Salaya Bulk Terminals Limited

Annual Report 2018-19

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. Nikhil Naik
Nominee Director

Shri Sanjeev Taneja
Additional Director

KEY MANAGERIAL PERSONNEL

Shri. Bhaven Bhatt
Chief Executive Officer

Shri. Ashwin Menon
Chief Financial Officer

Shri. Bhawani Shankar Thanvi
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 (Chairman)

Dr. Jose Paul

Shri. Nikhil Naik

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Shri. Rajiv Agarwal (Chairman)

Capt. B. S. Kumar

Dr. Jose Paul

Shri. Nikhil Naik

NOMINATION AND REMUNERATION COMMITTEE

Dr. Jose Paul (Chairman)

Shri. Rajiv Agarwal

Capt. B. S. Kumar

Shri. Nikhil Naik

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Shri. Rajiv Agarwal (Chairman)

Dr. Jose Paul

Capt. B. S. Kumar

Shri. Nikhil Naik

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 Fifth Annual General Meeting of **SALAYA BULK TERMINALS LIMITED** will be held at the Registered Office of the Company at "Salaya Administrative Building", 44 KM, P.O. Box 7, Taluka Khambhalia, District Devbhumi Dwarka, Jamnagar Gujarat 361 305 on Thursday, September 19, 2019 at 11.30 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt:

   a. the Audited Standalone Profit and Loss Account for the year ended March 31, 2019 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, 2019 and the Audited Balance Sheet and Cash Flow Statement as on that date together with the schedules and notes thereto and the Reports of the Auditors thereon.

2. To appoint a Director in place of Shri. Rakesh Kankanala (DIN 07413365) who retires by rotation and being eligible, offers himself for re-appointment.

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 Sanjeev Taneja (DIN: 00037005) who was appointed as an Additional Director of the Company by the Board of Directors with effect from August 21, 2019 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."

By Order of the Board

Bhawani Shankar Thanvi
Company Secretary
M. No. 50535

Mumbai
August 21, 2019

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 23, 2019 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 No. 3 of the accompanying Notice is annexed.

5. Members desiring any information and/or 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 12, 2019 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 14, 2019 and will end at 5.00 p.m. on September 18, 2019. 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, failing him, Mr. Shiv Kumar Vaishy from M/s. Martinho Ferrao & Associates, Practicing 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 September 14, 2019 at 9.00 a.m. and ends on September 18, 2019 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 September 12, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5pm on 18th September, 2019.

(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	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.

By Order of the Board

Bhawani Shankar Thanvi
Company Secretary
M. No. 50535

Mumbai
August 21, 2019

Registered Office:

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

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 Mr. Sanjeev Taneja (DIN: 00037005) as an Additional Non-executive Director of the Company w.e.f. August 21, 2019. His term of office expires at the ensuing Annual General Meeting. The Nomination and Remuneration Committee of the Company has recommended his appointment as a Non-Executive Director of the Company liable to retire by rotation.

Shri Taneja is currently working as Chief Financial Officer of Essar Ports Limited. Shri. Taneja is a Chartered Accountant with over 25 years of experience, in senior strategic assignment across real estate, manufacturing, packaging securities and pharmaceutical verticals. Shri. Taneja was the CFO of GVK controlled Mumbai International Airport (MIAL). He was earlier the CFO of Dubai's Damac Properties. Under his tenure that Damac became the first Dubai real estate firm to list itself on the London Stock Exchange in 2013. Before Damac, Taneja was CEO and CFO at Chennai-based infrastructure company Marg.

In terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Sanjeev Taneja will hold the office as an Additional Director up to the date of the ensuing Annual General Meeting of the Company.

The Nomination and Remuneration Committee of the Company has recommended his appointment as Non-Executive Director liable to retire by rotation, under Section 160 of the Companies Act, 2013,

The Nomination and Remuneration Committee and the Board are of the opinion that the appointment of Shri. Taneja will be in the best interest of the Company. The Board accordingly recommends the resolution at Item No. 3 of the accompanying notice for your approval.

None of the Directors and Key Managerial Personnel or their relatives other than Mr. Taneja is concerned or interested in the resolution of the accompanying Notice.

By Order of the Board

Bhawani Shankar Thanvi

Mumbai
August 21, 2019

Company Secretary
M. No. 50535

Registered Office:

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

ANNEXURE TO NOTICE:

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

SHRI SANJEEV TANEJA (DIN: 00037005)

Shri Taneja is currently working as Chief Financial Officer of Essar Ports Limited. Shri. Taneja is a Chartered Accountant with over 25 years of experience, in senior strategic assignment across real estate, manufacturing, packaging securities and pharmaceutical verticals. Shri. Taneja was the CFO of GVK controlled Mumbai International Airport (MIAL). He was earlier the CFO of Dubai's Damac Properties. Under his tenure that Damac became the first Dubai real estate firm to list itself on the London Stock Exchange in 2013. Before Damac, Taneja was CEO and CFO at Chennai-based infrastructure company Marg.

DIRECTORS' REPORT

To the Members of Salaya Bulk Terminals Limited

Your Directors have pleasure in presenting the Fifth Annual Report together with the Audited Financial Statements of the Company for the year ended March 31, 2019.

1. FINANCIAL RESULTS

The summary of consolidated and standalone financial results of your Company for the year ended March 31, 2019 are furnished below:

(₹ in lakhs)

Particulars	Consolidated		Standalone	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Total Revenue	12,293.27	2,484.59	514.81	284.98
Total Expenses	34,476.81	3,879.55	1,085.90	503.16
EBITDA	4,845.04	1,696.55	4.40	197.59
Loss for the year	**(24,566.59)**	**(1,366.78)**	**(567.34)**	**(145.62)**

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 2018 – 2019. 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 2018 – 2019 have furthered momentum both in advance and emerging economies. Global economic growth during 2018 is estimated to be 3.6%. IMF estimates global growth to be around 3.3% for 2019 and 3.6% for 2020 respectively. As per the IMF estimates trade volume in goods and service growth will be nearly 3.4% in 2019. While World Trade Organization foresees trade as a driver in this global growth.

The escalation of US–China trade tensions, macroeconomic stress in Argentina and Turkey, disruptions to the auto sector in Germany, tighter credit policies in China, and financial tightening alongside the normalization of monetary policy in the larger advanced economies have all contributed to a significantly weakened global expansion, especially in the second half of 2018. While 2019 started out on a weak footing, a pickup is expected in the second half of the year. This pickup is supported by significant policy accommodation by major economies, made possible by the absence of inflationary pressures despite closing output gaps.

Business cycle in India is at its peak phase with GDP (Gross Domestic Product) growing around 7.2% in 2018 -2019. The growth was largely impacted due to acceleration in agriculture and manufacturing sector. 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 the first half of 2018-19, Indian port traffic stood at 624.30 mt, a growth of 7.8% over H1 2017-18. The traffic growth for non-major ports was double in H1 2018-19 (11.4%) compared to major port (5.1). containers have been reporting strong activity due to increasing trade activity, while POL volume growth also continues following raising demand.

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 Rs 12,293.27 Lakhs

- EBITDA for the year on Rs 4,845.04 Lakhs
- Net Loss/Profit for the year Rs (24,566.59) Lakhs

4. RISK MANAGEMENT & INTERNAL CONTROL

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 2019. 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

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.

5. HOLDING/SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES

As on March 31, 2019, Essar Ports & Terminals Limited is Holding Company of your Company and 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 companies, 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.

6. RELATED PARTY TRANSACTIONS

All Related Party Transactions entered during the year were in ordinary course of the business and on an arm's length basis. Details of material related party transaction entered during the financial year 2018-19 are provided in the prescribed form AOC-2 as an annexure to this report.

7. 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.

8. 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.

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

Composition of Board of Directors as on March 31, 2019:

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
5	00202779	Shri Nikhil Naik	Nominee 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.	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
9.	Shri. Ankit Vaishnav	08206868	Director	September 24, 2018	Change in Designation
10.	Shri. Siddhant Agarwal	-	Company Secretary	October 11, 2018	Resignation
11.	Shri Bhawani Shankar Thanvi	-	Company Secretary	December 04, 2018	Appointment
12.	Shri Nikhil Naik	00202779	Nominee Director	December 22, 2018	Appointment
13.	Shri. Ankit Vaishnav	-	Chief Executive Officer (CEO)	February 15, 2019	Resignation
14.	Shri. Ankit Vaishnav	08206868	Director	February 15, 2019	Resignation
15.	Shri Bhaven Bhatt	-	Chief Executive Officer (CEO)	March 25, 2019	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.

As on March 31, 2019, following are the Key Managerial Personnel of your Company:

- Shri. Bhaven Bhatt –Chief Executive Officer
- Shri. Ashwin Menon - Chief Financial Officer
- Shri Bhawani Shankar Thanvi – Company Secretary

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

- Re-appointment of Shri. Rakesh Kankanala (DIN 07413365), who retires at the ensuing Annual General Meeting of the Company.

  Appointment of Shri Sanjeev Taneja (DIN 00037005) as a Director of the Company.

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

The Board of Directors of the Company had met 4 times during the financial year on the below mentioned dates:

- May 24, 2018;
- August 29, 2018;
- December 04, 2018; and
- March 25, 2019

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	4	4
Dr. Jose Paul	Independent Director	4	4
Capt. B.S. Kumar	Independent Director	4	4
Shri. Rakesh Kankanala	Director	4	4
*Shri Ankit Vaishnav	Director	4	2
**Shri Nikhil Naik	Nominee Director	4	1

* Resigned w.e.f. Feb 15, 2019 ** Appointed w.e.f. December 22, 2018 in the Board Meeting held on December 04, 2018.

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.

11. DECLARATION OF INDEPENDENCE

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

12. COMPOSITION OF THE AUDIT COMMITTEE

As on March 31, 2019 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 Nikhil Naik and Dr. Jose Paul are the other members of the Committee.

All the recommendations of the Audit Committee have been accepted by the Board.

13. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

As on March 31, 2019 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), Capt. B. S. Kumar (Independent Director), Shri. Rakesh Kankanala and Shri Nikhil Naik 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.

14. NOMINATION AND REMUNERATION COMMITTEE

As on March 31, 2019 and as on the date of this report, the NRC Committee comprises of Dr. Jose Paul as the Chairman of the Committee and Shri. Rajiv Agarwal, Capt. B. S. Kumar and Shri Nikhil Naik 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.

15. 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.

16. EXTRACT OF ANNUAL RETURN

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

17. 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.

18. 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.

19. 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.

20. 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.

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, 2019.

21. 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.

22. INFORMATION TECHNOLOGY

The field of information technology (IT) covers the design, administration and support of computer and telecommunications systems. Some of the positions in this field include database and network administrators, computer support specialists, computer scientists, software programmers and system analysts. The majority of career tracks in IT entail design and operational tasks related to computer hardware components, networks and software applications.

Professionals in the IT field work with businesses and organizations to set up and support viable computer networks that will keep systems efficient and reliable. IT encompasses all hardware and software used in the storing, creation and accessing of information. Examples of technologies that professionals work with are firewalls, databases, media storage devices, networks and the Internet.

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

23. 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.

24. PROTECTION OF WOMEN AT WORKPLACE

The Company has formulated a policy on Prevention of Sexual Harassment at workplace as per the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder. During the financial year no cases were reported under the above said Act. The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [Rule 8(5)(x) of Rules]

25. 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 2018-2019.

26. STATEMENT OF DIRECTORS RESPONSIBILITIES

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013 and based on the information provided by the management, your Directors state that:

a) in the preparation of the Financial Statements, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) accounting policies selected were applied consistently and judgments and estimates were made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts of the Company have been prepared on a going concern basis;

e) the Company has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) proper systems are in place to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

27. 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.

28. 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.

29. 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.

30. CORPORATE GOVERNANCE

Your Company is not listed on any Stock Exchanges and hence not covered under the listing regulations of SEBI. However, as a good practice, your Company follows the Corporate Governance practice in its business activities.

31. 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.

32. AFFIRMATION AND DISCLOSURE

Your Company is not listed on any Stock Exchanges and hence not covered under the listing regulations of SEBI. Since the reporting under the Corporate Governance is not mandatory for your Company, the declaration in relation to the compliance with the Code of Conduct is not attached with the Annual Report.

33. 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.

34. GENERAL DISCLOSURES

Your Directors hereby state and confirm that for the year ended March 31, 2019:

- 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.

35. 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 21, 2019	DIN : 00903635	DIN - 07413365

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Annexure to the Diretor's Report

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
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2019
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign Subsidiaries	N/A
4	Share capital	
5	Reserves & surplus* * includes Equity Component of 0.01% Compulsorily Convertible Cumulative Participating Preference Shares and equity component of 0% compulsorily convertible debentures.	
6	Total assets	
7	Total Liabilities	
8	Investments	
9	Turnover	
10	Profit / (Loss) before taxation	
11	Provision for taxation	
12	Profit / (Loss) after taxation	
13	Proposed Dividend	
14	% of shareholding	
Notes:	The following information shall be furnished at the end of the statement:	
1	Names of subsidiaries which are yet to commence operations	Nil
2	Names of subsidiaries which have been liquidated or sold during the year.	Nil

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 21, 2019

PART "B": ASSOCIATES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

(₹ in lakhs)

Sr. No.	Name of Associates
1	NIL

For and on behalf of the Board of Directors

	Rajiv Agarwal	**Rakesh Kankanala**
	Director	**Director**
Mumbai, August 21, 2019	**DIN : 00903635**	**DIN - 07413365**

Form No. AOC – 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contacts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

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

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

Sr. No.	Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (` In lakhs)	Date(s) of approval by the Board, if any	Amount paid as advances, if any (` In lakhs)
NIL							

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN - 07413365

Mumbai, August 21, 2019

Corporate Social Responsibility Policy

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1.1	About Essar Group Foundation
1.1.1	Approach
2.0	CSR Vision
3.0.	CSR Mission
4.0	CSR Objectives
5.0	CSR Approach
6.0	Scope of CSR Activities
7.0	Focus areas
8.0	Implementation
9.0	Budget and expenditure
10.0	Monitoring and evaluation
11.0	Reporting

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.

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" of which the Company is a Trustee. 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 21, 2019	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.

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

(₹ in lakhs)

	2017-18	2016-17	2015-16	Average
Net Profit / (Loss) as per P & L (Before Tax)	(571.09)	(1920.31)	(0.24)	(830.55)

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) Over-heads	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 21, 2019	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

Particulars
1. General
2. Board diversity
3. Selection, identification and appointment of Directors
4. Criteria for appointment of Senior Management executives
5. Remuneration
6. Training
7. Performance evaluation and reappointment
8. Mechanism for evaluation of Board, Chairman and Directors

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 with effect from April 01, 2015

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 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 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 21, 2019	DIN: 00903635	DIN: 07413365

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

(As on the Financial Year ended on 31st March, 2019)

[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
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 website: www.essarports.com
vi)	Whether listed company	:	No
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	:	Data Software Research Company Private Limited 19, Pycrofts Garden Road, Off Haddows Road, Nungambakkam Chennai- 600006, Tamil Nadu. 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, 2019:

HOLDING COMPANY [Section 2(46) of the Companies Act, 2013]			
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.	87.93%

SUBSIDIARY COMPANIES [Section 2(87) of the Companies Act, 2013]			
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%

ESSAR

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 2018				No. of Shares held at the end of the year 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1	**Indian**									
(a)	Bodies Corporate	7834223	0	7834223	36.59	2104169	0	2104169	9.83	-26.76
	Sub-Total (A)(1)	7834223	0	7834223	36.59	2104169	0	2104169	9.83	-26.76
2	**Foreign**									
(a)	Bodies Corporate	13084887	0	13084887	61.11	18829154	0	18829154	87.93	26.82
	Sub-Total (A)(2)	13084887	0	13084887	61.11	18829154	0	18829154	87.93	26.82
	Total Promoter Shareholding=(A)(1)+(A)(2)	**20919110**	**0**	**20919110**	**97.69**	**20933323**	**0**	**20933323**	**97.76**	**0.07**
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	131	2416	2547	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	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Foreign Bank	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	295	4611	4906	0.02	295	4611	4906	0.02	0.00
2	**Non-Institutions**									
(a)	Bodies Corporate									
(i)	Indian	26945	4517	31462	0.15	12683	4640	17323	0.08	-0.07
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹1 lakh.	246774	194235	441009	2.06	250519	189778	440297	2.06	0.00
(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	7521	8805	16326	0.08	8220	8744	16964	0.08	0.00
-	Non Domestic Company	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(2)	281240	207557	488797	2.28	271422	203162	474584	2.22	-0.06
	Total Public Shareholding (B)=(B)(1)+B(2)	**281535**	**212168**	**493703**	**2.31**	**271717**	**207773**	**479490**	**2.24**	**-0.07**
	TOTAL (A) + (B)	**21200645**	**212168**	**21412813**	**100.00**	**21205040**	**207773**	**21412813**	**100.00**	**0.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**									
	GRAND TOTAL (A)+(B)+(C)	**21200645**	**212168**	**21412813**	**100.00**	**21205040**	**207773**	**21412813**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 2018			Shareholding at the end of the year 2019			% 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	IBROX AVIATION AND TRADING PRIVATE LIMITED	7834223	36.59	34.71	2104169	9.83	9.83	-26.76
2	ESSAR PORTS & TERMINALS LIMITED	13084887	61.11	61.10	18829154	87.93	87.93	26.82
	Total	**20919110**	**97.69**	**95.81**	**20933323**	**97.76**	**97.76**	**0.07**

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

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year 01.04.2018		Date +	Increase/ Decrease (No. of shares)+	Reasons +	Cumulative Shareholding during the year (1.4.2018-31.03.2019)	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	IBROX AVIATION AND TRADING PRIVATE LIMITED	7834223	36.59	30.11.2018	14213	Purchase	7848436	36.65
				28.12.2018	-5744267	Sold	2104169	9.83
2	ESSAR PORTS & TERMINALS LIMITED	13084887	61.11	28.12.2018	5744267	Purchase	18829154	87.93

iv) Shareholding Pattern of top ten Shareholders (others than Directors, Promoters and Holders of Foreign Currency Convertible bonds) as on 31st March, 2019

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	14099	0.07	26.10.2018	-14099	sale	0	0.00
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
	Nil				

V. INDEBTEDNESS

The indebtedness of the Company as on March 31, 2019 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	-	19399.42	-	19399.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**19399.42**	**-**	**19399.42**
Change in Indebtedness during the financial year				
Additions	-	907.17*	-	907.17*
Reduction	-	-	-	-
Interest accrued paid / waived / adjusted in scheme	-	-	-	-
Net Change	-	907.17*	-	907.17*
Indebtedness at the end of the financial year				
i) Principal Amount		20306.59		20306.59
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		-		-
Total (i+ii+iii)		**20306.59**		**20306.59**

* Increase is on account of exchange rate difference and discounting of FCCBs

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Wholetime Directors and/or Manager: (₹ lakhs)

Particulars of Remuneration	Name of the Directors	Total Amount
Gross salary	NOT APPLICABLE	
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
Stock Option		
Sweat Equity		
Commission		
Others (Contribution to PF & Superannuation)		
Total (A)		
Ceiling as per the Act		

B. Remuneration to Other Directors:

	Particulars of Remuneration	Name of the Directors (Independent Directors)	Total Amount
	Dr. Jose Paul	**Capt. B. S. Kumar**	
Fee for attending Board / Committee meetings	3.30	3.30	6.60
Commission	-	-	-
Total (B)	3.30	3.30	6.60
Ceiling as per the Act	Not applicable		
Total Managerial Remuneration =(A+B)	6.60 Lakhs		
Overall Ceiling as per the Act	Not applicable		

A. Remuneration to Managing Director, Wholetime Directors and/or Manager: (₹ lakhs)

	Particulars of Remuneration	Name of the Key Managerial Personnel
1.	Gross salary	NOT APPLICABLE
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	
(c)	Profits in lieu of salary under section 17(3) Income tax Act, 1961	
2.	Stock Option	
3.	Sweat Equity	
4.	Commission	
5.	Provident Fund	
Total		

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 21, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Salaya Bulk Terminals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Salaya Bulk Terminals Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013("the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 33 that the subsidiary of the company has operated at lower capacity levels during the year ended March 31, 2019. The subsidiary has defaulted in servicing its debts and the lenders have filed an application with NCLT under the IBC code. Based on the plans laid down and considering the fact of restructuring of its existing borrowings the management has concluded that the subsidiary will be able to continue as a going concern and has assessed that there will be no loss arising on account of impairment.

Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report and Annexures thereof etc but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

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

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

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

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

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Anita Somani
Partner
Membership No.124118
UDIN:19124118AAAACT4065

Place: Mumbai
Date: August 21, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

on even date on the Standalone Financial Statements of Salaya Bulk Terminals Limited

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Anita Somani
Partner
Membership No.124118
UDIN:19124118AAAACT4065

Place: Mumbai
Date: August 21, 2019

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

of even date on the Standalone Financial Statements of Salaya Bulk Terminals Limited for the year ended March 31, 2019

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

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

(b) All the fixed assets have not been physically verified by the management during the year but there is a regular program of verification of fixed asset once in every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, 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, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it. As informed to us, the provisions of employee's 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, 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 and based on our examination of the records of the Company, the Company has not paid/ provided for managerial remuneration during the year. Hence, the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act are not required.

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

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

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of Compulsorily Convertible Cumulative Preference Shares 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**
Chartered Accountants
ICAI Firm Registration No. 105047W

Anita Somani
Partner
Membership No.124118
UDIN:19124118AAAACT4065

Place: Mumbai
Date: August 21, 2019

Balance Sheet as at March 31, 2019

₹ in lakhs

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	487.29	568.50
(b) Investment in subsidiary	6	58,908.50	46,280.55
(c) Deferred tax assets	16	-	-
Total non-current assets		**59,395.79**	**46,849.05**
Current assets			
(a) Financial assets			
(i) Trade receivables	7	7.25	64.88
(ii) Cash and cash equivalents	8	17.39	5.20
(iii) Bank balance other than Cash and cash equivalent	9	35.00	-
(iv) Other Financial assets	10	14.06	-
(b) Other current assets	11	5.58	2.25
(c) Current tax assets	12	1.94	1.13
Total current assets		**81.22**	**73.46**
Total Assets		**59,477.01**	**46,922.51**
II EQUITY AND LIABILITIES			
Equity			
(a) Share capital	13	2,141.28	2,141.28
(b) Other equity	14	47,186.70	36,801.82
Total equity		**49,327.98**	**38,943.10**
Liabilities			
Non current liabilities			
(a) Financial liabilities			
- Borrowings	15	32.53	6,578.78
(b) Deferred tax liability	16	-	3.75
(c) Other non-current liabilities	17	7.21	639.02
Total non current liabilities		**39.74**	**7,221.55**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18	14.51	23.25
(ii) Other financial liabilities	19	9,898.44	732.72
(b) Other current liabilities	20	196.34	1.89
Total current liabilities		**10,109.29**	**757.86**
Total Liabilities		**10,149.03**	**7,979.41**
Total equity and liabilities		**59,477.01**	**46,922.51**

See accompanying notes to the financial statements

In terms of our report attached

MSKA & Associates
Chartered Accountants
Firm Registration no. 105047W

Anita Somani
Partner
Membership No: 124118
Mumbai, August 21, 2019

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN : 07413365

Bhaven Bhatt
CEO

Ashwin Menon
CFO
Mumbai
Date: August 21, 2019

Bhawani Shankar Thanvi
Company Secretary
Membership No: A50535

Statement of Profit and Loss for the year ended March 31, 2019

₹ in lakhs

	Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	21	25.00	9.32
II	Other income	22	489.81	275.66
III	**Total Income (I + II)**		**514.81**	**284.98**
IV	**Expenses:**			
	(a) Other expenses	23	510.41	87.39
	(b) Depreciation	5	81.21	81.21
	(b) Finance cost	24	494.28	334.56
V	**Total Expenses**		**1,085.90**	**503.16**
VI	**Profit / (Loss) before tax**		**(571.09)**	**(218.18)**
VII	**Tax expense/(benefit):**			
	(a) Current tax		-	-
	(b) Deferred tax	29	(3.75)	(72.56)
			(3.75)	**(72.56)**
VIII	**Profit/ (Loss) for the year (VII-VI)**		**(567.34)**	**(145.62)**
	Other comprehensive income		–	–
IX	**Total other comprehensive income**		**–**	**–**
X	**Total comprehensive profit/ (loss) for the year (VIII+IX)**		**(567.34)**	**(145.62)**
XI	**Earnings per equity share**			
	(1) Basic (in ₹)	26	(1.52)	(0.67)
	(2) Diluted (in ₹)	26	(1.52)	(0.67)
	See accompanying notes to the financial statements			

In terms of our report attached

MSKA & Associates
Chartered Accountants
Firm Registration no. 105047W

Anita Somani
Partner
Membership No: 124118
Mumbai, August 21, 2019

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN : 07413365

Bhaven Bhatt
CEO

Ashwin Menon
CFO
Mumbai
Date: August 21, 2019

Bhawani Shankar Thanvi
Company Secretary
Membership No: A50535

Cash Flow Statement for the year ended March 31, 2019

₹ in lakhs

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A	**Cash flow from operating activities**		
	Net Profit / (Loss) before taxation	(571.09)	(218.18)
	Adjustment for		
	Interest income on fixed deposits	(1.17)	
	Depreciation and amortisation expense	81.21	81.21
	Exchange loss/ (gain)	457.99	23.30
	Finance income on recognition of financial liabilities at amortised cost	(488.63)	(275.66)
	Finance Costs	494.28	334.56
	Operating loss before working capital changes	**(27.41)**	**(54.77)**
	Movements in Working Capital:		
	Increase /(Decrease) in trade payables	(8.74)	(20.79)
	Increase / (Decrease) in other financial liabilities	4.01	93.83
	(Increase) / Decrease in trade receivables	57.63	(9.31)
	(Increase) / Decrease in other current assets	(3.35)	(0.91)
	Increase / (Decrease) in other current liabilities	1.25	(6.88)
	Cash generated from operations	**23.39**	**1.17**
	Taxes Paid	(0.80)	-
	Net cash generated from operating activities	**22.59**	**1.17**
B	**Cash flow from investing activities**	–	–
	Investment in Fixed deposit	**(35.00)**	**-**
	Unsecured loan given to related party	**(13.00)**	**-**
	Interest on fixed deposit	**0.12**	**-**
	Net cash from investing activities	**(47.88)**	**-**
C	**Cash Flow from Financing activities**		
	Inter-corporate deposit received	40.00	-
	Finance cost paid	(2.52)	(0.69)
	Net cash flow from Financing activities	**37.48**	**(0.69)**
	Net increase in cash and cash equivalents (A+B+C)	**12.19**	**0.48**
	Cash and cash equivalents at the beginning of the year	**5.20**	**4.72**
	Cash and cash equivalents at the end of the year	**17.39**	**5.20**

Notes :

₹ in lakhs

1	Reconciliation between closing cash and cash equivalents and cash and bank balances	For the year ended March 31, 2019	For the year ended March 31, 2018
	Cash and cash equivalents as per cash flow statement	17.39	5.20
	Add : Margin money deposits not considered as cash and cash equivalents as per IND AS-7	35.00	-
	Cash and bank balances (refer note no 8 and 9)	**52.39**	**5.20**

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

Particulars	As at April 01, 2018	Cash movement	Non cash movement	As at March 31, 2019
Borrowings including current Maturities	6,578.78	40.00	899.71	7,518.49
Total	**6,578.78**	**40.00**	**899.71**	**7,518.49**

Particulars	As at April 01, 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. "Non cash transaction:
During current year, the Company has issued 93,88,155 compulsorily convertible debentures of Rs 10 each amounting to Rs.10952.22 lakhs for consideration other than cash (purchase consideration for the acquisition of investments in 10,95,22,219 nos of CCDs of a subsidiary were settled through issue of the Company's CCDs)

During previous year, the Company has issued 557,174 compulsorily convertible debentures of Rs 10 each amounting to Rs.650.00 lakhs for consideration other than cash (purchase consideration for the acquisition of investments 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 Rs 10 each amounting to Rs. 12,170.64 lakhs against inter corporate deposits received from a related party."

See accompanying notes to the financial statements

In terms of our report attached

MSKA & Associates
Chartered Accountants
Firm Registration no. 105047W

Anita Somani
Partner
Membership No: 124118
Mumbai, August 21, 2019

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN : 07413365

Bhaven Bhatt
CEO

Ashwin Menon
CFO
Mumbai
Date: August 21, 2019

Bhawani Shankar Thanvi
Company Secretary
Membership No: A50535

Statement of Changes in Equity for the year ended March 31, 2019

A. EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	Amount
Balance as at April 1, 2017	**2,141.28**
Changes in equity share capital during the year	-
Balance as at March 31, 2018	2,141.28
Changes in equity share capital during the year	**-**
Balance as at March 31, 2019	**2,141.28**

B. OTHER EQUITY

₹ in lakhs

Particulars	Capital Reserve	Retained earnings	Equity Component of Compulsorily Convertible Cumulative Participating Preference shares	Equity Component of Compulsorily Convertible Debentures	Equity component of compound financial instrument	Securities Premium	Total
Balance as at April 1, 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**
Profit/(Loss) for the year	-	(567.34)	-	-	-		**(567.34)**
Other comprehensive income for the year (net of income tax)	-	-	-	-	-		-
Total comprehensive income/ (loss) for the year	**-**	**(567.34)**	**-**	**-**	**-**		**(567.34)**
Issue of compulsorily Convertible Debentures	-	-	-	938.82	-	**10,013.40**	**10,952.22**
Issue of Compulsorily Convertible Cumulative Participating Preference shares #	-	-	0.00	-	-	**0.00**	**0.00**
Equity Component of Foreign currency convertible bonds transferred to Retained earnings	-	430.70	-	-	(430.70)		-
Balance as at March 31, 2019	**26,169.28**	**(2,755.44)**	**0.00**	**2,037.79**	**-**	**21,735.07**	**47,186.70**

Amount is less then Rs. 1000

See accompanying notes to the financial statements

In terms of our report attached

MSKA & Associates
Chartered Accountants
Firm Registration no. 105047W

Anita Somani
Partner
Membership No: 124118
Mumbai, August 21, 2019

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

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Bhaven Bhatt
CEO

Ashwin Menon
CFO
Mumbai
Date: August 21, 2019

Bhawani Shankar Thanvi
Company Secretary
Membership No: A50535

Notes forming part of the financial statements

1. Corporate Information

Salaya Bulk Terminals Limited ("the Company") is a public limited company incorporated under the Companies Act, 1956 and its registered office is located at Salaya Administrative Building, 44 KM, P. O. box 7, Taluka Khambaliya, District Dev Bhoomi Dwarka, Jamnagar, Gujarat. Principal place of business of the 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 August 21, 2019.

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

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

Notes forming part of the financial statements

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

IND AS 115: Revenue from contract with customers

The Company earns revenue primarily from operating fleet.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

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.

The Company has adopted Ind AS 115 using the cumulative effect method. In this method this standard is applied to contracts that are not completed on as at the date of initial application (i.e. April 01, 2018) and the comparative information in the statement of profit and loss is not restated.

There is no impact on the financial statement of the Company on initial application of this standard.

Revenue is recognised upon rendering of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. In case of operating fleet, revenue is recognized on a time proportion basis.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue (“contract liability”) is recognised when there is billings in excess of revenues. The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Company does not have any significant impact on revenue due to application of this standard.

Use of significant judgements in revenue recognition :

- The Company’s contracts with customers could include promises to transfer multiple services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer etc.

  The company does not have any unsatisfied performance obligation as at the year end.

  Interest income

Notes forming part of the financial statements

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 andloss. 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

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

- 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

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss

Notes forming part of the financial statements

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 designatean 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'.

<u>Financial liabilities at FVTPL:</u>

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

A financial liability is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

Notes forming part of the financial statements

- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

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

Other financial liabilities:

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

Derecognition of financial liabilities:

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

d) **Embedded derivatives**

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

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

e) **Offsetting of financial instruments**

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

I. Compound financial instrument

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

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

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

Current and deferred tax for the period

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

K. Provisions, contingent liabilities and contingent assets

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

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

L. Business combinations under common control

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

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

3.1 **Key sources of estimation uncertainty and critical accounting judgements**

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

Notes forming part of the financial statements

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 25.

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.

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 25 for further disclosures.

4. A) Standards issued but not yet effective and have not been adopted early by the Company

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company is in the process of assessing IND AS 116's full impact and intends to adopt Ind AS 116 no earlier than the accounting period beginning on or after 01 April 2019

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any such kind of instruments.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Notes forming part of the financial statements

4 PROPERTY, PLANT AND EQUIPMENT

₹ in lakhs

Particulars	Plant and equipment
Cost	
At April 1, 2017	782.79
Additions	-
At March 31, 2018	**782.79**
Addition	–
At March 31, 2019	**782.79**
Accumulated depreciation	
At April 1, 2017	133.08
Depreciation charge for the year	81.21
At March 31, 2018	**214.29**
Depreciation charge for the year	81.21
At March 31, 2019	**295.50**
Carrying amount	
At March 31, 2018	**568.50**
At March 31, 2019	**487.29**

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, 2019	For the year ended March 31, 2018
Depreciation of Property, plant and equipment	81.21	81.21
Total depreciation and amortisation expenses	**81.21**	**81.21**

6 INVESTMENT IN SUBSIDIARY

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Investment in Subsidiary		
Investment in Equity Instruments (at Cost)		
Essar Bulk Terminal (Salaya) Limited	320.04	320.04
30,04,875 equity shares of Rs. 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 Rs 10/- each fully paid *	45,310.51	45,310.51
Investment in Debentures (at Cost) #		
Essar Bulk Terminal (Salaya) Limited		
13,27,79,549 (as at March 31, 2018: 65,00,000) compulsorily convertible debentures of Rs 10/- each fully paid	13,277.95	650.00
Total	**58,908.51**	**46,280.55**

Notes forming part of the financial statements

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 purchase 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 15,32,487 no of equity shares and 23,20,11,813 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, 2019	As at March 31, 2018
Unsecured, considered good (refer note 30)	7.25	64.88
Total	**7.25**	**64.88**

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, 2019	As at March 31, 2018
Balances with banks	17.39	5.20
Total	**17.39**	**5.20**

9 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Bank deposit held as margin money deposit (lien against bank guarantee)	35.00	-
Total	**35.00**	**-**

10 OTHER FINANCIAL ASSETS

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued on fixed deposit	1.06	-
Inter corporate deposit given to related party (refer note 30)	13.00	-
Total	**14.06**	**0.00**

Notes forming part of the financial statements

11 OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	2.23	2.25
GST receivables	3.35	-
Total	**5.58**	**2.25**

12 CURRENT TAX ASSETS

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Tax deducted at source (Net of provision for tax Nil)	1.94	1.13
Total	**1.94**	**1.13**

13 SHARE CAPITAL

₹ in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
Authorised Capital	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**
Equity shares of Rs. 10/- each	3,00,00,000	3,000.00	3,00,00,000	3,000.00
Compulsory Convertible Cumulative Participating Preference shares ("CCCPPS") of Rs. 10/- each	10,00,000	100.00	-	-
Total	**3,10,00,000**	**3,100.00**	**3,00,00,000**	**3,000.00**
Issued capital				
Equity shares of ₹ 10/- each (refer note 27)	2,14,12,813	2,141.28	2,14,12,813	2,141.28
Total	**2,14,12,813**	**2,141.28**	**2,14,12,813**	**2,141.28**
Subscribed and fully paid up				
Equity shares of ₹ 10/- each	2,14,12,813	2,141.28	2,14,12,813	2,141.28
Total	**2,14,12,813**	**2,141.28**	**2,14,12,813**	**2,141.28**

Notes:

a) Reconciliation of the number of equity Shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Equity Shares of Rs 10/- each				
At the beginning of the year	2,14,12,813	2,141.28	2,14,12,813	2,141.28
Add: Issue of shares during the year	-	-	-	-
Outstanding at the end of the year	**2,14,12,813**	**2,141.28**	**2,14,12,813**	**2,141.28**

Notes forming part of the financial statements

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 CCCPPS holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts and preference share capital, in proportion to their shareholding.

c) Equity 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, 2019		As at March 31, 2018	
	Number of shares	% shares	Number of shares	% shares
Essar Ports & Terminals Limited (holding company)	1,88,29,154	87.93%	1,30,84,887	61.11%
Ibrox Aviation and Trading Private Limited	21,04,169	9.83%	78,34,223	36.59%
Others	4,79,490	2.23%	4,93,703	2.31%
Total	**2,14,12,813**	**100.00%**	**2,14,12,813**	**100.00%**

(d) Reconciliation of the number of CCCPPS at the beginning and at the end of the reporting period

Particulars	As at March 31, 2019	As at March 31, 2018
	Number of shares	Number of shares
0.01% CCCPPS of ₹ 10/- each		
At the beginning of the year	-	-
Add: Issue of shares during the year	2	-
Outstanding at the end of the year	**2**	**-**

(e) Terms of / rights attached to CCCPPS

(i) Fixed dividend on preference shares : the CCCPPS holders have right to get fixed dividend of 0.01% p.a. from the date of allotment on cumulative basis.

(ii) Participating Dividend : CCCPPS holders have the same rights to dividend as that of the equity share holders over and above the fixed dividend.

(iii) Subject to the terms of the Shareholders Agreement 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. Each CCCPPS will be convertible into one equity Share having face value of Rs. 10/- (Rupees Ten only) at a conversion ratio of 1:1.

(iv) 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.

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

(vi) CCCPPS holders shall have the affirmative voting rights as per the Articles of Association of the Company

(f) CCCPPS held by shareholders'

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% shares	Number of shares	% shares
Vistra ITCL (India) Limited	2	100.00%		
Total	**2**	**100.00%**	**-**	

Notes forming part of the financial statements

(g) 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, 2019		As at March 31, 2018	
	Number of shares	Amount (Rs in lakh)	Number of shares	Amount (Rs in lakh)
0.01% CCD of Rs. 10/- each				
At the beginning of the year	1,09,89,749	1,098.97	-	-
Add: Issue of CCD during the year	93,88,155	938.82	1,09,89,749	1,098.97
Total	**2,03,77,904**	**2,037.79**	**1,09,89,749**	**1,098.97**

h) 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 be entitled to receive coupon @0.01%;

(iii) The CCDs shall be unsecured;

(iv) The CCD holders shall have the option to convert one CCD 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.

(i) Details of debentures held by holding / ultimate holding company and /or their subsidiaries holding more than 5% debentures in the company

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% shares	Number of shares	% shares
i) CCD of Rs. 10/- each				
Essar Ports & Terminals Limited (holding company)	2,03,77,904	100.00%	-	0.00%
Ibrox Aviation and Trading Private Limited	-		1,09,89,749	100.00%
Total	**2,03,77,904**	**100.00%**	**1,09,89,749**	**100.00%**

(j) During 2016-17, 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 2016-17.

14 OTHER EQUITY

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Retained earnings	(2,755.44)	(2,618.80)
(b) Equity component of Foreign currency convertible bonds	-	430.70
(c) Capital reserve on cancellation and fresh issue of equity share capital	26,169.28	26,169.28
(d) Equity Component of Compulsorily Convertible Cumulative Participating Preference shares	0.00	-
(e) Equity Component of Compulsorily Convertible Debentures	2,037.79	1,098.97
(f) Securities Premium	21,735.07	11,721.67
Total	**47,186.70**	**36,801.82**

Amount is less than Rs 1000

Notes forming part of the financial statements

15 BORROWINGS (NON CURRENT)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured- at amortised cost		
a) 5% Foreign currency convertible bonds (FCCB)	7,485.96	6,578.78
Less: Current Maturities	(7,485.96)	
b) Inter corporate deposit received from related party (refer note 30)	32.53	-
Total	**32.53**	**6,578.78**

* Inter corporate deposit received carries interest @13.25% and for a tenure of 25 months

16 DEFERRED TAX LIABILITY/ (DEFERRED TAX ASSETS)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	45.22	51.45
Equity component of FCCB	-	1.56
	45.22	**53.01**
Tax effect of items constituting deferred tax assets		
Unabsorbed depreciation and business loss*	(45.22)	(49.26)
	(45.22)	**(49.26)**
Total	**-**	**3.75**

Note

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

17 OTHER NON-CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Income on discounting of inter corporate deposit	7.21	-
Deferred Income on discounting of FCCBs	-	639.02
Total	**7.21**	**639.02**

18 TRADE PAYABLES

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 30)	14.51	23.25
Total	**14.51**	**23.25**

There is no amount due to Micro, Small and Medium Enterprises as defined under " The Micro, Small and Medium Enterprise

Notes forming part of the financial statements

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.

19 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Current maturities of long-term borrowings (Unsecured)		
- foreign currency convertible bonds	7,485.96	-
(b) Due to related parties (refer note 30)	736.75	732.72
(c) Due to others	1,675.73	-
Total	**9,898.44**	**732.72**

20 OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory dues	3.13	1.89
Deferred Income on discounting of FCCBs	193.21	-
Total	**196.34**	**1.89**

21 REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Fleet operating and chartering income	25.00	9.32
Total	**25.00**	**9.32**

22 OTHER INCOME

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred Income on discounting of inter corporate deposit	2.28	-
Interest income on Fixed deposit	1.17	-
Deferred Income on discounting of FCCBs	486.36	275.66
Total	**489.81**	**275.66**

Notes forming part of the financial statements

23 OTHER EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Auditors remuneration (refer note 23.1)	11.00	11.00
Professional fees	11.43	20.46
Insurance charges	6.91	6.33
Stamp duty and other charges	3.92	11.08
Foreign exchange loss	457.99	23.30
Courier, Printing and stationary	19.16	15.22
Total	**510.41**	**87.39**

23.1 AUDITORS REMUNERATION (EXCLUDING GST)

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Statutory audit fees	8.00	8.00
Other services	3.00	3.00
Total	**11.00**	**11.00**

24 FINANCE COST

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Finance charges on inter corporate deposits	2.02	-
Interest- others and bank charges	2.52	0.69
Finance charges on fair valuation of FCCBs	489.74	333.87
Total	**494.28**	**334.56**

25 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.

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, 2019	As at March 31, 2018
Debt #	7,518.49	6,578.78
Less: Cash and cash equivalents (refer note 8)	17.39	5.20
Less: Bank balance other than Cash and cash equivalent (refer note 9)	35.00	-
Net debt	**7,466.10**	**6,573.58**
Total equity (equity and other equity)	**49,327.98**	**38,943.10**
Net debt to equity ratio	**0.15**	**0.17**

Debt is defined as long-term (including current maturities) and short term borrowings

2 Categories of financial instruments

₹ in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair values	Carrying amount	Fair values
Financial assets				
Measured at amortised cost				
Trade receivables	7.25	7.25	64.88	64.88
Other financial assets	14.06	14.06	-	-
Cash and cash equivalents	17.39	17.39	5.20	5.20
Bank balances other than above cash and cash equivalents	35.00	35.00	-	-
Financial assets measured at amortised cost	**73.70**	**73.70**	**70.08**	**70.08**
Financial liabilities				
Measured at amortised cost				
Long term borrowing (including current maturities)	7,518.49	7,518.49	6,578.78	6,578.78
Other financial liabilities	2,412.48	2,412.48	732.72	732.72
Trade payables	14.51	14.51	23.25	23.25
Financial liabilities measured at amortised cost	**9,945.49**	**9,945.49**	**7,334.75**	**7,334.75**

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.

Notes forming part of the financial statements

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

3.1 Foreign currency risk management

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

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

₹ in lakhs

Particulars	As at March 31, 2018				As at March 31, 2017			
	USD	INR	Others	Total	USD	INR	Others	Total
Financial assets								
Trade receivables	-	7.25	-	7.25	-	64.88	-	64.88
Other Financial Assets	-	14.06	-	14.06	-	-	-	-
Cash and cash equivalents	-	17.39	-	17.39	-	5.20	-	5.20
Bank balances other than above cash and cash equivalents	-	35.00	-	35.00	-	-	-	-
Total financial assets (A)	**-**	**73.70**	**-**	**73.70**	**-**	**70.08**	**-**	**70.08**
Financial liabilities								
Long Term Borrowings (including current maturities)	7,485.96	32.53	-	7,518.49	6,578.78	-	-	6,578.78
Other financial liabilities	-	2,412.48	-	2,412.48	-	732.72	-	732.72
Trade Payables	-	14.51	-	14.51	-	23.25	-	23.25
Total financial liabilities (B)	**7,485.96**	**2,459.53**	**-**	**9,945.49**	**6,578.78**	**755.97**	**-**	**7,334.75**
Net financial (liabilities) / financial assets (B)-(A)	**7,485.96**	**2,385.83**	**-**	**9,871.78**	**6,578.78**	**685.89**	**-**	**7,264.67**
Hedge for foreign currency risk	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Net exposure of foreign currency risk	**7,485.96**	**2,385.83**	**-**	**9,871.78**	**6,578.78**	**685.89**	**-**	**7,264.67**
Sensitivity impact at 10% on statement of profit & loss	**748.60**	**NA**	**-**	**748.60**	**657.88**	**NA**	**-**	**657.88**

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

Notes forming part of the financial statements

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 amount is derived from interest rate existing at the end of the reporting period.

₹ in lakhs

Particulars	As at March 31, 2019				As at March 31, 2018			
	< 1 year	1-5 years	> 5 years	Total	< 1 year	1-5 years	> 5 years	Total
Financial liabilities								
Long Term Borrowings (including current maturities)	7,485.96	32.53	-	7,518.49	-	6,578.78	-	6,578.78
Trade payables	14.51	-	-	14.51	23.25	-	-	23.25
Other financial liabilities	2,412.48	-	-	2,412.48	732.72	-	-	732.72
Total financial liabilities	**9,912.95**	**32.53**	**-**	**9,945.49**	**755.97**	**6,578.78**	**-**	**7,334.75**

Notes forming part of the financial statements

26 EARNINGS PER SHARE

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic Earnings per share (in ₹)	(1.52)	(0.67)
Diluted Earnings per share (in ₹)	(1.52)	(0.67)

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, 2019	For the year ended March 31, 2018
(Loss) for the year attributable to owners of the Company (₹ in Lakhs)	(567.34)	(145.62)
Weighted average numbers of equity shares (No's)	2,14,12,813	2,14,62,813
Weighted average numbers of compulsorily convertible debentures (No's)*	1,58,25,292	1,80,653
Weighted average numbers of Compulsorily Convertible Cumulative Participating Preference shares (No's)*	1	
Weighted average number of equity shares for the purposes of basic earnings per share	3,72,38,106	2,16,43,466
Earnings per share - Basic (in ₹)	(1.52)	(0.67)

* The compulsorily convertible debentures and Compulsorily Convertible Cumulative Participating Preference shares are to be converted mandatorily, there is no cash settlement option either with the Company or with the holder

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Equity Shares	2,14,12,813	2,14,62,813
Compulsorily Convertible Debentures	1,58,25,292	1,80,653
Compulsorily Convertible Cumulative Participating Preference shares	1	-
Weighted average number of equity shares used in the calculation of Basic EPS	**3,72,38,106**	**2,16,43,466**

27 FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBs)

Pursuant to the Composite Scheme of Arrangement , the obligations relating to the foreign currency convertible bonds (FCCB's) of Rs. 7204.29 lakhs (Equivalent of US$ 11,111,111) (Rs. 3859.44 lakhs (US$ 5,952,381) Series A Bond and Rs. 3344.85 lakhs (US$ 5,158,730) Series B Bond) attributable to the business acquired, out of FCCB's of Rs. 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 were 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 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. The Bonds will be redeemed in U.S. Dollars on 24 August 2019 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 bond holder, the modification has been accounted as de-recognition of original liability and recognition of new liability. Further during the current year, the Company has received regulatory approval and the instrument has become non convertible and accordingly the equity component of the instrument has been taken to retained earnings.

The Company has obtained waiver of interest payable to the bond holders upto the maturity date ie August 24, 2019.

Notes forming part of the financial statements

28 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.

29 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 2018-19 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, 2019	For the year ended March 31, 2018
Recognised in statement of profit and loss		
Current tax		
In respect of the current year	–	–
Deferred tax	-	-
In respect of the current year	(3.75)	(72.56)
Total (A)	**(3.75)**	**(72.56)**
Recognised in other comprehensive income		
Deferred tax	–	–
Total (B)	**–**	**–**
Total (A + B)	**(3.75)**	**(72.56)**

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, 2019	For the year ended March 31, 2018
Enacted tax rate in India	26.00%	25.75%
Income tax at statutory tax rate	(148.48)	(56.18)
Effect of:		
Tax effect of non deductible expenses	248.74	89.00
Tax effect of non taxable income	(127.05)	(70.98)
Deferred tax not recognised on unabsorbed business loss and depreciation	24.09	(0.46)
Change in effective tax rate	0.51	(19.14)
Deferred tax on Unabsorbed Depreciation of prior period recognised	-	(14.80)
Others	(1.56)	-
Income taxes recognised in the statement of income	**(3.75)**	**(72.56)**

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, 2018	Recognised / reversed during the year	As at March 31, 2019
Property, Plant and Equipment	51.45	(6.23)	45.22
Unabsorbed depreciation and business loss	(49.26)	4.04	(45.22)
Equity Component of FCCB	1.56	(1.56)	-
Total	**3.75**	**(3.75)**	**-**

Components of deferred tax assets and liabilities

₹ in lakhs

Deferred tax balances in relation to	As at April 01, 2019	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	0.00	1.56
Total	**76.31**	**(72.56)**	**3.75**

30 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)
2	Subsidiary	Essar Bulk Terminal (Salaya) Limited
3	Fellow Subsidiaries / other related parties	Essar Ports Limited Hazira Cargo Terminals Limited Paradeep Steel Company Limited Essar Bulk Terminal Limited Arkay Logistics Limited Ibrox Aviation and Trading Private Limited Essar Paradip Terminals Limited (ceases to be related party w.e.f 21 September 2018)

b. Transactions with related parties

₹ in lakhs

Nature of transactions	Holding companies		Subsidiary / Other related parties		Total	
	2017-19	2016-18	2017-19	2016-18	2017-19	2016-18
Expenses incurred by others on behalf of the Company						
Essar Ports Limited	**-**	**-**	**12.68**	**50.76**	**12.68**	**50.76**
Inter corporate deposit received						
Hazira Cargo Terminal Limited	**-**	**-**	**40.00**	**-**	**40.00**	**-**
Inter corporate deposit given						
Essar Bulk Terminal (Salaya) Limited	**-**	**-**	**13.00**	**-**	**13.00**	**-**
Issue of compulsorily convertible debentures						
Essar Bulk Terminal Limited	-	-	-	12,170.64	-	12,170.64
Ibrox Aviation and Trading Private Limited	-	-	10,952.22	650.00	10,952.22	650.00
Total	**-**	**-**	**10,952.22**	**12,820.64**	**10,952.22**	**12,820.64**
Guarantee given on behalf of others						
Essar Bulk Terminal (Salaya) Limited	**-**	**-**	**35.00**	**-**	**35.00**	**-**

c. Balances with related parties

₹ in lakhs

Nature of balance	Holding companies		Other related parties		Total	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Trade receivable						
Essar Bulk Terminal Limited	**-**	**-**	**-**	**55.57**	**-**	**55.57**
Inter corporate deposit given						
Essar Bulk Terminal (Salaya) Limited	**-**	**-**	**13.00**	**-**	**13.00**	**-**
Inter corporate deposit received						
Hazira Cargo Terminal Limited	**-**	**-**	**40.00**	**-**	**40.00**	**-**
Trade and Other payables						
Essar Bulk Terminal (Salaya) Limited	-	-	0.73	42.73	0.73	42.73
Essar Steel Jharkhand Limited	-	-	2.65	2.65	2.65	2.65
Essar Ports Limited	-	-	735.70	687.02	735.70	687.02
Paradeep Steel Company Limited	-	-	0.32	0.32	0.32	0.32
Total	**-**	**-**	**739.41**	**732.72**	**739.41**	**732.72**
Guarantee given on behalf of others						
Essar Bulk Terminal (Salaya) Limited	**-**	**-**	**35.00**	**-**	**35.00**	**-**

31 CONTINGENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Guarantees given by the company to custom authorities on behalf of subsidiary	35.00	-

32 Note on going concern

The subsidiary of the Company has developed the terminal facilities under the captive license agreement with Gujarat Maritime Board. The subsidiary has entered into cargo handling agreement with its captive customer i.e. Essar Power Gujarat Limited ('EPGL'). However due to non-availability of captive cargo from EPGL, the subsidiary operated at lower capacity utilization levels during the year and resulted in defaults in servicing its debt. Further the revenue and cash flow for future years is heavily dependent on financial condition of EPGL and the approvals from regulatory authority to handle third part cargo. The subsidiary is confident of future projected revenues and cashflow coupled with the restructuring of its existing borrowings, accordingly the management has concluded that the subsidiary should be able to overcome its short-term liquidity crunch in near future and hence there is no impairment of investment in subsidiaries.

33 As on 31 March 2019, the Company's current liabilities exceeds its current assets by Rs 10,028.27 lakhs. The management has addressed this deficit by obtaining financial support from its parent company, Essar Ports & Terminals Limited. Accordingly the financial statements have been prepared on a going concern basis.

34 Disclosure pursuant to Ind As 27 'Separate Financial Statement' for investment in equity instruments of subsidiaries, joint venture and associates:

₹ in lakhs

Name of Entity	Proportion of ownership/ Voting interest	
Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Subsidiaries		
Essar Bulk Terminal (Salaya) Limited	79.90%	73.73%

35 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
Chartered Accountants
Firm Registration no. 105047W

Anita Somani
Partner
Membership No: 124118
Mumbai, August 21, 2019

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN : 07413365

Bhaven Bhatt
CEO

Ashwin Menon
CFO
Mumbai
Date: August 21, 2019

Bhawani Shankar Thanvi
Company Secretary
Membership No: A50535

INDEPENDENT AUDITOR'S REPORT

To the Members of Salaya Bulk Terminals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Essar Ports Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 their consolidated state of affairs of the Group as at March 31, 2019, of consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 42 of the financial statements read with note 19 & 26 of the financial statement where in it is stated that the subsidiary has operated at lower capacity utilization levels during the year ended March 31, 2019. The subsidiary has defaulted in servicing its debts and the lenders have filed an application with NCLT under the IBC code. Revenue and cash flow of the Company is dependent on its captive customer Essar Power Gujrat Limited and the approvals from regulatory authorities to handle third party cargo. Further, the subsidiary has incurred a loss of Rs 23,999.26 lakhs during the year ended March 31, 2019. These conditions cast significant uncertainty on Group's ability to continue as going concern.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note 4 of the financial statements regarding the impairment assessment of property, plant and equipment of its subsidiary in terms of Ind AS 36: Impairment of Assets and the basis for determining the recoverable amount which is dependent on the subsidiary's ability to recover revenue from one of its major customer and the subsidiary's ability to continue as going concern.

Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report and Annexures thereof etc but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

    e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

    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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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

        ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Anita Somani
Partner
Membership No.124118
UDIN: 19124118AAAACU3012

Place: Mumbai
Date: August 21, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

on even date on the Consolidated Financial Statements of Salaya Bulk Terminals Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Anita Somani
Partner
Membership No.124118
UDIN: 19124118AAAACU3012

Place: Mumbai
Date: August 21, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

of even date on the Consolidated Financial Statements of Salaya Bulk Terminals Limited

[Referred to in paragraph 1(f) 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 consolidated Financial Statements for the year ended March 31, 2019]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to consolidated financial statements of Salaya Bulk Terminals Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing 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 internal financial controls with reference to consolidated financial statements 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 internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 consolidated 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 control system over financial reporting.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements 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, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Anita Somani
Partner
Membership No.124118
UDIN: 19124118AAAACU3012

Place: Mumbai
Date: August 21, 2019

Consolidated Balance Sheet as at March 31, 2019

₹ in lakhs

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	1,99,420.94	2,03,735.21
(b) Capital work-in-progress	5	1,237.51	-
(c) Financial assets			
(i) Other financial assets	7	-	0.15
(d) Other non-current assets	8	-	243.24
(e) Non-current tax assets	9	1,118.76	860.79
Total non-current assets		**2,01,777.21**	**2,04,839.39**
Current assets			
(a) Inventories	10	260.07	-
(b) Financial assets			
(i) Trade receivables	11	999.96	866.87
(ii) Cash and cash equivalents	12	34.51	156.45
(iii) Bank balances other than cash and cash equivalents	13	46.81	13.06
(iv) Other financial assets	14	77.93	501.62
(c) Other current assets	15	5,993.69	6,698.86
(d) Current tax assets	16	1.94	1.13
Total current assets		**7,414.91**	**8,237.99**
Total assets		**2,09,192.12**	**2,13,077.38**
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	2,141.28	2,141.28
(b) Other equity	18	26,602.03	35,505.14
Equity attributable to owners of the Company		**28,743.31**	**37,646.42**
Non-controlling interests		9,642.53	16,029.54
Total equity		**38,385.84**	**53,675.96**
Non-current liabilities			
(a) Financial liabilities			
- Borrowings	19	3,683.47	1,28,425.24
(b) Deferred tax liabilities (net)	20	-	3.75
(c) Other non-current liabilities	21	776.37	639.02
Total non-current liabilities		**4,459.84**	**1,29,068.01**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	1,26,819.65	-
(ii) Trade payables	22	2,679.37	23.27
(iii) Other financial liabilities	23	35,373.68	29,384.21
(b) Other current liabilities	24	1,364.71	791.99
(c) Provisions	25	109.03	133.94
Total current liabilities		**1,66,346.44**	**30,333.41**
Total liabilities		**1,70,806.28**	**1,59,401.42**
Total equity and liabilities		**2,09,192.12**	**2,13,077.38**
See accompanying notes to the consolidated financial statements			

In terms of our report attached

MSKA & Associates
Chartered Accountants
Firm Registration no. 105047W

Anita Somani
Partner
Membership No: 124118
Mumbai, August 21, 2019

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN : 07413365

Bhaven Bhatt
CEO

Ashwin Menon
CFO
Mumbai
Date: August 21, 2019

Bhawani Shankar Thanvi
Company Secretary
Membership No: A50535

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

₹ in lakhs

	Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	26	11,577.44	2,208.93
II	Other income	27	715.83	275.66
III	**Total Income (I + II)**		**12,293.27**	**2,484.59**
IV	**Expenses**			
	(a) Operating expenses	28	5,514.63	381.95
	(b) Employee benefit expenses	29	671.82	80.89
	(c) Other expenses	30	1,261.78	325.21
	(d) Depreciation and amortisation expense	6	8,720.20	1,079.53
	(e) Finance cost	31	18,308.38	2,011.98
	Total expenses (IV)		**34,476.81**	**3,879.56**
V	**Loss before tax and exceptional items (III-IV)**		**(22,183.54)**	**(1,394.97)**
VI	Exceptional items			
	(a) Allowance for bad and doubtful receivables (refer footnote (i) to note 11)		1,030.37	-
	(b) Provision for stock loss (refer note 43)		1,380.00	-
	Total exceptional items		**2,410.37**	**-**
VII	**Loss before tax (V-VI)**		**(24,593.91)**	**(1,394.97)**
VI	**Tax expense/(benefit):**			
	(a) Current tax		-	-
	(b) Deferred tax	39	(9.88)	(46.84)
			(9.88)	**(46.84)**
VII	**Loss for the year (V-VI)**		**(24,584.03)**	**(1,348.13)**
	Other comprehensive income			
	Items that will not be reclassified to profit or loss in subsequent period			
	(i) Remeasurement of the defined benefit plans		23.57	(28.54)
	(ii)Income tax relating to items that will not be reclassified to profit or loss		(6.13)	9.88
VIII	**Total other comprehensive income**		17.44	(18.66)
IX	**Total comprehensive loss for the year (VII+VIII)**		**(24,566.59)**	**(1,366.79)**
X	**Loss for the year attributable to:**			
	(a) Owners of the Company		(19,536.82)	(1,032.21)
	(b) Non-controlling interests		(5,047.21)	(315.92)
XI	**Other comprehensive income for the year attributable to:**			
	(a) Owners of the Company		13.78	(13.76)
	(b) Non-controlling interests		3.67	(4.90)
XII	**Total comprehensive income for the year attributable to:**			
	(a) Owners of the Company		(19,523.04)	(1,045.97)
	(b) Non-controlling interests		(5,043.55)	(320.82)
XIII	**Earnings per equity share (face value of Rs.10 each)**			
	Basic and diluted (in Rs)	35	(52.46)	(4.78)
	See accompanying notes to the consolidated financial statements			

In terms of our report attached

MSKA & Associates
Chartered Accountants
Firm Registration no. 105047W

Anita Somani
Partner
Membership No: 124118
Mumbai, August 21, 2019

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN : 07413365

Bhaven Bhatt
CEO

Ashwin Menon
CFO
Mumbai
Date: August 21, 2019

Bhawani Shankar Thanvi
Company Secretary
Membership No: A50535

Consolidated Cash Flow Statement for the year ended March 31, 2019

₹ in lakhs

	Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
A	**Cash flow from operating activities**			
	Net Profit / (Loss) before taxation		**(24,593.91)**	**(1,394.97)**
	Adjustment for			
	Depreciation and amortisation expense		8,720.20	1,079.53
	Exchange loss		457.99	23.30
	Finance Costs		18,308.38	2,011.98
	Allowance for bad and doubtful receivables (Provision for expected credit loss)		1,030.37	143.80
	Interest income on fixed deposits		(1.17)	0.00
	Finance income on recognition of financial liabilities at amortised cost		(714.44)	(275.66)
	Provision for stock loss		1,380.00	-
	Operating loss before working capital changes		**4,587.41**	**1,587.98**
	Movements in Working Capital:			
	Loans and advances and other assets		(627.86)	(1,506.61)
	Trade payable, other liabilities and provisions		2,831.01	(3,620.82)
	Cash generated from operations		**6,790.56**	**(3,539.45)**
	Taxes paid		(258.79)	(97.56)
	Cash flow from operations	**(A)**	**6,531.77**	**(3,637.01)**
B	**Cash flow from investing activities**			
	Capital expenditure on fixed assets including capital advances		(5,470.23)	(13,335.58)
	Investment in Fixed deposit		(35.00)	-
	Interest on fixed deposit		0.12	-
	Net cash used in investing activities	**(B)**	**(5,505.11)**	**(13,335.58)**
C	**Cash flow from financing activities**			
	Share application money refunded		-	(1,870.00)
	Proceeds from secured loans		-	24,739.46
	Proceeds from unsecured loans		3,528.00	(3,247.63)
	Refund of unsecured loans		(25.00)	8,960.75
	Repayment of Secured loans		(988.86)	-
	Finance cost paid		(3,662.76)	(12,122.37)
	Net cash used in investing activities	**(C)**	**(1,148.62)**	**16,460.21**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(121.94)	(512.39)
	Opening cash and cash equivalents		156.45	668.84
	Closing cash and cash equivalents		**34.51**	**156.45**

Notes: ₹ in lakhs

1. Reconciliation between closing cash and cash equivalents and cash and bank balances	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents as per cash flow statement	34.51	156.45
Add : Margin money deposits not considered as cash and cash equivalents as per IND AS-7	46.81	13.06
Cash and bank balances (refer note no 12 & 13)	**81.32**	**169.51**

2. Changes arising in financial liabilities due to financing activities ₹ in lakhs

Particulars	As at April 01, 2018	Cash movement	Non cash movement	As at March 31, 2019
Non Current Borrowing (Including current maturities and interest accrued)	1,50,193.49	(1,146.07)	7,928.23	1,56,975.65
Total	**1,50,193.49**	**(1,146.07)**	**7,928.23**	**1,56,975.65**

Particulars	As at April 01, 2017	Cash movement	Non cash movement	As at March 31, 2018
Non Current Borrowing (Including current maturities and interest accrued)	1,40,629.79	18,330.88	(8,767.18)	1,50,193.49
Total	**1,40,629.79**	**18,330.88**	**(8,767.18)**	**1,50,193.49**

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:**

Current Year

1) During current year, the Group has issued 93,88,155 compulsorily convertible debentures of Rs 10 each amounting to Rs.10,952.22 lakhs for consideration other than cash (purchase consideration for the acquisition of investments in 10,95,22,219 no's of CCDs of a subsidiary were settled through issue of the Company's CCDs)

Previous Year

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.

In terms of our report attached

MSKA & Associates
Chartered Accountants
Firm Registration no. 105047W

Anita Somani
Partner
Membership No: 124118
Mumbai, August 21, 2019

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN : 07413365

Bhaven Bhatt
CEO

Ashwin Menon
CFO
Mumbai
Date: August 21, 2019

Bhawani Shankar Thanvi
Company Secretary
Membership No: A50535

Statement of Changes in Equity for the year ended March 31, 2019

A. EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	Amount
Balance as at April 01, 2017	**2,141.28**
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2018	**2,141.28**
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2019	**2,141.28**

B. OTHER EQUITY

₹ in lakhs

Particulars	Capital Reserve	Equity component of compound financial instruments	Retained earnings	Other comprehensive income	Equity component of Compulsorily Convertible Debentures	Equity component of Compulsorily Convertible cumulative participating Preference shares	Securities Premium	Attributable to Minority Interest	Attributable to owners of the Group	Total
	On common control business combination			Remeasurement of defined benefit plan						
Balance as at April 01, 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	-	-	(1,032.21)	-	-	-	-	(315.92)	(1,032.21)	(1,348.13)
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	**-**	**-**	**(1,032.21)**	**(13.76)**	**-**	**-**	**-**	**(320.82)**	**(1,045.96)**	**(1,366.79)**
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**	**(3,879.62)**	**(35.82)**	**1,098.97**	**-**	**11,721.62**	**16,029.54**	**35,505.13**	**51,534.67**
Profit/(Loss) for the year	-	-	(19,536.82)	-	-	-	-	**(5,047.21)**	**(19,536.82)**	(24,584.03)
Other comprehensive income for the year, net of income tax	-	-	-	13.78	-	-	-	3.67	13.78	17.44
Total comprehensive income/ (loss) for the year	**-**	**-**	**(19,536.82)**	**13.78**	**-**	**-**	**-**	**(5,043.55)**	**(19,523.04)**	**(24,566.59)**
Convertible Debenture Issued during the year					938.81	-	10,013.46		**10,952.27**	10,952.27
Adjustment on account of change in effective holding			(329.47)	(2.86)	-	-	-	**(1,343.46)**	**(332.33)**	(1,675.79)
Issue of Compulsorily Convertible cumulative participating Preference shares#	-	-	-	-	-	0.00	0.00	0.00	-	0.00
Equity Component of foreign currency convertible bonds transferred to Retained earnings (refer note no. 36)		(430.70)	430.70							
Balance as at March 31, 2019	**26,169.28**	**-**	**(23,315.21)**	**(24.90)**	**2,037.78**	**-**	**21,735.08**	**9,642.53**	**26,602.03**	**36,244.56**

Amount is less than Rs. 1,000

See accompanying notes to the financial statements

In terms of our report attached

MSKA & Associates
Chartered Accountants
Firm Registration no. 105047W

Anita Somani
Partner
Membership No: 124118
Mumbai, August 21, 2019

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN : 07413365

Bhaven Bhatt
CEO

Ashwin Menon
CFO
Mumbai
Date: August 21, 2019

Bhawani Shankar Thanvi
Company Secretary
Membership No: A50535

Notes forming part of the consolidated financial statements

1. Corporate Information

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

The Company along with its subsidiary constitute "the Group". Refer note 40 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 August 21, 2019.

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. 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 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.

Notes forming part of the consolidated financial statements

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 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 andLoss.

E. Revenue recognition

IND AS 115: Revenue from contract with customers

The Group earns revenue primarily from dispatch and handling of cargo

Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

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.

The Group has adopted Ind AS 115 using the cumulative effect method. In this method this standard is applied to contracts that are not completed on as at the date of initial application (i.e. April 01, 2018) and the comparative information in the statement of profit and loss is not restated.

There is no impact on the financial statement of the Group on initial application of this standard.

Revenue is recognised upon rendering of promised services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services. In case of handling of cargo, revenue is recognized when cargo is handled from the port.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue (“contract liability”) is recognised when there is billings in excess of revenues. The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Group does not have any significant impact on revenue due to application of this standard.

Use of significant judgements in revenue recognition :

- The Group’s contracts with customers could include promises to transfer multiple services to a customer. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or

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variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer etc.

  The Group does not have any unsatisfied performance obligation as at the year end

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 whenshareholders 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

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subsequently measured at amortised cost using the effective interest rate (EIR) method.

Financial assets at fair value

Debt instruments

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

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

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

Debt instrument at FVTPL

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

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

Equity investments

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

If the Grouphas made an irrevocable election to designatean 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:

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

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

Other financial liabilities:

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

Derecognition of financial liabilities:

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

d) **Embedded derivatives**

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

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

e) **Offsetting of financial instruments**

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

J. Compound financial instrument

Compound financial instruments issued by the Group comprise of compulsory convertible cumulative participating preference sharesand 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 theinitial 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

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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 theprocess 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 havea significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i) Going Concern

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

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

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

iii) Impairment of non-financial assets

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

iv) Income Taxes

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

v) Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in Note 38

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

Ministry of Corporate Affairs ("MCA") through Companies

(Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group is in the process of assessing IND AS 116's full impact and intends to adopt Ind AS 116 no earlier than the accounting period beginning on or after 01 April 2019

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any such kind of instruments.

Ind AS 103 – Business Combinations and Ind AS 111 - Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Notes forming part of the consolidated financial statements

4 PROPERTY, PLANT AND EQUIPMENT

₹ in lakhs

Particulars	Freehold land	Furniture and fixtures	Office equipment	Berth (incl Navigational Channel)	Offshore Approach Bund	Plant & Equipments (including Stock Yard)	Total
Cost							
As at April 01, 2017	24.51	32.88	34.18	-	-	782.79	874.36
Additions	-	-	-	76,087.86	29,863.00	98,159.43	2,04,110.29
As at March 31, 2018	**24.51**	**32.88**	**34.18**	**76,087.86**	**29,863.00**	**98,942.22**	**2,04,984.64**
Additions	-	-	2.52	-	1,234.72	3,168.67	4,405.92
As at March 31, 2019	**24.51**	**32.88**	**36.70**	**76,087.86**	**31,097.72**	**1,02,110.89**	**2,09,390.56**
Accumulated depreciation							
As at April 01, 2017	-	9.30	27.50	-	-	133.10	169.90
Depreciation charge for the year	-	4.76	5.19	317.03	124.43	628.12	1,079.53
As at March 31, 2018	**-**	**14.06**	**32.69**	**317.03**	**124.43**	**761.22**	**1,249.43**
Depreciation charge for the year	-	4.76	2.88	3,804.39	1,519.76	3,388.40	8,720.19
As at March 31, 2019	**-**	**18.82**	**35.57**	**4,121.42**	**1,644.19**	**4,149.62**	**9,969.62**
Net Carrying amount							
As at March 31, 2018	**24.51**	**18.82**	**1.49**	**75,770.82**	**29,738.57**	**98,181.00**	**2,03,735.21**
As at March 31, 2019	**24.51**	**14.06**	**1.13**	**71,966.44**	**29,453.53**	**97,961.27**	**1,99,420.92**

Notes

(a) The Group has completed its export stockyard operation facilities and capitalised Rs 3,168.67 lakhs on December 01, 2018. The Group has also strengthen its Bund and spent Rs 1,234.72 lakhs which were capitalised on November 01, 2018

(b) The Group has completed its coal stockyard operation facilities and capitalised Rs 19,745.38 lakhs on October 01, 2017. The Group has also completed the exisiting berth, jetty and conveyor belt etc., amounting Rs 184,364.84 lakhs which were capitalised on March 01, 2018

(c) The management has assessed the recoverable amount of Property Plant and Equipment (PP&E) on the basis of its value in use in terms of Ind AS 36: Impairment of Assets by estimating the future cash flows over the estimated useful life of the assets. The cash flow projections include assumptions relating to future revenue from existing long term contracts with related parties (including revenue from EPGL, refer note 26), revenue from third parties, availability of necessary regulatory approvals, which are considered reasonable by the management. Also the future projections are subject to the Group successfully restructuring its existing debt obligations and withdrawal of NCLT filings made by lenders (Refer note 19). Basis the above the computed recoverable amount of the project is higher than its carrying amount as at March 31, 2019 and accordingly no Impairment has been recognized.

One of the major customer of the Group- Essar Power Gujarat Limited ('EPGL'), a related party, had shut down during financial year 2018-19 as due to increase in coal prices it was difficult for EPGL to provide services under its power purchase agreement entered in to with the Gujarat Urja Vikas Nigam Limited ("GUVNL"), accordingly the Group has deferred revenue to be recognized under Take or Pay Agreement (TOPA) with EPGL and have also created provision for Expected Credit Loss (ECL) in respect of receivable of Rs.1,747.87 lakhs. However, subsequent to the year end, EPGL has restored its operations. Further the Supreme Court of India has passed an order to reconsider certain terms of the power purchase agreements which will be beneficial to EPGL and based on that EPGL has revised its tariff order. Accordingly the Group is confident about the future revenues to be generated from EPGL

Notes forming part of the consolidated financial statements

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

(e) Plant, equipment and berth and jetty including navigational channel, with total carrying amount value as on March 31, 2019 amounting to Rs. 204,110.29 lakhs (as on March 31, 2018 Rs. 2,04,110.29 lakhs), constructed over the water front allocated by Gujarat Maritime Board (GMB) is used by the Group under concessional arrangement with GMB.

5 CAPITAL WORK IN PROGRESS

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Capital work-in-progress	1,237.51	-
Expenditure during the construction (refer note below)	-	-
Total	**1,237.51**	**-**

Note: Group is in the process of expansion of Coal Stock Yard. This expansion will enhance the storage capacity of existing Coal Stock Yard and is expected to be completed by December 31, 2019.

6 DEPRECIATION CHARGE FOR THE YEAR

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of Property, plant and equipment	8,720.19	1,079.53
Total	**8,720.19**	**1,079.53**

7 OTHER FINANCIAL ASSETS (NON-CURRENT)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured and considered good, unless otherwise stated		
(a) Security deposits		
- to Others	-	0.15
Total	**-**	**0.15**

8 OTHER NON CURRENT TAX ASSETS)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured and considered good, unless otherwise stated		
(a) Capital Advances		
- related parties (refer note 41)	214.49	243.24
Less: Expected credit loss	(214.49)	-
Total	**-**	**243.24**

Notes forming part of the consolidated financial statements

9 NON CURRENT TAX ASSETS

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Advance income tax / Tax deducted at source*	696.85	530.79
(b) Income Tax (deposited in CIT appeals)	421.91	330.00
Total	**1,118.76**	**860.79**

*Advance tax is net of provision of Rs. 107.36 lakhs (as at March 31, 2018 Rs.107.36 Lakhs)

10 INVENTORIES

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Stores & Spares (at lower of cost or net realisable value)	260.07	-
Total	**260.07**	**-**

11 TRADE RECEIVABLES

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good (refer note 41)	999.96	866.87
Unsecured, considered doubtful (refer note 41 and footnote (i) below)	1,747.87	995.53
Less: Expected credit loss	(1,747.87)	(995.53)
Total	**999.96**	**866.87**

Footnote

(i) One of the major customer of the Group- Essar Power Gujarat Limited ('EPGL'), a related party, had shut down during financial year 2018-19 as due to increase in coal prices it was difficult for EPGL to provide services under its power purchase agreement entered in to with the Gujarat Urja Vikas Nigam Limited ("GUVNL"), accordingly the Group has deferred revenue to be recognized under Take or Pay Agreement (TOPA) with EPGL and have also created provision for Expected Credit Loss (ECL) in respect of receivable of Rs.1,747.87 lakhs. However, subsequent to the year end, EPGL has restored its operations. Further the Supreme Court of India has passed an order to reconsider certain terms of the power purchase agreements which will be beneficial to EPGL and based on that EPGL has revised its tariff order. Accordingly the Group is confident about the future revenues to be generated from EPGL

12 CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks in current accounts	34.51	156.45
Total	**34.51**	**156.45**

Notes forming part of the consolidated financial statements

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Balance with banks held as margin money (lien against bank guarantee) with original maturity of less than 12 months	46.81	13.06
Total	**46.81**	**13.06**

14 OTHER FINANCIAL ASSETS (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured and considered good, unless otherwise stated		
(a) Security deposits		
- to others	76.87	127.32
(b) Other receivables		
- From others	-	374.30
(c) Interest accrued on bank deposits	1.06	-
Unsecured and considered doubtful (refer note below)		
(a) Other receivables from related party (refer note 41)	63.54	-
Less : Expected credit loss	(63.54)	-
Total	**77.93**	**501.62**

Note: In determining the allowance for doubtful receivables, the Group 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.

15 OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured and considered good, unless otherwise stated		
(a) Advances towards provision of services		
- To related parties (refer note 41)	-	0.28
- To others	-	12.50
(b) Prepaid expenses	264.60	52.18
(c) Advances to vendors	508.57	-
(d) Balance with government authorities		
- Cenvat receivable	3,655.46	4,535.15
- Service tax claim receivable	1,225.00	1,225.00
- GST claim receivable	61.13	-
(e) Capital Advances	278.93	873.75
Total	**5,993.69**	**6,698.86**

Notes forming part of the consolidated financial statements

16 CURRENT TAX ASSETS

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Current tax assets (net of provision NIL)	1.94	1.13
Total	**1.94**	**1.13**

17 SHARE CAPITAL

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
	No.	₹ in Lakhs	No.	₹ in Lakhs
Authorised Capital				
Equity shares of ₹ 10/- each	3,00,00,000	3,000.00	3,00,00,000	3,000.00
Compulsory Convertible Cumulative Participating Preference shares ("CCCPPS") of Rs. 10/- each	10,00,000	100.00	-	-
Total	**3,10,00,000**	**3,100.00**	**3,00,00,000**	**3,000.00**
Issued capital				
Equity shares of ₹ 10/- each	2,14,12,813	2,141.28	2,14,12,813	2,141.28
Total	**2,14,12,813**	**2,141.28**	**2,14,12,813**	**2,141.28**
Subscribed and fully paid up				
Equity shares of ₹ 10/- each	2,14,12,813	2,141.28	2,14,12,813	2,141.28
Total	**2,14,12,813**	**2,141.28**	**2,14,12,813**	**2,141.28**

Notes:-

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

Particulars	Opening balance	Issue of shares	Cancellation of shares	Closing balance
Equity Shares				
Year ended March 31, 2019				
- Number of shares	2,14,12,813	-	-	2,14,12,813
- Amount (Rs Lakhs)	2,141.28	-	-	2,141.28
Year ended March 31, 2018				
- Number of shares	2,14,12,813	-	-	2,14,12,813
- Amount (Rs Lakhs)	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 CCCPPS holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts and preference share capital, in proportion to their shareholding.

Notes forming part of the consolidated financial statements

c) Shares held by holding / ultimate holding company and other shareholders

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% shares	Number of shares	% shares
Essar Ports & Terminals Limited (Holdings Company)	1,88,29,154	87.93%	1,30,84,887	61.11%
Ibrox Aviation and Trading Pvt Limited	21,04,169	9.83%	78,34,223	36.59%
Others	4,79,490	2.24%	4,93,703	2.31%
Total	**2,14,12,813**	**100.00%**	**2,14,12,813**	**100.00%**

d) Reconciliation of the number of CCCPPS at the beginning and at the end of the reporting period

Particulars	As at March 31, 2019	As at March 31, 2018
	Number	Number
0.01% CCCPPS of Rs. 10/- each		
At the beginning of the year	-	-
Add: Issue of shares during the year	2	-
Outstanding at the end of the year	**2**	**-**

e) Terms of / rights attached to CCCPPS

(i) Fixed dividend on preference shares : the CCCPPS holders have right to get fixed dividend of 0.01% p.a. from the date of allotment on cumulative basis.

(ii) Participating Dividend : CCCPPS holders have the same rights to dividend as that of the equity share holders over and above the fixed dividend.

(iii) Subject to the terms of the Shareholders Agreement 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. Each CCCPPS will be convertible into one equity Share having face value of Rs. 10/- (Rupees Ten only) at a conversion ratio of 1:1.

(iv) 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.

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

(vi) CCCPPS holders shall have the affirmative voting rights as per the Articles of Association of the Company

f) CCCPPS held by shareholders'

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% shares	Number of shares	% shares
Vistra ITCL (India) Limited	2	100.00%		
Total	**2**	**100.00%**		

Notes forming part of the consolidated financial statements

g) **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, 2019		As at March 31, 2018	
	Number	% shares	Number	% shares
0.01% CCD of Rs. 10/- each				
At the beginning of the year	1,09,89,749	1,098.97	-	-
Add: Issue of CCD during the year	93,88,155	938.82	1,09,89,749	1,098.97
Total	**2,03,77,904**	**2,037.79**	**1,09,89,749**	**1,099**

h) **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 be entitled to receive coupon @0.01%;

(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)

i) **Details of debentures held by holding company**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% shares	Number of shares	% shares
i) CCD of Rs. 10/- each				
Essar Ports & Terminals Limited (holding company)	2,03,77,904	100.00%	-	-
Ibrox Aviation and Trading Private Limited	-		1,09,89,749	100.00%
Total	**2,03,77,904**	**100.00%**	**1,09,89,749**	**100.00%**

j) During 2016-17, 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 2016-17.

18 OTHER EQUITY

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Capital reserve on cancellation and fresh issue of equity share capital	26,169.28	26,169.28
(b) Remeasurement of defined benefit obligation (net of tax)	(24.90)	(35.82)
(c) Retained Earning	(23,315.21)	(3,879.61)
(d) Equity Component of compound financial instrument (net of tax)	-	430.70
(e) Equity Component of Compulsorily convertible debentures	2,037.78	1,098.97
(e) Equity Component of 0.01% Compulsorily convertible cumulative participating preference shares	0.00	-
(f) Securities premium	21,735.08	11,721.62
Total	**26,602.03**	**35,505.14**

Notes forming part of the consolidated financial statements

19 BORROWINGS (NON-CURRENT)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings (non-current) (A)		
Secured borrowings- at amortised cost		
(a) Rupee term loans from banks	-	1,11,481.13
(b) Rupee term loans from financial institutions	-	20,814.18
(c) Unamortised portion of ancillary borrowing cost	-	(432.81)
Less : Interest accrued and due on rupee term loans from banks & Financial Institution	-	(4,052.81)
Less: Current maturities of long-term borrowings	-	(5,963.23)
Unsecured borrowings- at amortised cost		
(a) Foreign Currency Convertible Bonds (FCCBs)	7,485.96	6,578.78
(b) Inter corporate deposits from related parties	3,433.47	10,952.22
(c) Inter corporate deposits from others	788.21	800.00
Less: Current Maturities of inter corporate deposit	(475.00)	(10,773.85)
Less: Current maturities of FCCBs	(7,485.96)	-
Less: Interest accrued	(63.21)	(978.37)
Total (A)	**3,683.47**	**1,28,425.24**
Borrowings (current) (B)		
(a) Rupee Term loans from banks	1,06,953.56	-
(b) Rupee Term loans from a financial institution	20,217.61	-
(c) Unamortised portion of ancillary borrowing cost	(351.51)	-
Total (B)	**126819.65**	**-**
Total (A)+(B)	**1,30,503.12**	**1,28,425.24**

Notes :-

(a) Rupee term loans from banks amounting to Rs 89,191.56 lakhs (As at March 31, 2018 Rs 90,180.11 lakhs) carry interest of 11%-13.7% p.a. (previous year 11% -12% p.a.) with repayment in 36 equal quarterly installments starting from quarter ending June, 2017 to quarter ending in March, 2026 and rupee tem loans from banks of Rs 17,762.00 lakhs (As at March 31, 2018 Rs 17,762.00 lakhs) carry interest 11%-13.7% p.a. (previous year 11% -12% p.a.) are repayable in 36 equal quarterly installments starting from quarter ending June, 2018 to quarter ending in March, 2027

(b) Rupee term loan from financial institution of Rs 16,327.60 lakhs (As at March 31, 2018 16,410.00 lakhs) carry interest of 11% p.a. (previous year 11% -12% p.a.) with repayment in 44 equal quarterly installments starting from quarter ending June, 2017 and ending in March, 2028 and rupee term loan from financial institution of Rs 3,890.00 lakhs (As at March 31, 2018 Rs 3,890.00 Lakhs) carry interest of 11% (previous year 11% p.a.) 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 Company 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, 2018: Rs.132,034 Lakhs).

(d) As at March 31, 2019, the Group had delayed payment of interest of Rs. 18,448.37 lakhs and defaulted in repayments of installments of all the banks and financial institutions from the quarter ended March 31, 2018. Further subsequent to the year-end, certain banks have filed an application with National Company Law Tribunal, Ahmedabad (“NCLT”) under the Insolvency and Bankruptcy Code 2016 which is pending admission by the NCLT. Accordingly, the Group has classified the entire borrowings as current. Subsequent to the year-end the Group has made a loan restructuring proposal to the lender’s basis the Reserve Bank of India’s circular: Prudential Framework for Resolution of Stressed Assets, dated June 7, 2019. Also, the Group is in active discussion with the lenders to recall the application filed with NCLT.

Notes forming part of the consolidated financial statements

(e) Inter corporate deposit from related parties carries a interest of 13.25% and repayable in 25 months and inter corporate deposit from others carries a interest from 10%-13.25% and repayable in 25 months

20 DEFERRED TAX (ASSETS)/LIABILITIES (NET)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Tax effect of items constituting deferred tax liabilities		
(a) Property, Plant and Equipment	12,155.21	5,002.41
(b) Equity component of FCCB	-	1.56
Total A	**12,155.21**	**5,003.97**
Tax effect of items constituting deferred tax assets		
(a) Unabsorbed depreciation and business loss	11,608.90	4,924.74
(b) On Remeasurement of defined benefit obligation	19.58	25.71
(c) Expected credit loss	526.73	49.77
Total B	**12,155.21**	**5,000.22**
Net deferred tax liabilities/(assets)	**-**	**3.75**

Note :

The Group has recognised deferred tax asset on unabsorbed business and depreciation loss to the extent of the corresponding reversible deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax

21 OTHER NON- CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Income*	776.37	639.02
Total	**776.37**	**639.02**

* On discounting of FCCB and inter corporate deposit

22 TRADE PAYABLES

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Micro and small enterprise (refer note below)	-	-
(b) Others	2,679.37	23.27
Total	**2,679.37**	**23.27**

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

Notes forming part of the consolidated financial statements

23 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Current maturities of long-term borrowings		
- to banks and financial institution	-	5,963.24
- foreign currency convertible bonds	7,485.96	-
- Inter Corporate deposit from related party	-	9,973.86
- Inter Corporate deposit from others	475.00	800.00
(b) Interest accrued on Inter corporate deposit	63.21	978.36
(c) Interest accrued and due on rupee term loans from banks	18,448.37	4,052.80
(d) Due to related parties (refer note 41)	736.75	689.99
(e) Due to others	1,675.73	-
(f) Inter Corporate deposit from related party (refer note 41)	-	-
(g) Payable for capital expenses		
- To related parties (refer note 41)	81.62	87.27
- To others	6,394.68	6,838.69
(g) Share application money pending allotment (refer note 41)	12.36	-
Total	**35,373.68**	**29,384.21**

24 OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Statutory dues	640.17	791.99
(b) Deferred Income on discounting of FCCB	193.21	-
(c) Income Received in Advance	531.33	-
Total	**1,364.71**	**791.99**

25 PROVISIONS (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
(a) Compensated absences (refer note 38)	7.71	20.40
(b) Gratuity (refer note 38)	101.32	113.54
Total	**109.03**	**133.94**

Notes forming part of the consolidated financial statements

26 REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Fleet operating and chartering earnings	25.00	9.32
(b) Cargo handling income	10,956.01	2,089.79
(c) Wharfage charges recovery	191.49	13.50
(d) Pilotage charges	14.72	10.71
(e) Other operating income	390.22	85.61
Total	**11,577.44**	**2,208.93**

Note: One of the major customer of the Group- Essar Power Gujarat Limited ('EPGL'), a related party, had shut down during financial year 2018-19 as due to increase in coal prices it was difficult for EPGL to provide services under its power purchase agreement entered in to with the Gujarat Urja Vikas Nigam Limited ("GUVNL"), accordingly the Group has deferred revenue to be recognized under Take or Pay Agreement (TOPA) with EPGL and have also created provision for Expected Credit Loss (ECL) in respect of receivable of Rs.1,747.87 lakhs. However, subsequent to the year end, EPGL has restored its operations. Further the Supreme Court of India has passed an order to reconsider certain terms of the power purchase agreements which will be beneficial to EPGL and based on that EPGL has revised its tariff order. Accordingly the Group is confident about the future revenues to be generated from EPGL

27 OTHER INCOME

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Interest income on fixed deposit	1.38	-
(b) Deferred Income on discounting of inter corporate deposit	228.09	-
(c) Deferred Income on discounting of FCCB	486.36	275.66
Total	**715.83**	**275.66**

28 OPERATING EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Tug Hire Charges	1,068.13	54.90
(b) Wharfage and ports charges	2,008.30	13.50
(c) Lighterage cost and Stevedoring charges	510.03	-
(d) Power & Fuel	451.40	60.94
(e) Manning management expenses	342.91	119.01
(f) Equipment Hire charges	588.06	35.57
(g) Security charges	63.67	50.20
(h) Consumption of stores and spares	293.19	11.94
(i) Repairs- plants and machinery	10.51	35.89
(j) Insurance expenses	178.43	-
Total	**5,514.63**	**381.95**

Notes forming part of the consolidated financial statements

29 EMPLOYEE BENEFIT EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Salary and wages	536.44	65.81
(b) Contributions to provident and other funds (refer note 38)	58.56	6.59
(c) Staff welfare expenses	76.82	8.49
Total	**671.82**	**80.89**

30 OTHER EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Consultancy and professional charges	235.53	56.65
(b) Auditors' remuneration	27.00	23.00
(c) Other expenses	166.01	28.42
(d) Director sitting fees	6.60	5.70
(e) Stamp duty expenses	3.92	11.08
(f) Insurance charges	6.91	6.33
(g) Rent	1.49	9.06
(h) Repairs-others	40.40	0.07
(i) Printing & stationery	21.92	17.80
(j) Provision for expected credit loss	-	143.80
(k) Foreign exchange loss	457.99	23.30
(l) License Fees	33.97	-
(m) Fees & Subscription	163.59	-
(n) Vehicle hire and maintenance charges	41.92	-
(o) Travelling expense	54.53	-
Total	**1,261.78**	**325.21**

31 FINANCE COST

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on		
(a) discounting of FCCBs	489.74	333.87
(b) borrowings from banks	14,847.96	1,469.71
(c) borrowings from financial institutions	2,435.67	193.42
(d) inter corporate deposits from others	70.23	5.95
(e) others (including statutory dues)	261.85	9.03
(f) discounting of inter corporate deposit from related parties	202.93	-
Total	**18,308.38**	**2,011.98**

Notes forming part of the consolidated financial statements

32 LEASES

i) Operating lease

The Group as lessee

The Group had entered into an operating lease agreement for tugs and other operating equipments. The lease payment recognised in the statement of profit and loss and capital work in progress is as below:

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
For equipment hire	676.33	1,891.62
For tug hire	1,520.81	54.90

Out of the above Rs. 540.95 lakhs (previous year Rs. 1,856 lakhs) has been capitalised

33 CONTINGENT LIABILITY

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Disputed Income Tax cases (AY 2012-13 to 2016-17)	5,907.00	4,018.00
Guarantees given by the company to custom authorities on behalf of subsidiary	35.00	-
Total	**5,942.00**	**4,018.00**

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 borrowings and 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. The Group has classified the long term borrowings from banks and financial institution as current on account of notice of recall from certain lenders. The Group has since made loan structuring proposal to the lenders (refer footnote (d) to note 19)

1.1 Gearing ratio

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

Particulars	As at March 31, 2019	As at March 31, 2018
Debt #	1,38,464.07	1,45,162.33
Less: Cash and cash equivalents (refer note 12)	34.51	156.45
Less: Bank balances other than cash and cash equivalents (refer note 13)	46.81	13.06
Net debt	**1,38,382.76**	**1,44,992.82**
Total equity (equity and other equity)	**38,385.84**	**53,675.96**
Net debt to equity ratio	**3.61**	**2.70**

Notes forming part of the consolidated financial statements

2 Categories of financial instruments

₹ in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair values	Carrying amount	Fair values
Financial assets				
Measured at amortised cost				
Trade receivables	999.96	999.96	866.87	866.87
Cash and cash equivalents	34.51	34.51	156.45	156.45
Bank balances other than above cash and cash equivalents	46.81	46.81	13.06	13.06
Other financial assets	77.93	77.93	501.77	501.77
Total financial assets carried at amortised cost	**1,159.21**	**1,159.21**	**1,538.15**	**1,538.15**
Financial liabilities				
Measured at amortised cost				
borrowings #	1,38,464.07	1,38,464.07	1,45,162.33	1,45,162.33
Other financial liabilities	27,412.73	27,412.73	12,647.12	12,647.12
Trade payables	2,679.37	2,679.37	23.27	23.27
Financial liabilities measured at amortised cost	**1,68,556.17**	**1,68,556.17**	**1,57,832.72**	**1,57,832.72**

including current maturities of long-term borrowings and short 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:

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 consolidated financial statements

₹ in lakhs

Particulars	As at March 31, 2019			As at March 31, 2018		
	INR	USD	Total	INR	USD	Total
Trade Receivables	999.96	-	**999.96**	866.87	-	**866.87**
Other financial assets	159.25	-	**159.25**	671.27	-	**671.27**
Total financial assets (A)	**1,159.21**	**-**	**1,159.21**	**1,538.14**	**-**	**1,538.14**
Financial liabilities						
borrowings#	1,30,978.12	7,485.96	**1,38,464.08**	1,38,583.56	6,578.78	**1,45,162.34**
Trade Payables	2,679.37	-	**2,679.37**	23.27	-	**23.27**
Other Financial Liabilities	27,412.73	-	**27,412.73**	12,647.12	-	**12,647.12**
Total financial liabilities (B)	**1,61,070.22**	**7,485.96**	**1,68,556.18**	**1,51,253.95**	**6,578.78**	**1,57,832.73**
Net financial liabilities / (financial assets) (B)-(A)	**1,59,911.00**	**7,485.96**	**1,67,396.97**	**1,49,715.81**	**6,578.78**	**1,56,294.59**
Hedge for foreign currency risk	**-**	**-**	**-**	**-**	**-**	**-**
Net exposure of foreign currency risk	**NA**	**7,485.96**	**7,485.96**	**NA**	**6,578.78**	**6,578.78**
Sensitivity impact on profit and loss on liabilities exposure at 10%	**NA**	**748.60**	**748.60**	**NA**	**657.88**	**657.88**

including current maturities and short term borrowings

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.

The following table provides Group's floating rate borrowings and interest rate sensitivity analysis.

₹ in lakhs

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Gross amount	Interest rate sensitivity @0.50%	Gross amount	Interest rate sensitivity @0.50%
Borrowings with variable interest rate	1,26,819.65	634.10	1,27,809.69	639.05
Total	**1,26,819.65**	**634.10**	**1,27,809.69**	**639.05**

Notes forming part of the consolidated financial statements

3.3 Credit risk management

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

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

Trade receivables

Trade receivables consist of a limited number of customers. Ongoing credit evaluation is performed on the financial condition of trade receivable and, where appropriate, credit guarantee insurance cover is purchased. 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. Expected credit losses are provided based on the credit risk of the counterparties.

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. (also refer footnote (d) to note 19). However as at March 31, 2019 there is mismatch in current assets and current liabilities which group will overcome in near future. (Refer note 42)

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 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, 2019				As at March 31, 2018			
	< 1year	1-5 years	> 5 years	Total	< 1year	1-5 years	> 5 years	Total
Financial liabilities								
borrowings#	1,35,132.12	3,683.46	-	1,38,815.58	17,634.16	56,032.08	71,496.09	1,45,162.33
Trade payables	2,679.37	-	-	2,679.37	23.27	-	-	23.27
Other financial liabilities	27,412.00	-	-	27,412.00	12,647.11	-	-	12,647.11
Total financial liabilities	**1,65,223.49**	**3,683.46**	**-**	**1,68,906.95**	**30,304.54**	**56,032.08**	**71,496.09**	**1,57,832.71**

including current maturities of long-term borrowings and short term borrowings

Future interest obligations:-

Particulars	As at March 31, 2019			As at March 31, 2018		
	<1 year	1-5 year	>5year	<1 year	1-5 year	>5year
Borrowings*	-	-	-	13,608.42	44,377.66	15,792.20
Total	**12,995.22**	**38,211.90**	**8,962.90**	**13,608.42**	**44,377.66**	**15,792.20**

* since as at March 31, 2019 the group has classified entire borrowing as current, no future interest obligation have been disclosed here (refer note 19).

Notes forming part of the consolidated financial statements

35 EARNINGS PER SHARE

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic Earnings per share (in ₹)	(52.46)	(4.78)
Diluted Earnings per share (in ₹)	(52.46)	(4.78)

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, 2019	For the year ended March 31, 2018
Loss for the year attributable to owners of the Group (Rs. In lakhs)	(19,536.84)	(1,032.20)
Weighted average numbers of equity shares (No's)	2,14,12,813	2,14,12,813
Weighted average numbers of compulsorily convertible debentures (No's)*	1,58,25,292	1,80,653
Weighted average numbers of Compulsorily Convertible Cumulative Participating Preference shares (No's)*	1	-
Weighted average number of equity shares for the purposes of basic earnings per share	3,72,38,106	2,15,93,466
Earnings per share - Basic (in Rs)	(52.46)	(4.78)

* The compulsorily convertible debentures and Compulsorily Convertible Cumulative Participating Preference shares are to be converted mandatorily, there is no cash settlement option either with the Company or with the holder

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Equity Shares	2,14,12,813	2,14,12,813
Compulsorily Convertible Cumulative Participating Preference shares	1	
Compulsorily Convertible Debentures	1,58,25,292	1,80,653
Weighted average number of equity shares used in the calculation of Basic EPS	**3,72,38,106**	**2,15,93,466**

36 FOREIGN CURRENCY CONVERTIBLE BONDS (FCCBS)

Pursuant to the Composite Scheme of Arrangement , the obligations relating to the foreign currency convertible bonds (FCCB's) of Rs. 7204.29 lakhs (Equivalent of US$ 11,111,111) (Rs. 3859.44 lakhs (US$ 5,952,381) Series A Bond and Rs. 3344.85 lakhs (US$ 5,158,730) Series B Bond) attributable to the business acquired, out of FCCB's of Rs. 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 were 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 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. The Bonds will be redeemed in U.S. Dollars on 24 August 2019 at par.

On initial recognition equity element of the FCCBs attributable to the Group has been recognized under Reserves and Surplus as Equity component of compound financial instruments. On aforesaid waiver of conversion option by bond holder, the modification has been accounted as de-recognition of original liability and recognition of new liability. Further during the current year, the Group has received regulatory approval and the instrument has become non convertible and accordingly the equity component of the instrument has been taken to retained earnings.

The Group has obtained waiver of interest payable to the bond holders upto the maturity date ie August 24, 2019

Notes forming part of the consolidated financial statements

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 from customers located in India.

38 EMPLOYEE BENEFITS

Defined contribution plans

Group has recognised the following amounts in the statement of profit and loss (previous year in the statement of profit and loss and expenditure during construction) :

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Employer's contribution to provident fund	29.14	41.98
Total	**29.14**	**41.98**

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 Rs 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, 2019	March 31, 2018
Discount rate (p.a)	7.00%	7.30%
Expected rate(s) of salary increase (p.a)	10.00%	10.00%
Expected return on plan assets (p.a)	8.50%	8.50%
Attrition rate (p.a)	10.00%	10.00%

Notes forming part of the consolidated financial statements

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, 2019	For the year ended March 31, 2018
Current service cost	18.85	30.90
Net interest expense	7.73	3.50
Component of defined benefit costs recognised in Statement of Profit and Loss	**26.58**	**34.40**
Remeasurement of net defined benefit liability:		
Actuarial gain on defined benefit obligation	(23.57)	28.54
Components of defined benefit costs recognised in other comprehensive income	**(23.57)**	**28.54**
Total	**3.01**	**62.94**

The current service cost and net interest expense for the year are included in the 'Employee benefit expense' line item in the statement of profit and loss and expenditure during construction.

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

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

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	105.21	151.20
Fair value of plan assets	3.90	37.66
Net liability/(asset) arising from defined benefit obligation	**101.31**	**113.54**

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

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the beginning of the year	151.20	92.61
Current service cost	18.84	11.01
Interest cost	9.20	6.15
Past service cost- plan amendments*	-	19.89
Remeasurement (gains)/losses:		
Actuarial (gains)/losses	(23.86)	28.48
Benefits paid	(50.17)	(6.94)
Balance at the end of the year	**105.21**	**151.20**

Notes forming part of the consolidated financial statements

* 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, 2019	For the year ended March 31, 2018
Balance at the beginning of the year	37.66	41.83
Interest income on plan assets	1.47	2.65
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	(0.28)	(0.06)
Contribution from the employer	15.22	0.18
Benefits paid	(50.17)	(6.94)
Balance at the end of the year	**3.90**	**37.66**

Composition of the plan assets:

Particulars	As at March 31, 2019	As at March 31, 2018
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 lesser than discount rate for the year ended March 31, 2019 was Rs. (0.28) lakhs (for the year ended March 31, 2018 was Rs. (0.06) lakhs).

₹ in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Estimate of amount of contribution in the immediate next year	9.78	14.06

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, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(3.83)	4.09	(5.03)	5.35
Future salary growth (0.5% movement)	3.14	(3.05)	4.34	(4.22)
Attrition rate (5% movement)	(3.16)	4.98	(5.59)	8.76

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, 2019 is 5 years (as at March 31, 2018: 5 years).

Notes forming part of the consolidated financial statements

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, 2019				
Defined benefit obligation	9.78	49.25	93.48	152.51
As at March 31, 2018				
Defined benefit obligation	14.06	76.16	157.60	247.82

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, 2019	As at March 31, 2018
Present value of unfunded obligation (₹ in lakhs)	7.71	20.40
Expense recognised in expenditure during construction (₹ in lakhs)	1.41	3.04
Discount rate (p.a)	7.00%	7.30%
Salary escalation rate (p.a)	0.00%	0.00%
Attrition rate (p.a)	10.00%	10.00%

39 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 2018-19 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, 2019	For the year ended March 31, 2018
Recognised in statement of profit and loss		
Current tax		
In respect of the current year	–	–
Deferred tax		
In respect of the current year	(9.87)	(46.84)
Total (A)	**(9.87)**	**(46.84)**
Recognised in other comprehensive income		
Deferred tax	6.13	(9.88)
Total (B)	**6.13**	**(9.88)**
Total (A + B)	**(3.75)**	**(56.72)**

Notes forming part of the consolidated financial statements

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

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Loss before Taxes	**(22,183.54)**	**(1,394.97)**
Enacted tax rate in India	0.26	0.26
Income tax at statutory tax rate	(5,767.72)	(359.20)
Effect of:		
Tax effect of non deductible expenses	248.74	89.00
Tax effect of non taxable income	(127.05)	(70.98)
Others	(1.56)	(0.47)
Change in effective tax rate	0.51	(19.14)
Deferred tax asset not recognised on unabsorbed business loss and depreciation	5,643.33	303.03
Deferred tax on Unabsorbed Depreciation of prior period recognised	-	(14.80)
Deferred tax asset not recognised on remeasurement of the defined benefit plans	-	15.84
Income taxes recognised in the statement of income	**(3.75)**	**(56.73)**

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, 2018	Recognised / reversed during the year	As at March 31, 2019
Property, Plant and Equipment	5,002.41	7,152.80	12,155.20
Equity Component of FCCB	1.56	(1.56)	-
Employee Benefit Obligations	(25.71)	6.13	(19.58)
Unabsorbed depreciation and business loss	(4,924.74)	(6,684.16)	(11,608.90)
Expected Credit loss	(49.77)	(476.96)	(526.73)
Total	**3.75**	**(3.75)**	**-**

Components of deferred tax assets and liabilities

₹ 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	5,002.41
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)	(4,924.74)
Expected Credit loss	-	(49.77)	(49.77)
Total	**60.47**	**56.72**	**3.75**

Notes forming part of the consolidated financial statements

40 (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 79.90% (as at March 31, 2018: 73.73%) 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, 2019	As at March 31, 2018
Non current assets	2,01,289.94	2,04,270.92
Current Assets	7,347.43	8,207.24
Non current liabilities	4,433.10	1,21,927.76
Current liabilities	1,56,237.91	29,536.98
Equity attributable to the owners of the equity	38,323.84	44,983.88
Non controlling interest	9,642.53	16,029.54

₹ in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue	11,778.45	2,199.61
Expenses	35,777.71	3,420.78
Loss for the year	(23,999.26)	(1,221.17)
Loss attributable to the owners of equity	(18,955.70)	(900.35)
Loss attributable to the non-controlling interest	(5,043.55)	(320.82)

40 (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, 2019		Share of profit or loss for the year ended March 31, 2019		Share in other Comprehensive Income /(loss) for the year ended March 31, 2019		Share in total Comprehensive Income / (loss) for the year ended March 31, 2019	
	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	1.29	49,327.99	0.02	(567.34)	-	-	0.02	(567.34)
Subsidiaries								
Essar Bulk Terminal (Salaya) Limited	1.25	47,966.37	0.98	(24,016.70)	1.00	17.44	0.98	(23,999.26)
Intercompany elimination and consolidation adjustments	(1.53)	(58,908.51)	-	-	-	-	-	-
Grand Total	**1.00**	**38,385.85**	**1.00**	**(24,584.04)**	**1.00**	**17.44**	**1.00**	**(24,566.60)**

41 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)

Notes forming part of the consolidated financial statements

Sr. No.	Nature of relationship	Name of Related Parties
2	**Fellow Subsidiaries / other related parties**	Essar Ports Limited Hazira Cargo Terminals Limited Essar Bulk Terminals Limited Paradeep Steel Company Limited Arkay Logistics Limited Ibrox Aviation and Trading Private Limited Aegis Limited Essar Bulk Terminal Paradip Limited EPC Constructions India Limited Essar Oil Limited (ceased related party w.e.f August 18,2017) Essar Paradip Terminals Limited (ceased related party w.e.f September 21, 2018) Essar Power Gujarat Limited Essar Projects Management Consultants Limited Essar Steel India Limited Essar Vizag Terminals Limited Essar Services India Limited Essar Steel Jharkhand Limited
3	**Key Management Personnel**	Mr. Aswin Menon (CFO) (w.e.f 29th August 2018) Mr. Deepak Sachdeva (Whole Time Director) (upto March 31, 2018 Mr. Sunil Kapoor (Manager from 24th May 2018 to 15th June 2018 Mr. Girish Joshi CFO (from 1st August 2017 to 29th August 2018) Mr. Ankit Vaishnav (CEO from 29th August 2018 to 15th February 2019) Mr. Bhaven Bhatt (CEO from 25th March 2019)

b) Transactions with related parties :-

₹ in lakhs

Nature of transactions	Other related parties		Total	
	2018-19	2017-18	2018-19	2017-18
Share application money refunded				
Essar Bulk Terminal Limited	**-**	**1,870.00**	**-**	**1,870.00**
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	-	3,565.00
Total	**-**	**5,665.00**	**-**	**5,665.00**
Inter corporate deposits received				
Hazira Cargo Terminal Limited	40.00	-	40.00	-
Essar Ports Limited	4,195.00	7,935.00	4,195.00	7,935.00
Essar Paradip Terminal Limited	-	105.73	-	105.73
Essar Bulk Terminal Limited	-	120.00	-	120.00
Total	**4,235.00**	**8,160.73**	**4,235.00**	**8,160.73**
Inter corporate deposit given refunded back				
Essar Bulk Terminal Paradip Limited		**184.92**	**-**	**184.92**
Preference shares Issued (converted from inter corporate deposits)				
Essar Ports Limited		**11,500.00**	**-**	**11,500.00**

Notes forming part of the consolidated financial statements

₹ in lakhs

Nature of transactions	Other related parties		Total	
	2018-19	2017-18	2018-19	2017-18
Purchase of fixed assets / Capital work-in-progress / Expenditure during construction				
EPC Constructions India Limited	72.55	3,016.74	3,089.29	3,016.74
Essar Ports Limited	-	149.76	-	149.76
Essar Power (Gujarat) Limited	-	10.44	-	10.44
Total	**72.55**	**3,176.94**	**3,089.29**	**3,176.94**
Cargo handling income				
Essar Power Gujarat Limited	**-**	**2,774.89**	**-**	**2,774.89**
Expenses incurred by others on behalf of the Group				
Essar Ports Limited	**12.68**	**50.76**	**12.68**	**50.76**
Remuneration*				
Sunil Kapoor	21.29	-	21.29	-
Girish Joshi	16.50	-	16.50	-
Ashwin Menon	56.25	-	56.25	-
Ankit Vaishnav	25.06	-	25.06	-
Capt Deepak Sachdeva	-	30.01	-	30.01
Total	**119.10**	**30.01**	**119.10**	**30.01**
Guarantees given by others on behalf of the Group				
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	10,952.22	650.00	10,952.22	650.00
Essar Paradip Terminal Limited	-	1,675.73	-	1,675.73
Total	**10,952.22**	**14,496.37**	**10,952.22**	**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.

Notes forming part of the consolidated financial statements

c) Balance with related parties at the year end :-

₹ in lakhs

Nature of transactions	Other related parties		Total	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Capital creditors				
Essar Ports Limited	14.62	3.84	14.62	3.84
Essar Bulk Terminal Limited	27.46	55.23	27.46	55.23
Essar Power Gujarat Limited	39.54	27.80	39.54	27.80
EPC constructions India Limited	-	0.40	-	0.40
Total	**81.62**	**87.27**	**81.62**	**87.26**
Capital advances given				
Essar Projects Management Consultants Limited	-	38.88	-	38.88
Arkay Logistics Limited	-	63.54	-	63.54
EPC Constructions India Limited	214.49	140.82	214.49	140.82
Less Expected Credit Loss	(214.49)	-	(214.49)	-
Total	**-**	**243.24**	**-**	**243.24**
Trade Receivable				
Essar Bulk Terminal Limited	-	55.57	-	55.57
Essar Power Gujarat Limited	1,747.87	1,797.52	1,747.87	1,797.52
Less: Expected credit loss	(1,747.87)	995.53	(1,747.87)	995.53
Total	**-**	**857.56**	**-**	**857.56**
Inter corporate deposits received				
Essar Ports Limited	4,195.00	-	4,195.00	-
Hazira Cargo Terminal Limited	40.00	-	40.00	-
Essar Bulk Terminal Limited	113.00	-	113.00	-
Essar Steel Jharkhand Limited	-	10,952.22	-	10,952.22
Total	**4,348.00**	**10,952.22**	**4,348.00**	**10,952.22**
Other payables				
Essar Steel Jharkhand Limited	2.65	2.65	2.65	2.65
Essar Ports Limited	735.70	687.02	735.70	687.02
Paradeep Steel Company Limited	0.32	0.32	0.32	0.32
Total	**738.67**	**689.99**	**738.67**	**689.99**
Advance towards provision of services				
Essar Vizag Terminals Limited	-	0.28	-	0.28
Guarantees given by others on behalf of the Group				
Essar Ports Limited	**1,32,034.00**	**1,32,034.00**	**1,32,034.00**	**1,32,034.00**

Notes forming part of the consolidated financial statements

42 The subsidiary of the Group has developed the terminal facilities under the captive license agreement with Gujarat Maritime Board. The subsidiary has entered into cargo handling agreement with its captive customer i.e. Essar Power Gujarat Limited ('EPGL'). However due to non-availability of captive cargo from EPGL, the subsidiary operated at lower capacity utilization levels during the year and resulted in defaults in servicing its debt. Further the revenue and cash flow for future years is heavily dependent on financial condition of EPGL and the approvals from regulatory authority to handle third part cargo.

The subsidiary is confident of future projected revenues and cashflow coupled with the restructuring of its existing borrowings, accordingly the management has concluded that the subsidiary should be able to overcome its short-term liquidity crunch in near future and hence there is no impairment of investment in subsidiaries.

43 The Group has entered into coal handling and storage services agreement with Nayara Energy Limited("NEL"). Coal stock of 34,750 tons that was kept in stock yard on behalf of NEL is lost due to moisture allowance, weighment and other reductions which is over and above shortage tolerance limit as per agreement. Subsequent to year ending march 31, 2019, NEL has claimed compensation for the above shortage equivalent to landed cost of coal as per agreement, which has been mutually agreed for Rs 1,380 Lakhs. The same has been provided for in the financial statement for the year ended March 31, 2019 as exceptional item.

44 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
Chartered Accountants
Firm Registration no. 105047W

Anita Somani
Partner
Membership No: 124118
Mumbai, August 21, 2019

For and on behalf of the Board of Directors

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN : 07413365

Bhaven Bhatt
CEO

Ashwin Menon
CFO
Mumbai
Date: August 21, 2019

Bhawani Shankar Thanvi
Company Secretary
Membership No: A50535

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 5th Annual General Meeting of the Company, to be held on Thursday, September 19, 2019 at 11.30 a.m. at the Registered Office of the Company, Salaya Administrative Building, 44 KM, P.O.Box 7, Salaya, Taluka Khambhalia, District Devbhumi Dwarka, Jamnagar, Gujarat 361 305 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote (Optional - see Note 2) (Please mention number of shares)		
		For	Against	Abstain
Ordinary business				
1.	Adoption of audited (a) Standalone Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2019; (b) Consolidated Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the financial year ended March 31, 2019;			
2.	Appoint a Director in the place of Shri. Rakesh Kankanala (DIN 07413365) who retires by rotation and being eligible, offers himself for re-appointment.			
Special business				
3.	Appointment of Shri. Sanjeev Taneja (DIN: 00037005) as a Director of the Company			

Signed this ………………………..........................…… day of ……………………… 2019.

Affix revenue Stamp of not Less than ₹ 0.15

…………………………….. Signature of the member

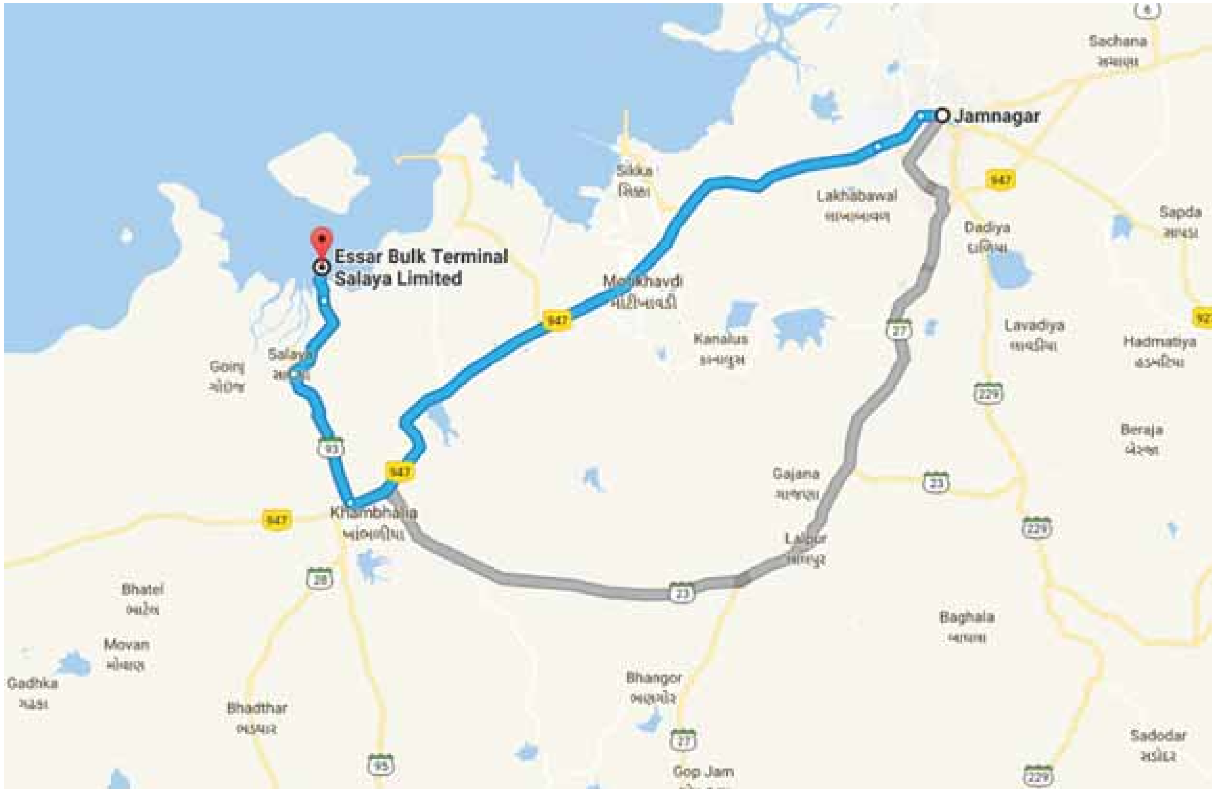
………………………………….. Signature of the proxy holder(s)

Notes:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

Notes

Notes



AGM Venue: "Salaya Administrative Building", ER-2 Building, Salaya,
Taluka Khambhalia, District Devbhumi Dwarka, Gujarat 361305

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