



SALAYA BULK TERMINALS LIMITED

Annual Report 2019 - 20

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. Rajiv Agarwal
Non- Executive Director

Capt. B. S. Kumar
Independent Director

Dr. Jose Paul
Independent Director

Shri. Rakesh Kankanala
Non- Executive Director

Shri Sanjeev Taneja
Non- Executive Director

Shri. Nikhil Naik
Nominee Director

Shri Bhaven Bhatt
Additional Director and CEO

KEY MANAGERIAL PERSONNEL

Shri. Bhaven Bhatt
Chief Executive Officer

Shri. Ashwin Menon
Chief Financial Officer

Shri. Bhawani Shankar Thanvi
Company Secretary

AUDITORS

MSKA & Associates, Chartered 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



CHAIRMAN MESSAGE

Infrastructure is the backbone of any economy and plays a pivotal role. It enables trade and businesses to flourish, connects workers to their jobs, and creates opportunities for employment, healthcare and education. India plans to spend more than \$1.4 Trillion on infrastructure by 2025 for projects identified under National Infrastructure Pipeline to realize its vision of becoming a \$5 Trillion economy by 2025, and this will enable the country to continue on an escalated growth trajectory of 10%-11% until 2030. In the coming era of supply chain disruptions and new technologies, infrastructure growth must keep pace with the exponential growth needs. Ports infrastructure investments, particularly, have a significant influence on GDP and needs to evolve rapidly to cater to the growing global trade requirements. The government has been playing significant role in boosting the maritime sector and has taken several measures to promote efficiency of ports through various policy initiatives and embarking of Sagarmala and Bharatmala initiatives. The focus is on reducing logistics cost and enhancing efficiency thereby improving India's competitiveness in the world economy making India as global manufacturing hub.

Your Company Salaya Bulk Terminal Limited is the holding company of Essar Bulk Terminal (Salaya) Limited which operates a 20 Million Tonne Port facility in Salaya Gujarat. The financial year 2020, has been a successful year for this terminal, recording its highest cargo volume growth of 217% from the previous year. Though these are favorable developments and show green shoots of stabilization, the facility had low capacity utilization due to lower off take from key customers. Further there are ongoing discussions with Essar Bulk Terminal (Salaya) Limited's lenders on restructuring of its term loan facilities due to resultant delays in debt servicing. The Management is focused

on improving capacity utilization, driving operational efficiencies and optimizing of operations to drive growth in cargo volumes and revenues.

Your Company is focused on developing and operating assets that are environment friendly and offer world class infrastructure and has an exemplary track record in health, safety and environment.

We are living in extraordinary times. The COVID-19 pandemic has brought to the front-fore the Darwinian evolution theory about the "survival of the fittest". This phrase now applies not only to human lives but also to businesses. Only those industries that show relevance and resilience today will emerge as winners out of the pandemic. Between March and May this year (2020), the longest lockdown of the world was imposed across India to check the spread of COVID-19. Business operations came to a halt and all industries were affected. However, despite COVID-19 and unprecedented lockdown across India, our facilities have remained operational with stringiest measures of safety, security and compliance to ensure its customer supply chains are up and running. This, in turn, has been helpful in the recuperation of the economy. We are ensuring that the lights are continuing to illuminate all homes, the machines are buzzing with noises and the economy is walking, if not running.

I would like to express my sincere gratitude to the Board of Directors for their support and guidance and to all shareholders, stakeholders and employees for their unwavering support during the year. As the manufacturing sector grows and trade increases, traffic at ports is expected to increase substantially. We are well-positioned to cater to the growing needs of the nation going forward enabling Government of India to meet its ambitious target of becoming USD 5 Trillion economy.

SALAYA BULK TERMINALS LIMITED – DELIVERING LOGISTICS EXCELLENCE

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 specializes in development and operations of ports and terminals for handling bulk and general cargo. The Company through its subsidiary has developed a dry bulk port facility at Salaya in Gujarat which is designed to handle dry bulk cargo of 20 million metric tonne per annum.



SALAYA TERMINAL (20MMTPA - Operational)

The Company has set up its 20 MMTPA world-class marine infrastructure project with a state-of-the-art material handling facility at Salaya, Gujarat, India (Saurashtra Region) through its subsidiary. It is a deep draft terminal capable of handling 20 MMTPA of dry bulk cargo. In addition to the cargo handling services the facility also provides marine services such as tugs and pilotage. The facility is capable of handling capsized ships and is integrated to feed the coal supply to two Power plants in the region facilitating in generation of 1710 MW. It is capable of handling commodities like coal, coke, bauxite, limestone, fertilizer etc. and has flexibility to both import & export cargo. The stock yard integrated with Salaya Port Terminal is 50 Km away (towards Okha Highway) from Jamnagar and well connected with Jamnagar – Okha State Highway.

The facility has 385 meters long jetty and is equipped with Screw Unloaders, Ship Loader, closed conveyor systems ~12.8 km, Stacker cum Reclaimers and sufficient Stockyard Capacity with eco-friendly Dust Suppression and Extraction Systems which enable efficient handling of cargo. Sufficient Land available for expansion and customizing storage area for different commodities/customers.

The terminal can handle vessels up to 105,000 DWT and can export dry bulk cargo through a mechanized handling system. Terminal has highest loading rate among iron ore handling terminals of Paradip Port Trust (~100,000 Tonnes per day) for which it has also received appreciation. The Project won the prestigious Project Management Institute (PMI) India award in 2013 for Project excellence.

The Company positively impacts the lives of all stakeholders including employees and the communities living close to its facilities. Community initiatives aim to enhance livelihoods through programs focused on entrepreneurship, education, empowering women, infrastructure, environment and health. It sees involving community leaders as key to success. Essar has transformed the neighboring areas of its operations by planting thousands of trees and laying water pipelines. Essar generates direct and indirect employment for thousands of people in the region it operates. The Company adheres to stringent Health, Safety & Environment standards wherever they operate.

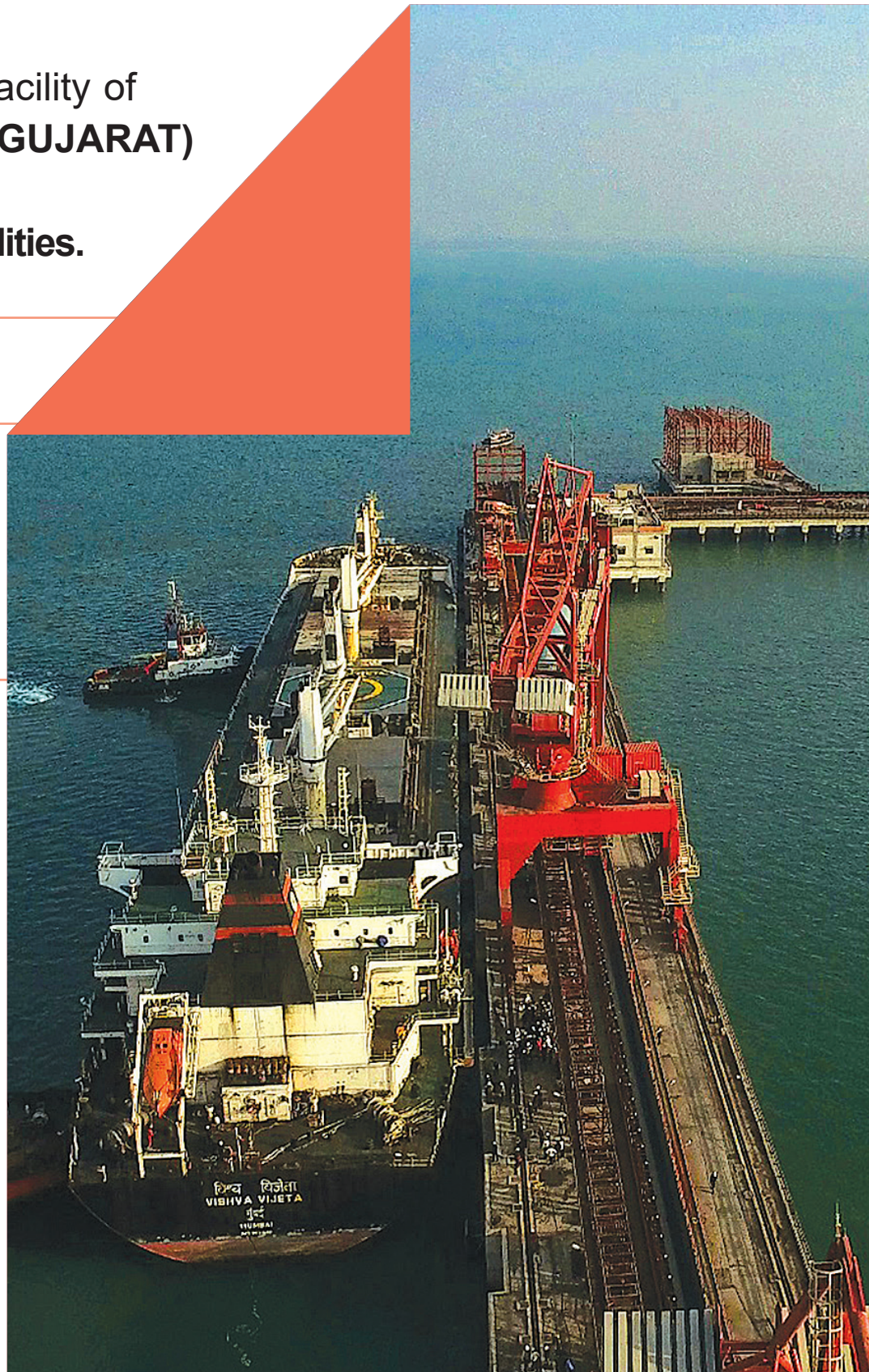
SALAYA:

Only deep draft facility of
SAURASHTRA (GUJARAT)
for handling of
dry bulk commodities.

- **20 MMTPA**
CAPACITY

- Up to **14.5 M**
Operational draft
at the terminal
capable of
handling post
panama/ capsized
vessels

- Revenue
recorded for
cargo handling of
6.56 MMT
in FY20



DESCRIPTION

A world-class marine infrastructure with environment friendly state-of-the-art material handling facilities for dry bulk cargoes at Salaya, Gujarat, India ensuring efficient Ship Turnaround and economies of scale to the customers. Salaya is the only all-weather direct berthing port in southern part of Gulf of Kutch for Post Panamax/Cape Size Vessel. Jetty is capable of handling 20 MMTPA of dry bulk cargoes.

The jetty is located in the Salaya Harbour, which is naturally protected by two islands – Kalubhar Tapu and Dhani Bet. Proximity to Jamnagar Petrochemical Cluster gives the terminal access to the potential customers in the region- Manufacturing Units & Refineries, Thermal Power Plants, Soda Ash Plants, Coal Traders and Bauxite exporters. Salaya port facility is capable of mechanized handling of both export and import cargo through same conveyor system. The facility has been commissioned on 07th December 2017.

SERVICES








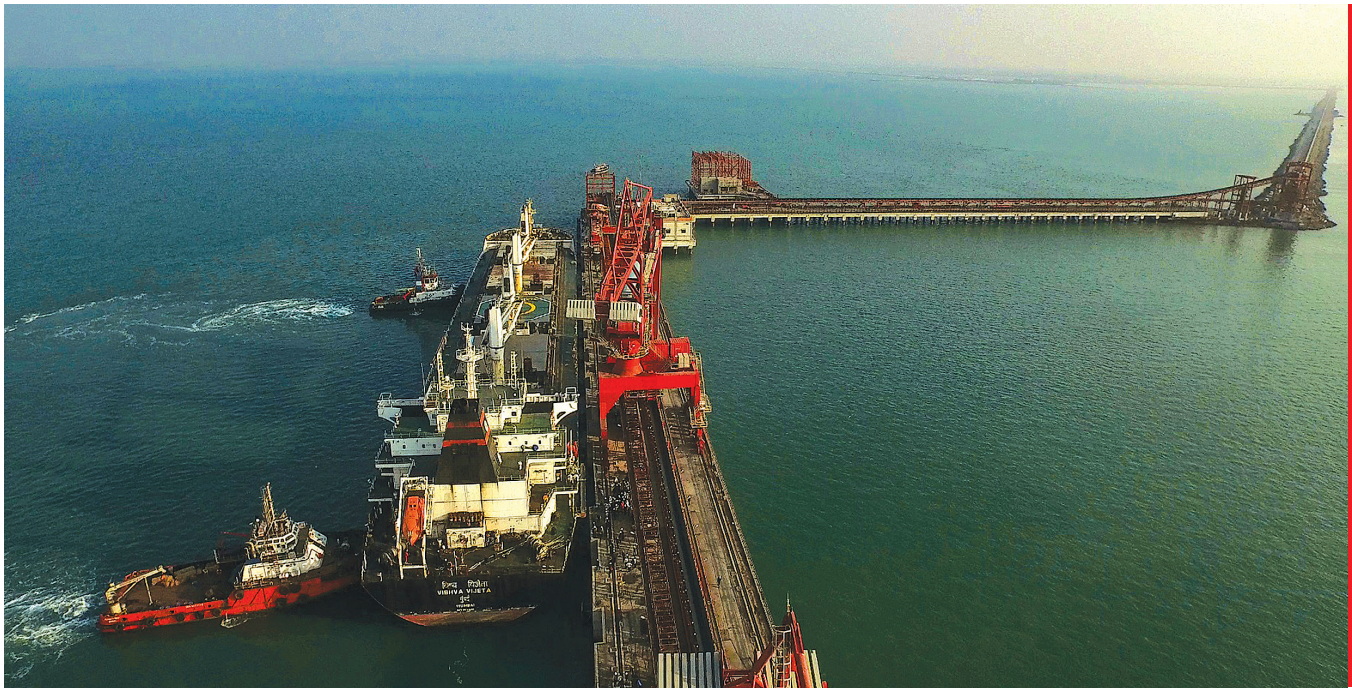
The facility is capable of handling vessels upto Capesize and is integrated to feed coal supply to 2 Power plants in the primary hinterland, thus facilitating power generation of ~1710 MW.



In addition to the cargo handling services the facility also provides marine services such as towage, pilotage etc.

ASSETS

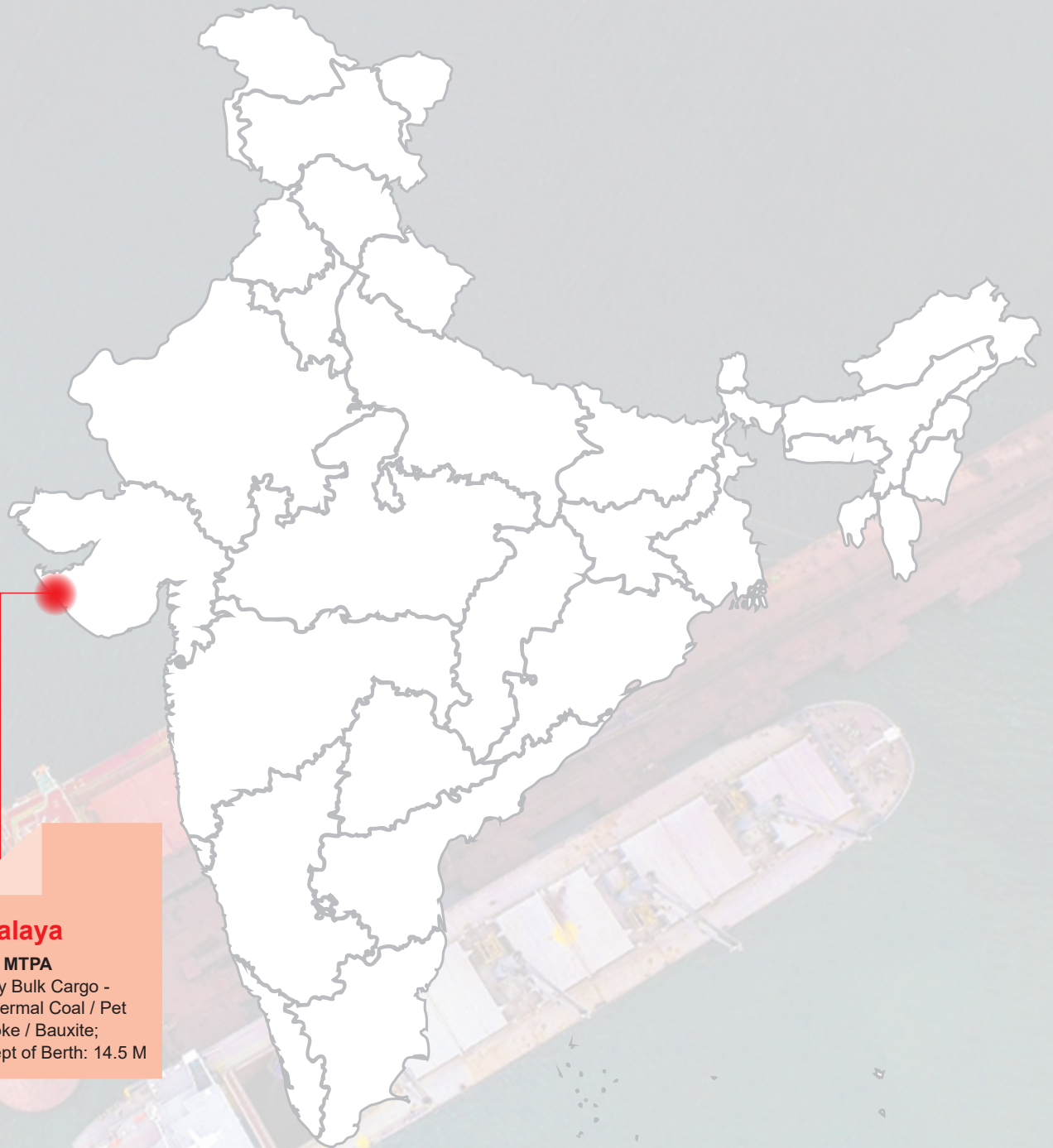
-  **2 X 2500 TPH Ship Unloaders**
-  **1 X 1500 TPH Ship Loader**
-  **15 km long environment friendly conveying system**
-  **Fully Mechanized Cargo Handling Facility**
-  **Sufficient Land** is available for expansion and customizing storage area for different commodities/ customers.



CONNECTIVITY

ROAD - State Highway (SH-25) which runs from Okha to Rajkot

RAILWAY - Salaya is located approximately ~15 km from the Jamnagar-Okha line of Western Railways. Rail connectivity to the port is in progress and alignment is being finalized.



Salaya

20 MTPA
Dry Bulk Cargo -
Thermal Coal / Pet
Coke / Bauxite;
Dept of Berth: 14.5 M

NOTICE TO MEMBERS

Notice is hereby given that the Sixth Annual General Meeting of the Members of **Salaya Bulk Terminals Limited** ("the Company") will be held Friday, September 25, 2020 at 04.00 p.m. IST **through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") ("AGM" / "the Meeting")** organized by the Company to transact the following business as set out in the Notice convening the Meeting ("**the Notice**").

The venue of the meeting shall be deemed to be the Registered Office of the Company at Salaya Administrative Building, 44 KM, P.O.Box 7, Salaya Taluka Khambhalia, District Devbhumi Dwarka, Jamnagar Gujarat 361 305

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a. the Audited Standalone Profit and Loss Account for the year ended March 31, 2020 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, 2020 and the Audited Balance Sheet and Cash Flow Statement as on that date together with the schedules and notes thereto and the Reports of the Auditors thereon.
2. To appoint a Director in place of Shri. Rajiv Agarwal (DIN 00903635) who retires by rotation and being eligible, 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 there under Shri Bhaven Bhatt (DIN 06771031) who was appointed as an Additional Director of the Company by the Board of Directors with effect from December 11, 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."

Mumbai
August 04, 2020*

*The Board of Directors of your Company had appointed Shri. Ashwani Lohani (DIN: 01023747) as an Additional non-Executive Director of the Company w.e.f. June 11, 2020.

His term of office expires at the ensuing Annual General Meeting. The Nomination and Remuneration Committee of the Company had also recommended his appointment as non-Executive Director of the Company liable to retire by rotation.

However, he resigned on July 18, 2020 and hence the Board of Directors have amended the Notice by way of passing a circular resolution on August 04, 2020 and removed the Item no. 4 of Special Business from the Notice which was originally approved on June 11, 2020, for appointment of Shri. Lohani as a Non-Executive Director liable to retire by rotation. Since the approval of Directors' Report is an item to be passed under section 179 (3) of the Companies Act, 2013 and can't be passed by way of circular resolution. Therefore the Directors' Report will remain dated June 11, 2020 and will continue to have name of Shri. Ashwani Lohani (DIN: 01023747) to be appointed as a Director in the ensuing AGM.

Mumbai
August 04, 2020

By Order of the Board

Bhawani Shankar Thanvi
Company Secretary
M. No.: A50535

Registered Office:

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

Notes:

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (hereinafter referred to as the "Act"), in respect of businesses to be transacted at the Annual General Meeting (hereinafter referred to as "AGM"), as set out under Item No. 3 above and the relevant details of the Directors as mentioned under Item No. 3 above as required by under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed thereto.
2. The Board of Directors have considered and decided to include the Item nos. 3 given above as Special Business in the forthcoming AGM.
3. In view of the continuing lockdown restrictions on the movement of people at several places in the country, due to outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2020.
4. As the AGM shall be conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not

available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

5. Corporate members intending to send their authorised representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. authorising its representatives to attend the AGM, by e-mail to essar.ports@dsrc-cid.in and epl.secretarial@essarport.co.in.
6. The Company has fixed September 18, 2020 as the Record Date for the purpose of identifying the eligible members of the Company for the purpose of AGM.
7. 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.

Process for dispatch of Annual Report and registration of email id for obtaining copy of Annual Report

8. In compliance with the aforementioned MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participant. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.essarports.com and on the website of National Securities Depository Limited (NSDL) <https://www.evoting.nsdl.com>. Physical copy of the notice of AGM and Annual Report will not be sent this year.
9. Shareholders holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by sending a duly signed request letter to the Registrar and Transfer Agents of the Company, Data Software Research Company Private Limited (DSRC) at their email essar.ports@dsrc-cid.in by providing Folio No. and Name of shareholder. Shareholders holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants.
10. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company through an email on epl.secretarial@essarport.co.in.
11. 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 National Securities Depository Limited (NSDL). The Members, whose names appear in the Register of Members / list of Beneficial Owners as on September 18, 2020 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 20, 2020 and will end at 5.00 p.m. on September 24, 2020. 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. Shivkumar 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.

GENERAL INSTRUCTIONS FOR ACCESSING AND PARTICIPATING IN THE ANNUAL GENERAL MEETING THROUGH VC/OAVM FACILITY AND VOTING THROUGH ELECTRONIC MEANS INCLUDING REMOTE E-VOTING

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 ("MCA Circulars"), physical attendance of the Members to the EGM/AGM venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). The Board of Directors of the Company has decided to adopt the above guidelines issued by Ministry of Corporate Affairs in conducting Annual General Meeting of the Company. Hence, Members can attend and participate in the ensuing Annual General Meeting through VC/ OAVM, which may not require physical presence of members at a common venue. The deemed venue for the meeting shall be Conference Room Salaya Administrative Building, 44 KM, P.O.Box 7, Salaya, Taluka Khambhalia, District Devbhumi Dwarka, Jamnagar, Gujarat 361 305.
2. In view of the VC facility being provided to the members of the Company, the facility to appoint proxy to attend and cast vote for the members as provided in Article 55 of Articles of Association is not available for this Annual General Meeting. However, the Body Corporates are entitled to appoint authorised representatives to attend the Annual General Meeting through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the Annual General Meeting in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the Annual General Meeting through VC/OAVM will be made available for at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the Annual General Meeting without restriction on account of first come first served basis.
4. The attendance of the Members attending the Annual General Meeting through VC/OAVM will be counted for the purpose of reckoning the quorum under Article 98 of Articles of Association.
5. Pursuant to the provisions Section 108 of the Companies

Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, (as amended), and the MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the Annual General Meeting. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on September 25, 2020 the date of the Annual General meeting will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the Annual General Meeting has been uploaded on the website of the Company at www.essarports.com. The Annual General Meeting Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. Annual General Meeting has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars.
8. In case of joint holders, the Member whose name appears first as per the Register of Members of the Company will be entitled to vote at the Annual General Meeting provided the votes are not already cast through remote e-voting.
9. Members who opt to be present through VC and who do not cast their vote through remote e-voting will be allowed to vote through e-voting at the Annual General Meeting.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period commence on September 20, 2020 at 09:00 A.M. IST and end on September 24, 2020 at 5:00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote is cast by the Member, the Member shall not be allowed to change it subsequently.

During the above period, Members of the Company, holding shares either in physical form or in dematerialized form as on the cutoff date as provided in the Notice may cast their vote by remote e-voting.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
 - b) Physical User Reset Password (If you are holding shares in physical mode) option available on www.evoting.nsd.com
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to mferraocs@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through

the "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsd.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on toll free no.: 1800-222-990 or send a request to Mr. Amit Vishal, Senior Manager or Ms. Pallavi Mhatre, Manager NSDL at evoting@nsdl.co.in ; or amity@nsdl.co.in; or pallavid@nsdl.co.in or at telephone Nos. +91-22- 24994360 or + 91-9920264780 or +91-22-24994545 who will also address the grievances connected with the voting by electronic means.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolution set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor. epl.secretarial@essarport.co.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to epl.secretarial@essarport.co.in.
3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.
4. Shareholders holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by sending a duly signed request letter to the Registrar and Transfer Agents of the Company, Data Software and Research Company Limited (DSRC) by providing Folio No. and Name of shareholder.
Shareholders holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participants.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE ANNUAL GENERAL MEETING ARE AS UNDER: -

1. The procedure for e-Voting on the day of the Annual General Meeting is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the Annual General Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Annual General Meeting. The Members are entitled to vote in terms of Article 49 of the Articles of Association.
3. Members who have voted through remote e-voting will be eligible to attend the Annual General Meeting. However, they

will not be eligible to vote at the Annual General Meeting.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the Annual General Meeting shall be the same person mentioned for remote e-voting.
5. In case, if Company gets permission to conduct physical Annual General Meeting, voting through tablets will also be made available to members who have not earlier voted through remote e-Voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the Annual General Meeting through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVEN of the Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a

speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at epl.secretarial@essarport.co.in in advance before the start of annual general meeting on September 25, 2020 at 4.00 p.m.

6. Those shareholders who want to ask the questions will be allowed to send their views/ask questions through a chat facility provided by the NSDL. The same will be replied by the Company suitably.

The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast during the Annual General Meeting, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the Annual General Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.essarports.com and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The same shall be displayed at the registered office of the Company.

Mumbai
August 04, 2020

By Order of the Board

Bhawani Shankar Thanvi
Company Secretary
M. No.: A50535

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 has appointed Shri Bhaven Bhatt (DIN 06771031) as an Additional Executive Director of the Company w.e.f. December 11, 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 an Executive Director of the Company liable to retire by rotation.

Mr. Bhaven Bhatt has 25 years of diverse experience in International Trade, Government Relations, and Base Metal and Mineral Exploration in various organisations. He possesses a Master's degree in Geology and MBA in Marketing. At Essar Group he has fulfilled multiple roles including being a part of the Transition team for acquisition of New Trinity Incorporated at WV – USA. Mr. Bhatt has been part of the Essar Ports team at Ahmedabad since 2013 and has been closely associated with the EBTSL port project since its inception. He is also officiating as Resident Director – Corporate Relations Gujarat for group level activities at Ahmedabad. In his earlier roles Mr. Bhatt worked as an Export Desk Head at Adani Exports and with Metdist Industries Ltd

In terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company, Shri Bhaven Bhatt 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 an Executive Director liable to retire by rotation, under Section 160 of the Companies Act, 2013,

The Board is of the opinion that the appointment of Shri Bhaven Bhatt 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 Shri Bhaven Bhatt is concerned or interested in the resolution of the accompanying Notice.

Mumbai
August 04, 2020

By Order of the Board

Bhawani Shankar Thanvi
Company Secretary
M. No.: A50535

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 at the Sixth Annual General Meeting

SHRI. RAJIV AGARWAL (DIN 00903635)

Shri. Rajiv Agarwal is a Chartered Accountant, Cost and Works Accountant and Company Secretary by qualification with over 30 years of rich and varied experience in industries like Retail, BPO, Telecom, Manmade fibers, Shipping and Logistics etc., and has successfully led businesses as CEO since 1992, mainly in telecom services and shipping, logistics and ports sectors.

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

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

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

SHRI. BHAVEN BHATT (DIN 06771031)

Mr. Bhaven Bhatt has 25 years of diverse experience in International Trade, Government Relations, and Base Metal and Mineral Exploration in various organisations. He possesses a Master's degree in Geology and MBA in Marketing. At Essar Group he has fulfilled multiple roles including being a part of the Transition team for acquisition of New Trinity Incorporated at WV – USA. Mr. Bhatt has been part of the Essar Ports team at Ahmedabad since 2013 and has been closely associated with the EBTSL port project since its inception. He is also officiating as Resident Director – Corporate Relations Gujarat for group level activities at Ahmedabad. In his earlier roles Mr. Bhatt worked as an Export Desk Head at Adani Exports and with Metdist Industries Ltd.

DIRECTORS' REPORT

To the Members of **Salaya Bulk Terminals Limited**

Your Directors have pleasure in presenting the Sixth Annual Report together with the Audited Financial Statements of the Company for the year ended March 31, 2020.

1. FINANCIAL RESULTS

The summary of consolidated and standalone financial results of your Company for the year ended March 31, 2020 are furnished below:

(₹ in lakhs)

Particulars	Consolidated		Standalone	
	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019
Total Revenue	31,089.30	12,293.27	453.96	514.81
Total Expenses	39,965.42	34,476.80	1,167.92	1,085.90
EBITDA	14,628.73	4,845.04	(424.13)	4.40
Loss for the year	(9,941.62)	(24,566.58)	(713.96)	(567.34)

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 2019 – 2020. 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

Before the hit of the covid pandemic, global growth demonstrated the following trend – 2.9% in 2019, estimated 3.3% in 2020 and estimated 3.4% in 2021. However, the currently ongoing COVID 19 pandemic which took over its grip on the world economy towards the end of FY 19-20, is estimated to significantly impact the global economy in FY 20-21.

The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by - 3 percent in 2020, much worse than during the 2008–09 financial crisis.

The International Monetary Fund slashed India's growth estimate for FY21 to 1.9% from 5.8% estimated in January, warning that the "worst recession since the Great Depression" will dwarf the economic damage caused by the global financial crisis a decade back. It also said that India and China would be the only two major economies likely to register growth, with all others contracting. The COVID pandemic is expected to shrink world output by 3% in 2020 as per the IMF. The IMF sees India's FY20 growth at 4.2%, down from 4.8% estimated in January 2020.

The IMF said the recovery forecast for 2021 depends critically on the pandemic being brought under control in the second half of 2020, allowing containment efforts to be gradually scaled back and restoring consumer and investor confidence.

Industry Outlook – Ports – Indian Scenario

The total traffic handled at Major Ports from April to March 2020 was 704.63 Million Tonnes as against 699.10 Million Tonnes handled during the corresponding period of the previous year, showing an overall growth of 0.79 % in the traffic handled. Paradip Port Trust handled around 112 MMT and grew at 3.12% for the year and Vishakhapatnam Port Trust handled around 72 MMT and grew at 11.36% for the year in terms of cargo handling. Cargo traffic at non-major ports reached 447.21 MT in FY20 (till December 2019)

demonstrating a growth of 4.8% in the corresponding period for FY 18-19. Traffic at Non Major ports has constituted over 45% of the Total Cargo for the last financial year as there has been a significant shift of traffic from Major ports to non Major ports and the government plans to further develop non major ports to decongest road and rail network.

The sector has witnessed strong intent and increased government support for port-led development.

The Indian Government plays an important role in supporting the ports sector. The outlook is that :

- Port based trade recognized as a priority development sector
- Traffic at Indian ports is forecast to grow at c.8% between 2019-2025, driven by Sagarmala program, government sponsorship and growing demand
- Growth of coal cargo for usage in thermal power plants is expected to moderate
- Iron ore and coking coal growth expected to continue
- Containers and LNG cargo expected to grow at a faster pace

- f. Investment in infrastructure by public and private players to meet the changing demands
- g. It is estimated that the capacity addition in FY20-24 will be ~300MTPA

Key Growth Initiatives

- a. **Sagarmala** envisages investments to grow traffic with key focus on coastal movement and inland waterways
- b. **Major Port Act** amendment will bring in flexibility to set tariffs, ease of financing, corporatization of major ports and easier exit options
- c. **National Infrastructure Pipeline** announced which envisages Rs 102 lakh cr investment plan in Infrastructure
- d. **Gujarat New Port Policy** notified in October 2019 removed all restrictions for ports allowing handling of all types of cargo and expansion thereof
- e. Improved hinterland connectivity, port modernization, reduction of logistics costs and reduction of turnaround time
- f. Overall capacity utilisation of Indian ports to be >65% of total capacity of ~2.5 billion tonne

Well Invested Non Major Ports to grow at a faster pace

- a. Overall growth of ports sector in the last 5 years was 5.7%,
- b. Several ports have grown faster due to
 - strategic locations
 - higher mechanization
 - deep drafts and
 - good connectivity
- c. High barriers for new port investments to result in strategic advantage to existing ports due to lower cost and faster execution of brownfield capacity addition projects

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 its subsidiary Essar Bulk Terminal (Salaya) Limited (EBTSL) has successfully commissioned an all-weather terminal at Salaya Jetty, in Jamnagar, Gujarat, India in Q4 FY 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 310.89 Cr

- EBITDA for the year was Rs. 146.29 Cr
- Net Profit for the year Rs. (99.41) Cr

4. RISK MANAGEMENT & INTERNAL CONTROL

Risk, Opportunity and Threats

The outbreak of coronavirus provides a good opportunity for India to follow an export-driven model. The movement of companies away from China to other less-developed countries would trigger a new wave of industrialization. Consequently, the expansion of the manufacturing hub linked with global supply chains would increase demand for port industry.

On the front of cargo commodities like thermal coal, iron ore, fertilizers. Iron ore and finished fertilizers shipments have seen an increasing trend enabled major ports to tide over falling volumes in coal and other miscellaneous cargo. 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. Owing to lackluster volume growth in most of the commodities, major ports could manage to log meagre growth in overall cargo throughput.

The Company has a formal risk assessment and management system which periodically identifies risk areas, evaluates their consequences, and initiates risk mitigation strategies and implement corrective actions where ever required. The Company has been making steady progress in addressing specific risks and threats through cargo diversification, strategic capacities at ports, long-term customer contracts, and enhancement in operational efficiencies, cost optimization and provision of integrated logistics services.

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

Internal Control systems and their adequacy

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

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

5. HOLDING/SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES

As on March 31, 2020, 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 2019-20 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, 2020:

Sl. No.	DIN	Name of the Directors	Designation
1	00903635	Shri. Rajiv Agarwal	Non-Executive Director
2	07413365	Shri. Rakesh Kankanala	Non-Executive Director
3	01256347	Dr. Jose Paul	Independent Director
4	00284649	Capt. B. S. Kumar	Independent Director
5	00202779	Shri Nikhil Naik	Nominee Director
6	00037005	Shri Sanjeev Taneja	Non-Executive Director
7	06771031	Shri Bhaven Bhatt	Additional Executive 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 Sanjeev Taneja	00037005	Non-Executive Director	August 21, 2019	Appointment
2.	Shri Bhaven Bhatt	06771031	Additional Executive Director	December 11, 2019	Appointment

As on March 31, 2020, 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

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

Sl. No.	Name of the Directors	DIN	Designation	Date of Appointment/ Resignation	Remarks
1.	Shri Ashwani Lohani	01023747	Additional Director	June 11, 2020	Appointment

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

- Re-appointment of Shri. Rajiv Agarwal (DIN 00903635), who retires at the ensuing Annual General Meeting of the Company, being eligible offers himself for reappointment;
- Appointment of Shri. Bhaven Bhatt (DIN 06771031) as a Director of the Company, liable to retire by rotation and his appointment has been recommended by the Nomination and Remuneration Committee;
- Appointment of Shri. Ashwani Lohani (DIN 01023747) as a Director of the Company, liable to retire by rotation and his appointment has been recommended by the Nomination and Remuneration Committee;

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 15, 2019;
- August 21, 2019;
- December 11, 2019; and
- February 27, 2020

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	Non-Executive Director	4	4
Dr. Jose Paul	Independent Director	4	4
Capt. B.S. Kumar	Independent Director	4	4
Shri. Rakesh Kankanala	Non-Executive Director	4	3
Shri Nikhil Naik	Nominee Director	4	4
*Shri Sanjeev Taneja	Non-Executive Director	4	3
**Shri Bhaven Bhatt	Additional Executive Director	4	1

* Appointed on August 21, 2019

** Appointed on December 11, 2019.

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, 2020 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 (Independent Director) acts as the Chairman of the Committee and Shri Nikhil Naik (Non-executive Nominee Director) and Dr. Jose Paul (Independent Director) 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, 2020 and as on the date of this report, the CSR Committee comprises of Shri. Rajiv Agarwal (Non-executive Director) as the Chairman of the Committee and Dr. Jose Paul (Independent Director), Capt. B. S. Kumar (Independent Director), and Shri Nikhil Naik (Non-executive Nominee Director) 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, 2020 and as on the date of this report, the NRC Committee comprises of Dr. Jose Paul (Independent Director) as the Chairman of the Committee and Shri. Rajiv Agarwal (Non-executive Director), Capt. B. S. Kumar (Independent Director) and Shri Nikhil Naik (Non-executive Nominee Director) 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, 2020.

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 2019-2020.

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. DISCLOSURES WITH RESPECT TO THE REMUNERATION 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, 2020:

- 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

Mumbai
June 11, 2020

Rajiv Agarwal	Rakesh Kankanala
Director	Director
DIN : 00903635	DIN : 07413365

Annexure to the Director'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
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2020
2	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign Subsidiaries	N/A
3	Share capital	406.07
4	Reserves & surplus* * includes Equity Component of 0.01% Compulsorily Convertible Cumulative Participating Preference Shares and equity component of 0% compulsorily convertible debentures.	38,332.64
5	Total assets	211,261.39
6	Total Liabilities	172,522.68
7	Investments	Nil
8	Turnover	30,637.84
9	Profit / (Loss) before taxation	(9,200.55)
10	Provision for taxation	Nil
11	Profit / (Loss) after taxation	(9,200.55)
12	Proposed Dividend	Nil
13	% of shareholding	79.90
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, June 11, 2020

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
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN : 07413365

Mumbai, June 11, 2020

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 under first proviso 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

Rajiv Agarwal
Director
DIN : 00903635

Rakesh Kankanala
Director
DIN : 07413365

Mumbai, June 11, 2020

Corporate Social Responsibility Policy

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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 its 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 Swachh 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 Salaya Bulk Terminals Limited

	SD /-	SD /-
	Rajiv Agarwal	Dr. Jose Paul
	Committee Chairman	Committee Member
Mumbai	DIN : 00903635	DIN : 01256347
June 11, 2020		

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)

	2018-19	2017-18	2016-17	Average
Net Profit / (Loss) as per P & L (Before Tax)	(571.096)	(218.189)	(1920.31)	(903.20)

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 2019-20 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

SD /-
Rajiv Agarwal
 Committee Chairman
 DIN: 00903635

SD /-
Jose Paul
 Committee Member
 DIN: 01256347

Nomination and Remuneration Committee Policy

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

Contents

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 owing by the Company to these Lenders.

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

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

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

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

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

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

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

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

2.12.4 Diversity based on geographical background.

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

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

3. Selection, identification and appointment of Directors

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

3.2 Director Selection Procedures

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

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

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

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

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

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

3.3 Director qualification criteria

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

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

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

- 3.3.4 A person shall not be eligible for appointment as director of the Company if:
- 3.3.4.1 He is disqualified for being appointed under section 164 of the Act.
- 3.3.4.2 The number of directorships post appointment as Director in the Company exceeds the total number of directorships permitted under section 165 of the Act and clause 49(II)(B)(2) of the listing agreement with Indian Stock Exchanges.
- 3.3.5 In addition any person to be appointed as a Managing Director or Wholetime Director in the Company (hereinafter referred to as 'Executive Directors') shall have to meet the following requirements for being eligible for appointment as set out in Part I of Schedule V of the Act and the limits of directorships set out in listing agreement with stock exchanges.
- 3.3.6 Further, while selecting Independent Directors:
- 3.3.6.1 the Company may select the candidate from data bank(s) containing names, address, qualification of persons who are eligible and willing to act as Independent Directors maintained by anybody, institute or association as may be notified by the Central Government having expertise in creation and maintenance of such data bank.
- 3.3.6.2 The prospective candidates for appointment as Independent Directors shall have to meet the criteria of Independence laid down in sub-section (6) of section 149 of the Act and clause 49(II)(B)(1) of the listing agreement.
- 3.3.6.3 The number of Independent directorships in listed companies post appointment as Director in the Company and the Committee positions held by them would be within the limits prescribed in clause 49 of the listing agreement.
- 3.3.7 In the process of short listing Independent Directors, the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 3.4 Tenure in office**
- 3.4.1 The appointment of all directors by the Board except for directors appointed under section 161(3) of the Act shall be upto the date of the next Annual General Meeting and shall be subject to approval of shareholders at the Annual General Meeting unless approved by the shareholders earlier.
- 3.4.2 The Executive Directors shall be appointed for a term of upto 5 years.
- 3.4.3 Independent Directors shall hold office for a term upto 5 consecutive years on the Board of the Company and shall be eligible for reappointment for a second term.
- 3.4.4 Independent Directors shall not hold office for more than 2 consecutive terms. Each such term may be of 5 years or less.
- 3.4.5 After expiry of the 2 terms, the Independent Director would be eligible for appointment only after expiry of 3 years from ceasing to being an Independent Director.
- 4. Criteria for appointment of Key Managerial Personnel**
- 4.1 The Nomination and Remuneration Committee is responsible for the appointment of Key Managerial Personnel in accordance with the laid down criteria.
- 4.2 The criteria laid down for the appointment of Executive Directors including the Key Managerial Personnel is set out below.
- 4.3 The Key Managerial Personnel are sourced from Internal and external sources. These resumes are shortlisted by the hiring manager and the shortlisted candidates are scheduled for Interviews to be managed by Human Resources department.
- 4.4 An Interview Committee is formed which comprises of the following members:
- 4.4.1 The Managing Director;
- 4.4.2 Head- HR; and
- 4.4.3 such persons as may be deemed appropriate having regard to domain knowledge and expertise.
- 4.5 The Interview Committee is responsible for leading the talent acquisition process and to ensure timely fulfilment of this vacancy. The HR Team will provide requisite support in the timely fulfilment of each step of the talent acquisition process.
- 5. Remuneration**
- 5.1 All remuneration / fees / compensation, payable to directors shall be fixed by the Board of Directors and payment of such remuneration fees / compensation shall require approval of shareholders in general meeting except for sitting fee payable to Non Executive Directors for attending Board / Committee.
- 5.2 The Board shall decide on the remuneration / fees / compensation, payable to directors based on the recommendations of the Nomination and Remuneration Committee.
- 5.3 The total managerial remuneration payable, to its directors, including managing director and whole-time director, (and its manager) in respect of any financial year shall not

exceed eleven per cent. of the net profits of the Company for that financial year computed in the manner laid down in section 198 of the Act. Provided that the Company in general meeting may, with the approval of the Central Government, authorise the payment of remuneration exceeding eleven per cent. of the net profits of the Company, subject to the provisions of Schedule V of the Act:

- 5.4 The Nomination and Remuneration Committee shall ensure the following while recommending the remuneration / fee / compensation payable to Directors:
- 5.4.1 Executive Directors
- 5.4.1.1 The remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent. of the net profits of the company and if there is more than one such director remuneration shall not exceed ten per cent. of the net profits to all such directors and manager taken together. Else the remuneration will be subject to approval of Central Government as may be required.
- 5.4.1.2 In case of inadequacy of profits mentioned in 5.3 and 5.4.1 above, the Committee while approving the remuneration for executive directors shall:
- 5.4.1.2.1 take into account, financial position of the company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.
- 5.4.1.2.2 be in a position to bring about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders.
- 5.4.2 While considering payment of remuneration / increase in remuneration payable to executive directors, key managerial personnel and other executives, the Nomination and Remuneration Committee may among other factors consider the following:
- 5.4.2.1 the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- 5.4.2.2 relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 5.4.2.2.1 remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- 5.4.2.2.2 the factors mentioned in The Companies (Appointment and Remuneration of

Managerial Personnel) Rules 2014, may be considered, which are required to be disclosed in the Directors Report.

- 5.4.3 Non executive Directors including Independent Directors:
- 5.4.3.1 The remuneration payable to Non Executive Directors shall not exceed 1% of the net profits of the Company.
- 5.4.3.2 A Non-Executive director may be paid remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose whatsoever. The amount of such fee shall not exceed Rs. 1,00,000/- for attending each meeting of the Board or Committee thereof or such higher amount as may be prescribed by the Central Government.
- 5.4.3.3 An independent Director shall not be entitled to any stock option.

6. Training

- 6.1 The Company shall provide suitable training to Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.
- 6.2 Every new Director, on appointment:
- 6.2.1 Will be provided with an Induction Manual
- 6.2.2 Will undertake an induction programme. It will provide an opportunity to the inductee to interact with the senior management team and help understand the strategy, operations, products, markets, organization structure, finance, human resources and risk management among others.
- 6.2.3 will be taken to visit the Company's key ports & terminals to familiarize them with the Company's operations.
- 6.2.4 Will be guided by the Company Secretary on the role and responsibilities of directors, the constitution and role of the Board and its Committees, the frequency of meetings and time commitment expected from them, decision making process being followed and compliance monitoring and reporting processes.
- 6.3 On an ongoing basis training will be provided to directors to update on developments in industry, technology and statutory, regulatory, economic environment, new accounting policies, corporate governance developments, etc. Specific training requirements of directors will also be met depending on the role and responsibilities they have to take up in the Company and the performance

evaluation. Training will be imparted to directors through participation in conferences, seminars and workshops. The Company may also organize for training programmes conducted by internal / external faculty.

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

7. Performance evaluation and re-appointment

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

7.2 Evaluation review process

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

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

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

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

7.2.5 Executive Directors - The Nomination and Remuneration Committee conducts an annual review of the performance of the Managing Director & CEO and other Wholtime 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 Salaya Bulk Terminals Limited

	SD /-	SD /-
	Dr. Jose Paul	Rajiv Agarwal
Mumbai	Committee Chairman	Committee Member
June 11, 2020	DIN: 01256347	DIN: 00903635

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

(As on the Financial Year ended on 31st March, 2020)

[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	:	January 10, 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@dsr-cid.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

SI 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, 2020:

HOLDING COMPANY [Section 2(46) of the Companies Act, 2013]			
SI 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]			
SI. 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, India.	U63032GJ2007PLC093255	74%

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

i) Category-wise Shareholding

	Category of Shareholders	No. of Shares held at the beginning of the year 2019				No. of Shares held at the end of the year 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1	Indian									
(a)	Bodies Corporate	2104169	0	2104169	9.83	2104169	0	2104169	9.83	0.00
	Sub-Total (A)(1)	2104169	0	2104169	9.83	2104169	0	2104169	9.83	0.00
2	Foreign									
(a)	Bodies Corporate	18829154	0	18829154	87.93	18829154	0	18829154	87.93	0.00
	Sub-Total (A)(2)	18829154	0	18829154	87.93	18829154	0	18829154	87.93	0.00
	Total Promoter Shareholding=(A)(1)+(A)(2)	20933323	0	20933323	97.76	20933323	0	20933323	97.76	0.00
B.	Public Shareholding									
1	Institutions									
(a)	Mutual Funds/ UTI	164	1594	1758	0.01	164	1594	1758	0.01	0.00
(b)	Financial Institutions/ Banks	131	2416	2547	0.01	131	2416	2547	0.01	0.00
(c)	Insurance Companies	0	1	1	0.00	0	0	0	0.00	0.00
(d)	Foreign Institutional Investors	0	600	600	0.00	0	600	600	0.00	0.00
(e)	Qualified Foreign Investor									
(i)	Any other (Specify)									
	Sub-Total (B)(1)	295	4611	4906	0.02	295	4610	4905	0.02	0.00
2	Non-Institutions									
(a)	Bodies Corporate	12683	4640	17323	0.08	12340	4640	16980	0.08	0.00
(i)	Indian									
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹1 lakh.	250519	189778	440297	2.06	252487	187732	440219	2.06	0.00
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakh									
(c)	Others									
(i)	Qualified Foreign Investor									
-	Non Resident Individuals	8220	8744	16964	0.08	8701	8685	17386	0.08	0.00
-	Non Domestic Company	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(2)	271422	203162	474584	2.22	273528	201057	474585	2.22	0.00
	Total Public Shareholding (B)=(B)(1)+B(2)	271717	207773	479490	2.24	273823	205667	479490	2.24	0.00
	TOTAL (A) + (B)	21205040	207773	21412813	100.00	21207146	205667	21412813	100.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
	GRAND TOTAL (A)+(B)+(C)	21205040	207773	21412813	100.00	21207146	205667	21412813	100.00	0.00

ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 2019			Shareholding at the end of the year 2020			% 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	2104169	9.83	9.83	2104169	9.83	9.83	0.00
2	ESSAR PORTS & TERMINALS LIMITED	18829154	87.93	87.93	18829154	87.93	87.93	0.00
	Total	20933323	97.76	97.76	20933323	97.76	97.76	0.00

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

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year 01.04.2019		Date +	Increase/ Decrease (No. of shares)+	Reasons +	Cumulative Shareholding during the year (1.4.2019-31.03.2020)	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
There is no change in Promoters Shareholding during the year								

iv) Shareholding Pattern of top ten Shareholders (others than Directors, Promoters and Holders of Foreign Currency Convertible bonds) as on 31st March, 2020

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year 01.04.2019		Date +	Increase/ Decrease (No. of shares)+	Reasons +	Cumulative Shareholding during the year (1.4.2019-31.03.2020)	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	LAL TOLANI	3490	0.02				3490	0.02
2	R J SHARES AND SECURITIES PRIVATE LIMITED	1426	0.01				1426	0.01
3	SUSHIL KUMAR GUPTA	1426	0.01				1426	0.01
4	RITU JAIN	1340	0.01				1340	0.01
5	BANK OF INDIA-- IN HOUSE ACCOUNT	1265	0.01				1265	0.01
6	RIPON ESTATES LTD	1200	0.01				1200	0.01
7	R P DAVID	1200	0.01				1200	0.01
8	SHRINIVAS VASUDEVA DEMPO	1200	0.01				1200	0.01
9	K D PARAKH	1200	0.01				1200	0.01
10	SATYAVATI R RUIA	1108	0.01				1108	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, 2020 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	Compulsorily convertible debentures	Total Indebtedness
Indebtedness at the beginning of the financial year					
i) Principal Amount	-	7,525.96	-	2,037.79	9,563.75
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)	-	7,525.96	-	2,037.79	9,563.75
Change in Indebtedness during the financial year					
Additions*	-	2,240.25	-	0.36	2,240.61
Reduction	-	-	-	-	-
Interest accrued paid / waived / adjusted in scheme	-	-	-	(0.03)	(0.03)
Net Change	-	2,240.25	-	0.33	2,240.58
Indebtedness at the end of the financial year					
i) Principal Amount	-	9,766.21	-	2,037.79	11,804.00
ii) Interest due but not paid	-	-	-	0.33	0.33
iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)	-	9,766.21	-	2,038.12	11,804.33

*Includes Rs 890.25 lakhs of Ind AS Adjustment on FCCBs

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ lakhs)

Sl. No.	Particulars of Remuneration	Name of the Directors	Total Amount
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.	Others (Contribution to PF & Superannuation)		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to Other Directors:

(₹ in lakhs)

Particulars of Remuneration	Name of the Directors (Independent Directors)		Total Amount
	Dr. Jose Paul	Capt. B. S. Kumar	
Fee for attending Board / Committee meetings	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		

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

	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

 Mumbai
 June 11, 2020

Rajiv Agarwal
 Director
 DIN : 00903635

Rakesh Kankanala
 Director
 DIN : 07413365

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, 2020, 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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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 standalone 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 6 to the standalone financial statements that the Company has assessed that there is no loss arising on account of impairment of investment in subsidiary of the Company in accordance with Ins AS 36; Impairment of Assets. The said assessment has been assessed by the management of the Company assuming the successful restructuring of its subsidiary entity's borrowing and basis revival of its operations considering the fact that its Anchor customer has resumed operations during the year.

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 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, 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 statements 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.

The Board of Directors is 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 Statement of Cash Flow 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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: 20124118AAAACX8999

Place: Mumbai
Date: June 11, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

on even date on the Standalone Financial Statements of Salaya Bulk Terminals Limited for the Year Ended March 31, 2020

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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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: 20124118AAAACX8999

Place: Mumbai
Date: June 11, 2020

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, 2020

[Referred to in paragraph 1 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 standalone financial statements for the year ended March 31, 2020]

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
- (b) Fixed assets (Property, Plant and Equipment) have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- 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 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 provident fund, employee's state insurance and excise duty were not applicable to the Company during the year.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, goods and service tax, duty of customs, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) 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, goods and service tax, duty of customs and cess 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 standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

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

Anita Somani
Partner
Membership No.124118
UDIN: 20124118AAAACX8999

Place: Mumbai
Date: June 11, 2020

ANNEXURE C TO INDEPENDENT AUDITORS' REPORT

of even date on the Standalone Financial Statements of Salaya Bulk Terminals Limited for the year ended March 31, 2020

[Referred to in paragraph 1 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 standalone financial statements for the year ended March 31, 2020]

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

We have audited the internal financial controls with reference to standalone financial statements of

Salaya Bulk Terminals Limited ('the Company') as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to standalone 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls With Reference to Standalone Financial Statements

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

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

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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, the Company has, in all material respects, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Anita Somani
Partner

Membership No.124118
UDIN: 20124118AAAACX8999

Place: Mumbai
Date: June 11, 2020

Balance Sheet as at March 31, 2020

₹ in lakhs

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	406.08	487.29
(b) Investment in subsidiary	6	58,908.50	58,908.50
Total non-current assets		59,314.58	59,395.79
Current assets			
(a) Financial assets			
(i) Trade receivables	7	16.92	7.25
(ii) Cash and cash equivalents	8	142.30	17.39
(iii) Bank balance other than Cash and cash equivalent	9	35.00	35.00
(iv) Other Financial assets	10	1,856.64	14.06
(b) Current tax assets	11	8.00	1.94
(c) Other current assets	12	28.61	5.58
Total current assets		2,087.47	81.22
Total Assets		61,402.05	59,477.01
II EQUITY AND LIABILITIES			
EQUITY			
(a) Share capital	13	2,141.28	2,141.28
(b) Other equity	14	46,472.74	47,186.70
Total equity		48,614.02	49,327.98
LIABILITIES			
Non current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	-	32.53
(b) Deferred tax liabilities (net)	16	-	-
(c) Other non-current liabilities	17	-	7.21
Total non current liabilities		-	39.74
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18	12.08	11.86
(ii) Other financial liabilities	19	12,633.10	9,901.10
(b) Other current liabilities	20	142.85	196.33
Total current liabilities		12,788.03	10,109.29
Total Liabilities		12,788.03	10,149.03
Total equity and liabilities		61,402.05	59,477.01

Summary of significant accounting policies

3

The accompanying notes are integral part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors of Salaya Bulk Terminals Limited

For MSKA & Associates

Chartered Accountants

Firm Registration no. 105047W

Bhaven Bhatt

CEO & Director

DIN : 06771031

Ahmedabad

Sanjeev Taneja

Director

DIN- 00037005

New Delhi

Anita Somani

Partner

Membership No: 124118

Mumbai, June 11, 2020

Ashwin Menon

CFO

Mumbai, June 11, 2020

Bhawani Shankar Thanvi

Company Secretary

Membership No: A50535

Statement of Profit and Loss for the year ended March 31, 2020

₹ in lakhs

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from operations	21	248.33	25.00
II Other income	22	205.63	489.81
III Total Income (I + II)		453.96	514.81
IV Expenses:			
(a) Operating expenses	23	140.71	6.91
(b) Other expenses	24	737.37	503.50
(c) Depreciation and amortisation expense	5	81.21	81.21
(d) Finance costs	25	208.63	494.28
V Total Expenses		1,167.92	1,085.90
VI Loss before tax		(713.96)	(571.09)
VII Tax expense/(benefit):			
(a) Current tax		-	-
(b) Deferred tax	30	-	(3.75)
		-	(3.75)
VIII Profit/ (Loss) for the year (VII-VI)		(713.96)	(567.34)
Other comprehensive income		-	-
IX Total other comprehensive income		-	-
X Total comprehensive profit/ (loss) for the year (VIII+IX)		(713.96)	(567.34)
XI Earnings per equity share			
(1) Basic (in ₹)	27	(1.71)	(1.52)
(2) Diluted (in ₹)	27	(1.71)	(1.52)

Summary of significant accounting policies

3

The accompanying notes are integral part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors of Salaya Bulk Terminals Limited

For MSKA & Associates

Chartered Accountants
Firm Registration no. 105047W

Bhaven Bhatt

CEO & Director
DIN : 06771031
Ahmedabad

Sanjeev Taneja

Director
DIN- 00037005
New Delhi

Anita Somani

Partner
Membership No: 124118
Mumbai, June 11, 2020

Ashwin Menon

CFO
Mumbai, June 11, 2020

Bhawani Shankar Thanvi

Company Secretary
Membership No: A50535

Statement of Changes in Equity for the year ended March 31, 2020

A. EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	Amount
Balance as at April 1, 2018	2,141.28
Changes in equity share capital during the year	-
Balance as at March 31, 2019	2,141.28
Changes in equity share capital during the year	-
Balance as at March 31, 2020	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 Reserve	Total
Balance as at April 1, 2018	26,169.28	(2,618.80)	-	1,098.97	430.70	11,721.67	36,801.82
Loss for the year	-	(567.34)	-	-	-	-	(567.34)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive 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
Loss for the year	-	(713.96)	-	-	-	-	(713.96)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	(713.96)	-	-	-	-	(713.96)
Balance as at March 31, 2020	26,169.28	(3,469.40)	0.00	2,037.79	-	21,735.07	46,472.74

Amount is less than Rs 1000

The accompanying notes are integral part of the financial statements.

In terms of our report attached

For MSKA & Associates

Chartered Accountants
Firm Registration no. 105047W

Anita Somani

Partner
Membership No: 124118
Mumbai, June 11, 2020

For and on behalf of the Board of Directors of Salaya Bulk Terminals Limited

Bhaven Bhatt
CEO & Director
DIN : 06771031
Ahmedabad

Sanjeev Taneja
Director
DIN- 00037005
New Delhi

Ashwin Menon
CFO

Mumbai, June 11, 2020

Bhawani Shankar Thanvi
Company Secretary
Membership No: A50535

Cash Flow Statement for the year ended March 31, 2020

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A Cash flow from operating activities		
Loss before tax	(713.96)	(571.09)
Adjustment for		
Interest income on fixed deposits	(2.68)	(1.17)
Depreciation and amortisation expense	81.21	81.21
Unrealised foreign exchange loss	699.28	457.99
Finance income on recognition of financial liabilities at amortised cost	(200.44)	(488.63)
Interest income on CCDs	(2.51)	-
Finance costs	208.63	494.28
Operating Profit / (loss) before working capital changes	69.53	(27.41)
Movements in Working Capital:		
Increase /(Decrease) in trade payables	0.22	(8.74)
(Decrease) / Increase in other financial liabilities	(21.40)	4.01
(Increase) / Decrease in trade receivables	(9.67)	57.63
Increase in other financial assets	(2.16)	-
Increase in other current assets	(23.03)	(3.35)
Increase in other current liabilities	139.71	1.25
Cash generated from operations	153.20	23.39
Taxes Paid (net of refund)	(6.06)	(0.80)
Net cash generated from operating activities	147.14	22.59
B Cash flow from investing activities		
Placement of Fixed deposit	-	(35.00)
Unsecured loan given to related party	(1,838.00)	(13.00)
Security deposit received from related party	463.00	-
Interest received on fixed deposit and CCDs	2.77	0.12
Net cash used in investing activities	(1,372.23)	(47.88)
C Cash Flow from Financing activities		
Inter-corporate deposit received	1,350.00	40.00
Finance costs paid	-	(2.52)
Net cash generated from Financing activities	1,350.00	37.48
Net increase in cash and cash equivalents (A+B+C)	124.91	12.19
Cash and cash equivalents at the beginning of the year	17.39	5.20
Cash and cash equivalents at the end of the year	142.30	17.39

Notes :

₹ in lakhs

1	Reconciliation between closing cash and cash equivalents and cash and bank balances	For the year ended March 31, 2020	For the year ended March 31, 2019
	Cash and cash equivalents as per cash flow statement	142.30	17.39
	Add : Margin money deposits not considered as cash and cash equivalents as per IND AS-7	35.00	35.00
	Cash and bank balances (Refer Note 8 and 9)	177.30	52.39

2. Changes arising in financial liabilities due to financing activities

Particulars	As at April 01, 2019	Cash movement	Non cash movement	As at March 31, 2020
Borrowings including current Maturities	7,518.49	1,350.00	897.72	9,766.21
Total	7,518.49	1,350.00	897.72	9,766.21

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

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 previous year, the Company 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 number of CCDs of a subsidiary were settled through issue of the Company's CCDs)
5. The accompanying notes are integral part of the financial statements.

In terms of our report attached

For MSKA & Associates

 Chartered Accountants
Firm Registration no. 105047W

Anita Somani

 Partner
Membership No: 124118
Mumbai, June 11, 2020

For and on behalf of the Board of Directors of Salaya Bulk Terminals Limited

Bhaven Bhatt
CEO & Director
DIN : 06771031
Ahmedabad

Sanjeev Taneja
Director
DIN- 00037005
New Delhi

Ashwin Menon
CFO

Mumbai, June 11, 2020

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 June 11, 2020.

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 IndAS 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 entirety, 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

(a) The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a

lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the

Notes forming part of the financial statements

modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the balance sheet.

The Company applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy. Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, IND AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(b) The Company as lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are rec-

ognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. 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 lease accounting model for lessees.

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 conces-

Notes forming part of the financial statements

sions 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

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.

Notes forming part of the financial statements

F. Employee benefits

Retirement benefit costs and termination benefits

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

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

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

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

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

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

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

Short-term and other long-term employee benefits

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

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

G. Foreign currencies

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

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

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

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

H. Financial Instruments

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

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

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

Notes forming part of the financial statements

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 Company commits to purchase or sell the asset.

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

b) Investments in subsidiaries and associates

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

c) Classification of financial assets

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

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

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

Financial asset at amortised cost

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

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

and interest on the principal amount outstanding.

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

Financial assets at fair value

Debt instruments

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

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

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

Debt instrument at FVTPL

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

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

Equity investments

Notes forming part of the financial statements

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

d) **Effective interest method**

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

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

e) **Derecognition of financial assets**

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

borrowing for the proceeds received.

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

f) **Impairment of financial assets**

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

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

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

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

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

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

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

II. Financial liabilities and equity instruments

a) Classification as debt or equity

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

b) Equity instruments

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

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

c) Financial liabilities

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

Financial liabilities at FVTPL:

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

A financial liability is classified as held for trading if:

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

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

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

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

Other financial liabilities:

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

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new

Notes forming part of the financial statements

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 through 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

Notes forming part of the financial statements

tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax during the specified period. i.e., the period for which MAT credit is allowed to be carried forward as per tax laws. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal income tax during the specified period.

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

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

Current and deferred tax for the period

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

K. Provisions, contingent liabilities and contingent assets

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

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

L. Business combinations under common control

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

Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their

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

3.1 Key sources of estimation uncertainty and critical accounting judgements

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

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

i) Going Concern

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

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 arrange-

Notes forming part of the financial statements

ments, 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 4.

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.

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes forming part of the financial statements for the year ended March 31, 2020

4 PROPERTY, PLANT AND EQUIPMENT

₹ in lakhs

Particulars	Plant and equipment
Cost	
At April 1, 2018	782.79
Additions	-
At March 31, 2019	782.79
Addition	-
At March 31, 2020	782.79
Accumulated depreciation	
At April 1, 2018	214.29
Depreciation charge for the year	81.21
At March 31, 2019	295.50
Depreciation charge for the year	81.21
At March 31, 2020	376.71
Carrying amount	
At March 31, 2019	487.29
At March 31, 2020	406.08

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, 2020	For the year ended March 31, 2019
Depreciation of Property, plant and equipment	81.21	81.21
Total depreciation charge	81.21	81.21

6 INVESTMENT IN SUBSIDIARY

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
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	45,310.51	45,310.51
45,38,69,350 0.01% compulsorily convertible cumulative participating preference shares of Rs 10/- each fully paid *		
Investment in Debentures (at Cost) #		
Essar Bulk Terminal (Salaya) Limited	13,277.95	13,277.95
13,27,79,549 compulsorily convertible debentures of Rs 10/- each fully paid		
Total	58,908.50	58,908.50

Notes forming part of the financial statements for the year ended March 31, 2020

Note: Referring to the Note 36 and since the subsidiary of the Company has started earning revenue during the year from a major captive customer, Essar Power Gujarat Limited ('EPGL'), a related party and is confident of future projected revenues and cashflow coupled with the restructuring of its existing borrowing, management of the Company 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 subsidiary.

During the previous year, The company has purchased investments in compulsorily convertible debentures (CCDs) in its subsidiary Essar Bulk Terminal (Salaya) Limited from Ibrox Aviation & Trading Private Limited. The 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 number of equity shares and 23,20,11,813 number 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, 2020	As at March 31, 2019
Unsecured, considered good	16.92	7.25
Total	16.92	7.25

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, 2020	As at March 31, 2019
Balances with banks	142.30	17.39
Total	142.30	17.39

9 BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Bank deposit held as margin money deposit (lien against bank guarantee)	35.00	35.00
Total	35.00	35.00

10 OTHER FINANCIAL ASSETS

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on fixed deposit	3.38	1.06
Other receivables from related party (refer note 31)	2.26	-
Inter corporate deposit given to related party (refer note 31)	1,851.00	13.00
Total	1,856.64	14.06

Notes forming part of the financial statements for the year ended March 31, 2020

11 CURRENT TAX ASSETS

₹ in lakhs

Particulars	As at	
	March 31, 2020	March 31, 2019
Tax deducted at source [net of provision for tax Nil (as at March 31, 2019: Nil)]	8.00	1.94
Total	8.00	1.94

12 OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at	
	March 31, 2020	March 31, 2019
Prepaid expenses	2.34	2.23
GST receivables	26.27	3.35
Total	28.61	5.58

13 SHARE CAPITAL

₹ in lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital				
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	10,00,000	100.00
Total	3,10,00,000	3,100.00	3,10,00,000	3,100.00
Issued capital				
Equity shares of Rs. 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 the number of equity shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount (Rs in lakhs)	Number	Amount (Rs in lakhs)
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 for the year ended March 31, 2020

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, 2020		As at March 31, 2019	
	Number of shares	% shares	Number of shares	% shares
Essar Ports & Terminals Limited (holding company)	1,88,29,154	87.93%	1,88,29,154	87.93%
Ibrox Aviation and Trading Private Limited	21,04,169	9.83%	21,04,169	9.83%
Others	4,79,490	2.23%	4,79,490	2.24%
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, 2020	As at March 31, 2019
	Number	Number
0.01% CCCPPS of ₹ 10/- each		
At the beginning of the year	2	-
Add: Issue of shares during the year	-	2
Outstanding at the end of the year	2	2

(e) Terms of / rights attached to CCCPPS

- 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.
- Participating Dividend : CCCPPS holders have the same rights to dividend as that of the equity share holders over and above the fixed dividend.
- 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.
- 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.
- 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.
- 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, 2020		As at March 31, 2019	
	Number of shares	% shares	Number of shares	% shares
Vistra ITCL (India) Limited	2	100.00%	2	100.00%
Total	2	100.00%	2	100.00%

Notes forming part of the financial statements for the year ended March 31, 2020

(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, 2020		As at March 31, 2019	
	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	2,03,77,904	2,037.79	1,09,89,749	1,098.97
Add: Issue of CCD during the year	-	-	93,88,155	938.82
Outstanding at the end of the year	2,03,77,904	2,037.79	2,03,77,904	2,037.79

h) Terms of / rights attached to CCD

- The CCDs shall have face value of Rs.10 each;
- The holder(s) of the CCDs shall be entitled to receive coupon @0.01%;
- The CCDs shall be unsecured;
- 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.
- 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 company

Particulars	As at March 31, 2020		As at March 31, 2019	
	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%	2,03,77,904	100.00%
Total	2,03,77,904	100.00%	2,03,77,904	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, 2020	As at March 31, 2019
(a) Retained earnings		
Opening balance of retained earnings	(2,755.44)	(2,618.80)
Adjustment for (Loss) for the year	(713.96)	(567.34)
Equity Component of Foreign currency convertible bonds transferred to Retained earnings	-	430.70
Closing balance of retained earnings	(3,469.40)	(2,755.44)
(b) Capital reserve on cancellation and fresh issue of equity share capital	26,169.28	26,169.28
(c) Equity Component of Compulsorily Convertible Cumulative Participating Preference shares#	0.00	0.00
(d) Equity Component of Compulsorily Convertible Debentures		
Opening balance of Equity Component of Compulsorily Convertible Debentures	2,037.79	1,098.97
Issue of Compulsorily Convertible Debentures during the year	-	938.81

Notes forming part of the financial statements for the year ended March 31, 2020

Closing balance of Equity Component of Compulsorily Convertible Debentures	2,037.79	2,037.79
(e) Securities Premium Reserve		
Opening balance of Securities Premium	21,735.07	11,721.67
Issue of Compulsorily Convertible Debentures during the year	-	10,013.40
Closing balance of Securities Premium	21,735.07	21,735.07
Total	46,472.74	47,186.70

Amount is less than Rs 1000

15 BORROWINGS (NON CURRENT)

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured- at amortised cost		
a) 5% Foreign currency convertible bonds (FCCB)	8,385.21	7,485.96
Less: Current Maturities	(8,385.21)	(7,485.96)
b) Inter corporate deposit received from related party (refer note 31)	-	32.53
Total	-	32.53

16 DEFERRED TAX LIABILITIES/ (ASSETS)

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	35.16	45.22
	35.16	45.22
Tax effect of items constituting deferred tax assets		
Unabsorbed depreciation and business loss	(35.16)	(45.22)
	(35.16)	(49.26)
Total	-	-

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, 2020	As at March 31, 2019
Deferred Income on discounting of inter corporate deposit	-	7.21
Total	-	7.21

Notes forming part of the financial statements for the year ended March 31, 2020

18 TRADE PAYABLES

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Micro and small enterprise (refer note below)	-	-
(b) Others	12.08	11.86
Total	12.08	11.86

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

19 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Current maturities of long-term borrowings (Unsecured)		
- foreign currency convertible bonds	8,385.21	7,485.96
- Inter corporate deposit from related party (refer note 31)	1,390.00	-
(b) Security deposit from related party (refer note 31)	463.00	-
(c) Due to related parties (refer note 31)	2,394.89	2,415.14
Total	12,633.10	9,901.10

Inter corporate deposit from related party is interest free and repayable on demand

20 OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Statutory dues	22.85	3.13
(b) Income received in advance	120.00	-
(c) Deferred Income on discounting of FCCBs	-	193.20
Total	142.85	196.33

21 REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fleet operating and chartering income	248.33	25.00
Total	248.33	25.00

Notes forming part of the financial statements for the year ended March 31, 2020

22 OTHER INCOME

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income on Fixed deposit	2.58	1.17
Deferred Income on discounting of FCCBs	200.44	486.36
Interest income on CCDs	2.51	-
Interest Income on Income tax refund	0.10	-
Deferred Income on discounting of inter corporate deposit	-	2.28
Total	205.63	489.81

23 OPERATING EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Insurance expenses	6.27	6.91
Management Sharing expenses	134.44	-
Total	140.71	6.91

24 OTHER EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Auditors remuneration (refer note 24.1)	12.00	11.00
Professional fees	9.81	11.43
Filing and other charges	5.50	3.92
Foreign exchange loss on FCCB	699.28	457.99
Courier, printing and stationary	10.09	19.16
Traveling expenses	0.69	-
Total	737.37	503.50

24.1 AUDITORS REMUNERATION (EXCLUDING GST)

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Statutory audit fees	10.00	9.00
Other services- group audit fees	2.00	2.00
Total	12.00	11.00

Notes forming part of the financial statements for the year ended March 31, 2020

25 FINANCE COST

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Finance charges on inter corporate deposits	0.26	2.02
Interest- others and bank charges	1.15	2.52
Finance charges on fair valuation of FCCBs	207.22	489.74
Total	208.63	494.28

26 FINANCIAL INSTRUMENTS

1 Capital management

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

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

The Company is subject to externally imposed capital requirements and is required to maintain certain financial covenants as specified in the loan agreements. The Company's board of directors reviews the capital structure on an annual basis. The financial tie up for the company are long term in nature as it is in infrastructure business. Therefore all new capital requirements are duly discussed by the board of directors. The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes borrowings less cash and cash equivalents and other bank balances.

1.1 Gearing ratio

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

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Debt #	9,775.21	7,518.49
Less: Cash and cash equivalents (refer note 8)	142.30	17.39
Less: Bank balance other than Cash and cash equivalent (refer note 9)	35.00	35.00
Net debt	9,597.92	7,466.10
Total equity (equity and other equity)	48,614.02	49,327.98
Net debt to equity ratio	0.20	0.15

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

2 Categories of financial instruments

₹ in lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying amount	Fair values	Carrying amount	Fair values
Financial assets				
Measured at amortised cost				
Trade receivables	16.92	16.92	7.25	7.25
Other financial assets	1,856.64	1,856.64	14.06	14.06

Notes forming part of the financial statements for the year ended March 31, 2020

Cash and cash equivalents	142.30	142.30	17.39	17.39
Bank balances other than above cash and cash equivalents	35.00	35.00	35.00	35.00
Financial assets measured at amortised cost	2,050.86	2,050.86	73.70	73.70
Financial liabilities				
Measured at amortised cost				
Long term borrowing (including current maturities)	9,775.21	9,775.21	7,518.49	7,518.49
Other financial liabilities	2,857.89	2,857.89	2,415.14	2,415.14
Trade payables	12.08	12.08	11.86	11.86
Financial liabilities measured at amortised cost	12,645.18	12,645.18	9,945.49	9,945.49

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

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

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

3 Financial risk management objectives

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

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

3.1 Foreign currency risk management

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

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

₹ in lakhs

Particulars	As at March 31, 2020			As at March 31, 2019		
	USD	INR	Total	USD	INR	Total
Financial assets						
Trade receivables	-	16.92	16.92	-	7.25	7.25
Other Financial Assets	-	1,856.64	1,856.64	-	14.06	14.06
Cash and cash equivalents	-	142.30	142.30	-	17.39	17.39

Notes forming part of the financial statements for the year ended March 31, 2020

Particulars	As at March 31, 2020			As at March 31, 2019		
	USD	INR	Total	USD	INR	Total
Bank balances other than above cash and cash equivalents	-	35.00	35.00	-	35.00	35.00
Total financial assets (A)	-	2,050.86	2,050.86	-	73.70	73.70
Financial liabilities						
Long Term Borrowings (including current maturities)	8,385.21	1,390.00	9,775.21	7,485.96	32.53	7,518.49
Other financial liabilities	-	2,857.89	2,857.89	-	2,415.14	2,415.14
Trade Payables	-	12.08	12.08	-	11.86	11.86
Total financial liabilities (B)	8,385.21	4,259.97	12,645.18	7,485.96	2,459.53	9,945.49
Net financial liabilities / financial assets (B)-(A)	8,385.21	2,209.11	10,594.33	7,485.96	2,385.83	9,871.79
Hedge for foreign currency risk	-	-	-	-	-	-
Net exposure of foreign currency risk	8,385.21	2,209.11	10,594.33	7,485.96	2,385.83	9,871.79
Sensitivity impact at 10% on statement of profit & loss	838.52	NA	838.52	748.60	NA	748.60

Foreign currency sensitivity analysis

The Company is mainly exposed to USD currency.

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

3.2 Credit risk management

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

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

Trade receivables

Trade receivables consists of few customers. The operations of the customers 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.

Notes forming part of the financial statements for the year ended March 31, 2020

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, 2020				As at March 31, 2019			
	< 1 year	1-5 years	> 5 years	Total	< 1 year	1-5 years	> 5 years	Total
Financial liabilities								
Long Term Borrowings (including current maturities)	9,775.21	-	-	9,775.21	7,485.96	32.53	-	7,518.49
Trade payables	12.08	-	-	12.08	11.86	-	-	11.86
Other financial liabilities	2,857.89	-	-	2,857.89	2,415.14	-	-	2,415.14
Total financial liabilities	12,645.18	-	-	12,645.18	9,912.96	32.53	-	9,945.49

27 EARNINGS PER SHARE

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Basic Earnings per share (in ₹)	(1.71)	(1.52)
Diluted Earnings per share (in ₹)	(1.71)	(1.52)

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, 2020	For the year ended March 31, 2019
Loss for the year attributable to owners of the Company (₹ in Lakhs)	(713.96)	(567.34)
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)*	2,03,77,904	1,58,25,292
Weighted average numbers of Compulsorily Convertible Cumulative Participating Preference shares (No's)*	2	1
Weighted average number of equity shares for the purposes of basic earnings per share	4,17,90,719	3,72,38,106
Earnings per share - Basic (in Rs)	(1.71)	(1.52)

* 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

Notes forming part of the financial statements for the year ended March 31, 2020

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Equity Shares	2,14,12,813	2,14,12,813
Compulsorily Convertible Debentures	2,03,77,904	1,58,25,292
Compulsorily Convertible Cumulative Participating Preference shares	2	1
Weighted average number of equity shares used in the calculation of Basic EPS	4,17,90,719	3,72,38,106

28 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. 7,204.29 lakhs (Equivalent of US\$ 11,111,111) (Rs. 3,859.44 lakhs (US\$ 5,952,381) Series A Bond and Rs. 3,344.85 lakhs (US\$ 5,158,730) Series B Bond) attributable to the business acquired, out of FCCB's of Rs. 25,935.43 lakhs (equivalent of US\$ 39,999,988) issued by Essar Ports Limited have been transferred to the company.

Salient Terms of the FCCBs are as under:

- The Bonds bears interest rate of 5% per annum payable in arrears semi-annually.
- 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 2020 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 previous 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 and extension of Maturity date ie. upto August 24, 2020 from the Bond holders. This has been filed with the authorized dealer for further submission with Regulatory authority.

29 SEGMENT INFORMATION

As per Ind AS 108 Operating Segments, if a financial report contains both the consolidated and standalone financial statements of a holding company/parent that is within the scope of Ind AS as well as the parent's separate financial statements, segment information is required to be disclosed only in the consolidated financial statements.

30 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. From current fiscal year (ie financial year 2019-20), Company has opted for new tax regime as prescribed under section 115BAA of the Income Tax Act, 1961 and therefore, Company shall not be liable to pay MAT, even if book profits exceeds taxable profits.

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 depreciation. Statutory income tax is charged at 22% plus a Surcharge and Cess.

a) Income taxes

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
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)

Notes forming part of the financial statements for the year ended March 31, 2020

Total (A)	-	(3.75)
Recognised in other comprehensive income		
Deferred tax	-	-
Total (B)	-	-
Total (A + B)	-	(3.75)

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, 2020	For the year ended March 31, 2019
Loss before taxes	(713.96)	(571.09)
Enacted tax rate in India	25.17%	26.00%
Income tax at statutory tax rate	(179.69)	(148.48)
Effect of:		
Tax effect of non deductible expenses	226.71	248.74
Tax effect of non taxable income	(50.45)	(127.05)
Deferred tax not recognised on unabsorbed business loss and depreciation	-	24.09
Others (including impact of change in effective tax rate)	3.43	(1.05)
Income taxes recognised in the statement of income	-	(3.75)

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, 2019	Recognised / reversed during the year	As at March 31, 2020
Property, Plant and Equipment	45.22	(10.06)	35.16
Unabsorbed depreciation and business loss	(45.22)	10.06	(35.16)
Total	-	-	-

Components of deferred tax assets and liabilities

₹ 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)	-

31 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 (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 Ibrox Aviation and Trading Private Limited Essar Paradip Terminals Limited Essar Steel Metal Trading Limited (FKA Essar Steel Jharkhand Limited)

b. Transactions with related parties

₹ in lakhs

Nature of transactions	Holding companies		Subsidiary / Other related parties		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Charter Hire income						
Essar Bulk Terminal Limited	-	-	240.00	-	240.00	-
Management sharing expenses						
Essar Ports Limited	-	-	134.44	-	134.44	-
Interest income on CCDs						
Essar Bulk Terminal (Salaya) Limited	-	-	2.51	-	2.51	-
Interest expenses on CCDs						
Essar Ports & Terminals Limited	0.36	-	-	-	0.36	-
Expenses incurred by others on behalf of the Company						
Essar Ports Limited	-	-	8.78	12.68	8.78	12.68
Essar Bulk Terminal Limited	-	-	7.00	-	7.00	-
Total	-	-	15.78	12.68	15.78	12.68
Inter corporate deposit received						
Hazira Cargo Terminals Limited	-	-	-	40.00	-	40.00
Essar Steel Metal Trading Limited	-	-	1,350.00	-	1,350.00	-
Total	-	-	1,350.00	40.00	1,350.00	40.00
Inter corporate deposit given						
Essar Bulk Terminal (Salaya) Limited	-	-	1,838.00	13.00	1,838.00	13.00
Security deposit received						
Essar Bulk Terminal Limited	-	-	463.00	-	463.00	-
Issue of compulsorily convertible debentures						
Ibrox Aviation and Trading Private Limited	-	-	-	10,952.22	-	10,952.22
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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Advance income received						
Essar Bulk Terminal Limited	-	-	120.00	-	120.00	-
Security Deposit received						
Essar Bulk Terminal Limited	-	-	463.00	-	463.00	-
Inter corporate deposit given						
Essar Bulk Terminal (Salaya) Limited	-	-	1,851.00	13.00	1,851.00	13.00
Inter corporate deposit received						
Hazira Cargo Terminal Limited	-	-	40.00	40.00	40.00	40.00
Essar Steel Metal Trading Limited	-	-	1,350.00	-	1,350.00	-
Total	-	-	1,390.00	40.00	1,390.00	40.00
Less IND AS Adjustment (discounting)	-	-	-	(7.47)	-	(7.47)
Total	-	-	1,390.00	32.53	1,390.00	32.53
Other receivables						
Essar Bulk Terminal (Salaya) Limited	-	-	2.26	-	2.26	-
Trade and Other payables						
Essar Bulk Terminal (Salaya) Limited	-	-	0.73	0.73	0.73	0.73
Essar Steel Metal Trading Limited	-	-	2.65	2.65	2.65	2.65
Essar Ports Limited	-	-	765.13	735.70	765.13	735.70
Paradeep Steel Company Limited	-	-	0.32	0.32	0.32	0.32
Essar Ports & Terminals Limited	0.33	-	-	-	0.33	-
Essar Paradip Terminal Limited	-	-	1,625.73	1,675.73	1,625.73	1,675.73
Total	0.33	-	2,394.56	2,415.13	2,394.89	2,415.13
Guarantee given on behalf of others						
Essar Bulk Terminal (Salaya) Limited	-	-	35.00	35.00	35.00	35.00

32 CONTINGENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Guarantees given by the company to custom authorities on behalf of subsidiary	35.00	35.00

33 As on March 31, 2020, the Company's current liabilities exceed its current assets by Rs 10,691.55 lakhs. The Management has addressed this deficit by obtaining financial support from fellow subsidiaries. Accordingly the financial statements have been prepared on 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	
	As at March 31, 2020	As at March 31, 2019
Subsidiaries		
Essar Bulk Terminal (Salaya) Limited	79.90%	79.90%

35 NOTE ON COVID 19

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been/was further extended till May 31, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The Company do not foresee any large scale contraction in demand (as majorly is from group companies) which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. In assessing the recoverability of PPE, investments in subsidiaries and trade receivables, the Company has considered internal and external information up to the date of approval of these financial results including economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial reporting controls etc. and is of the view that based on its present assessment this situation does not materially impact this financial statements.

36 NOTE ON GOING CONCERN

The subsidiary of the Company has developed the captive terminal facilities under the license agreement with Gujarat Maritime Board. The Company entered into cargo handling agreement with its captive customer i.e Essar Power Gujarat Limited ('EPGL'). However, in the previous year, due to non-availability of captive cargo from EPGL, the subsidiary operated at lower capacity utilization levels 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, the management has concluded that the subsidiary should be able to overcome its short-term liquidity crunch in near future. Accordingly, the financial statements for the year ended March 31, 2020 have been prepared in going concern basis.

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

In terms of our report attached

For MSKA & Associates

Chartered Accountants
Firm Registration no. 105047W

Anita Somani

Partner
Membership No: 124118
Mumbai, June 11, 2020

For and on behalf of the Board of Directors of Salaya Bulk Terminals Limited

Bhaven Bhatt

CEO & Director
DIN : 06771031
Ahmedabad

Ashwin Menon

CFO
Mumbai, June 11, 2020

Sanjeev Taneja

Director
DIN- 00037005
New Delhi

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 Salaya Bulk Terminals Limited (hereinafter referred to as 'the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2020, 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 the 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 43 read with Note 19(d) and 28 to the consolidated financial statements, which states that the subsidiary company has incurred loss of Rs. 9,227.67 lakhs during the year ended March 31, 2020, and all of its borrowing became payable on demand. Further, as mentioned therein and informed to us, the management is working towards the various solutions to improve its liquidity position and is at the advance stage of restructuring its debt. These situations indicate existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note 4(c) to the consolidated financial statements regarding the impairment assessment of property, plant and equipment in terms of Ind AS 36: Impairment of Assets and the basis for determining the recoverable amount which is dependent on the subsidiary company's ability to continue as going concern as stated above.

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 but does not include the consolidated 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, 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 Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from

the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 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 35 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 company 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: 20124118AAAACY6950

Place: Mumbai
Date: June 11, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

on even date on the consolidated financial statements of salaya bulk terminals limited for the year ended march 31, 2020

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 Holding Company has internal financial controls with reference to consolidated 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: 20124118AAAACY6950

Place: Mumbai
Date: June 11, 2020

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

of even date on the Consolidated Financial Statements of Salaya Bulk Terminals Limited for the year ended March 31, 2020

[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, 2020]

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 Salaya Bulk Terminals Limited (hereinafter referred to as 'the Holding Company') as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, 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 company, 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 company, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements

of the Holding Company and its subsidiary company, which are companies incorporated in India.

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 company, which are companies incorporated in India, have, in all material respects, 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, 2020, 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: 20124118AAAACY6950

Place: Mumbai

Date: June 11, 2020

Consolidated Balance Sheet as at March 31, 2020

₹ in lakhs

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	1,90,606.58	1,99,420.94
(b) Right-of-use assets	5	3,312.38	-
(c) Capital work-in-progress	6	2,589.81	1,237.51
(d) Non-current tax assets	8	2,042.74	1,118.76
(e) Other non-current assets	9	-	-
Total non-current assets		1,98,551.51	2,01,777.21
Current assets			
(a) Inventories	10	676.00	260.07
(b) Financial assets			
(i) Trade receivables	11	7,091.30	999.96
(ii) Cash and cash equivalents	12	334.29	34.51
(iii) Bank balances other than cash and cash equivalents	13	46.81	46.81
(iv) Other financial assets	14	374.88	77.93
(c) Current tax assets	15	8.00	1.94
(d) Other current assets	16	4,818.15	5,993.70
Total current assets		13,349.43	7,414.92
Total assets		2,11,900.94	2,09,192.13
II EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	17	2,141.28	2,141.28
(b) Other equity	18	18,515.41	26,602.02
Equity attributable to owners of the Company		20,656.69	28,743.30
Non-controlling interests		7,787.53	9,642.54
Total Equity		28,444.22	38,385.84
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	2,210.52	3,683.47
(ii) Lease liabilities on Right-of-use assets	20	2,250.43	-
(b) Deferred tax liabilities (net)	21	-	-
(c) Other non-current liabilities	22	416.99	776.37
Total non-current liabilities		4,877.94	4,459.84
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	1,19,773.94	1,26,819.66
(ii) Trade payables	23	5,999.03	4,706.21
(iii) Lease liabilities on Right-of-use assets	24	1,067.35	-
(iv) Other financial liabilities	25	50,422.46	33,346.85
(b) Provisions	26	116.61	109.02
(c) Other current liabilities	27	1,199.39	1,364.71
Total current liabilities		1,78,578.78	1,66,346.45
Total liabilities		1,83,456.72	1,70,806.29
Total equity and liabilities		2,11,900.94	2,09,192.13
Summary of significant accounting policies	3		

The accompanying notes are integral part of the consolidated financial statements.

For and on behalf of the Board of Directors of Salaya Bulk Terminals Limited

In terms of our report attached
For MSKA & Associates
 Chartered Accountants
 Firm Registration No 105047W

Anita Somani
 Partner
 Membership No: 124118
 Mumbai, June 11, 2020

Bhaven Bhatt
 CEO and Director
 DIN- 06771031
 Ahmedabad

Ashwin Menon
 CFO
 Mumbai, June 11, 2020

Sanjeev Taneja
 Director
 DIN- 00037005
 New Delhi

Bhawani Shankar Thanvi
 Company Secretary
 Membership No: A50535

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

₹ in lakhs

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from operations	28	30,572.78	11,577.44
II Other income	29	516.52	715.83
III Total Income (I + II)		31,089.30	12,293.27
IV Expenses			
(a) Operating expenses	30	14,335.69	5,521.54
(b) Employee benefits expenses	31	893.58	671.82
(c) Other expenses	32	1,231.30	1,254.87
(d) Depreciation and amortisation expense	7	9,251.56	8,720.19
(e) Finance costs	33	14,253.29	18,308.38
Total expenses (IV)		39,965.42	34,476.80
V Loss before tax and exceptional items (III-IV)		(8,876.12)	(22,183.53)
VI Exceptional items			
(a) Allowance for bad and doubtful receivables (refer footnote (i) to note 11)		304.45	1,030.37
(b) Provision for stock loss/ demurrage expenses (refer note 44)		733.93	1,380.00
VII Total exceptional items		1,038.38	2,410.37
VIII Loss before tax (V-VII)		(9,914.50)	(24,593.90)
IX Tax expense/(benefit):			
(a) Current tax		-	-
(b) Deferred tax	41	-	(3.75)
		-	(3.75)
X Loss for the year (V-VI)		(9,914.50)	(24,590.15)
XI Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent period			
(i) Remeasurement of the defined benefit plans		(27.12)	23.57
Total other comprehensive (loss) / income		(27.12)	23.57
XII Total comprehensive loss for the year (X+XI)		(9,941.62)	(24,566.58)
XIII Loss for the year attributable to:			
(a) Owners of the Company		(8,064.95)	(19,542.94)
(b) Non-controlling interests		(1,849.55)	(5,047.21)
XIV Other comprehensive income for the year attributable to:			
(a) Owners of the Company		(21.66)	18.83
(b) Non-controlling interests		(5.46)	4.74
XV Total comprehensive income for the year attributable to:			
(a) Owners of the Company		(8,086.61)	(19,524.11)
(b) Non-controlling interests		(1,855.01)	(5,042.47)
XVI Earnings per equity share (face value of Rs.10 each)			
Basic and diluted (in Rs)	37	(19.30)	(52.48)
Summary of significant accounting policies	3		

The accompanying notes are integral part of the consolidated financial statements.

In terms of our report attached
For MSKA & Associates
 Chartered Accountants
 Firm Registration No 105047W

Anita Somani
 Partner
 Membership No: 124118
 Mumbai, June 11, 2020

For and on behalf of the Board of Directors of Salaya Bulk Terminals Limited

Bhaven Bhatt
 CEO and Director
 DIN- 06771031
 Ahmedabad

Ashwin Menon
 CFO
 Mumbai, June 11, 2020

Sanjeev Taneja
 Director
 DIN- 00037005
 New Delhi

Bhawani Shankar Thanvi
 Company Secretary
 Membership No: A50535

Statement of Changes in Equity for the year ended March 31, 2020

A. Equity share capital

₹ in lakhs

Particulars	Amount
Balance as at April 01, 2018	2,141.28
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2019	2,141.28
Changes in Equity Share Capital during the year	-
Balance as at March 31, 2020	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 reserve	Attributable to Minority Interest	Attributable to owners of the Group	Total
				Remeasurement of defined benefit plan						
Balance as at April 01, 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
Loss for the year	-	-	(19,542.94)	-	-	-	-	(5,047.21)	(19,542.94)	(24,590.15)
Other comprehensive income for the year	-	-	-	18.83	-	-	-	4.74	18.83	23.57
Total comprehensive income/ (loss) for the year	-	-	(19,542.94)	18.83	-	-	-	(5,042.47)	(19,524.11)	(24,566.58)
Convertible Debenture Issued during the year	-	-	-	-	938.81	-	10,013.45	-	10,952.26	10,952.26
Adjustment on account of change in effective holding	-	-	(329.47)	(1.79)	-	-	-	(1,344.53)	(331.26)	(1,675.79)
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	-	(23,321.33)	(18.78)	2,037.78	0.00	21,735.07	9,642.54	26,602.02	36,244.56
Loss for the year	-	-	(8,064.95)	-	-	-	-	(1,849.55)	(8,064.95)	(9,914.50)
Other comprehensive income for the year	-	-	-	(21.66)	-	-	-	(5.46)	(21.66)	(27.12)
Total comprehensive loss for the year	-	-	(8,064.95)	(21.66)	-	-	-	(1,855.01)	(8,086.61)	(9,941.62)
Balance as at March 31, 2020	26,169.28	-	(31,386.28)	(40.44)	2,037.78	0.00	21,735.07	7,787.53	18,515.41	26,302.94

The accompanying notes are integral part of the consolidated financial statements.

Amount is less than Rs. 1,000

In terms of our report attached

In terms of our report attached

For MSKA & Associates

Chartered Accountants

Firm Registration No 105047W

Anita Somani

Partner

Membership No: 124118

Mumbai, June 11, 2020

For and on behalf of the Board of Directors of Salaya Bulk Terminals Limited

Bhaven Bhatt

CEO and Director

DIN- 06771031

Ahmedabad

Ashwin Menon

CFO

Mumbai, June 11, 2020

Sanjeev Taneja

Director

DIN- 00037005

New Delhi

Bhawani Shankar Thanvi

Company Secretary

Membership No: A50535

Consolidated Cash Flow Statement for the year ended March 31, 2020

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A Cash flow from operating activities		
Loss before tax	(9,914.50)	(24,593.90)
Adjustments for:		
Depreciation and amortisation expense	9,251.56	8,720.19
Unrealised foreign exchange loss	699.28	457.99
Finance Costs	14,253.29	18,308.38
Provision for expected credit loss (allowance for doubtful receivables)	304.45	1,030.37
Interest income on fixed deposits and income tax refund	(3.54)	(1.17)
Finance income on recognition of financial liabilities at amortised cost	(412.23)	(714.45)
Provision for stock loss/ demurrage expenses	733.93	1,380.00
Operating profit before working capital changes	14,912.24	4,587.41
Movements in Working Capital:		
Trade receivables, Loans and advances and other assets	(5,886.43)	(627.84)
Trade payable, other liabilities and provisions	574.31	2,831.01
Cash generated from operating activities	9,600.12	6,790.58
Income Tax paid (net)	(930.04)	(258.79)
Net cash generated from operating activities (A)	8,670.08	6,531.79
B Cash flow from investing activities		
Purchase of fixed assets including capital work in progress	(2,203.80)	(5,470.23)
Security deposit received from related party	463.00	-
Investment made in fixed deposit	-	(35.00)
Interest received on fixed deposits, CCDs and income tax refund	1.11	0.12
Net cash used in investing activities (B)	(1,739.69)	(5,505.11)
C Cash flow from financing activities		
Proceeds from unsecured loans	3,896.00	3,528.00
Refund of unsecured loans	-	(25.00)
Repayment of lease liability	(482.00)	-
Repayment of Secured loans	(4,555.39)	(988.86)
Finance costs paid	(5,489.22)	(3,662.76)
Net cash used in investing activities (C)	(6,630.61)	(1,148.62)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	299.78	(121.94)
Cash and cash equivalents at the beginning of the year	34.51	156.45
Closing cash and cash equivalents	334.29	34.51

Consolidated Cash Flow Statement for the year ended March 31, 2020

Notes:

₹ in lakhs

1. Reconciliation between closing cash and cash equivalents and cash and bank balances	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents as per cash flow statement	334.29	34.51
Add : Margin money deposits not considered as cash and cash equivalents as per IND AS-7	46.81	46.81
Cash and bank balances (refer note no 12 & 13)	381.10	81.32

2. Changes arising in financial liabilities due to financing activities

₹ in lakhs

Particulars	As at April 01, 2019	Cash movement	Non cash movement	As at March 31, 2020
Non Current Borrowing (Including current maturities and interest accrued)	1,56,975.65	(6,148.61)	15,005.31	1,65,832.35
Total	1,56,975.65	(6,148.61)	15,005.31	1,65,832.35

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	(1,148.62)	7,930.78	1,56,975.65
Total	1,50,193.49	(1,148.62)	7,930.78	1,56,975.65

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:

Previous Year

- During previous 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)

The accompanying notes are integral part of the consolidated financial statements.

For and on behalf of the Board of Directors of Salaya Bulk Terminals Limited

In terms of our report attached
For MSKA & Associates
 Chartered Accountants
 Firm Registration No 105047W

Anita Somani
 Partner
 Membership No: 124118
 Mumbai, June 11, 2020

Bhaven Bhatt
 CEO and Director
 DIN- 06771031
 Ahmedabad

Ashwin Menon
 CFO
 Mumbai, June 11, 2020

Sanjeev Taneja
 Director
 DIN- 00037005
 New Delhi

Bhawani Shankar Thanvi
 Company Secretary
 Membership No: A50535

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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, Gujarat.

The Company along with its subsidiary constitute “the Group”. Refer note 45 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 June 11, 2020.

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 entirety, 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

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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

(a) The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is

depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the balance sheet.

The Group applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

As a practical expedient, IND AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(b) The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. 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 lease accounting model for lessees.

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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 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

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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 when shareholders approve the dividend.

F. Borrowing costs

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

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

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

G. Employee benefits

Retirement benefit costs and termination benefits

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

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

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

- re-measurement

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

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

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

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

Short-term and other long-term employee benefits

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

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

H. Foreign currencies

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

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

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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

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

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

I. Financial Instruments

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

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

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

I. Financial assets

a) Initial recognition and measurement

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

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

b) Classification of financial assets

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

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

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

Financial asset at amortised cost

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

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

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

Financial assets at fair value

Debt instruments

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in 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.

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

Debt instrument at FVTPL

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

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

Equity investments

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

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

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

c) Effective interest method

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

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

d) Derecognition of financial assets

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

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

e) Impairment of financial assets

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

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

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

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

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

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

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

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

II. Financial liabilities and equity instruments

a) Classification as debt or equity

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

b) Equity instruments

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

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

purchase, sale, issue or cancellation of the Group's own equity instruments.

c) Financial liabilities

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

Financial liabilities at FVTPL:

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

A financial liability is classified as held for trading if:

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

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

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

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

Other financial liabilities:

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

Derecognition of financial liabilities:

The Group derecognises financial liabilities when, and only

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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 through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Statement of profit or loss, unless designated as effective hedging instruments.

e) **Offsetting of financial instruments**

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

J. **Compound financial instrument**

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

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

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

K. **Taxation**

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

Current tax

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

Deferred tax

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

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

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax during the specified period i.e., the period for which MAT credit is allowed to be carried forward as per tax laws. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal income tax during the specified period.

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

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

Current and deferred tax for the period

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

L. Provisions, contingent liabilities and contingent assets

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

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

M. Business combinations under common control

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

Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonise the accounting policies. The financial information in the consolidated financial statements in respect of prior periods is restated as if

the business combination had occurred from the beginning of the preceding period in the consolidated financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appeared in the consolidated financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

3.1 Key sources of estimation uncertainty and critical accounting judgments

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

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

i) Going Concern

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

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

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

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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 40

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 36 for further disclosures.

3.2 A) Standards issued but not yet effective and have not been adopted early by the Group

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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, 2018	24.51	32.88	34.18	76,087.86	29,863.00	98,942.22	2,04,984.65
Additions	-	-	2.52	-	1,234.72	3,168.67	4,405.91
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
Additions	-	-	5.86	-	-	-	5.86
As at March 31, 2020	24.51	32.88	42.56	76,087.86	31,097.72	1,02,110.89	2,09,396.42
Accumulated depreciation							
As at April 01, 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
Depreciation charge for the year	-	2.10	2.23	3,804.39	1,552.69	3,458.81	8,820.22
As at March 31, 2020	-	20.92	37.80	7,925.81	3,196.88	7,608.43	18,789.84
Net Carrying amount							
As at March 31, 2019	24.51	14.06	1.13	71,966.44	29,453.53	97,961.27	1,99,420.94
As at March 31, 2020	24.51	11.96	4.76	68,162.05	27,900.84	94,502.46	1,90,606.58

Notes

- The Group has completed its export stockyard operation facilities and capitalised Rs 3,168.67 lakhs on December 01, 2018. The Group has also strengthened its Bund and spent Rs 1,234.72 lakhs which were capitalised on November 01, 2018.
- 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 existing berth, jetty and conveyor belt etc., amounting Rs 184,364.84 lakhs which were capitalised on March 01, 2018.
- The Group has Property Plant and Equipment (PP&E) of Rs. 1,90,606.58 lakhs as at March 31, 2020. The management has assessed the recoverable amount of 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 i.e. revenue from EPGL, revenue from third parties, availability of necessary regulatory approvals, which are considered reasonable by the management. Further, the future projections are subject to the Group successfully restructuring its existing debt obligations. Basis the above the computed recoverable amount of the project is higher than its carrying amount as at March 31, 2020 and accordingly no Impairment has been recognised..
- Plant, equipment and berth and jetty including navigational channel, with total carrying amount value as on March 31, 2020 amounting to Rs. 208,513.68 lakhs (as on March 31, 2019 Rs. 208,513.68 lakhs), constructed over the water front allocated by Gujarat Maritime Board (GMB) is used by the Group under concessional arrangement with GMB.
- All property plant and equipment have been hypothecated to secured borrowings of the Group.

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

5 Right-of-Use Assets (ROU assets)

₹ in lakhs

Particulars	Category of ROU assets		Total
	Floating Crane	Tugs	
Balance as at April 01, 2019	-	-	-
Addition during the year	550.94	3,192.78	3,743.72
Depreciation	220.74	210.60	431.34
Balance as at March 31, 2020	330.20	2,982.18	3,312.38

6 Capital work in progress

₹ in lakhs

Particulars	As at March 31, 2019	Addition during the year	Capitalised During the year	As at March 31, 2020
Capital work-in-progress	1,237.51	1,352.30	-	2,589.81
Total	1,237.51	1,352.30	-	2,589.81

Note: The 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 during financial year 2020-21.

7 Depreciation and amortisation expense

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of Property, plant and equipment	8,820.22	8,720.19
Depreciation on ROU Assets	431.34	-
Total	9,251.56	8,720.19

8 Non current tax assets

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Advance income tax and Tax deducted at source*	1,213.98	696.85
Income Tax (deposited in CIT appeals)	828.76	421.91
Total	2,042.74	1,118.76

*Advance tax is net of provision of Rs. 107.36 lakhs (as at March 31, 2019 Rs.107.36 Lakhs)

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

9 OTHER NON-CURRENT ASSETS

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good, unless otherwise stated		
Capital advances		
- to related parties (refer note 42)	189.49	214.49
Less: Expected credit loss	(189.49)	(214.49)
Total	-	-

10 INVENTORIES

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Stores & Spares (at lower of cost or net realisable value)	676.00	260.07
Total	676.00	260.07

11 Trade receivables

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good (refer note 42)	7,091.30	999.96
Unsecured, considered doubtful (refer note 42 and footnote (i) below)	2,052.32	1,747.87
Less: Expected credit loss	(2,052.32)	(1,747.87)
Total	7,091.30	999.96

Footnote

- (i) During the previous year, one of the major customer of the Group- Essar Power Gujarat Limited ('EPGL'), a related party, had shut down during FY 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 Gujarat Urja Vikas Nigam Limited (GUVNL), accordingly the Group has deferred invoicing and revenue recognition under Take or Pay Agreement (TOPA) with EPGL and have also created provision for Expected Credit Loss (ECL) in respect of existing receivable as at March 31, 2020 for Rs. 2,052.52 lakhs.

12 Cash and cash equivalents

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks in current accounts	334.29	34.51
Total	334.29	34.51

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

13 Bank balances other than cash and cash equivalents

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with banks held as margin money (lien against bank guarantee)	46.81	46.81
Total	46.81	46.81

14 Other financial assets (current)

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good, unless otherwise stated		
Security deposits- others	334.30	76.87
Other receivables - From others	37.20	-
Interest accrued on fixed deposits	3.38	1.06
Unsecured and considered doubtful		
Other receivables	63.54	63.54
Less : Expected credit loss	(63.54)	(63.54)
Total	374.88	77.93

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 Current tax assets

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax assets [net of provision for tax Nil (as at March 31, 2019: Nil)]	8.00	1.94
Total	8.00	1.94

16 OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good, unless otherwise stated		
Prepaid expenses	14.63	264.60
Advances to vendors	865.42	508.57
Balance with government authorities		
- Cenvat receivable	2,151.34	3,655.46
- Service tax claim receivable	1,225.00	1,225.00
- GST claim receivable	239.28	61.14
Capital Advances	322.48	278.93
Total	4,818.15	5,993.70

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

17 Share capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount ₹ in Lakhs	Number of shares	Amount ₹ 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 ₹ 10/- each	10,00,000	100.00	10,00,000	100.00
Total	3,10,00,000	3,100.00	3,10,00,000	3,100.00
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 the number of equity shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount (₹ in lakhs)	Number	Amount (₹ in lakhs)
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

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% shares	Number of shares	% shares
Essar Ports & Terminals Limited (holding company)	1,88,29,154	87.93%	1,88,29,154	87.93%
Ibrox Aviation and Trading Private Limited	21,04,169	9.83%	21,04,169	9.83%
Others	4,79,490	2.24%	4,79,490	2.24%
Total	2,14,12,813	100.00%	2,14,12,813	100.00%

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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

Particulars	As at March 31, 2020	As at March 31, 2019
	Number	Number
0.01% CCCPPS of Rs. 10/- each		
At the beginning of the year	2	-
Add: Issue of shares during the year	-	2
Outstanding at the end of the year	2	2

e) Terms of / rights attached to CCCPPS

- 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.
- Participating Dividend : CCCPPS holders have the same rights to dividend as that of the equity share holders over and above the fixed dividend.
- 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.
- 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.
- 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.
- 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, 2020		As at March 31, 2019	
	Number of shares	% shares	Number of shares	% shares
Vistra ITCL (India) Limited	2	100.00%	2	100.00%
Total	2	100.00%	2	100.00%

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, 2020		As at March 31, 2019	
	Number	% shares	Number	% shares
0.01% CCD of Rs. 10/- each				
At the beginning of the year	2,03,77,904	2,037.79	1,09,89,749	1,098.97
Add: Issue of CCD during the year	-	-	93,88,155	938.82
Outstanding at the end of the year	2,03,77,904	2,037.79	2,03,77,904	2,037.79

h) Terms of / rights attached to CCD

- The CCDs shall have face value of Rs.10 each;
- The holder(s) of the CCDs shall be entitled to receive coupon @0.01%;
- The CCDs shall be unsecured;

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

- (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, 2020		As at March 31, 2019	
	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%	2,03,77,904	100.00%
Total	2,03,77,904	100.00%	2,03,77,904	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, 2020	As at March 31, 2019
(a) Retained earnings		
Opening balance of retained earnings.	(23,321.33)	(3,879.62)
Adjustment for: loss for the year	(8,064.95)	(19,542.94)
Adjustment on account of change in effective holding	-	101.23
Closing balance of retained earnings	(31,386.28)	(23,321.33)
(b) Capital reserve on cancellation and fresh issue of equity share capital	26,169.28	26,169.28
(c) Equity Component of Compulsorily Convertible Debentures		
Opening balance of Equity Component of Compulsorily Convertible Debentures	2,037.78	1,098.97
Issue of Compulsorily Convertible Debentures during the year	-	938.81
Closing balance of Equity Component of Compulsorily Convertible Debentures	2,037.78	2,037.78
(d) Securities Premium Reserve		
Opening balance of Securities Premium	21,735.07	11,721.67
Issue of Compulsorily Convertible Debentures during the year	-	10,013.40
Closing balance of Securities Premium Reserve	21,735.07	21,735.07
(e) Equity Component of Compulsorily Convertible Cumulative Participating Preference shares#	0.00	0.00
(f) Remeasurement of defined benefit plans		
Opening balance of remeasurement of defined benefit plans	(18.78)	(35.82)
Adjustment for: income/ (loss) for the year	(21.66)	18.83
Adjustment on account of change in effective holding	-	(1.79)
Closing balance of remeasurement of defined benefit plans	(40.44)	(18.78)
Total	18,515.41	26,602.02

Amount is less than Rs 1000

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

19 Borrowings

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings (non-current) (A)		
Unsecured borrowings- at amortised cost		
5% Foreign Currency Convertible Bonds (FCCBs)	8,376.21	7,485.96
Inter corporate deposits from related parties (refer note 42)	7,940.52	3,570.47
Inter corporate deposits from others	545.13	651.21
Less: Current maturities of inter corporate deposit	(6,205.00)	(475.00)
Less: Current maturities of FCCBs	(8,376.21)	(7,485.96)
Less: Interest accrued on inter corporate deposits from others	(70.13)	(63.21)
Total (A)	2,210.52	3,683.47
Borrowings (current) (B)		
Rupee Term loans from banks	1,02,449.16	1,06,953.56
Rupee Term loans from a financial institution	20,166.61	20,217.61
Unamortised portion of ancillary borrowing cost	(2,841.83)	(351.51)
Total (B)	1,19,773.94	1,26,819.66
Total (A)+(B)	1,21,984.46	1,30,503.13

Notes :-

- Rupee term loans from banks amounting to Rs. 84,687.15 lakhs (As at March 31, 2019 Rs 89,191.56 lakhs) carry interest of 11%-13.7% p.a. with repayment in 36 equal quarterly instalments starting from quarter ending June, 2017 to quarter ending in March, 2026 and rupee term loans from banks of Rs. 17,762.00 lakhs (As at March 31, 2019 Rs 17,762.00 lakhs) carry interest 11%-13.7% p.a. are repayable in 36 equal quarterly instalments starting from quarter ending June, 2018 to quarter ending in March, 2027
- Rupee term loan from financial institution of Rs. 16,305.97 lakhs (As at March 31, 2019 16,327.60 lakhs) carry interest of 11% p.a. with repayment in 44 equal quarterly instalments starting from quarter ending June, 2017 and ending in March, 2028 and rupee term loan from financial institution of Rs 3,860.65 lakhs (As at March 31, 2019 Rs 3,890.00 Lakhs) carry interest of 11% p.a. is repayable in 44 equal quarterly instalments starting from quarter ending June, 2018 and ending in March, 2029.
- 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 Subsidiary and pledge of certain shares of the Subsidiary 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, 2019: Rs.132,034 Lakhs).
- As at March 31, 2020, the Group had delayed payment of interest of Rs. 25,721.41lakhs (as at March 31, 2019 Rs. 18,448.37 lakhs) and defaulted in repayments of instalments of all the banks and financial institutions from the quarter ended March 31, 2018. On December 27, 2019, authorized representative conducted a consortium meeting and concluded to waive off unrecovered interest charge in excess of 11% till the date of restructuring and enter into Inter Creditor Agreement on January 16, 2020 ('ICA') & withdrawal of all recovery / legal proceedings against EBTSL including withdrawal of application before NCLT. Certain banks had filed an application with National Company Law Tribunal, Ahmedabad ("NCLT") under the Insolvency and Bankruptcy Code 2016 ("IBC") and debt recovery tribunal III, Delhi. Application with NCLT has since been withdrawn by the lenders. Management of EBTSL (subsidiary company) expects the proposed restructuring arrangement to be completed in the financial year 2020-21. As at March 31, 2020, pending completion of the restructuring proposal, the Group has classified the entire borrowings as current.
- 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.

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

20 Lease liabilities Right-of-use assets (Non Current)

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Lease liabilities on right to use asset	3,317.78	-
Less: Current portion of lease liabilities	(1,067.35)	-
Total A	2,250.43	-

21 DEFERRED TAX LIABILITIES (NET)

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Tax effect of items constituting deferred tax liabilities		
Difference in written down value of property, plant and equipment	13,385.54	12,155.21
Total (A)	13,385.54	12,155.21
Tax effect of items constituting deferred tax assets		
Unabsorbed depreciation and business loss	12,751.84	11,608.90
On Remeasurement of defined benefit obligation	19.58	19.58
Expected credit loss provision	612.76	526.73
On Right-of-use assets/ lease obligation	1.36	-
Total (B)	13,385.54	12,155.21
Net deferred tax liabilities	-	-

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.

22 Other non- current liabilities

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Income*	416.99	776.37
Total	416.99	776.37

*on discounting of inter corporate deposit

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

23 Trade payables

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables - micro, small and medium enterprises (refer note 47)	165.32	-
Trade payables other than micro, small and medium enterprises	5,833.71	4,706.21
Total	5,999.03	4,706.21

24 Lease liabilities Right-of-use assets (Current)

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Current portion of lease liabilities	1,067.35	-
Total	1,067.35	-

25 Other financial liabilities (current)

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term borrowings		
- foreign currency convertible bonds	8,385.21	7,485.96
- Inter Corporate deposit from related party (refer note 42)	5,730.00	-
- Inter Corporate deposit from others	475.00	475.00
Interest accrued on inter corporate deposit from others	70.13	63.21
Interest accrued and due on rupee term loans from banks and financial institution	29,187.54	18,448.37
Due to related parties (refer note 42)	2,394.16	2,414.39
Payable for capital expenses		
- To related parties (refer note 42)	377.98	81.62
- To others	3,267.51	4,365.94
Security deposit from customers	41.52	12.36
Security deposit received from related parties (refer note 42)	463.00	-
Interest accrued but not due on lease liability	30.41	-
Total	50,422.46	33,346.85

26 Provisions

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Compensated absences (refer note 40)	5.82	7.71
Gratuity (refer note 40)	110.79	101.31
Total	116.61	109.02

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

27 OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues	403.46	640.17
Deferred income on discounting of FCCB	-	193.21
Income received in advance		
- from related parties (refer note 42)	120.00	-
- from others	675.93	531.33
Total	1,199.39	1,364.71

28 Revenue from operations

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fleet operating and chartering earnings	248.33	25.00
Cargo handling income	24,251.57	10,956.01
Wharfage charges recovery	1,504.27	191.49
Berth hire income	126.89	-
PDA charges recovery	3,757.51	-
Pilotage & tug hire income	155.95	14.72
Other operating income	528.26	390.22
Total	30,572.78	11,577.44

Note: In the previous year, one of the major customer of the Group, Essar Power Gujarat Limited ('EPGL'), a related party, had shut down as due to increase in coal prices it was difficult for EPGL to provide services under its power purchase agreement entered in to with Gujarat Urja Vikas Nigam Limited. However, during the year, EPGL has restored its operations and the Group has recognized revenue under Take or Pay Agreement (TOPA) with EPGL along with creation of provision for Expected Credit Loss (ECL) in respect of existing receivable as at March 31, 2020 for Rs. 1,747.87 lakhs. 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 accordingly, the Group has started earning revenue from EPGL during the year and is confident about the future revenues as well.

29 Other income

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income on fixed deposit	3.44	1.38
Deferred income on discounting of inter corporate deposit	211.79	228.09
Deferred income on discounting of FCCB	200.44	486.36
Sale of scrap	100.75	-
Interest income on income tax refund	0.10	-
Total	516.52	715.83

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

30 Operating expenses

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Tug hire charges	848.74	1,068.13
Wharfage charges	3,250.42	2,008.30
Lighterage cost and stevedoring charges	931.23	510.03
Power charges	4,170.08	451.40
Manning management expenses	561.98	342.91
Equipment hire charges	560.61	588.06
Security charges	99.49	63.67
Consumption of stores and spares (including fuel)	1,063.26	293.19
Repairs- plants and machinery	5.52	10.51
Insurance expenses	291.51	185.34
Berth hire charges, port dues & agency fees	2,027.72	-
Other port charges (ILH,Lighterage levy,VTMS charges etc)	217.60	-
Demurrage expenses	74.10	-
Screening Charges	98.98	-
Management sharing expenses	134.44	-
Total	14,335.69	5,521.54

31 Employee benefit expenses

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salary and wages	696.17	536.44
Contributions to provident and other funds	58.35	58.56
Staff welfare expenses	139.06	76.82
Total	893.58	671.82

32 Other expenses

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Consultancy and professional charges	106.02	242.13
Auditors' remuneration	28.00	27.00
Other expenses	52.72	167.50
Filing and other charges	5.50	3.92
Travelling expense	38.55	54.53
Repairs-others	89.83	40.40
Courier, printing & stationery	10.09	21.92
Foreign exchange loss	699.28	457.99
Fees and subscription	151.72	197.56
Vehicle hire and maintenance charges	49.59	41.92
Total	1,231.30	1,254.87

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

33 Finance cost

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on discounting of FCCBs	207.22	489.74
Interest on borrowings from banks	11,684.95	14,847.96
Interest on borrowings from financial institutions	1,958.19	2,435.67
Interest on inter corporate deposits from others	7.69	70.23
Interest on CCDs	0.36	-
Interest on others (including statutory dues)	94.95	261.85
Interest on discounting of inter corporate deposit from related parties	213.45	202.93
interest on lease liability	86.48	-
Total	14,253.29	18,308.38

34 Leases (IND AS 116)

On transition, the Group has adopted IND AS 116: Leases from April 1, 2019 using modified retrospective method. As required under the standard, the Group has recognized lease liability at the present value of remaining lease payments discounted at the incremental borrowing rate and right to use assets at an amount equal to lease liability at transition date, adjusted by the amount of any prepaid or accrued lease payments relating to lease recognised in the balance sheet immediately before the date of transition to Ind AS. Subsequently the ROU assets is depreciated over the lease term on straight line basis and the lease liability is remeasured at amortized cost at each reporting date. The Group has recognized ROU asset and lease liability of Rs. 3,743.72 lakhs on April 1, 2019. Impact on reserve as on April 1, 2019 is Rs. NIL.

On application of Ind AS 116, the nature of expenses has changed from Hire charges in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The details of the right-of-use asset held by the Group and depreciation on Right of use assets are as follows:

₹ in lakhs

Particulars	Net carrying amount as at March 31, 2020	Depreciation
Crane	330.20	220.74
Tugs	2,982.18	210.60
Total	3,312.38	431.34

Apart from above, during the year, the Group has incurred Rs. 1,405.64 lakhs on short term and low value lease

35 Contingent Liability

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Bank Guarantee given to Custom Department (upto November 2023)	25.00	25.00
Bond issued to Custom Department	600.00	600.00
Disputed Income Tax cases (2011-12, 2013-14 to 2016-17)	6,040.82	5,907.00
Guarantees given by the Group to custom authorities on behalf of subsidiary	35.00	35.00
Total	6,075.82	5,942.00

36 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

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

borrowings as detailed in notes 19 and 25, 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, 2020	March 31, 2019
Debt	1,36,574.67	1,38,464.08
Less: Cash and cash equivalents (refer note 12)	334.29	34.51
Less: Bank balances other than cash and cash equivalents (refer note 13)	46.81	46.81
Net debt	1,36,193.57	1,38,382.76
Total equity (equity and other equity)	28,444.22	38,385.84
Net debt to equity ratio	4.79	3.61

2. Categories of financial instruments

₹ in lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Carrying amount	Fair values	Carrying amount	Fair values
Financial assets				
Measured at amortised cost				
Trade receivables	7,091.30	7,091.30	999.96	999.96
Cash and cash equivalents	334.29	334.29	34.51	34.51
Bank balances other than above cash and cash equivalents	46.81	46.81	46.81	46.81
Other financial assets	374.88	374.88	77.93	77.93
Total financial assets carried at amortised cost	7,847.28	7,847.28	1,159.21	1,159.21
Financial liabilities				
Measured at amortised cost				
Borrowings #	1,36,574.67	1,36,574.67	1,38,464.08	1,38,464.08
Other financial liabilities	35,832.25	35,832.25	25,385.90	25,385.90
Lease liabilities on Right-of-use assets	3,317.77	3,317.77	-	-
Trade payables	5,999.03	5,999.03	4,706.21	4,706.21
Financial liabilities measured at amortised cost	1,81,723.72	1,81,723.72	1,68,556.19	1,68,556.19

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

The management assessed that the fair values of cash and cash equivalent and bank balances, trade receivables, other financial assets, trade payable, 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:

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

(a) The fair value of loan from banks 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 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 Group'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 Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters. Quarterly reports are submitted to Board of Directors on the unhedged foreign currency exposures.

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

₹ in lakhs

Particulars	As at March 31, 2020			As at March 31, 2019		
	INR	USD	Total	INR	USD	Total
Trade receivables	7,091.30	-	7,091.30	999.96	-	999.96
Financial assets other than trade receivables	755.98	-	755.98	159.25	-	159.25
Total financial assets (A)	7,847.28	-	7,847.28	1,159.21	-	1,159.21
Financial liabilities						
Borrowings#	1,28,198.46	8,376.21	1,36,574.67	1,30,978.13	7,485.96	1,38,464.09
Trade Payables	5,999.03	-	5,999.03	4,706.21	-	4,706.21
Other Financial Liabilities	39,150.02	-	39,150.02	25,385.90	-	25,385.90
Total financial liabilities (B)	1,73,347.51	8,376.21	1,81,723.72	1,61,070.24	7,485.96	1,68,556.20
Net financial liabilities (B)-(A)	1,65,500.23	8,376.21	1,73,876.44	1,59,911.03	7,485.96	1,67,396.99
Hedge for foreign currency risk	-	-	-	-	-	-
Net exposure of foreign currency risk	NA	8,376.21	8,376.21	NA	7,485.96	7,485.96
Sensitivity impact on profit and loss on liabilities exposure at 10%	NA	837.62	837.62	NA	748.60	748.60

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.

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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, 2020		For the year ended March 31, 2019	
	Gross amount	Interest rate sensitivity @0.50%	Gross amount	Interest rate sensitivity @0.50%
Borrowings with variable interest rate	1,19,773.94	598.87	1,26,819.66	634.10
Total	1,19,773.94	598.87	1,26,819.66	634.10

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 Group. 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, 2020, there is mismatch in current assets and current liabilities which Group will overcome in near future

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.

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

₹ in lakhs

Particulars	As at March 31, 2020				As at March 31, 2019			
	< 1year	1-5 years	> 5 years	Total	< 1year	1-5 years	> 5 years	Total
Financial liabilities								
Borrowings #	1,37,196.98	2,210.52	-	1,39,407.50	1,35,132.12	3,683.46	-	1,38,815.58
Trade payables	5,999.03	-	-	5,999.03	2,679.37	-	-	2,679.37
Lease liabilities	1,067.35	2,250.43	-	3,317.78	-	-	-	-
Other financial liabilities	35,832.25	-	-	35,832.25	27,412.00	-	-	27,412.00
Total financial liabilities	1,80,095.61	4,460.95	-	1,84,556.56	1,65,223.49	3,683.46	-	1,68,906.95

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

Future interest obligations:-

Particulars	As at March 31, 2020			As at March 31, 2019		
	<1 year	1-5 year	>5year	<1 year	1-5 year	>5year
Borrowings*	-	-	-	-	-	-
Total	-	-	-	-	-	-

*since as at March 31, 2019 and March 31, 2020, the Group has classified entire borrowing as current, no future interest obligations have been disclosed here. (refer note 19)

37 Earnings per share

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Basic Earnings per share (in ₹)	(19.30)	(52.48)
Diluted Earnings per share (in ₹)	(19.30)	(52.48)

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, 2020	For the year ended March 31, 2019
Loss for the year attributable to owners of the Group (Rs. In lakhs)	(8,064.95)	(19,542.94)
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)*	2,03,77,904	1,58,25,292
Weighted average numbers of Compulsorily Convertible Cumulative Participating Preference shares (No's)*	2	1.00
Weighted average number of equity shares for the purposes of basic earnings per share	4,17,90,719	3,72,38,106
Earnings per share - Basic (in Rs)	(19.30)	(52.48)

* 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, 2020	For the year ended March 31, 2019
Equity Shares	2,14,12,813	2,14,12,813
Compulsorily Convertible Cumulative Participating Preference shares	2	1
Compulsorily Convertible Debentures	2,03,77,904	1,58,25,292
Weighted average number of equity shares used in the calculation of Basic EPS	4,17,90,719	3,72,38,106

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

38 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. 3,859.44 lakhs (US\$ 5,952,381) Series A Bond and Rs. 3,344.85 lakhs (US\$ 5,158,730) Series B Bond) attributable to the business acquired, out of FCCB's of Rs. 25,935.43 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:

- The Bonds bears interest rate of 5% per annum payable in arrears semi-annually.
- 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 2020 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 previous 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 and extension of maturity date ie August 24, 2020 from the Bond Holders. This has been filed with the authorised dealer for further submission with regulatory authority.

39 SEGMENT INFORMATION

a) 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.

b) Geographical information

The Geographical information analyses the Group's revenue and non-current assets by the Group's country of domicile (i.e. India)

The Group operates in single principal geographical area - India (country of domicile). All non-current assets held by the Group are located in India.

c) Information about major customer

During the year ended on March 31, 2020 there are 3 customers (for the year ended March 31, 2019 there were 1 customer) accounting for more than 10% of revenue amounting to Rs. 28,906.92 lakhs (March 31, 2019: Rs. 9,588.96 lakhs).

40 EMPLOYEE BENEFITS

Defined contribution plans

Group has recognised the following amounts in the statement of profit and loss

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Employer's contribution to provident fund	36.54	29.14
Total	36.54	29.14

The above amounts are included in contribution to staff provident fund and other funds (refer note 31)

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.

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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, 2020	March 31, 2019
Discount rate (p.a)	6.10%	7.00%
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%

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, 2020	For the year ended March 31, 2019
Current service cost	11.61	18.85
Net interest expense	5.86	7.73
Component of defined benefit costs recognised in Statement of Profit and Loss	17.47	26.58
Remeasurement of net defined benefit liability:		
Actuarial (gain) / loss on defined benefit obligation	27.12	(23.57)
Components of defined benefit costs recognised in other comprehensive income	27.12	(23.57)
Total	44.59	3.02

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

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:

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded defined benefit obligation	116.29	105.21
Fair value of plan assets	5.50	3.90
Net liability/(asset) arising from defined benefit obligation	110.79	101.31

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

₹ in lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	105.22	151.20
Current service cost	11.61	18.85
Interest cost	6.18	9.20
Past service cost- plan amendments*	-	-
Remeasurement (gains)/losses:		
Actuarial (gains)/losses	27.16	(23.86)
Benefits paid	(33.88)	(50.17)
Balance at the end of the year	116.29	105.22

* 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, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	3.90	37.66
Interest income on plan assets	0.32	1.47
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	0.04	(0.28)
Contribution from the employer	35.12	15.22
Benefits paid	(33.88)	(50.17)
Balance at the end of the year	5.50	3.90

Composition of the plan assets:

Particulars	As at March 31, 2020	As at March 31, 2019
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, 2020 was Rs. 0.04 lakhs (for the year ended March 31, 2019 was Rs. (0.28) lakhs).

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

₹ in lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Estimate of amount of contribution in the immediate next year	10.49	9.78

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, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(4.36)	4.66	(3.83)	4.09
Future salary growth (0.5% movement)	3.67	(3.58)	3.14	(3.05)
Attrition rate (5% movement)	(6.85)	10.84	(3.16)	4.98

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, 2020 is 5 years (as at March 31, 2019: 5 years).

The expected benefits payments analysis of projected benefit obligation is as follows:

₹ in lakhs

Particulars	Less than a year	Between 1 to 5 years	Over 5 years	Total
As at March 31, 2020				
Defined benefit obligation	10.49	57.61	107.51	175.61
As at March 31, 2019				
Defined benefit obligation	9.78	49.25	93.48	152.51

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, 2020	As at March 31, 2019
Present value of unfunded obligation (₹ in lakhs)	5.82	7.71
Expense recognised (₹ in lakhs)	(1.89)	1.41
Discount rate (p.a)	6.10%	7.00%
Salary escalation rate (p.a)	0.00%	0.00%
Attrition rate (p.a)	10.00%	10.00%

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

41 Income Taxes

Significant operating entities of the Group located in India are subject to Indian Income Tax on 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 Group's assessment of allowable expenditure (as applicable), including exceptional items, set off of tax losses and unabsorbed depreciation. Statutory income tax is charged at 25% plus a Surcharge and Cess. MAT for the fiscal year 2019-20 is payable at 15% 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, 2020	For the year ended March 31, 2019
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)
Total (A)	<u>-</u>	<u>(3.75)</u>
Recognised in other comprehensive income		
Deferred tax	-	-
Total (B)	<u>-</u>	<u>-</u>
Total (A + B)	<u><u>-</u></u>	<u><u>(3.75)</u></u>

A reconciliation of income tax expense applicable to accounting 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, 2020	For the year ended March 31, 2019
Loss before Taxes	(8,876.12)	(22,183.53)
Enacted tax rate in India	26.00%	26.00%
Income tax at statutory tax rate	(2,307.79)	(5,767.72)
Effect of:		
Expenses disallowed/ (allowed) in the computation of income	(4,278.30)	121.69
Others (including change in effective tax rate)	9.37	(1.06)
Deferred tax asset not recognised on unabsorbed business loss and depreciation	6,576.72	5,643.34
Income taxes recognised in the statement of income	<u><u>-</u></u>	<u><u>(3.75)</u></u>

Deferred tax assets and liabilities

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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, 2019	Recognised / reversed during the year	As at March 31, 2020
Property, Plant and Equipment	12,155.21	1,230.33	13,385.54
Employee Benefit Obligations	(19.58)	(0.00)	(19.58)
On right of use assets	-	(1.36)	(1.36)
Unabsorbed depreciation and business loss	(11,608.90)	(1,142.94)	(12,751.84)
Expected Credit loss	(526.73)	(86.03)	(612.76)
Total	-	-	-

Components of deferred tax assets and liabilities

₹ 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	12,155.21
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	-

42 Related party relationship, transactions and balances

a. Names of the related parties and description of relationship

Sr. No.	Nature of relationship	Name of Related Parties
1	Holding	Essar Global Fund Limited, Cayman Island (ultimate holding company) Essar Ports Holdco Limited, Mauritius (intermediate holding company) Essar Ports & Terminals Limited, Mauritius (immediate holding company)
2	Fellow Subsidiaries / other related parties	Essar Ports Limited Hazira Cargo Terminals Limited Essar Bulk Terminal Limited Paradeep Steel Company Limited Ibrox Aviation and Trading Private Limited Essar Bulk Terminal Paradip Limited EPC Constructions India Limited Essar Paradip Terminals Limited Essar Power Gujarat Limited Essar Steel Metal Trading Limited (FKA Essar Steel Jharkhand Limited)
3	Key Management Personnel	Mr Bhaven Bhatt (CEO and Director from March 25, 2019) Mr Aswin Menon (CFO) (w.e.f August 29, 2018) Mr. Sunil Kapoor (Manager from May 24, 2018 to June 15, 2018) Mr. Girish Joshi (CFO) (from August 01, 2017 to August 29, 2018) Mr Ankit Vaishnav (CEO from August 29, 2018 to February 15, 2019)

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

b) Transactions with related parties :-

₹ in lakhs

Nature of transactions	Holding companies		Other related parties		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Inter corporate deposits received						
Hazira Cargo Terminal Limited	-	-	-	40.00	-	40.00
Essar Ports Limited	-	-	145.00	4,195.00	145.00	4,195.00
Essar Steel Jharkhand Limited	-	-	3,602.00	-	3,602.00	-
Essar Paradip Terminal Limited	-	-	212.00	137.00	212.00	137.00
Essar Bulk Terminal Limited	-	-	50.00	-	50.00	-
Total	-	-	4,009.00	4,372.00	4,009.00	4,372.00
Charter Hire income						
Essar Bulk Terminal Limited	-	-	240.00	-	240.00	-
Management sharing expenses						
Essar Ports Limited	-	-	134.44	-	134.44	-
Interest expenses on CCDs						
Essar Ports & Terminals Limited	0.36	-	-	-	0.36	-
Security deposit received						
Essar Bulk Terminal Limited	-	-	463.00	-	463.00	-
Purchase of fixed assets / Capital work-in-progress / Expenditure during construction						
EPC Constructions India Limited	-	-	-	72.55	-	72.55
Essar Bulk Terminal Limited	-	-	285.32	-	285.32	-
Total	-	-	285.32	72.55	285.32	72.55
Operational Expenses						
Essar Power (Gujarat) Limited	-	-	240.17	11.76	240.17	11.76
Essar Bulk Terminal Paradip Limited	-	-	2.86	-	2.86	-
Hazira Cargo Terminals Limited	-	-	400.00	-	400.00	-
Total	-	-	643.03	11.76	643.03	11.76
Expenses incurred by others on behalf of the Group						
Essar Ports Limited	-	-	8.78	12.68	8.78	12.68
Essar Bulk Terminal Limited	-	-	7.00	-	7.00	-
Total	-	-	15.78	12.68	15.78	12.68
Remuneration*						
Sunil Kapoor	-	-	-	21.29	-	21.29
Girish Joshi	-	-	-	16.50	-	16.50
Ashwin Menon	-	-	45.11	56.25	45.11	56.25
Ankit Vaishnav	-	-	-	25.06	-	25.06
Total	-	-	45.11	119.10	45.11	119.10
Conversion of Inter corporate deposit in to CCDs						
Ibrox Aviation and Trading Private Limited	-	-	-	10,952.22	-	10,952.22
Total	-	-	-	10,952.22	-	10,952.22

*Does not include the amount payable as gratuity and compensated absence as the same is calculated for the Group as a whole on actuarial basis.

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

b) Balance with related parties at the year end

₹ in lakhs

Nature of transactions	Holding companies		Other related parties		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Advance income received						
Essar Bulk Terminal Limited	-	-	120.00	-	120.00	-
Security deposit received						
Essar Bulk Terminal Limited	-	-	463.00	-	463.00	-
Capital creditors						
Essar Ports Limited	-	-	15.59	14.62	15.59	14.62
Essar Bulk Terminal Limited	-	-	362.39	27.46	362.39	27.46
Essar Power Gujarat Limited	-	-	-	39.54	-	39.54
Total	-	-	377.98	81.62	377.98	81.62
Capital advances given						
EPC Constructions India Limited	-	-	189.49	214.49	189.49	214.49
Less Expected Credit Loss	-	-	(189.49)	(214.49)	(189.49)	(214.49)
Total	-	-	-	-	-	-
Trade Receivable						
Essar Power Gujarat Limited	-	-	5,653.25	1,747.87	5,653.25	1,747.87
Less: Expected credit loss	-	-	(2,052.32)	-1,747.87	(2,052.32)	(1,747.87)
Total	-	-	3,600.93	-	3,600.93	-
Inter corporate deposits received						
Essar Ports Limited	-	-	4,340.00	4,195.00	4,340.00	4,195.00
Hazira Cargo Terminal Limited	-	-	40.00	40.00	40.00	40.00
Essar Bulk Terminal Limited	-	-	50.00	-	50.00	-
Essar Paradip Terminal Limited	-	-	349.00	137.00	349.00	137.00
Essar Steel Jharkhand Limited	-	-	3,602.00	-	3,602.00	-
Less: Ind AS adjustment	-	-	(440.48)	(801.53)	(440.48)	(801.53)
Total	-	-	7,940.52	3,570.47	7,940.52	3,570.47
Trade and other payable						
Essar Steel Jharkhand Limited	-	-	2.65	2.65	2.65	2.65
Essar Ports Limited	-	-	765.13	735.70	765.13	735.70
Essar Power Gujarat Limited	-	-	279.24	-	279.24	-
Hazira Cargo Terminals Limited	-	-	464.00	-	464.00	-
Essar Paradip Terminal Limited	-	-	1,625.73	1,675.73	1,625.73	1,675.73
Paradeep Steel Company Limited	-	-	0.32	0.32	0.32	0.32
Essar Ports & Terminals Limited	0.33	-	-	-	0.33	-
Total	0.33	-	3,137.07	2,414.41	3,137.40	2,414.41
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 for the year ended March 31, 2020

- 43** The subsidiary of the Group, has developed the captive terminal facilities under the license agreement with Gujarat Maritime Board. The Group entered into cargo handling agreement with its captive customer i.e. Essar Power Gujarat Limited ('EPGL'). However, in the previous year, due to non-availability of captive cargo from EPGL (Also refer note 4, 19 and 28), the Group operated at lower capacity utilization levels 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.

As stated in Note 4, 19 and 28, the Group is confident of future projected revenues and cash flow coupled with the restructuring of its existing borrowings, the management has concluded that the Group should be able to overcome its short-term liquidity crunch in near future and hence there is no impairment in subsidiaries. Accordingly, the financial statements for the year ended March 31, 2020 have been prepared in going concern basis.

- 44** The Group has entered into coal handling and storage services agreement with its customers. During the year, Coal stock of 9,025 tons (Previous year 34,750 tons) that was kept in the Groups stock yard on behalf of the customers were lost due to moisture allowance, weighment and other reductions which is over and above shortage tolerance limit as per agreement. The Group has made a provision as such loss as exceptional item in the financial statement for the year ended March 31, 2020 amounting to Rs 371.19 lakhs (Previous year Rs 1,380 lakhs). The Group has also made provision towards the demurrage of Rs 362.74 lakhs as per the said agreement with a customer as exceptional item in in the financial statement for the year ended March 31, 2020.

45 (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, 2019: 79.90%) 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

Particular	As at 31 March 2020	As at 31 March 2019
Non current assets	1,98,145.45	2,01,289.94
Current Assets	13,115.94	7,347.43
Non current liabilities	4,877.94	4,433.10
Current liabilities	1,67,644.75	1,56,237.91
Equity attributable to the owners of the equity	30,951.17	38,323.84
Non controlling interest	7,787.53	9,642.53

₹ in lakhs

Particular	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue	30,637.85	11,778.45
Expenses	39,865.52	35,777.71
Loss for the year	(9,227.67)	(23,999.26)
Loss attributable to the owners of equity	(7,372.66)	(18,955.70)
Loss attributable to the non-controlling interest	(1,855.01)	(5,043.55)

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

45 (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, 2020		Share of profit or loss for the year ended March 31, 2020		Share in other Comprehensive Income / (loss) for the year ended March 31, 2020		Share in total Comprehensive Income / (loss) for the year ended March 31, 2020	
	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	1.71	48,614.04	0.07	(713.95)	-	-	0.07	(713.95)
Subsidiaries								
Essar Bulk Terminal (Salaya) Limited	1.36	38,738.69	0.93	(9,200.55)	1.00	(27.12)	0.93	(9,227.67)
Intercompany elimination and consolidation adjustments	-2.07	(58,908.51)	-	-	-	-	-	-
Grand Total	1.00	28,444.23	1.00	(9,914.50)	1.00	(27.12)	1.00	(9,941.62)

46 NOTE ON COVID 19

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been/was further extended till May 31, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown. However, there are no restrictions on the movement of all ports and port related activities including the movement of vehicles and manpower, operations of Container Freight Station and warehouses and offices of Custom Houses Agents have also been declared as essential services.

The Group do not foresee any large scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. In assessing the recoverability of PPE, Intangible assets and trade receivables, the Group has considered internal and external information up to the date of approval of these financial results including economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The Group has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial reporting controls etc. and is of the view that based on its present assessment this situation does not materially impact this financial statements.

Notes forming part of the consolidated financial statements for the year ended March 31, 2020

47 Details under MSMED Act 2006 for dues to micro, small and medium enterprise

	As at March 31, 2020	As at March 31, 2019
i) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of		
- Principal	165.32	-
- Interest	-	-
ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006		
- Principal	-	-
- Interest	-	-
iii) the amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprise Development Act, 2006		
iv) the amount of interest accrued and remaining unpaid at the end of each accounting year		
-Total interest accrued during the year	14.57	-
-Interest remain unpaid	14.57	-
v) the amount of further interest remaining due and payable even in succeeding years, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	14.57	-

The above information given in Note 23 "Trade payable" regarding micro and small enterprise has been determined to the extent such parties have been identified on the basis of information available with the Company

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

In terms of our report attached

In terms of our report attached
For MSKA & Associates
 Chartered Accountants
 Firm Registration No 105047W

Anita Somani
 Partner
 Membership No: 124118
 Mumbai, June 11, 2020

For and on behalf of the Board of Directors of Salaya Bulk
 Terminals Limited

Bhaven Bhatt
 CEO and Director
 DIN- 06771031
 Ahmedabad

Ashwin Menon
 CFO
 Mumbai, June 11, 2020

Sanjeev Taneja
 Director
 DIN- 00037005
 New Delhi

Bhawani Shankar Thanvi
 Company Secretary
 Membership No: A50535

Salaya Bulk Terminals Limited

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