4	ESSAR AFRICA MINERALS HOLDINGS LIMITED	13083215	61.10	23.06.2017	1672	Purchase	13084887	61.11
				28.07.2017	3084887	Name change	0	0.00
5	ESSAR PORTS & TERMINALS LIMITED	0	0.00	28.07.2017	13084887	Name change	13084887	61.11

iv) **Shareholding Pattern of top ten Shareholders (others than Directors, Promoters and Holders of Foreign Currency Convertible bonds) as on 31st March, 2018**

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	LIIPL ESSAR PORT EXIT OFFER ESCROW DEMAT ACCOUNT	14112	0.07	09.06.2017	13	sale	14099	0.07
2	LAL TOLANI	3490	0.02	-	-	-	3490	0.02
3	R J SHARES AND SECURITIES PRIVATE LIMITED	1426	0.01	-	-	-	1426	0.01
4	SUSHIL KUMAR GUPTA	1426	0.01	-	-	-	1426	0.01
5	RITU JAIN	1340	0.01	-	-	-	1340	0.01
6	BANK OF INDIA-- IN HOUSE ACCOUNT	1265	0.01	-	-	-	1265	0.01
7	RIPON ESTATES LTD	1200	0.01	-	-	-	1200	0.01
8	R P DAVID	1200	0.01	-	-	-	1200	0.01
9	SHRINIVAS VASUDEVA DEMPO	1200	0.01	-	-	-	1200	0.01
10	K D PARAKH	1200	0.01	-	-	-	1200	0.01

v) **Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Name of Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	Nil	-	Nil	NIL
	Bought during the year	Nil	-	Nil	NIL
	Sold during the year	Nil	-	Nil	NIL
	At the end of the year	Nil	-	Nil	NIL

V. INDEBTEDNESS

The indebtedness of the Company as on March 31, 2018 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	–	6,578.78	–	6,578.78
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**–**	**6,578.78**	**–**	**6,578.78**
Change in Indebtedness during the financial year				
Additions	–	12,820.64	–	12,820.64
Reduction	–	–	–	–
Net Change	**–**	**12,820.64**	**–**	**12,820.64**
Indebtedness at the end of the financial year				
i) Principal Amount	–	19,399.42	–	19,399.42
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**–**	**19,399.42**	**–**	**19,399.42**

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:

(₹ lakhs)

Particulars of Remuneration	Name of the Directors (Independent Directors)		Total Amount
	Dr. Jose Paul	Capt. B. S. Kumar	
Fee for attending Board / Committee meetings	0.90	1.80	2.70
Commission	-	-	-
Total (B)	**0.90**	**1.80**	**2.70**
Ceiling as per the Act	Not applicable		
Total Managerial Remuneration =(A+B)	₹ 2.70 Lakhs		
Overall Ceiling as per the Act	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

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

Mumbai
August 29, 2018

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, 2018, 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 state of affairs (financial position), profit or loss (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, and the accounting principles generally accepted in India.

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, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

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 including Other Comprehensive Income, 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, as amended.

   (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

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

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of 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 : June 25, 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SALAYA BULK TERMINAL LIMITED (FORMERLY KNOWN AS HAZIRA COKE LIMITED)

[Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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, 2018 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, 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 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, 2018, 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 : June 25, 2018

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, 2018]

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

(b) All the fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us , The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under paragraph 3(i)(c) of the Order is not applicable.

ii. 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 regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it except income-tax and goods and service tax where there were few delays and no amount in respect of these dues were in arrears as at 31st March, 2018, for a period of more than six months from the date they become payable. As informed to us, the provisions of employees' state insurance and excise duty were not applicable to the company during the year.

(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, the Company has not entered into transactions with the related parties as stated in the provisions of the sections 177 and 188 of the Act. Accordingly, provisions stated in paragraph 3(xiii) of the Order are not applicable to the Company.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment compulsorily convertible debentures during the year and the requirements of Section 42 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.

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 : June 25, 2018

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Balance Sheet as at March 31, 2018

₹ in lakhs

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	568.50	649.71
(b) Financial assets			
- Investment in subsidiary	6	46,280.55	45,630.55
Total non-current assets		**46,849.05**	**46,280.26**
Current assets			
(a) Financial assets			
(i) Trade receivables	7	64.88	55.57
(ii) Cash and cash equivalents	8	5.20	4.72
(b) Other current assets	9	2.25	-
(c) Current tax assets	10	1.13	2.46
Total current assets		**73.46**	**62.75**
Total Assets		**46,922.51**	**46,343.01**
II EQUITY AND LIABILITIES			
Equity			
(a) Share capital	11	2,141.28	2,141.28
(b) Other equity	12	36,801.82	24,126.80
Total equity		**38,943.10**	**26,268.08**
Liabilities			
Non current liabilities			
(a) Financial liabilities			
- Borrowings	13	6,578.78	-
(b) Deferred tax liability	14	3.75	76.31
(c) Other non-current liabilities	15	639.02	-
Total non current liabilities		**7,221.55**	**76.31**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	16	23.25	44.05
(ii) Other financial liabilities	17	732.72	19,945.80
(b) Other current liabilities	18	1.89	8.77
Total current liabilities		**757.86**	**19,998.62**
Total Liabilities		**7,979.41**	**20,074.93**
Total equity and liabilities		**46,922.51**	**46,343.01**
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
Date: June 25, 2018

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN : 07413365

Girish Joshi
CFO

Siddhant Agarwal
Company Secretary
Membership No. A41137

Mumbai
Date: May 24, 2018

Statement of Profit and Loss for the year ended March 31, 2018

₹ in lakhs

	Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations	19	9.32	108.00
II	Other income	20	275.66	308.73
III	**Total Income (I + II)**		**284.98**	**416.73**
IV	**Expenses:**			
	(a) Other expenses	21	87.39	682.97
	(b) Depreciation	5	81.21	60.96
	(b) Finance costs	22	334.56	1,593.11
V	**Total Expenses**		**503.16**	**2,337.04**
VI	**Profit / (Loss) before tax**		**(218.18)**	**(1,920.31)**
VII	**Tax expense/(benefit):**			
	(a) Current tax		-	-
	(b) Deferred tax	28	(72.56)	3.24
			(72.56)	**3.24**
VIII	**Loss for the year (VII-VI)**		**(145.62)**	**(1,923.55)**
	Other comprehensive income		–	–
IX	**Total other comprehensive income**		**–**	**–**
X	**Total comprehensive profit/ (loss) for the year (VIII+IX)**		**(145.62)**	**(1,923.55)**
XI	**Earnings per equity share**			
	(1) Basic (in ₹)	24	(0.67)	(8.96)
	(2) Diluted (in ₹)	24	(0.67)	(8.96)
	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
Date: June 25, 2018

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN : 07413365

Girish Joshi
CFO

Siddhant Agarwal
Company Secretary
Membership No. A41137

Mumbai
Date: May 24, 2018

Cash Flow Statement for the year ended March 31, 2018

₹ in lakhs

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A	**Cash flow from operating activities**		
	Net Profit / (Loss) before taxation	(218.18)	(1,920.31)
	Adjustment for		
	Depreciation and amortisation expense	81.21	60.96
	Exchange gain	23.30	(308.73)
	Restatement under common control transaction	-	(45.67)
	Finance income on recognition of financial liabilities at amortised cost	(275.66)	-
	Finance Costs	334.56	1,593.11
	Operating loss before working capital changes	**(54.77)**	**(620.64)**
	Movements in Working Capital:		
	Increase /(Decrease) in trade payables	(20.79)	668.19
	Increase / (Decrease) in other financial liabilities	93.83	1.70
	(Increase) / Decrease in trade receivables	(9.31)	(55.57)
	(Increase) / Decrease in other current assets	(0.91)	-
	Increase / (Decrease) in other current liabilities	(6.88)	8.77
	Cash generated from operations	**1.17**	**2.45**
	Taxes Paid	-	(2.46)
	Net cash generated from operating activities	**1.17**	**(0.01)**
B	**Cash flow from investing activities**	–	–
	Net cash from investing activities	**–**	**–**
C	**Cash Flow from Financing activities**		
	Finance cost paid	(0.69)	-
	Net cash flow from Financing activities	**(0.69)**	**-**
	Net increase in cash and cash equivalents (A+B+C)	**0.48**	**(0.01)**
	Cash and cash equivalents at the beginning of the year	**4.72**	**4.73**
	Cash and cash equivalents at the end of the year	**5.20**	**4.72**

Notes :

₹ in lakhs

1	**Reconciliation between closing cash and cash equivalents and cash and bank balances**	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
	Cash and cash equivalents as per cash flow statement	5.20	4.72
	Add : Margin money deposits not considered as cash and cash equivalents as per IND AS-7	-	-
	Cash and bank balances (refer note no 8)	**5.20**	**4.72**

2. **Changes arising in financal libilities due to financing activities**

Particulars	As at April 1, 2017	Cash movement	Non cash movement	As at March 31, 2018
Borrowings including current Maturities	7,136.26	-	(557.48)	6,578.78
Financal libilities	12,170.64	-	(12,170.64)	-
Total	**19,306.90**	**-**	**(12,728.120)**	**6,578.78**

***** Refer note 4 below for non-cash movement

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

4. During the year, the Company has issued 557,174 compulsorily convertible debentures of ₹10 each amounting to ₹ 650.00 lakhs for consideration other than cash (Purchase consideration for the acquisition of investment in 6,500,000 nos. of CCDs of a subsidiary were settled through issue of the company's CCDs) and 10,432,575 compulsorily convertible debentures of ₹ 10 each amounting to ₹ 12,170.64 lakhs against inter corporate deposits received from a related party.

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

Mumbai
Date: June 25, 2018

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN : 07413365

Girish Joshi
CFO

Siddhant Agarwal
Company Secretary
Membership No. A41137

Mumbai
Date: May 24, 2018

ESSAR

Statement of Changes in Equity for the year ended March 31, 2018

A. EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	Amount
Balance as at April 1, 2016	**5.00**
Cancellation of equity shares upon implementation of the Composite Scheme of Arrangement (the "Scheme") (refer note 27)	(5.00)
Issue of equity shares pursuant to the Scheme (refer note 27)	2,141.28
Balance as at March 31, 2017	**2,141.28**
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**2,141.28**

B. OTHER EQUITY

₹ in lakhs

Particulars	Capital Reserve	Retained earnings	Equity Component of Compulsorily Convertible Debentures	Equity component of compound financial instrument	Securities Premium	Total
	On common control business combination					
Balance as at April 1, 2016	28,459.34	(549.63)	-	430.70	-	28,340.41
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 27)						
Other adjustments (on account of composite scheme of arrangement) (refer note 27):	(148.78)	-	-	-	-	(148.78)
Issue of share capital (refer note 27)	(2,141.28)	-	-	-	-	(2,141.28)
Balance as at March 31, 2017	**26,169.28**	**(2,473.18)**	**-**	**430.70**	**-**	**24,126.80**
Profit/(Loss) for the year	-	(145.62)	-	-	-	**(145.62)**
Other comprehensive income for the year (net of income tax)	-	-	-	-	-	-
Total comprehensive income/ (loss) for the year	**-**	**(145.62)**	**-**	**-**	**-**	**(145.62)**
Issue of compulsorily Convertible Debentures	-	-	1,098.97	-	11,721.67	**12,820.64**
Balance as at March 31, 2018	**26,169.28**	**(2,618.80)**	**1,098.97**	**430.70**	**11,721.67**	**36,801.82**
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
Date: June 25, 2018

For and on behalf of the Board of Directors

Rajiv Agarwal
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CFO

Siddhant Agarwal
Company Secretary
Membership No. A41137

Mumbai
Date: May 24, 2018

Notes forming part of the financial statements

1. Corporate Information

Salaya Bulk Terminals Limited (formerly known as Hazira Coke 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 May 24, 2018.

The financial statements are presented in Indian Rupees (Rs.) 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 read with the Companies (Indian Accounting Standards) Rules as amended from time to time and accounting principles generally accepted in India.

The Financial Statements have been prepared on the historical cost basis except for certain financial instruments 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 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.

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.

Notes forming part of the financial statements

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 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

Notes forming part of the financial statements

- 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 AS103 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 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 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:

Notes forming part of the financial statements

- 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.

<u>Other financial liabilities:</u>

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.

<u>Derecognition of financial liabilities:</u>

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 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 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

Notes forming part of the financial statements

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.

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 23.

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 23 for further disclosures.

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

Ind AS 115 'Revenue from Contracts with Customers' (Effective for annual periods beginning on or after 1 April 2018):

Ind AS 115 provides a single, principles based five-step model to be applied to all contracts with customers.The five steps in the model are as follows:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts;
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

The Company is in the process of assessing Ind AS 115's full impact and intends to adopt Ind AS 115 no earlier than the accounting period beginning on or after 1 April 2018

Ind AS 21 – 'The effect of changes in Foreign Exchange rates' (Effective for annual periods beginning on or after 1 April 2018):

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

The Company is in the process of assessing Ind AS 21's full impact and intends to adopt Ind AS 21 no earlier than the accounting period beginning on or after 1 April 2018.

3.3 Changes in accounting policies and disclosures

The Company has applied for the first time certain amendments to the standard, which are effective for annual periods beginning on or after 1 April 2017. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The nature and the impact of the amendment is described below:

Amendment to Ind AS 7: Statement of Cash Flows

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

Notes forming part of the financial statements

4 PROPERTY, PLANT AND EQUIPMENT

₹ in lakhs

Particulars	Plant and equipment
Cost	
At April 1, 2016	782.79
Additions	-
At March 31, 2017	**782.79**
Addition	–
At March 31, 2018	**782.79**
Accumulated depreciation	
At April 1, 2016	72.12
Depreciation charge for the year	60.96
At March 31, 2017	**133.08**
Depreciation charge for the year	81.21
At March 31, 2018	**214.29**
Carrying amount	
At March 31, 2017	**649.71**
As at March 31, 2018	**568.50**

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

5 DEPRECIATION AND AMORTISATION EXPENSE

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of Property, plant and equipment	81.21	60.96
Total depreciation and amortisation expenses	**81.21**	**60.96**

6 INVESTMENT IN SUBSIDIARY

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Investment in Subsidiary		
Investment in Equity Instruments (at Cost)*		
Essar Bulk Terminal (Salaya) Limited	320.04	320.04
30,04,875 equity shares of ₹ 10 each fully paid **		
Investment in Preference Shares (at Cost) *		
Essar Bulk Terminal (Salaya) Limited		
45,38,69,350 0.01% compulsorily convertible cumulative participating preference shares of ₹ 10/- each fully paid **	45,310.51	45,310.51
Investment in Debentures (at Cost) #		
Essar Bulk Terminal (Salaya) Limited		
65,00,000 (as at March 31, 2017: Nil) compulsorily convertible debentures of Rs 10/- each fully paid	650.00	-
Total	**46,280.55**	**45,630.55**

* These shares are acquired as part of the composite scheme of arrangement (refer note no. 27) and are in the process of being registered in the name of the Company.

Notes forming part of the financial statements

\# During the year the company has purchased investments in compulsorily convertible debentures (CCDs) in its subsidiary Essar Bulk Terminal (Salaya) Limited from Ibrox Aviation & Trading Private Limited. The purchased consideration for the said acquisition of investments in CCDs were settled through issue of the Company's CCDs to Ibrox Aviation & Trading Private Limited.

** Of the above 1,532,487 no of equity shares and 232,011,813 no of compulsorily convertible cumulative participating preference shares have been pledged by the Company with the subsidiary's lender against loan availed by the subsidiary.

7 TRADE RECEIVABLES

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good (refer note 29)	64.88	55.57
Total	**64.88**	**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.

8 CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks	5.20	4.72
Total	**5.20**	**4.72**

9 OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Prepaid Expenses	2.25	–
Total	**2.25**	**-**

10 CURRENT TAX ASSETS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Tax deducted at source (Net of provision for tax Nil)	1.13	2.46
Total	**1.13**	**2.46**

Notes forming part of the financial statements

11 SHARE CAPITAL

₹ in lakhs

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital				
Equity shares of ₹ 10/- each	30,000,000	3,000.00	25,000,000	2,500.00
Total	**30,000,000**	**3,000.00**	**25,000,000**	**2,500.00**
Issued capital				
Equity shares of ₹ 10/- each (refer note 27)	21,412,813	2,141.28	21,412,813	2,141.28
Total	**21,412,813**	**2,141.28**	**21,412,813**	**2,141.28**
Subscribed and fully paid up				
Equity shares of ₹ 10/- each	21,412,813	2,141.28	21,412,813	2,141.28
Total	**21,412,813**	**2,141.28**	**21,412,813**	**2,141.28**

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 27)	Issue of equity shares pursuant to the scheme of arrangement (refer note 27)	Closing balance
Equity Shares				
Year ended March 31, 2018				
- Number of shares	21,412,813	-	-	21,412,813
- Amount (Rs in lakh)	2,141.28	-	-	2,141.28
Year ended March 31, 2017				
- Number of shares	50,000	(50,000)	21,412,813	21,412,813
- Amount (Rs in lakh)	5.00	(5.00)	2,141.28	2,141.28

(b) Terms/ Rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders along with Compulsorily Convertible Debentures (CCD) holders 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 and other shareholders

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% shares	Number of shares	% shares
Essar Ports and Terminals Ltd. (Formerly known as Essar Africa Minerals Holdings Limited)	13,084,887	61.11%	13,083,215	61.10%
Ibrox Aviation and Trading Pvt Limited	7,834,223	36.59%	7,433,324	34.71%
Others	493,703	2.31%	896,274	4.19%
Total	**21,412,813**	**100.00%**	**21,412,813**	**100.00%**

Notes forming part of the financial statements

(d) Reconciliation of the number of Compulsorily Convertible Debentures (CCD) and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount (₹ in lakh)	Number of shares	Amount (₹ in lakh)
CCD of ₹ 10/- each				
At the beginning of the year	-	-	-	-
Add: Issue of CCD during the year	10,989,749	1,098.97	-	-
Outstanding at the end of the year	**10,989,749**	**1,098.97**	**-**	**-**

(e) Terms of / rights attached to CCD

(i) The CCDs shall have face value of ₹ 10 each;

(ii) The holder(s) of the CCDs shall not be entitled to receive any coupon;

(iii) The CCDs shall be unsecured;

(iv) The CCD holders shall have the option to convert the Compulsory Convertible Debenture (CCDs) into one equity share at any time after the expiry of three months from the date of allotment of the CCDs. The CCD are to be compulsorily converted after expiry of 120 months.

(v) The Equity Shares having face value of ₹ 10/- each allotted to the holder on conversion of the CCDs in terms hereof shall rank pari passu in all respects with the then existing equity shares of the Company.

(f) Details of debentures held by holding / ultimate holding company holding more than 5% debentures in the company

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% shares	Number of shares	% shares
i) CCD of ₹ 10/- each				
Ibrox Aviation and Trading Private Limited	10,989,749	100.00%	-	-
Total	**10,989,749**	**100.00%**	**-**	**-**

(g) During the previous 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 bought back any shares in the previous five years except equity shares cancelled during the year. (refer note 27)

12 OTHER EQUITY

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Retained earnings	(2,618.80)	(2,473.18)
(b) Equity component of Foreign currency convertible bonds	430.70	430.70
(c) Capital reserve on cancellation and fresh issue of equity share capital (refer note 27)	26,169.28	26,169.28
(d) Equity Component of Compulsorily Convertible Debentures	1,098.97	-
(e) Securities Premium on Compulsorily Convertible Debentures	11,721.67	-
Total	**36,801.82**	**24,126.80**

Notes forming part of the financial statements

13 BORROWINGS (NON CURRENT)

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured- at amortised cost		
a) 5% Foreign currency convertible bonds (FCCB) (refer note 25)	6,578.78	7,136.26
Less: Current Maturities	-	(7,136.26)
Total	**6,578.78**	**-**

14 DEFERRED TAX LIABILITY/ (DEFERRED TAX ASSETS)

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	51.45	74.75
Equity component of FCCB	1.56	1.56
	53.01	**76.31**
Tax effect of items constituting deferred tax assets		
Unabsorbed depreciation and business loss	(49.26)	-
	(49.26)	**-**
Total	**3.75**	**76.31**

15 OTHER NON-CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Income on discounting of FCCBs (refer note 25)	639.02	-
Total	**639.02**	**-**

16 TRADE PAYABLES

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of creditors other than micro enterprises and small enterprises	23.25	44.05
Total	**23.25**	**44.05**

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.

Notes forming part of the financial statements

17 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Current maturities of long-term borrowings (Unsecured)		
- foreign currency convertible bonds	-	7,136.26
- Inter corporate deposit	-	10,611.00
(b) Due to related parties (refer note 29)	732.72	638.90
(c) Interest accrued on inter corporate deposits	-	1,559.64
Total	**732.72**	**19,945.80**

18 OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Statutory dues	1.89	8.77
Total	**1.89**	**8.77**

19 REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Fleet operating and chartering income	9.32	108.00
Total	**9.32**	**108.00**

20 OTHER INCOME

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Foreign exchange gain	-	308.73
Deferred Income on discounting of FCCBs (refer note 25)	275.66	-
Total	**275.66**	**308.73**

21 OTHER EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Auditors remuneration - statutory audit fees (refer note 21.1)	11.00	6.00
Professional fee	20.46	624.81
Insurance charges	6.33	14.50
Stamp duty and other charges	11.08	37.66
Foreign exchange loss	23.30	-
Printing and stationary	15.22	-
Total	**87.39**	**682.97**

Notes forming part of the financial statements

21.1 AUDITORS REMUNERATION

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Statutory audit fees	8.00	4.00
Other services	3.00	2.00
Total	**11.00**	**6.00**

22 FINANCE COST

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on loan from related party (refer note 29)	-	1,433.47
Interest- others	0.69	-
Interest on FCCBs	333.87	159.64
Total	**334.56**	**1,593.11**

23 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 subject to externally imposed capital requirements and is required to maintain certain financial covenants as specified in the loan agreements. 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, 2018	As at March 31, 2017
Debt #	6,578.78	17,747.26
Less: Cash and cash equivalents (refer note 8)	5.20	4.72
Net debt	**6,573.58**	**17,742.54**
Total equity (equity and other equity)	**38,943.10**	**26,268.08**
Net debt to equity ratio	**0.17**	**0.68**

Debt is defined as long-term and short term borrowings

Notes forming part of the financial statements

2 Categories of financial instruments

₹ in lakhs

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair values	Carrying amount	Fair values
Financial assets				
Measured at amortised cost				
Trade receivables	64.88	64.88	55.57	55.57
Cash and cash equivalents	5.20	5.20	4.72	4.72
Financial assets measured at amortised cost	**70.08**	**70.08**	**60.29**	**60.29**
Financial liabilities				
Measured at amortised cost				
Long term borrowing (including current maturities)	6,578.78	6,578.78	17,747.26	17,747.26
Other financial liabilities	732.72	732.72	2,198.54	2,198.54
Trade payables	23.25	23.25	44.05	44.05
Financial liabilities measured at amortised cost	**7,334.75**	**7,334.75**	**19,989.85**	**19,989.85**

The management assessed that the fair values of cash and cash equivalent, trade receivables, trade payables, current maturities of long term borrowing and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

The following methods and assumptions were used to estimate the fair values:

(a) The fair value of long term borrowings is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities

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.

Notes forming part of the financial statements

₹ in lakhs

Particulars	As at March 31, 2018				As at March 31, 2017			
	USD	INR	Others	Total	USD	INR	Others	Total
Financial assets								
Trade receivables	-	64.88	-	64.88	-	55.57	-	55.57
Cash and cash equivalents	-	5.20	-	5.20	-	4.72	-	4.72
Total financial assets (A)	**–**	**70.08**	**–**	**70.08**	**–**	**60.29**	**–**	**60.29**
Financial liabilities								
Long Term Borrowings (including current maturities)	6,578.78	-	-	6,578.78	7,136.26	10,611.00	-	17,747.26
Other financial liabilities	-	732.72	-	732.72	-	2,198.54	-	2,198.54
Trade Payables	-	23.25	-	23.25	-	44.05	-	44.05
Total financial liabilities (B)	**6,578.78**	**755.97**	**-**	**7,334.75**	**7,136.26**	**12,853.59**	**-**	**19,989.85**
Net financial (liabilities) / financial assets (B)-(A)	**6,578.78**	**685.89**	**-**	**7,264.68**	**7,136.26**	**12,793.30**	**-**	**19,929.56**
Hedge for foreign currency risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Net exposure of foreign currency risk	**6,578.78**	**685.89**	**-**	**7,264.68**	**7,136.26**	**12,793.30**	**-**	**19,929.56**
Sensitivity impact at 10% on statement of profit & loss	**657.88**	**NA**	**-**	**657.88**	**713.63**	**NA**	**-**	**713.63**

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 positive 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 negative

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.

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. 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, 2018				As at March 31, 2017			
	< 1 year	1-5 years	> 5 years	Total	< 1 year	1-5 years	> 5 years	Total
Financial liabilities								
Long Term Borrowings (including current maturities)	6,578.78	-	-	6,578.78	7,136.26	-	-	7,136.26
Trade payables	23.25	-	-	23.25	44.05	-	-	44.05
Other financial liabilities	732.72	-	-	732.72	10,611.00	-	-	10,611.00
Total financial liabilities	**7,334.75**	**-**	**-**	**7,334.75**	**17,791.31**	**-**	**-**	**17,791.31**

24 EARNINGS PER SHARE

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic Earnings per share (in ₹)	(0.67)	(8.96)
Diluted Earnings per share (in ₹)	(0.67)	(8.96)

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, 2018	For the year ended March 31, 2017
(Loss) for the year attributable to owners of the Company (₹ in Lakhs)	(145.62)	(1,923.55)
Weighted average numbers of equity shares (No's)	21,412,813	21,462,813
Weighted average numbers of compulsorily convertible debentures (No's)*	180,653	-
Weighted average number of equity shares for the purposes of basic earnings per share	21,593,466	21,462,813
Earnings per share - Basic (in ₹)	(0.67)	(8.96)

* The compulsorily convertible debentures are to be converted mandatorily, there is no cash settlement option either with the Company or with the holder

Notes forming part of the financial statements

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Equity Shares	21,412,813	21,462,813
Compulsorily Convertible Debentures	180,653	-
Weighted average number of equity shares used in the calculation of Basic EPS	**21,593,466**	**21,462,813**

25 FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)

Pursuant to the Composite Scheme of Arrangement (refer note 27), the obligations relating to the foreign currency convertible bonds (FCCB's) of ₹ 7204.29 lakhs (Equivalent of US$ 11,111,111) (₹ 3859.44 lakhs (US$ 5,952,381) Series A Bond and ₹ 3344.85 lakhs (US$ 5,158,730) Series B Bond) attributable to the business acquired, out of FCCB's of ₹ 25935.43 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. Subsequently the bond holder has irrevocably and unconditionally waived, forfeited and relinquished all of its rights in respect of conversion of FCCBs into equity shares of the Company, resulting in FCCBs being non-convertible.

c) The Bonds are convertible by the bondholder into fully paid equity shares (No.5687629 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.

On initial recognition equity element of the FCCBs attributable to the Company has been recognized under Reserves and Surplus as Equity component of compound financial instruments. On aforesaid waiver of conversion option by bondholder, the modification has been accounted as de-recognition of original liability and recognition of new liability.

The Bonds are to be matured / redeemed on August 24, 2017, the Company has obtained consent from the bond holders for extension of the above maturity date upto August 24, 2019 subject to regulatory approvals in respect of the aforesaid FCCBs attributable to the Company, listed in the name of Essar Ports Limited. The Company has also obtained waiver of interest payable to the bond holders upto the maturity date i.e. August 24, 2019.

26 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.

27 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 have been 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 Rs. 26,169.28 lakhs which is transferred to capital reserve.

Notes forming part of the financial statements

28 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 25% plus a Surcharge and Cess. MAT for the fiscal year 2017-18 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, 2018	For the year ended March 31, 2017
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	(72.56)	3.24
Total (A)	**(72.56)**	**3.24**
Recognised in other comprehensive income		
Deferred tax	–	–
Total (B)	**–**	**–**
Total (A + B)	**(72.56)**	**3.24**

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, 2018	For the year ended March 31, 2017
Loss before taxes	**(218.18)**	**(1,920.31)**
Enacted tax rate in India	25.75%	34.61%
Income tax at statutory tax rate	(56.18)	(664.58)
Effect of:		
Tax effect of non deductible expenses	89.00	1.28
Tax effect of non taxable income	(70.98)	120.18
Deferred tax assets not recognised on carry forward of losses	-	543.12
Others	(0.46)	-
Change in effective tax values	(19.14)	-
Deferred tax assets	-	3.24
Deferred tax on Unabsorbed Depreciation of prior period recognised	(14.80)	-
Income taxes recognised in the statement of income	**(72.56)**	**3.24**

Notes forming part of the financial statements

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 April 01, 2017	Recognised / reversed during the year	As at March 31, 2018
Property, Plant and Equipment	74.75	(23.30)	51.45
Unabsorbed depreciation and business loss	-	(49.26)	(49.26)
Equity Component of FCCB	1.56	-	1.56
Total	**76.31**	**(72.56)**	**3.75**

Components of deferred tax assets and liabilities

₹ in lakhs

Deferred tax balances in relation to	As at April 01, 2016	Recognised / reversed during the year	As at March 31, 2017
Property, Plant and Equipment	67.65	7.10	74.75
Others	5.42	(3.86)	1.56
Total	**73.07**	**3.24**	**76.31**

29 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 Minerals Limited)(immediate holding company)
		Paradeep Steel Company Limited (Immediate Holding Company upto April 07, 2016)
2	Subsidiary	Essar Bulk Terminal (Salaya) Limited
3	Fellow Subsidiaries / other related parties	Essar Ports Limited
		Hazira Cargo Terminals Limited
		Essar Bulk Terminals Limited
		Arkay Logistics Limited
		Ibrox Aviation and Trading Private Limited
		Essar Bulk Terminal (Salaya) Limited

Notes forming part of the financial statements

b. Transactions with related parties

₹ in lakhs

Nature of transactions	Holding companies		Subsidiary / Other related parties		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Fleet operating income						
Essar Bulk Terminal Limited*	-	-	-	108.00	-	108.00
Interest on inter corporate deposit						
Essar Bulk Terminal Limited	-	-	-	1,075.34	-	1,075.34
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	-	-	50.76	636.26	50.76	636.26
Total	**-**	**-**	**50.76**	**681.64**	**50.76**	**681.64**
Issue of compulsorily convertible debentures						
Essar Bulk Terminal Limited	-	-	12,170.64	-	12,170.64	-
Ibrox Aviation and Trading Private Limited	-	-	650.00	-	650.00	-
Total	**-**	**-**	**12,820.64**	**-**	**12,820.64**	**-**

* Restated number under the composite scheme of arrangement (refer note 24)

c. Balances with related parties

₹ in lakhs

Nature of transactions	Holding companies		Other related parties		Total	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 20167	As at March 31, 2018	As at March 31, 2017
Trade receivable						
Essar Bulk Terminal Limited	-	-	55.57	55.57	55.57	55.57
Intercorporate deposit payable						
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	42.73	42.73
Essar Steel Jharkhand Limited	-	-	2.65	2.65	2.65	2.65
Essar Ports Limited	-	-	687.02	636.26	687.02	636.26
Paradeep Steel Company Limited	-	-	0.32	0.32	0.32	0.32
Total	**-**	**-**	**732.72**	**681.96**	**732.72**	**681.96**

30 The Figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

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

Mumbai
Date: June 25, 2018

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN : 07413365

Girish Joshi
CFO

Siddhant Agarwal
Company Secretary
Membership No. A41137

Mumbai
Date: May 24, 2018

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 subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31,2018, 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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the accounting principles generally accepted in India. 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 March 31, 2018 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 Matter

We draw attention to footnotes to Note 4 to the financial statements pertaining to assessment of recoverable amount of property, plant and equipment 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 March 31, 2018.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, 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.

(c) In our opinion the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(d) The emphasis of matter relating to maintenance of accounts and other matters connected therewith are as stated in Emphasis of Matter Paragraph above.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 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 March 31, 2018 from being appointed as a director of that Company 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 Group and the operating effectiveness of such controls, refer to our separate report in ‘Annexure A’. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

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

i. The 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 March 31, 2018.

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 March 31, 2018.

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

Anita Somani
Partner
Membership No. 124118

Place : Mumbai
Date : June 25, 2018

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")

We have audited the internal financial controls over financial reporting of Salaya Bulk Terminals Limited ("the Company") (hereinafter referred to as "the Holding Company") and its subsidiary company, which is incorporated in India, as of March 31, 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Management of the Holding company and its subsidiary company, which are 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 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, 2018, 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 : June 25, 2018

ESSAR

Consolidated Balance Sheet as at March 31, 2018

₹ in lakhs

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	203,735.22	704.46
(b) Capital work-in-progress	5	-	175,672.02
(c) Financial assets			
(i) Loans	7	-	184.95
(ii) Other financial assets	8	0.15	0.15
(d) Other non-current assets	9	573.24	7,147.80
(e) Non-current tax assets	10	530.79	433.23
Total non-current assets		**204,839.40**	**184,142.61**
Current assets			
(a) Financial assets			
(i) Trade receivables	11	64.88	55.57
(ii) Cash and cash equivalents	12	156.45	668.83
(iii) Bank balances other than cash and cash equivalents	13	13.06	20.97
(iv) Other financial assets	14	1,303.61	738.88
(b) Other current assets	15	6,698.86	980.32
(c) Current tax assets	16	1.13	2.46
Total current assets		**8,237.99**	**2,467.03**
Total assets		**213,077.39**	**186,609.64**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	2,141.28	2,141.28
(b) Other equity	18	35,505.14	23,610.55
Equity attributable to owners of the Company		**37,646.42**	**25,751.83**
Non-controlling interests		16,029.54	3,294.59
Total equity		**53,675.96**	**29,046.42**
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	128,506.54	105,660.14
(b) Deferred tax liabilities (net)	20	3.75	60.47
(c) Other non-current liabilities	21	639.02	-
Total non-current liabilities		**129,149.31**	**105,720.61**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	22	23.27	0.95
(ii) Other financial liabilities	23	29,302.91	50,915.86
(b) Other current liabilities	24	792.00	856.50
(c) Provisions	25	133.94	69.30
Total current liabilities		**30,252.12**	**51,842.61**
Total liabilities		**159,401.43**	**157,563.22**
Total equity and liabilities		**213,077.39**	**186,609.64**
See accompanying notes to the consolidated financial statements			

In terms of our report attached
MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration No 105047W

Anita Somani
Partner

Mumbai, June 25, 2018

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

Girish Joshi
CFO

Siddhant Agarwal
Company Secretary
Membership No. A41137

Mumbai, May 24, 2018

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

₹ in lakhs

	Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations	26	2,208.93	108.00
II	Other income	27	275.66	308.73
III	**Total Income (I + II)**		**2,484.59**	**416.73**
IV	**Expenses**			
	(a) Operating expenses	28	381.94	-
	(b) Employee benefit expenses	29	80.89	-
	(c) Other expenses	30	325.21	705.75
	(d) Depreciation and amortisation expense	6	1,079.53	60.96
	(e) Finance cost	31	2,011.98	1,593.11
	Total expenses (IV)		**3,879.55**	**2,359.82**
V	**Loss before tax (III-IV)**		**(1,394.96)**	**(1,943.09)**
VI	**Tax expense/(benefit):**			
	(a) Current tax		-	-
	(b) Deferred tax	40	(46.84)	3.24
			(46.84)	**3.24**
VII	**Loss for the year (V-VI)**		**(1,348.12)**	**(1,946.33)**
	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	(i) Remeasurement of the defined benefit plans		(28.54)	(38.79)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		9.88	13.42
VIII	**Total other comprehensive income**		**(18.66)**	**(25.37)**
IX	**Total comprehensive loss for the year (VII+VIII)**		**(1,366.78)**	**(1,971.70)**
X	**Loss for the year attributable to:**			
	(a) Owners of the Company		(1,032.20)	(1,944.78)
	(b) Non-controlling interests		(315.92)	(1.55)
XI	**Other comprehensive income for the year attributable to:**			
	(a) Owners of the Company		(13.76)	(23.64)
	(b) Non-controlling interests		(4.90)	(1.73)
XII	**Total comprehensive income for the year attributable to:**			
	(a) Owners of the Company		(1,045.96)	(1,968.42)
	(b) Non-controlling interests		(320.82)	(3.28)
XIII	**Earnings per equity share (face value of ₹10 each)**			
	Basic and diluted (in ₹)	35	(4.78)	(9.08)
	See accompanying notes to the consolidated financial statements			

In terms of our report attached
MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration No 105047W

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Mumbai, June 25, 2018

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Membership No. A41137

Mumbai, May 24, 2018

Consolidated Cash Flow Statement as at March 31, 2018

₹ in lakhs

	Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
A	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit / (Loss) before taxation		**(1,394.96)**	**(1,943.09)**
	Depreciation and amortisation expense		1,079.53	60.96
	Exchange gain		23.30	(308.73)
	Restatement under common control transaction		-	(45.67)
	Finance Costs		2,011.98	1,593.11
	Provision for expected credit loss		143.80	-
	Finance income on recognition of financial liabilities at amortised cost		(275.66)	
	Operating loss before working capital changes		**1,587.99**	**(643.42)**
	Movements in Working Capital:			
	Adjustment for (increase)/decrease in operating assets			
	Loans and advances and other assets		(1,506.61)	2,465.94
	Trade payable, other liabilities and provisions		(3,620.82)	7,329.12
	Cash generated from operations		**(3,539.44)**	**9,151.64**
	Taxes Paid		(97.56)	(2.46)
	Net cash cash used in operating activities	**(A)**	**(3,637.00)**	**9,149.18**
B	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Capital expenditure on fixed assets including capital advances		(13,335.58)	(11,068.22)
	Inter corporate deposit refunded		-	-
	Proceeds from maturity of fixed deposits		-	3,027.59
	Bank deposits placed for a period of more than three months		-	(2,276.40)
	Interest income on fixed deposits		-	21.66
	Net cash used in investing activities	**(B)**	**(13,335.58)**	**(10,295.37)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from issue of preference / equity shares		-	3,182.36
	Share application money refunded		(1,870.00)	-
	Acceptances during the year		-	7,169.57
	Acceptances repaid during the year		-	(0.04)
	Proceeds from secured loans		24,739.46	3,390.61
	Proceeds from unsecured loans		(3,247.63)	8,056.37
	Refund of unsecured loans		8,960.75	(886.77)
	Finance cost paid		(12,122.38)	(19,540.63)
	Net cash used in financing activities	**(C)**	**16,460.20**	**1,371.47**

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(512.38)	225.28
Opening cash and cash equivalents	668.83	443.55
Closing cash and cash equivalents	**156.45**	**668.83**

Notes:

₹ in lakhs

1. Reconciliation between closing cash and cash equivalents and cash and bank balances	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents as per cash flow statement	156.45	668.83
Add : Margin money deposits not considered as cash and cash equivalents as per IND AS-7	13.06	20.97
Cash and bank balances (refer note no 12 & 13)	**169.51**	**689.80**

2. Changes arising in financial liabilities due to financing activities

₹ in lakhs

Particulars	As at April 01, 2017	Cash movement	Non cash movement	As at March 31, 2018
Borrowings including current maturities	117,507.08	21,491.82	(557.64)	138,441.26
Financial Liabilities	23,122.87	8,960.75	(20,331.39)	11,752.23
Total	**140,629.95**	**30,452.57**	**(20,889.03)**	**150,193.49**

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

4. **Non cash transaction:**

   1) During the year, the Group has issued 115,000,000 number of 0.01% Compulsorily convertible cumulative participating preference shares (CCCPPS) of Rs 10 each against Inter corporate deposit received amounting to Rs 11,500.00 lakhs.

   2) During the year, the Group has issued 2,7747,070 CCD's of Rs.10 each against Inter corporate deposit amounting to Rs 14,496.37 lakhs

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Partner

Mumbai, June 25, 2018

For and on behalf of the Board of Directors

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Director
DIN : 00903635

Rakesh Kankanala
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Girish Joshi
CFO

Siddhant Agarwal
Company Secretary
Membership No. A41137

Mumbai, May 24, 2018

ESSAR

Statement of Changes in Equity for the year ended March 31, 2018

A. EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	Amount
Balance as at April 1, 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**
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2018	**2,141.28**

B. OTHER EQUITY

₹ in lakhs

Particulars	Capital Reserve	Equity component of compound financial instruments	Retained earnings	Other compre-hensive income	Equity component of Compulsorily Convertible Debentures	Securities Premium	Attributable to Minority Interest	Attributable to owners of the Group	Total
	On common control business combination			Remeasure-ment of defined benefit plan					
Balance as at April 1, 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)**	**(1,971.70)**
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 scheme) (refer note 38)	(148.80)	-	36.45	-	-		3,194.06	(112.35)	3,081.71
Balance as at March 31, 2017	**26,169.28**	**430.70**	**(2,961.24)**	**(28.19)**	**-**	**-**	**3,294.59**	**23,610.55**	**26,905.14**
Profit/(Loss) for the year	-	-	(1,032.20)	-	-	-	**(315.92)**	**(1,032.20)**	(1,348.12)
Other comprehensive income for the year, net of income tax	-	-	-	(13.76)	-	-	(4.90)	(13.76)	(18.66)
Total comprehensive income/ (loss) for the year	**-**	**-**	**(1,032.20)**	**(13.76)**	**-**	**-**	**(320.82)**	**(1,045.96)**	**(1,366.78)**
Convertible preference shares Issued during the year	-	-	-	-	-	-	**11,500.00**	**-**	11,500.00
Convertible Debenture Issued during the year	-	-	-	-	1,098.97	11,721.62	**1,675.73**	**12,820.59**	14,496.32
Adjustment on account of change in effective holding	-	-	113.83	6.13	-	-	(119.96)	119.96	-
Balance as at March 31, 2018	**26,169.28**	**430.70**	**(3,879.61)**	**(35.82)**	**1,098.97**	**11,721.62**	**16,029.54**	**35,505.14**	**51,534.68**
See accompanying notes to the financial statements									

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Mumbai, June 25, 2018

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Membership No. A41137

Mumbai, May 24, 2018

Notes forming part of the financial statements

1. Corporate Information

Salaya Bulk Terminals Limited (formerly known as Hazira Coke 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, Gujarat.

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 May 24, 2018.

The consolidated financial statements are presented in Indian Rupees (Rs.) 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. ***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.

C. *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 - 30
Berth including navigational channel	20 (over the concession period)
Offshore approach Bund	20 (over the concession period)
Furniture and fixtures	10
Office equipment	3 – 6

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.

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

Notes forming part of the financial statements

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

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

Notes forming part of the financial statements

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 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

Notes forming part of the financial statements

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 judgments**

The preparation of the consolidated financial statements requires management to make judgments, 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 judgments and estimations that have been made by the management in the process of applying 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.

Notes forming part of the financial statements

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 115 'Revenue from Contracts with Customers' (Effective for annual periods beginning on or after 1 April 2018):

Ind AS 115 provides a single, principles based five-step model to be applied to all contracts with customers.The five steps in the model are as follows:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts;
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

The Group is in the process of assessing Ind AS 115's full impact and intends to adopt Ind AS 115 no earlier than the accounting period beginning on or after 1 April 2018

Ind AS 21 – 'The effect of changes in Foreign Exchange rates' (Effective for annual periods beginning on or after 1 April 2018):

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

The Group is in the process of assessing Ind AS 21's full impact and intends to adopt Ind AS 21 no earlier than the accounting period beginning on or after 1 April 2018.

B) **Changes in accounting policies and disclosures**

The Group has applied for the first time certain amendments to the standard, which are effective for annual periods beginning on or after 1 April 2017. The group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The nature and the impact of the amendment is described below:

Amendment to Ind AS 7: Statement of Cash Flows

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

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	Berth (incl Naviga-tional Channel)	Offshore Approach Bund	Plant & Machinery (Coal Stock Yard)	Total
Cost								
As at April 01, 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**
Additions	-	78,414.05	-	-	76,087.86	29,863.00	19,745.38	204,110.29
As at March 31, 2018	**24.51**	**79,196.84**	**32.88**	**34.18**	**76,087.86**	**29,863.00**	**19,745.38**	**204,984.65**
Accumulated depreciation and impairment								
As at April 01, 2016	-	72.13	4.44	13.78	-	-	-	90.35
Depreciation charge for the year	-	60.97	4.86	13.72	-	-	-	79.55
As at March 31, 2017	**-**	**133.10**	**9.30**	**27.50**	**-**	**-**	**-**	**169.90**
Depreciation charge for the year	-	299.03	4.76	5.19	317.03	124.43	329.09	1,079.53
As at March 31, 2018	**-**	**432.13**	**14.06**	**32.69**	**317.03**	**124.43**	**329.09**	**1,249.43**
Carrying amount								
As at March 31, 2017	**24.51**	**649.69**	**23.58**	**6.68**	**-**	**-**	**-**	**704.46**
As at March 31, 2018	**24.51**	**78,764.71**	**18.82**	**1.49**	**75,770.83**	**29,738.57**	**19,416.29**	**203,735.22**

Notes

(a) During the year the group has completed its coal stockyard operation facilities and capitalised amounting to Rs 19,745.38 lakhs on October 01, 2017. The group has also completed the existing berth, jetty and conveyor belt etc., amounting Rs 184,364.84 lakhs were capitalised on March 01, 2018

(b) Plant, equipment and berth & jetty including navigational channel, with total carrying amount value as on March 31, 2018 amounting to Rs. 204,110.24 lakhs, constructed over the water front allocated by Gujarat Maritime Board (GMB) is used by the group under concessional arrangement with GMB.

(c) Depreciation for the year amounting to Rs. NIL (previous year Rs. 18.57 lakhs) has been capitalised as part of expenditure during construction (refer note 5)

(d) The Management has assessed the Recoverable amount of the PPE 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 assets. 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 by the Management. 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, 2018.

(e) All property plant and equipment have been hypothecated to secured borrowings of the Group.

Notes forming part of the financial statements

5 CAPITAL WORK IN PROGRESS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Capital work-in-progress	-	102,733.64
Expenditure during the construction (refer note below)	-	72,938.38
Total	**-**	**175,672.02**

Expenditure during construction period is netted off with the cargo handling income generated from the use of certain assets as the use of specified / individual asset is not the management's intended use till the date of capitalisation.

During the year the group has capitalised its entire facility consisting of plant and equipment, Berth including navigational channel, offshore approaching bund etc. amounting to Rs.204,110.29 lakhs. The group has capitalised its facilities in 2 parts- (i) Coal stock yard facility of amounting to Rs 19,745.38 lakhs were capitalised on October 01, 2017 and the balance facilities amounting to Rs 184,364.84 lakhs were capitalised on March 01, 2018.

6 DEPRECIATION EXPENSE

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of Property, plant and equipment	1,079.53	60.96
Total	**1,079.53**	**60.96**

7 LOANS (NON-CURRENT)

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured and considered good, unless otherwise stated		
(a) Loans		
- to related parties (refer note 42)	-	184.95
Total	**-**	**184.95**

8 OTHER FINANCIAL ASSETS (NON-CURRENT)

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured and considered good, unless otherwise stated		
(a) Security deposits		
- to Others	0.15	0.15
Total	**0.15**	**0.15**

Notes forming part of the financial statements

9 OTHER NON-CURRENT ASSETS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured and considered good, unless otherwise stated		
(a) Cenvat receivable	-	3,451.64
(b) Service tax receivable/ GST receivable	-	868.33
(c) Income Tax (deposited in CIT appeals)	330.00	-
(d) Capital advances		
- related parties (refer note 42)	243.24	2,827.83
Total	**573.24**	**7,147.80**

10 NON CURRENT TAX ASSETS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Advance income tax / Tax deducted at source	530.79	433.23
Total	**530.79**	**433.23**

Advance tax is net of provision of Rs. 107.36 lakhs (as at March 31, 2017 Rs.107.36 Lakhs)

11 TRADE RECEIVABLES

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Unsecured, considered good (refer note 42)	64.88	55.57
Total	**64.88**	**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 historically 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.

12 CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Balances with banks in current accounts	156.45	668.83
Total	**156.45**	**668.83**

Notes forming part of the financial statements

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Balance with banks held as margin money (lien against letter of credit)	13.06	20.97
Total	**13.06**	**20.97**

14 OTHER FINANCIAL ASSETS (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured and considered good, unless otherwise stated		
(a) Security deposits		
– to others	127.32	-
(b) Other receivables		
– From related parties (refer note 42)	-	-
Considered good	801.99	566.62
Considered doubtful	995.53	-
Less: provision for expected credit loss	(995.53)	-
– From others	374.30	172.08
(c) Interest accrued on bank deposits	-	0.18
Total	**1,303.61**	**738.88**

15 OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured and considered good, unless otherwise stated		
(a) Advances towards provision of services		
– To related parties (refer note 42)	0.28	0.95
– To others	12.50	12.50
(b) Prepaid expenses	52.18	35.41
(c) Advances to vendors	873.75	119.51
(d) Balance with government authorities		
- Cenvat Receivable	3,830.51	-
- Service Tax Receivable/ GST Receivable	1,929.64	811.95
Total	**6,698.86**	**980.32**

16 CURRENT TAX ASSETS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Current tax assets (net of provision NIL)	1.13	2.46
Total	**1.13**	**2.46**

Notes forming part of the financial statements

17 SHARE CAPITAL

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
	No.	₹ in Lakhs	No.	₹ in Lakhs
Authorised Capital				
Equity shares of ₹ 10/- each	30,000,000	3,000.00	25,000,000	2,500.00
Total	**30,000,000**	**3,000.00**	**25,000,000**	**2,500.00**
Issued capital				
Equity shares of ₹ 10/- each	21,412,813	2,141.28	21,412,813	2,141.28
Total	**21,412,813**	**2,141.28**	**21,412,813**	**2,141.28**
Subscribed and fully paid up				
Equity shares of ₹ 10/- each	21,412,813	2,141.28	21,412,813	2,141.28
Total	**21,412,813**	**2,141.28**	**21,412,813**	**2,141.28**

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 38)	Issue of equity shares pursuant to the scheme of arrangement (refer note 38)	Closing balance
Equity Shares				
Year ended March 31, 2018				
– Number of shares	21,412,813	-	-	21,412,813
– Amount (₹ Lakhs)	2,141.28	-	-	2,141.28
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

b) Terms/Rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders along with CCDs holders 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 other shareholders

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% shares	Number of shares	% shares
Essar Ports & Terminals Limited (Formerly Essar Africa Minerals Holdings Limited)	13,084,887	61.10%	13,083,215	61.10%
Ibrox Aviation and Trading Pvt Limited	7,834,223	36.59%	7,433,324	34.71%
Others	493,703	2.31%	896,274	4.19%
Total	**21,412,813**	**100.00%**	**21,412,813**	**100.00%**

Notes forming part of the financial statements

d) Reconciliation of the number of Compulsorily Convertible Debentures ('CCD') and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number	Amount (₹ in lakhs)	Number	Amount (₹ in lakhs)
CCD of Rs. 10/- each				
At the beginning of the year	-	-	-	-
Add: Issue of CCD during the year	10,989,749	1,098.97	-	-
Outstanding at the end of the year	**10,989,749**	**1,098.97**	**-**	**-**

e) Terms of / rights attached to CCD

(i) The CCDs shall have face value of Rs.10 each;

(ii) The holder(s) of the CCDs shall not be entitled to receive any coupon;

(iii) The CCDs shall be unsecured;

(iv) The CCD holders shall have the option to convert the CCDs into one equity share at any time after the expiry of three months from the date of allotment of the CCDs. The CCD are to be compulsorily converted after expiry of 120 months.

(v) The Equity Shares having a face value of Rs.10/- each allotted to the holder on conversion of the CCDs in terms hereof shall rank pari passu in all respects with the then existing equity shares of the Company.

(vi) The CCDs shall not be listed on any Stock Exchange(s)

f) Details of debentures held by holding company

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% shares	Number of shares	% shares
i) CCD of Rs. 10/- each				
Ibrox Aviation and Trading Private Limited	10,989,749	100.00%	-	-
Total	**10,989,749**	**100.00%**	**-**	**-**

g) During the previous year the Company has issued 2,14,12,813 shares of Rs 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 bought back any shares in the previous five years except equity shares cancelled during the year. (refer note 38)

18 OTHER EQUITY

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Capital reserve on cancellation and fresh issue of equity share capital (refer note 38)	26,169.28	26,169.28
(b) Remeasurement of defined benefit obligation (net of tax)	(35.82)	(28.19)
(c) Retained Earning	(3,879.61)	(2,961.24)
(d) Equity Component of compound financial instrument (net of tax)	430.70	430.70
(e) Equity Component of Compulsorily convertible debentures	1,098.97	-
(f) Securities premium	11,721.62	-
Total	**35,505.14**	**23,610.55**

Notes forming part of the financial statements

19 BORROWINGS (NON-CURRENT)

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Secured borrowings- at amortised cost		
(a) Rupee term loans from banks	111,913.80	92,986.89
(b) Rupee term loans from financial institutions	20,300.23	17,749.61
(c) Unamortised portion of ancillary borrowing cost	(351.52)	(365.68)
Less : Interest accrued and due on rupee term loans from banks & Financial Institution	(4,052.81)	(903.14)
Less: Current maturities of long-term borrowings	(5,881.94)	(4,548.23)
(d) Acceptances in respect of capital goods *	-	740.69
Unsecured borrowings- at amortised cost		
(a) Foreign Currency Convertible Bonds (FCCBs)	6,578.78	-
Total	**128,506.54**	**105,660.14**

Notes :-

(a) Rupee term loans amounting to Rs 90,180.11 lakhs (As at March 31, 2017 Rs 89,213.73 lakhs) carry interest of 11%-12% p.a. (previous year 14% -16% p.a.) with repayment in 36 equal quarterly installments starting from quarter ending June, 2017 to quarter ending in March, 2026 from banks and rupee tem loan of Rs 17,762.00 lakhs carry interest 11%-12% p.a. (previous year 14% -16% p.a.) (As at March 31, 2017 Rs 2870.01 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 Rs 16,410.00 lakhs (As at March 31, 2017 16,326.98 lakhs) carry interest of 11%-12% p.a. (previous year 14% -16% p.a.) with repayment in 44 equal quarterly installments starting from quarter ending June, 2017 and ending in March, 2028 from financial institution and rupee term loan of Rs 3,890.00 lakhs carry interest of 11% (As at March 31, 2017 1,422.63) 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 Company 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 Rs 132,034.00 Lakhs (As at March 31, 2017 Rs.106,852 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 company had delays in payment of interest to the lenders. As at 31 March 2018, the Group had delays in payment of interest of Rs 4052.80 lakhs and principal of Rs 1,362.08 lakhs. (As at March 31, 2017 Rs.903.14 lakhs).

* 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 DEFERRED TAX (ASSETS)/LIABILITIES (NET)

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Tax effect of items constituting deferred tax liabilities		
(a) Property, Plant and Equipment	5,002.41	74.75
(b) Equity component of FCCB	1.56	1.56
Total A	**5,003.97**	**76.31**

Notes forming part of the financial statements

Particulars	As at March 31, 2018	As at March 31, 2017
Tax effect of items constituting deferred tax assets		
(a) Unabsorbed depreciation and business loss	4,924.74	-
(b) On Remeasurement of defined benefit obligation	25.71	15.84
(c) Expected credit loss	49.77	-
Total B	**5,000.22**	**15.84**
Net deferred tax liabilities/(assets)	**3.75**	**60.47**

21 OTHER NON- CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred Income on discounting of FCCB (refer note 36)	639.02	-
Total	**639.02**	**-**

22 TRADE PAYABLES

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Micro and small enterprise (refer note below)	-	-
(b) Others	23.27	0.95
Total	**23.27**	**0.95**

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, 2018	As at March 31, 2017
(a) Current maturities of long-term borrowings		
- to banks and financial institution	5,881.94	4,548.23
- foreign currency convertible bonds	-	7,136.26
- Inter Corporate deposit from related party* (refer note 42)	9,973.86	21,563.22
(b) Interest accrued on Inter corporate deposit	978.36	1,559.64
(c) Inter corporate deposits from others	800.00	-
(d) Interest accrued and due on rupee term loans from banks	4,052.80	903.14

Notes forming part of the financial statements

Particulars	As at March 31, 2018	As at March 31, 2017
(e) Due to related parties (refer note 42)	689.99	639.23
(f) Payable for capital expenses		
- To related parties (refer note 42)	87.27	811.32
- To others	6,838.69	6219.82
(g) Share application money pending allotment (refer note 42)	–	7,535.00
Total	**29,302.91**	**50,915.86**

* In previous year, ICD taken by the company from related party, Vadinar Oil Terminal Limited, has been assigned to Essar Steel Jharkhand Limited.

24 OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Statutory dues	792.00	856.50
Total	**792.00**	**856.50**

25 PROVISIONS (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits		
(a) Compensated absences (refer note 39)	20.40	18.52
(b) Gratuity (refer note 39)	113.54	50.78
Total	**133.94**	**69.30**

26 REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Fleet operating and chartering earnings	9.32	108.00
(b) Cargo handling income	2,089.79	-
(c) Wharfage charges recovery	13.50	-
(d) Tug hire charges	82.69	-
(e) Pilotage charges	10.71	-
(f) Other operating income	2.92	-
Total	**2,208.93**	**108.00**

Notes forming part of the financial statements

27 OTHER INCOME

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Foreign exchange gain	-	308.73
(b) Deferred Income on discounting of FCCB (refer note 36)	275.66	-
Total	**275.66**	**308.73**

28 OPERATING EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Tug Hire Charges	54.90	-
(b) Wharfage and GMB Dues	13.50	-
(c) Consumption of stores and spares	11.94	-
(d) Repairs- plants and machinery	35.88	-
(e) Power & Fuel	60.94	-
(f) Manning management expenses	119.01	-
(g) Hire charges	35.57	-
(h) Security charges	50.20	-
Total	**381.94**	**-**

29 EMPLOYEE BENEFIT EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Salary and wages	65.81	-
(b) Contributions to provident and other funds (refer note 39)	6.59	-
(c) Staff welfare expenses	8.49	-
Total	**80.89**	**-**

30 OTHER EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Consultancy and professional charges	56.65	624.81
(b) Auditors' remuneration	23.00	17.00
(c) Other expenses	21.88	52.16
(d) Director sitting fees	5.70	3.62
(e) Stamp duty expenses	11.08	8.16
(f) Insurance charges	6.33	-
(g) Rent	9.06	-
(h) Survey fees	6.54	-
(i) Repairs-others	0.07	-

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(j) Printing & stationery	17.80	-
(k) Provision for expected credit loss	143.80	-
(l) Foreign exchange loss	23.30	-
Total	**325.21**	**705.75**

31 FINANCE COST

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Interest on loan from related party (refer note 42)	-	1,433.47
(b) Interest expense on FCCBs	333.87	159.64
(c) Interest on borrowings from banks	1,469.71	-
(d) Interest on borrowings from financial institutions	193.42	-
(e) Interest on inter corporate deposits from others	5.95	-
(f) Interest on others	9.03	
Total	**2,011.98**	**1,593.11**

32 CAPITAL COMMITMENTS

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advance)	-	16,854.40
Total	**-**	**16,854.40**

33 CONTINGENT LIABILITY

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Disputed Income Tax cases (AY 2012-13 to 2015-16)	4,018.00	2,181.52
Total	**4,018.00**	**2,181.52**

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 subject to externally imposed capital requirements, the Group is required to maintain certain financial covenants as specified in the loan agreements. The Group’s board of directors reviews the capital structure on an annual basis. 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, 2018	As at March 31, 2017
Debt#	144,362.33	138,907.85
Less: Cash and cash equivalents (refer note 12)	156.45	668.83
Less: Bank balances other than cash and cash equivalents (refer note 13)	13.06	20.97
Net debt	**144,192.82**	**138,218.05**
Total equity (equity and other equity)	**53,675.96**	**29,046.42**
Net debt to equity ratio	**2.69**	**4.76**

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

2 Categories of financial instruments

₹ in lakhs

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair values	Carrying amount	Fair values
Financial assets				
Measured at amortised cost				
Trade receivables	64.88	64.88	55.57	55.57
Cash and cash equivalents	156.45	156.45	668.83	668.83
Bank balances other than above cash and cash equivalents	13.06	13.06	20.97	20.97
Loans	-	-	184.95	184.95
Other financial assets	1,303.76	1,303.76	739.03	739.03
Total financial assets carried at amortised cost	**1,538.15**	**1,538.15**	**1,669.35**	**1,669.35**
Financial liabilities				
Measured at amortised cost				
Long-term borrowings #	144,362.33	144,362.33	138,907.85	138,907.85
Other financial liabilities	13,447.11	13,447.11	17,668.15	17,668.15
Trade payables	23.27	23.27	0.95	0.95
Financial liabilities measured at amortised cost	**157,832.71**	**157,832.71**	**156,576.95**	**156,576.95**

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 Group 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 Group exposure to foreign currency risk at the end of the reporting period in INR are as follows:

₹ in lakhs

Particulars	As at March 31, 2018			As at March 31, 2017		
	INR	USD	Total	INR	USD	Total
Trade Receivables	64.88	-	**64.88**	55.57	-	**55.57**
Other financial assets	1,473.26	-	**1,473.26**	1,613.78	-	**1,613.78**
Total financial assets (A)	**1,538.14**	**-**	**1,538.14**	**1,669.35**	**-**	**1,669.35**
Financial liabilities						
Long term borrowings#	137,783.55	6,578.78	**144,362.33**	131,771.60	7,136.26	**138,907.86**
Trade Payables	23.27	-	**23.27**	0.95	-	**0.95**
Other Financial Liabilities	13,447.11	-	**13,447.11**	17,668.15	-	**17,668.15**
Total financial liabilities (B)	**151,253.93**	**6,578.78**	**157,832.71**	**149,440.70**	**7,136.26**	**156,576.96**
Net financial liabilities / (financial assets) (B)-(A)	**149,715.79**	**6,578.78**	**156,294.57**	**147,771.35**	**7,136.26**	**154,907.61**
Hedge for foreign currency risk	**-**	**-**	**(156,294.57)**	**-**	**-**	**(154,907.61)**
Net exposure of foreign currency risk	**NA**	**6,578.78**	**6,578.78**	**NA**	**7,136.26**	**7,136.26**
Sensitivity impact on profit and loss on liabilities exposure at 10%	**NA**	**657.88**	**657.88**	**NA**	**713.63**	**713.63**

 # including current maturities

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 positive number above indicates an increase in profit 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 and the balances above would be negative.

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.

Notes forming part of the financial statements

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, 2018		For the year ended March 31, 2017	
	Gross amount	Interest rate sensitivity @0.50%	Gross amount	Interest rate sensitivity @0.50%
Borrowings with variable interest rate	127,809.69	639.05	110,208.38	551.04
Total	**127,809.69**	**639.05**	**110,208.38**	**551.04**

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, 2018				As at March 31, 2017			
	< 1year	1-5 years	> 5 years	Total	< 1year	1-5 years	> 5 years	Total
Financial liabilities								
Long-term borrowings	24,212.94	49,453.30	71,496.09	145,162.33	34,226.04	38,571.90	66,109.90	138,907.84
Trade payables	23.27	-	-	23.27	0.95	-	-	0.95
Other financial liabilities	12,647.11	-	-	12,647.11	17,668.16	-	-	17,668.16
Total financial liabilities	**36,883.32**	**49,453.30**	**71,496.09**	**157,832.71**	**51,895.15**	**38,571.90**	**66,109.90**	**156,576.95**

Future interest obligations:-

Particulars	As at March 31, 2018			As at March 31, 2017		
	<1 year	1-5 year	>5year	<1 year	1-5 year	>5year
Long Term Borrowings	13,608.42	44,377.66	15,792.20	15,413.14	62,892.90	17,073.31
Total	**13,608.42**	**44,377.66**	**15,792.20**	**15,413.14**	**62,892.90**	**17,073.31**

35 EARNINGS PER SHARE

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic Earnings per share (in ₹)	(4.78)	(9.08)
Diluted Earnings per share (in ₹)	(4.78)	(9.08)

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, 2018	For the year ended March 31, 2017
Loss for the year attributable to owners of the Group (Rs. In lakhs)	(1,032.20)	(1,944.78)
Weighted average numbers of equity shares (No's)	21,412,813	21,462,813
Weighted average numbers of compulsorily convertible debentures (No's)*	180,653	-
Weighted average number of equity shares for the purposes of basic earnings per share	21,593,466	21,412,813
Earnings per share - Basic (in Rs)	(4.78)	(9.08)

* The compulsorily convertible debentures are to be converted mandatorily, there is no cash settlement option either with the Group or with the holder

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Equity Shares	21,412,813	21,462,813
Compulsorily Convertible Debentures	180,653	-
Weighted average number of equity shares used in the calculation of Basic EPS	**21,593,466**	**21,462,813**

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 ₹ 7204.29 lakhs (Equivalent of US$ 11,111,111) (₹ 3859.44 lakhs (US$ 5,952,381) Series A Bond and ₹ 3344.85 lakhs (US$ 5,158,730) Series B Bond) attributable to the business acquired, out of FCCB’s of ₹ 25935.43 lakhs (equivalent of US$ 39,999,988) issued by Essar Ports Limited have been transferred to the group.

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 Rs. 91.70 per share with a fixed rate of exchange on conversion of Rs. 46.94 to USD 1.00. Subsequently the bond holder has irrevocably and unconditionally waived, forfeited and relinquished all of its rights in respect of conversion of FCCBs into equity shares of the Company, resulting in FCCBs being non-convertible.

c) The Bonds are convertible by the bondholder into fully paid equity shares (number 5,687,629 equity shares) with full voting rights with a par value of Rs. 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.

Notes forming part of the financial statements

On initial recognition equity element of the FCCBs attributable to the Company has been recognized under Reserves and Surplus as Equity component of compound financial instruments. On aforesaid waiver of conversion option by bondholder, the modification has been accounted as de-recognition of original liability and recognition of new liability.

The Bonds are to be matured / redeemed on August 24, 2017, the Group has obtained consent from the bond holders for extension of the above maturity date upto August 24, 2019 subject to regulatory approvals in respect of the aforesaid FCCBs attributable to the Group, listed in the name of Essar Ports Limited. The Group has also obtained waiver of interest payable to the bond holders upto the maturity date i.e. August 24, 2019."

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 have been 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 Rs. 26,169.28 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, 2018	For the year ended March 31, 2017
a) Employer's contribution to provident fund	41.98	29.71
Total	**41.98**	**29.71**

The above amounts are included in contribution to staff provident fund and other funds (refer note 5 and 29)

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 ₹ 2,000,000. 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, 2018	March 31, 2017
Discount rate (p.a)	7.30%	6.90%
Expected rate(s) of salary increase (p.a)	10.00%	7.00%
Expected return on plan assets (p.a)	8.50%	8.50%
Attrition rate (p.a)	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, 2018	For the year ended March 31, 2017
Current service cost	30.90	8.71
Net interest expense	3.50	1.07
Component of defined benefit costs recognised in Statement of Profit and Loss	**34.40**	**9.78**
Remeasurement of net defined benefit liability:		
Actuarial gain on defined benefit obligation	28.54	38.79
Components of defined benefit costs recognised in other comprehensive income	**28.54**	**38.79**
Total	**62.94**	**48.57**

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.

Notes forming part of the financial statements

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, 2018	As at March 31, 2017
Present value of funded defined benefit obligation	151.20	92.61
Fair value of plan assets	37.66	41.83
Net liability/(asset) arising from defined benefit obligation	**113.54**	**50.78**

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

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at the beginning of the year	92.61	48.57
Current service cost	11.01	8.71
Interest cost	6.15	3.47
Past service cost- plan amendments*	19.89	
Remeasurement (gains)/losses:		
Actuarial (gains)/losses	28.48	38.94
Benefits paid	(6.94)	(7.08)
Balance at the end of the year	**151.20**	**92.61**

* Past service cost, which is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from a plan amendment (the introduction or withdrawal of, or changes to, a defined benefit plan) or a curtailment (a significant reduction by the entity in the number of employees covered by a plan). The Past Service Cost is with respect to change in Gratuity ceiling from INR 1,000,000 to INR 2,000,000.

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

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at the beginning of the year	41.83	23.07
Interest income on plan assets	2.65	2.40
Remeasurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	(0.06)	0.15
Contribution from the employer	0.18	23.29
Benefits paid	(6.94)	(7.08)
Balance at the end of the year	**37.66**	**41.83**

Composition of the plan assets:

Particulars	As at March 31, 2018	As at March 31, 2017
Scheme of insurance - conventional products	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, 2018 was ₹ (0.06) lakhs (for the year ended March 31, 2017: ₹ 0.15 lakhs).

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Estimate of amount of contribution in the immediate next year	14.06	10.27

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, 2018		As at March 31, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(5.03)	5.35	(2.97)	3.15
Future salary growth (0.5% movement)	4.34	(4.22)	2.67	(2.57)
Attrition rate (5% movement)	(5.59)	8.76	0.45	0.47

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, 2018 is 5 years (as at March 31, 2017: 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, 2018				
Defined benefit obligation	14.06	76.16	157.60	247.82
As at March 31, 2017				
Defined benefit obligation	10.26	50.45	82.98	143.69

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, 2018	As at March 31, 2017
Present value of unfunded obligation (₹ in lakhs)	20.40	18.52
Expense recognised in expenditure during construction (₹ in lakhs)	3.04	6.89
Discount rate (p.a)	7.30%	6.90%
Salary escalation rate (p.a)	0.00%	0.00%
Attrition rate (p.a)	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 2017-18 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, 2018	For the year ended March 31, 2017
Recognised in statement of profit and loss		
Current tax		
In respect of the current year	–	–
Deferred tax		
In respect of the current year	(46.84)	3.24
Total (A)	**(46.84)**	**3.24**
Recognised in other comprehensive income		
Deferred tax	(9.88)	(13.42)
Total (B)	**(9.88)**	**(13.42)**
Total (A + B)	**(56.72)**	**(10.18)**

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, 2018	For the year ended March 31, 2017
Loss before Taxes	**1,394.96**	**1,943.09**
Enacted tax rate in India	25.75%	34.61%
Income tax at statutory tax rate	(359.20)	(672.46)
Effect of:		
Tax effect of non deductible expenses	89.00	1.27
Tax effect of non taxable income	(70.98)	120.18
Others	(0.47)	-
Change in effective tax rate	(19.14)	-
Deferred tax asset not recognised on unabsorbed business loss and depreciation	303.03	551.01
Deferred tax on Unabsorbed Depreciation of prior period recognised	(14.80)	3.24
Deferred tax asset not recognised on remeasurement of the defined benefit plans	15.84	(13.42)
Income taxes recognised in the statement of income	**(56.72)**	**(10.18)**

Notes forming part of the financial statements

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, 2017	Recognised / reversed during the year	As at March 31, 2018
Property, Plant and Equipment	74.75	4,927.66	5002.41
Equity Component of FCCB	1.56	-	1.56
Employee Benefit Obligations	(15.84)	(9.87)	(25.71)
Unabsorbed depreciation and business loss	-	(4,924.74)	(4924.74)
Expected Credit loss	-	(49.77)	(49.77)
Total	**60.47**	**(56.72)**	**3.75**

Components of deferred tax assets and liabilities

₹ 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**	**(10.19)**	**60.47**

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 73.73% (as at March 31, 2017: 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, 2018	As at March 31, 2017
Non current assets	204,270.92	183,508.66
Current Assets	8,207.24	2,447.00
Non current liabilities	121,927.76	105,660.15
Current liabilities	29,536.98	31,886.76
Equity attributable to the owners of the equity	44,983.88	45,114.28
Non controlling interest	16,029.54	3,294.59

₹ in lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue	2,199.61	-
Expenses	3,420.78	48.16
Loss for the year	(1,221.17)	(48.16)
Loss attributable to the owners of equity	(900.34)	(44.88)
Loss attributable to the non-controlling interest	(320.82)	(3.28)

Notes forming part of the financial statements

41 (B) (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, 2018		Share of profit or loss for the year ended March 31, 2018		Share in other Comprehensive Income /(loss) for the year ended March 31, 2018		Share in total Comprehensive Income / (loss) for the year ended March 31, 2018	
	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	72.55%	38,943.10	10.80%	(145.62)	-	-	10.65%	(145.62)
Subsidiaries								
Essar Bulk Terminal (Salaya) Limited	113.67%	61,013.42	89.20%	(1202.50)	100.00%	(18.66)	89.35%	(1221.16)
Intercompany elimination and consolidation adjustments	-86.22%	(46,280.57)	-	-	-	-	-	-
Grand Total	**100.00%**	**53,675.94**	**100.00%**	**(1,348.12)**	**100.00%**	**(18.66)**	**100.00%**	**(1,366.78)**

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 Minerals 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 Ibrox Aviation and Trading Private Limited Vadinar Oil Terminal Limited (Inter mediate holding company upto July 1, 2016) (ceased to be a related party w.e.f. August 18, 2017) Vadinar Ports & Terminals Limited (ceased to be an Immediate holding company and related party w.e.f July 1, 2016) Essar Bulk Terminal Paradip Limited EPC Constructions India Limited (FKA Essar Projects India Limited) Essar Oil Limited (ceased related party w.e.f August 18, 2017) Essar Paradip Terminals Limited Essar Power Gujarat Limited Essar Projects Management Consultants Limited Essar Steel India Limited Essar Vizag Terminals Limited Essar Steel Jharkhand Limited
3	**Key Management Personnel**	Mr. Girish Joshi (CFO) (w.e.f. August 1, 2017) Mr. Deepak Sachdeva (Whole Time Director) (w.e.f August 1, 2017 up to March 31, 2018 Mr. Kumar Nandula (Whole Time Director & CFO) up to March 15, 2017

Notes forming part of the financial statements

b) Transactions with related parties :-

₹ in lakhs

Nature of transactions	Holding companies		Other related parties		Key management personnel		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Share application money received								
Essar Ports Limited	-	-	-	8,355.50	-	-	-	8,355.50
Essar Bulk Terminal Limited	-	-	-	2,400.00	-	-	-	2,400.00
Essar Paradip Terminal Limited	-	-	-	1,570.00	-	-	-	1,570.00
Total	**-**	**-**	**-**	**12,325.50**	**-**	**-**	**-**	**12,325.50**
Share application money refunded								
Essar Ports Limited	-	-	-	1,560.00	-	-	-	1,560.00
Essar Bulk Terminal Limited	-	-	1,870.00	-	-		1,870.00	-
Total	**-**	**-**	**1,870.00**	**1,560.00**	**-**	**-**	**1,870.00**	**1,560.00**
Share application converted into Inter corporate deposit								
Essar Bulk Terminal Limited	-	-	530.00	-	-	-	530.00	-
Essar Paradip Terminal Limited	-	-	1,570.00	-	-	-	1,570.00	-
Essar Ports Limited	-	-	3,565.00	730.00	-	-	3,565.00	730.00
Total	**-**	**-**	**5,665.00**	**730.00**	**-**	**-**	**5,665.00**	**730.00**
Inter corporate deposits received								
Vadinar Oil Terminal Limited	-	-	-	7,078.00	-	-	-	7,078.00
Essar Ports Limited	-	-	7,935.00	-	-	-	7,935.00	-
Essar Paradip Terminal Limited	-	-	105.73	-	-	-	105.73	-
Essar Bulk Terminal Limited	-	-	120.00	-	-	-	120.00	-
Total	**-**	**-**	**8,160.73**	**7,078.00**	**-**	**-**	**8,160.73**	**7,078.00**
Inter corporate deposits refunded								
Vadinar Oil Terminal Limited	-	-	-	886.80	-	-	-	886.80
Interest on Inter Corporate deposits								
Essar Bulk Terminal Limited	-	-	-	1,075.34	-	-	-	1,075.34
Vadinar Oil Terminal Limited	-	-	-	1,101.00	-	-	-	1,101.00
Essar Ports Limited	-	-	-	4.83	-	-	-	4.83
Total	**-**	**-**	**-**	**2,181.17**	**-**	**-**	**-**	**2,181.17**
Inter corporate deposit given refunded back								
Essar Bulk Terminal Paradip Limited	-	-	184.95	-	-	-	184.95	-
Capital advances refund back								
Essar Vizag Terminals Limited	-	-	-	606.28	-	-	-	606.28
Preference shares Issued								
Essar Ports Limited	-	-	11,500.00	3,230.50	-	-	11,500.00	3,230.50
Remuneration*								
Kumar Nandula	-	-	-	43.29	-	-	-	43.29
Capt Deepak Sachdeva	-	-	30.01	-	-	-	30.01	-
Total	**-**	**-**	**30.01**	**43.29**	**-**	**-**	**30.01**	**43.29**

* 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.

Notes forming part of the financial statements

₹ in lakhs

Nature of transactions	Holding companies		Other related parties		Key management personnel		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Fleet Operating Income								
Essar Bulk Terminal Limited**	-	-	-	108.00	-	-	-	108.00
Purchase of fixed assets / Capital work-in-progress / Expenditure during construction								
Essar Bulk Terminal Limited	-	-	-	351.39	-	-	-	351.39
EPC Constructions India Limited	-	-	2,989.52	16,569.10	-	-	2,989.52	16,569.10
Essar Oil Limited	-	-	-	274.72	-	-	-	274.72
Essar Ports Limited	-	147.14	149.76	279.42	-	-	149.76	426.56
Essar Power (Gujarat) Limited	-	-	10.44	41.27	-	-	10.44	41.27
Total	**-**	**147.14**	**3,149.72**	**17,515.90**	**-**	**-**	**3,149.72**	**17,663.04**
Cargo handling income								
Essar Power Gujarat Limited	-	-	2,065.07	2,536.75	-	-	2,065.07	2,536.75
Essar Oil Limited	-	-	-	1,794.32	-	-	-	1,794.32
Total	**-**	**-**	**2,065.07**	**4,331.07**	**-**	**-**	**2,065.07**	**4,331.07**
Expenses incurred by others on behalf of the company								
Essar Steel Jharkhand Limited	-	-	-	2.65	-	-	-	2.65
Essar Ports Limited	-	-	50.76	636.26	-	-	50.76	636.26
Total	**-**	**-**	**50.76**	**638.91**	**-**	**-**	**50.76**	**638.91**
Remuneration*								
Kumar Nandula	-	-	-	-	-	43.29	-	43.29
Capt Deepak Sachdeva	-	-	-	-	30.01	-	30.01	-
Total	**-**	**-**	**-**	**-**	**30.01**	**43.29**	**30.01**	**43.29**
Interest on Inter Corporate deposit given								
Essar Bulk Terminal Paradip Limited	-	-	-	**21.22**	-	-	-	21.22
Guarantees given by others on behalf of the company								
Essar Ports Limited	-	-	25,182.00	-	-	-	25,182.00	-
Conversion of Inter corporate deposit in to CCDs								
Essar Bulk Terminal Limited	-	-	12,170.64	-	-	-	12,170.64	-
Ibrox Aviation and Trading Private Limited	-	-	650.00	-	-	-	650.00	-
Essar Paradip Terminal Limited			1,675.73	-	-	-	1,675.73	-
Total	**-**	**-**	**14,496.37**	**-**	**-**	**-**	**14,496.37**	**-**

* 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

c) Balance with related parties at the year end :-

₹ in lakhs

Nature of transactions	Holding companies		Other related parties		Key management personnel		Total	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Share Application pending for allotment								
Essar Ports Limited	-	-	-	3,565.00	-	-	-	3,565.00
Essar Bulk Terminal Limited	-	-	-	2,400.00	-	-	-	2,400.00
Essar Paradip Terminals Limited	-	-	-	1,570.00	-		-	1,570.00
Total	**-**	**-**	**-**	**7,535.00**	**-**	**-**	**-**	**7,535.00**
Capital creditors								
Essar Ports Limited	-	-	3.84	268.76	-	-	3.84	268.76
Essar Bulk Terminal Limited	-	-	55.23	379.21	-	-	55.23	379.21
Essar Power Gujarat Limited	-	-	27.80	17.35	-	-	27.80	17.35
Essar Oil Limited	-	-	-	17.38	-	-	-	17.38
EPC constructions India Limited	-	-	0.40	128.62	-	-	0.40	128.62
Total	**-**	**-**	**87.27**	**811.32**	**-**	**-**	**87.27**	**811.32**
Capital advances given								
Essar Projects Management Consultants Limited	-	-	38.88	38.88	-	-	38.88	38.88
Arkay Logistics Limited	-	-	63.54	63.54	-	-	63.54	63.54
EPC Constructions India Limited	-	-	140.82	2,725.41	-	-	140.82	2,725.41
Total	**-**	**-**	**243.24**	**2,827.83**	**-**	**-**	**243.24**	**2,827.83**
Trade Receivable								
Essar Bulk Terminal Limited	-	-	55.57	55.57	-	-	55.57	55.57
Other receivables								
Essar Oil Limited	-	-	-	189.10	-	-	-	189.10
Essar Power Gujarat Limited	-	-	1,797.52	377.52	-	-	1,797.52	377.52
Total	**-**	**-**	**1,797.52**	**566.62**	**-**	**-**	**1,797.52**	**566.62**
Less: Expected credit loss	-	-	995.53	-	-	-	995.53	-
Total	**-**	**-**	**801.99**	**566.62**	**-**	**-**	**801.99**	**566.62**
Inter corporate deposits given (including interest accrued & not due)								
Essar Bulk Terminal Paradip Limited	-	-	-	184.95	-	-	-	184.95
Inter corporate deposits received (including interest accrued & not due)								
Essar Bulk Terminal Limited	-	-	-	12,170.64	-	-	-	12,170.64
Essar Steel Jharkhand Limited	-	-	10,952.22	10,952.22	-	-	10,952.22	10,952.22
Total	**-**	**-**	**10,952.22**	**23,122.86**	**-**	**-**	**10,952.22**	**23,122.86**
Other payables								
Essar Steel Jharkhand Limited	-	-	2.65	2.65	-	-	2.65	2.65
Essar Ports Limited	-	-	687.02	636.26	-	-	687.02	636.26
Paradeep Steel Company Limited	-	-	0.32	0.32	-	-	0.32	0.32

Notes forming part of the financial statements

₹ in lakhs

Nature of transactions	Holding companies		Other related parties		Key management personnel		Total	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Total	**-**	**-**	**689.99**	**639.23**	**-**	**-**	**689.99**	**639.23**
Advance towards provision of services								
Essar Oil Limited	-	-	-	0.67	-	-	-	0.67
Essar Vizag Terminals Limited	-	-	0.28	0.28	-	-	0.28	0.28
Total	**-**	**-**	**0.28**	**0.95**	**-**	**-**	**0.28**	**0.95**
Guarantees given by others on behalf of the company								
Essar Ports Limited	**-**		**132,034.00**	**106,852.00**	**-**	**-**	**132,034.00**	**106,852.00**

43 The Figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

In terms of our report attached
MSKA & Associates (formerly known as MZSK & Associates)
Chartered Accountants
Firm Registration No 105047W

Anita Somani
Partner

Mumbai, June 25, 2018

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

Girish Joshi
CFO

Siddhant Agarwal
Company Secretary
Membership No. A41137

Mumbai, May 24, 2018

Notes

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 4th Annual General Meeting of the Company, to be held on Monday, September 24, 2018 at 3.30 p.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, 2018; (b) Consolidated Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2018;			
2.	Appoint a Director in the place of Shri. Rajiv Agarwal (DIN No. 00903635) who retires by rotation and being eligible, recommended by the Nomination and remuneration for re-appointment			
Special business				
3.	Appointment of Shri. Ankit Vaishnav (DIN: 08206868) as a Director of the Company			
4.	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, 2013 to acquire by way of subscription, purchase or otherwise, securities of any Body Corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding ₹ 2000,00,00,000/- (Indian Rupees Two Thousand Crores only) outstanding at any time notwithstanding that such investments, are in excess of the limits prescribed under Section 186 of the Companies Act, 2013			
5.	Approval for issue of Bonds and other debt instruments in domestic and foreign markets for an amount not exceeding ₹ 6,000 crore			
6.	Approval under Section 61 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 ₹ 30,00,00,000 (Rupees Thirty Crores only) divided into 3,00,00,000 equity shares of ₹ 10/- each to ₹ 31,00,00,000 (Rupees Thirty One Crores only) divided into 3,00,00,000 equity shares of ₹ 10/- each and 10,00,000 preference 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			
7.	Approval under Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), for the alteration of the Articles of Association of the Company (the "Altered Articles"), and the Altered Articles approved in substitution for, and to the entire exclusion, of the existing Articles of Association of the Company.			

Signed this …………………….......................…… day of ……………………… 2018.

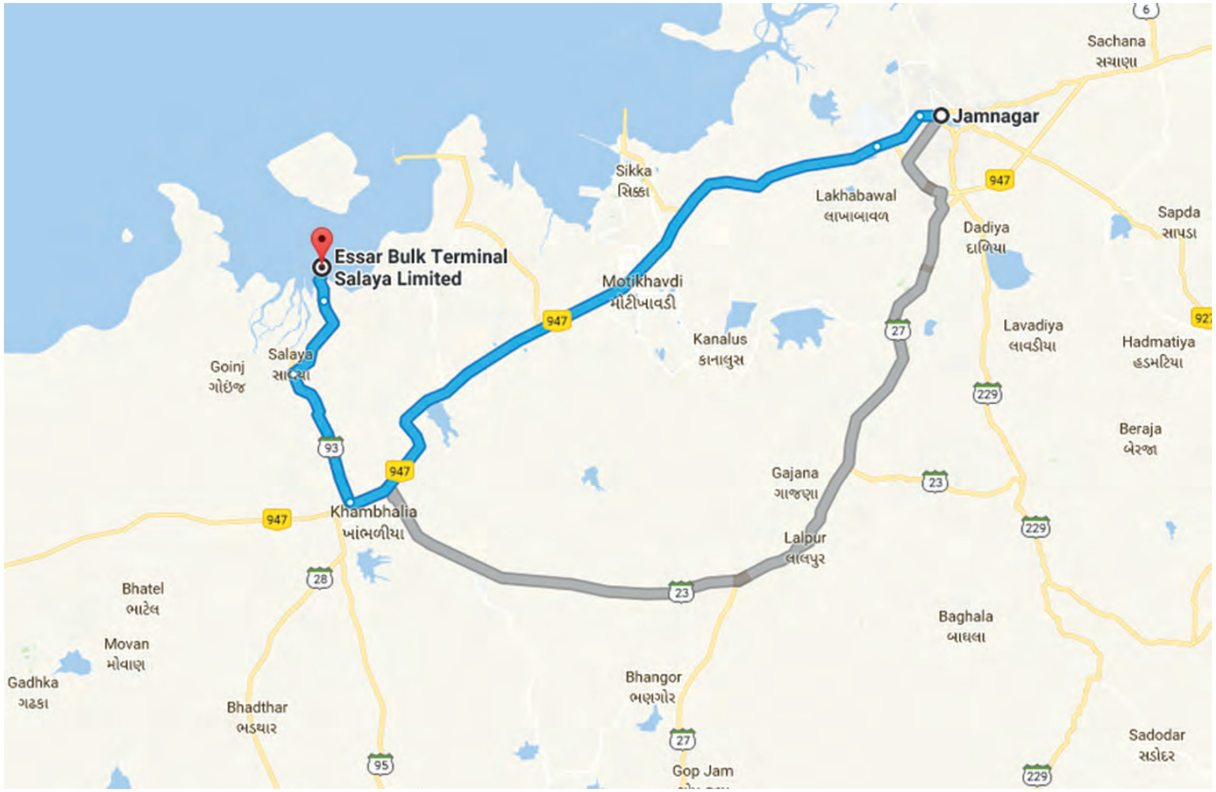
Affix revenue Stamp of not Less than ₹ 0.15

……………………………..
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.



AGM Venue: "Salaya Administrative Building", ER-2 Building, Salaya,
Taluka Khambhalia, District Devbhumi Dwarka, Gujarat 361305