

Annual Report 2023 - 24





INDEX

1	Corporate Information	03
2	M.D.'s Message	04
3	Company Profile	06
4	Review of Facilities	09
5	Notice of Annual General Meeting	11
6	Director's Report	22
7	Auditor's Report (Standalone)	46
8	Financial Statement (Standalone)	54
9	Auditor's Report (Consolidated)	96
10	Financial Statement (Consolidated)	102

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. Rajiv Agarwal
Chairman of the Board & MD

Shri. Dilip J. Thakkar
Independent Director

Capt. B. S. Kumar
Independent Director

Dr. Jose Paul
Independent Director (w.e.f July 24, 2024)

Shri. Nikhil Naik
Nominee Director

Shri. Amit Bapna
Wholetime Director

CHIEF FINANCIAL OFFICER

Shri. Amit Bapna

COMPANY SECRETARY

Smt. Simran Ajmani (upto December 29, 2023)

Smt. Ketki Belhe (w.e.f June 10, 2024)

AUDITORS

MSKA & Associates, Chartered Accountants
Floor 2, Enterprise Centre, Nehru Road,
New Domestic Airport, Vile Parle (E),
Mumbai - 400 099

AUDIT COMMITTEE

Capt. B. S. Kumar (Chairman)

Shri. Nikhil Naik

Dr. Jose Paul

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Shri. Rajiv Agarwal (Chairman)

Capt. B. S. Kumar

Shri. Nikhil Naik

NOMINATION AND REMUNERATION COMMITTEE

Capt. B.S. Kumar (Chairman)

Dr. Jose Paul

Shri. Nikhil Naik

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Shri. Rajiv Agarwal (Chairman)

Shri. Nikhil Naik

Capt. B. S. Kumar

Shri. Amit Bapna

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

REGISTERED OFFICE

Salaya Administrative Building
ER-2 Building, Salaya, Taluka Khambhalia
District Devbhumi Dwarka,
Jamnagar Gujarat 361 305

Tel: +91 2833 664440

Fax: +91 2833 661366

e-mail: epl.secretarial@essarport.co.in

CORPORATE OFFICE

Essar House, 11, K. K. Marg, Mahalaxmi
Mumbai 400 034

Tel: +91 22 6660 1100 / 4001 1100

Fax: +91 22 2354 4330

e-mail: epl.secretarial@essarport.co.in



M.D.'s Message

“Indian ports are expected to become green hubs and poised to play pivotal role in India's journey towards Energy Transition, Independence and a Developed Economy”

India is poised to become the 3rd largest economy by 2030 and be a USD 30 Trillion economy by 2047. It has set at a target of achieving Energy Independence and becoming a developed economy by 2047. In the wake of world experiencing severe heat wave on the back of significant climate changes India has set an aggressive target of Net Zero by 2070. Energy Transition and Green Infrastructure & Logistics are expected to play pivotal role going forward.

Ports infrastructure investments particularly have a significant influence on a nation's GDP and competitiveness. Indian Government has unveiled Vision 2047 - a comprehensive roadmap for maritime transformation over next 25 years enabling India's leap towards a global maritime hub. The objective of it being reduction in business cost, reduce environmental degradation, improve logistical efficiency and create jobs. The sector is steeped in opportunities where all India Port Capacity to increase to 10,000 MMT and traffic to ~7,000 MMT by 2047. During FY 24, on all India basis Indian Ports handled ~1539 MMT of cargo registering a growth of ~7.4% where the Indian Major Ports handled ~818 MMT of traffic, with a growth of ~4.4%. As India charts its way to a becoming a developed economy, the focus will be

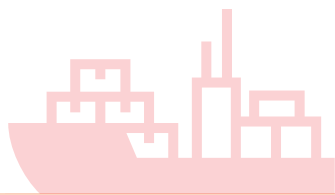
on reducing logistics cost & enhancing efficiency, thereby improving India's competitiveness in the world economy and positioning India as global manufacturing & services hub.

Green Ports & Green Logistics hold the key going forward for sustainable development. LNG, Ammonia & Green Hydrogen along industry integrated port infra holds a strong promise for the nation to deliver its targets. The sector is expected to witness higher investments, enhanced capacity utilizations and increased private player participation.

Over the years Essar Ports has developed 168 MMTPA Ports capacity in India through investment in excess of USD 1.5 Billion with technology and automation at core. The result is that the facilities developed offer best in class services which can be benchmarked across the globe. Recently Essar, successfully concluded a huge divestment programme under its initiative of becoming debt free where we saw divestment of 148 MMTPA Port Capacity in India over the past few years. Post successful divestment programme and the Ports business becoming debt free, the deleveraged assets are on the cusp of transformation journey where integrated logistics solutions, green energy and value added services are going to play a major role paving way for Essar's Energy Transition initiative.

For FY 24 Essar Ports Ltd. (EPL) registered a throughput of 2.77 MMT & Revenue of INR 270.89 Cr. for the year. EPL has successfully divested its subsidiary Essar Vizag Terminals Ltd. which operates the 24 MTPA Iron Ore Terminal in Vizag Terminal on February 27, 2024.

Your Company aspires to deliver state-of-the-art solutions by inculcating digital transformation and technology that can give a sustainable advantage to its customers and



stakeholders. Under its Green Infrastructure and Energy Transition Theme the Company is focusing on:

- Developing Next Generation Green Port Infrastructure
- Providing Shore Power: reducing maritime emissions from ships in the Ports
- Renewable energy and promoting hydrogen economy including green ammonia
- Green Transportation of Cargo: Mechanized facilities with conveyors and LNG powered fleet of trucks to move cargo
- Diversifying Cargo Profile with lower carbon footprint as compared traditional handling

Our endeavour is to create value for our stakeholders. I would like to express my sincere gratitude to the Board of Directors for their support and guidance, and to all stakeholders for their unwavering support during the year. We are well-positioned to continue to deliver value propositions through our state of the art services and end to end logistics solutions which will also ensure the growing needs of the economy are met.

Let's begin our transformation journey.

Rajiv Agarwal
Managing Director

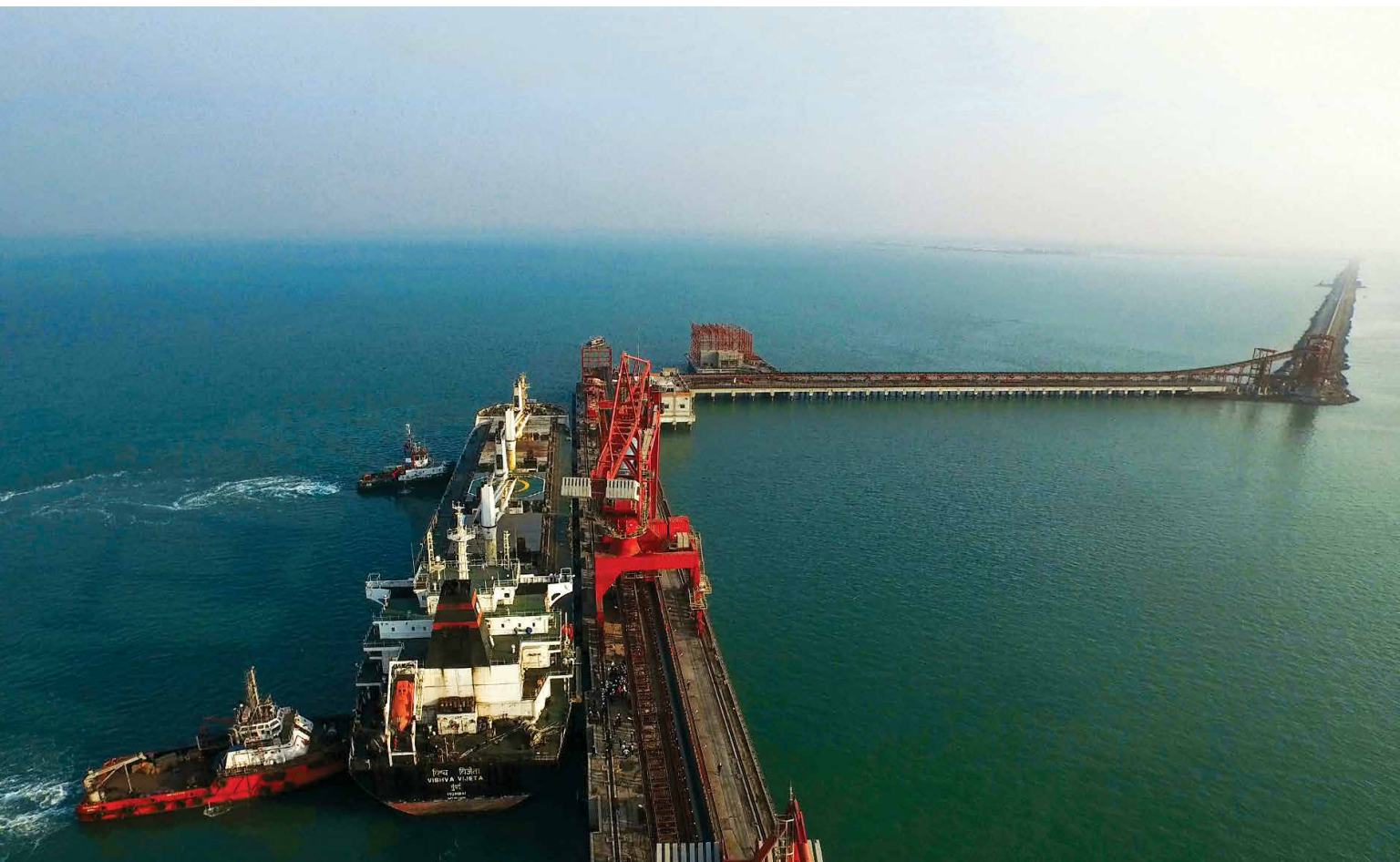
COMPANY PROFILE

ESSAR PORTS - DELIVERING LOGISTICS EXCELLENCE

Essar Ports Limited ("the Company") is a public limited company domiciled in India and incorporated under the Companies Act, 1956. The Company was incorporated on April 05, 1975 and has CIN: U85110GJ1975PLC054824. The Company was listed on Bombay Stock Exchange Limited (NSE) and the National Stock Exchange of India Limited (NSE) till 31st December, 2015. The Company through its subsidiaries develops and operates ports and terminals for handling bulk and general cargo. The Company has been instrumental in developing and operating 168 MMT of Port Capacity in India. For the year FY 24 the Company through its subsidiary had been operating a capacity of 24 MTPA at its facility located at Visakhapatnam Port in the State of Andhra Pradesh on the east coast of India. The said facility has been divested on 27th Feb 2024. Essar through its more than 50 Years of experience has pioneered the art of End to End to Supply Chain management and offers solutions in wide range of areas.

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.

- The Company is now focused on reinvesting in its existing operations and in building new assets, with more efficient, carbon neutral and new-age technologies, which will be sustainable and aligned to Essar's theme of Energy Transition
- Diversifying cargo profile and expansion at is planned with multimodal connectivity, Green Energy (LNG & Green Ammonia) and clean commodities handling being next steps.
- The Company is incorporating digital transformation and technology to provide its customers with a sustainable competitive edge.



VIZAG TERMINAL

(24MMTPA – OPERATIONAL & DIVESTED IN FY24)

Post winning the bid for mechanization and upgradation of iron ore berths at Visakhapatnam port on Design-Build-Finance-Operate-Transfer (DBFOT) basis for a concession period of 30 years, The Company took over the Ore Handling Complex (Outer Harbour Berths) from Visakhapatnam Port Trust in May, 2015. Post upgradation of the Terminal in 2018, the Vizag Terminal is now India's largest Ore handling complex and delivers the best performance which can be benchmarked across the globe. The Terminal has a comprehensive mechanized system ranging from wagon tippers, Stackers, Reclaimers, closed conveying systems and largest ship loader which has been enabling cost effective iron ore exports from India.

24 MMTPA Ore Handling Terminal at Vizag Port is an all-weather deep draft facility that has the wherewithal to serve the rapidly growing markets of South-East Asia, including China, Japan, and Korea. It can accommodate super capesize vessels and has dedicated rail-connectivity with Bachel & Kirandal Mining sources by which the facility has an advantage to serve western-sector of India. It is also integrated with a pellet plant in Vizag through a fully mechanized conveying facility with 6.7 km shipping conveyor system.

The Vizag Terminal facility has been divested on 27th Feb 2024 after successfully operating and maintaining for near 9 years handling 93.98 MMT through 1297 No of Vessels and 49.00 MMT through 11,580 No of Rakes.

SECTOR INNOVATION-

EFFICIENT HANDLING AND ENVIRONMENT FRIENDLY SYSTEMS

Essar Ports has been a pioneer in investing in technologies and developing environment friendly and efficient handling systems. Some of them include:

- Integrated Mechanized systems comprising of wagon tippers, stackers and Reclaimers, ship loaders and unloaders eliminating non mechanized handling for customers
- Deeper drafts leading to economies of scale and bigger parcels reducing carbon footprint of shipping
- Covered & Closed Conveyors to avoid dust pollution
- Cold-fog system is the advanced technology which uses ruby-orifice nozzles that create extremely fine water particles droplets i.e. 1-15 microns, unlike in typical water sprinkling seen with droplet size of 100-250 microns
- Dust separation and water sprinkling systems in transport corridors and stockyards
- Investing in systems to eliminate spillages along conveyor corridors
- Minimal human intervention enhancing safety and security of facility
- VFD technology reducing power consumption for movement of cargo through conveyors

AWARDS & RECOGNITIONS

- ★ CII SCALE Award for Excellence in Terminal Operations Category – 2021,2020,2017, 2016, 2015
- ★ CIA Award for Best Company in Ports & Shipping – 2021,2019
- ★ Environmental Protection Award at the Maritime Standard Award, 2019
- ★ Corporate Social Responsibility Award at the Seatrade Maritime Awards, 2019
- ★ Port of the Year in HSE Category for Best Practices - 2018
- ★ Indian Maritime Award for Dry Bulk Port of the Year 2018 – Runner up
- ★ Maritime & Logistics Award for CSR Activities
- ★ Maritime Standard Award, Dubai for CSR Activities
- ★ Gujarat Star Award for CSR Activities
- ★ Recognitions in International Bulk Journal, Seatrade and other leading publications for exemplary performance in Ports Sector

REVIEW OF FACILITIES

VIZAG:

GATEWAY FOR IRON-ORE EXPORTS & COASTAL SHIPPING ON EAST COAST OF INDIA

INDIA'S LARGEST IRON ORE HANDLING COMPLEX

<p>★ 24 MMTPA Capacity</p>	<p>★ Capable of berthing ~200,000 DWT vessels</p>	<p>★ Revenue recorded for ~10.68 Million Tonnes of cargo in FY24 (till 27th Feb 2024)</p>
<p>★ Strategically located for exports and coastal traffic</p>	<p>★ Fully mechanized terminal and eco-friendly cargo handling</p>	<p>★ Enabling competitiveness of Iron Ore Exports of the Nation</p>
<p>★ Boosting Coastal Shipping for Indian Steel Industries</p>	<p>★ Public Private Partnership Project awarded by Vizag Port on Design Build Finance Operate and Transfer basis for 30 years in 2015</p>	<p>★ Integrated with 8 MMTPA Pellet Plant</p>

DESCRIPTION

The 24 MMTPA iron ore terminal is the largest ore handling complex in India and delivers performance which can be benchmarked with the best across the globe. It is located within one of the 13 designated 'Major Ports' in India and is at a critical location for the export/ coastal movement of iron ore. It has a fully mechanized ecofriendly infrastructure and has the potential to attract higher cargo throughput on account of enabling lower logistics cost for customers. The Terminal is an all-weather deep draft facility that has the wherewithal to serve the rapidly growing markets of South-East Asia, including China, Japan, and Korea in addition to coastal movement along India.

It can accommodate super capesize vessels and has dedicated rail connectivity with high-grade iron-ore sources in Bacheli & Kirandul, due to which the facility has an advantage to serve the western-sector of India. The facility is integrated with an 8 MTPA pellet plant.

Commissioned in May, 2018

Divested on Feb, 2024

FACILITIES

★ BERTH

Two Outer Harbour berths which can handle vessels up to ~200,000 DWT with 18-metre draft

★ CONVEYOR FACILITIES

~9.5km conveyor stream, equipped with Cold Fog System reducing dust pollution ensuring clean environment

★ LOADING

The Vizag facility has the largest ship loader in India with 8000 TPH capacity boosting Exports and Coastal Movement of Nation

★ STORAGE

1 MMT stacking capacity of stockyard

★ WAGON TIPLERS, STACKERS AND RECLAIMERS

- o 2 X 27 Tips per hour twin tippler
- o 30 Tips per hour rotary tippler
- o Stackers – 2 X 2700 TPH
- o Reclaimers – 3 X 4000 TPH

SERVICES

Cargo Handling (Rake receipt to Loading)

Rakes are received by the terminal from the Indian railways at an exchange yard and are tipped through a system of three wagon unloaders for onwards mechanized conveying. The fully mechanized stock yard handles cargo through a string of stackers and reclaimed through reclaimers for onward loading of vessels at a speed of 8000 TPH in the most efficient manner.

Integrated Cargo Handling

The terminal is fully integrated with a Pellet Plant in Vizag through a fully mechanised facility. The berths in the outer harbour are capable of berthing cape size vessels up to 200,000 DWT.

Emission Control

The Vizag terminal's state-of-the-art sprinkler systems and Cold Fog System ensures the suppression and containment of dust in the most eco-friendly manner possible.

Pilotage, tug and tow services

The Vishakhapatnam Port Trust provides various vehicle-related services such as pilotage, tug and towing services.

CONNECTIVITY



ROAD:

Vizag Port is connected to northern and southern India via National Highway NH5, which runs from Chennai to Kolkata.

RAIL:

Terminal is connected to the national network of "Chennai-Visakhapatnam-Howrah" rail corridor. The rake receiving facility provides direct connectivity for the mining operators and iron ore movement.



AIR:

Visakhapatnam Airport is 10 kms from the Port, which is well connected to all major domestic and international airports.

MILESTONES IN 2024 (Till 27th Feb 2024)

- ★ Cumulative cargo handling crosses **93.98 MMT** since takeover of Project
- ★ Cumulative ships handled crosses **1297 Nos** since takeover of Project
- ★ Cumulative rakes handled crosses **11,580 Nos** since takeover of Project

NOTICE TO MEMBERS

Notice is hereby given that the **Forty-Eighth** Annual General Meeting of **Essar Ports Limited** will be held on Friday, September 27, 2024 at 03.00 p.m. IST through Video Conferencing/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”, ER-2 Building, Salaya, Taluka Khambhalia, District Devbhumi Dwarka, Jamnagar, Gujarat - 361305.

ORDINARY BUSINESS

1. To receive, consider and adopt:

- The Audited Standalone Profit and Loss Account for the year ended March 31, 2024 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 (Financial Statements).
- The Audited Consolidated Profit and Loss Account for the year ended March 31, 2024 and the Audited Balance Sheet and Cash Flow Statement as on that date together with the schedules and notes thereto and the Report of the Auditors thereon (Consolidated Financial Statements).

- To appoint a Director in the place of Shri. Amit Bapna (DIN: 00008443) 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 a Special Resolution:

“**RESOLVED THAT** pursuant to Section 149 read with section 160 and other applicable provisions if any, of the Companies Act, 2013 (‘Act’) and the rules made thereunder Dr. Jose Paul (DIN - 01256347), whose appointment has been recommended by the Nomination and Remuneration Committee proposing his candidature for the office of an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from the date of this Annual General Meeting.”

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

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), as recommended by the Board Nomination & Remuneration Committee and approved by the Board of Directors, approval of the members be and is hereby accorded for the appointment of Shri. Amit Bapna (DIN: 00008443), as a Whole-time Director of the Company, liable to retire by rotation, for a period of three years with effect from August 30, 2025 on a remuneration and such other terms and conditions as set out in the Explanatory Statement annexed to the notice convening this meeting with liberty to the Board of Directors (hereinafter referred to as “Board” which term shall be deemed to include the Nomination and Remuneration Committee or any other Committee of the Board formed for the purpose) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit.”

“**RESOLVED FURTHER THAT** notwithstanding anything hereinabove stated where in any financial year during the tenure of Mr. Amit Bapna as a Whole-time Director of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Shri. Bapna the remuneration as set out in the Explanatory Statement by way of salary, bonus and other allowances as minimum remuneration.”

“**RESOLVED FURTHER THAT** the Board of Directors and Key Managerial Personnel 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
Date: July 24, 2024

By Order of the Board

Ketki Belhe
Company Secretary
M. No.: A21418

Registered Office:
Salaya Administrative Building
ER-2 Building, Salaya, Taluka Khambhalia
District Devbhumi Dwarka,
Jamnagar, Gujarat 361 305

Notes:

1. Pursuant to the General Circular Nos. 20/2020, 19/2021, 2/2022 and 10/2022, the latest being 09/2023 dated 25th September 2023, read with other relevant circulars issued by the Ministry of Corporate Affairs (MCA) (collectively referred to as MCA Circulars), from time to time, the Company is convening the AGM through VC/OAVM, without the physical presence of the Members. The deemed venue for the AGM will be the Registered Office of the Company.
 2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the Act) setting out material facts concerning the business under Item Nos. 3 to 5 of the Notice is annexed hereto. The relevant details pursuant to Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/ re-appointment at this AGM are also annexed.
 3. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map for the AGM are not annexed to this Notice.
 4. Institutional Members are encouraged to attend and vote at this AGM through VC/OAVM. Institutional/Corporate Shareholders (i.e., other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its board or governing body resolution/authorisation etc., authorising its representative to attend the AGM through VC/OAVM or to vote through remote e-Voting. The said resolution/authorisation shall be sent to the Scrutiniser by e-mail through its registered e-mail id at essar.ports@dsrc-cid.in and epl.secretarial@essarport.co.in with a copy marked to evoting@nsdl.com not later than 48 hours before the scheduled time of the commencement of the Meeting.
 5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 6. As per the provisions of Clause 3.A.II of the General Circular No. 20/2020 dated 5th May 2020 issued by MCA, the matters of Special Business as appearing at Item Nos. 3 and 4 of the accompanying Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice
 7. The Company has fixed September 20, 2024 as the Record Date for the purpose of identifying the eligible members of the Company for the purpose of AGM.
 8. 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**
9. In compliance with the aforementioned MCA Circulars, the Annual Report for the Financial Year 2023-24 including the Audited Financial Statements for the year ended 31st March 2024, is being sent by e-mail to those Members whose e-mail addresses are registered with the Company/Depository Participant(s). Members may note that the Notice and Annual Report 2023-24 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.
 10. 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.
 11. 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.
 12. 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 (India) Limited (NSDL). The Members, whose names appear in the Register of Members / list of Beneficial Owners as on September 20, 2024 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 22, 2024 and will end at 5.00 p.m. on September 26, 2024. 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. Ferrao MSR & 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. 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.

2. The attendance of the Members attending the Annual General Meeting through VC/OAVM will be counted for the purpose of reckoning the quorum.
3. Pursuant to the provisions of 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 27, 2024 the date of the Annual General meeting will be provided by NSDL.
4. 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.
5. 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 after conclusion of Annual General Meeting.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period commence on September 22, 2024 at 09:00 A.M. IST and end on September 26, 2024 at 5:00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 20, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 20, 2024.

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: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
	<p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <p style="text-align: center;">   </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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.nsd.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 ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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.nsd.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. Password details for shareholders other than Individual shareholders 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.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - 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.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 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.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
- 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.nsdl.com to reset the password.
- 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.nsdl.com or call on toll free no.: 022 - 4886 7000 or send a request to **Mr. Amit Vishal, Senior Manager or Ms. Pallavi Mhatre, Manager NSDL** at evoting@nsdl.com; or amitv@nsdl.com; or pallavid@nsdl.com.

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:

- 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 essar.ports@dsrc-cid.in
- 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.

If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
- Alternatively member may send an e-mail request to evoting@nsdl.com for obtaining User ID and Password by providing the above mentioned documents.

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

- The procedure for e-Voting on the day of the Annual General Meeting is same as the instructions mentioned above for remote e-voting.
- 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 after conclusion of the Annual General Meeting. The Members are entitled to vote in terms of Article 44 of the Articles of Association.
- 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.
- 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.

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

- 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 by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. 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.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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.
- Shareholders who would like to express their views/ ask questions during the meeting may send their request mentioning their name, demat account number/folio number, email id, mobile number at epl.secretarial@essarport.co.in in advance on or before 11.00 a.m. on September 27, 2024
- 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
Date: July 24, 2024

By Order of the Board

Ketki Belhe
Company Secretary
M. No.: A21418

Registered Office:
Salaya Administrative Building
ER-2 Building, Salaya, Taluka Khambhalia
District Devbhumi Dwarka,
Jamnagar, Gujarat 361 305

ANNEXURE TO NOTICE:

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 3

The Board of Directors of your Company have appointed Dr. Jose Paul (DIN - 01256347) as an Additional Independent Director of the Company w.e.f. July 24, 2024. His term of office expires at the ensuing Annual General Meeting. The Nomination and Remuneration Committee of the Company and subsequently the Board of Directors of the Company have recommended his appointment as an Independent Director of the Company for a term of five years from the date of ensuing Annual General Meeting.

Dr. Jose Paul is graduated in M.A. (Political Science) from University of Mysore and has done his PhD in Port Management from University of Wales, Cardiff, United Kingdom. He is also a Fellow of the British Institute of Management (FBIM) and Chartered Institute of Transport, London (FCIT). He has also published a number of papers on port and shipping in national and international magazines and journals.

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

Dr. Paul was the Deputy Chairman, New Mangalore Port Trust from 1989 to 1994, Deputy Chairman & Acting Chairman, Jawaharlal Nehru Port Trust, New Mumbai from 1994 to 1997, Chairman, Mormugao Port Trust, Goa from 1997 to 2001 and Member, Executive Council, Indian Maritime University, Chennai for the period 1st April 2009 – 31st March 2011. He was the only speaker invited from India by the International Association of Ports and Harbours to speak in the 21st World Port Conference held in May 1999 in Kuala Lumpur, Malaysia and again in the 22nd World Port Conference held in May 2001 in Montreal, Canada.

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

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

The Nomination and Remuneration Committee the Board is of the opinion that the appointment of Dr. Jose Paul (DIN - 01256347) would be in the best interest of the Company and accordingly the Nomination and Remuneration Committee of the Company has recommended the appointment of Dr. Jose Paul as an Independent Director for a period of five consecutive years commencing from the date of Annual General Meeting. In the opinion of the Board, Dr. Jose Paul fulfils the conditions specified in the Companies Act for such an appointment.

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

The Board of the Company recommends this resolution at Item No. 3 for approval of the members of the Company as a Special Resolution.

Item No. 4

The Board of Directors had appointed Shri. Amit Bapna as the Whole-time Director of the Company for a period of three years with effect from August 30, 2022. Subsequently, the members of the Company at their 46th Annual General Meeting held on September 29, 2022 had approved the appointment and the remuneration payable to Shri. Bapna. The present term of Shri. Bapna as the Whole-time Director will end on August 29, 2025.

Based on the recommendation of the Board Nomination and Remuneration Committee (NRC), the Board, at its meeting held on July 24, 2024, approved the re-appointment of Shri. Bapna as Whole-time Director of the Company, for a further period of three years with effect from August 30, 2025 to August 29, 2028, subject to the approval of the Members.

[Pursuant to Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India]:

Shri. Amit Bapna

Name of the Director	Shri. Amit Bapna
Age	50 years
Date of first appointment on the Board	30/08/2022
Brief resume including qualification and experience	As mentioned in Disclosures below
Expertise in specific functional areas	Infrastructure and Finance
Other Directorships (as on July 24, 2024)	<ol style="list-style-type: none"> 1. Essar Bulk Terminal Salaya Limited 2. Salaya Bulk Terminals Limited 3. Hazira LNG Private Limited 4. Green Ports Infrastructure Private Limited 5. Ultra Gas & Energy Limited 6. Ultra Gas Trading Limited
Chairmanship/ Membership of Committees in Companies in which position of Director is held (as on July 24, 2024)	<p>Essar Ports Limited Corporate Social Responsibility Committee - Member Securities Transfer Committee - Member</p> <p>Essar Bulk Terminals Salaya Limited Securities Transfer Committee - Member</p> <p>Salaya Bulk Terminals Limited Securities Transfer Committee - Member</p>

Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	None
No. of equity shares held in the Company (as on July 24, 2024)	None
No. of board meetings attended during the year	NA
Terms and conditions of appointment or re-appointment including remuneration	As mentioned in Disclosures below

I. GENERAL INFORMATION :

1. Nature of industry: Ports and Terminal Services
2. Date or expected date of commencement of commercial production: Not Applicable.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
4. Financial performance based on given indicators:

(Amt in Crs)

Particulars	2021-22	2022-23	2023-24
Total Income	3,014.05	5,111.72	5,520.60
Total Expense	2,983.54	1,955.92	2,251.91
EBITDA	1,220.95	3,805.89	3,728.5
EBIT	960.16	3,608.63	3684.30
Profit/(Loss) after Tax	29.15	3,137.00	3,570.41
Earnings Per Share			
- Basic (₹)	0.09	9.67	10.97

5. Foreign investment or collaborators: Not applicable.

II. INFORMATION ABOUT THE APPOINTEE:

Background Details:

Shri. Amit Bapna is an accomplished professional with over 25 years of experience in Corporate Finance and Treasury, Accounting, Taxation, Incubating and developing businesses, Mergers & Acquisitions, Valuations & Structuring and Investor Relations. Prior to Essar, he was President and Chief Operating Officer of Reliance Capital Limited, overseeing capital allocation and overall strategy and business plans for Reliance Capital's key businesses, including Reliance Nippon Life Asset Management Ltd., Reliance General Insurance Co. Ltd., Reliance Life Insurance Co. Ltd. etc. Prior to Reliance Capital Ltd. he has held leadership positions at Reliance Nippon Life Asset Management Ltd. and Reliance Industries Ltd.

Shri. Amit Bapna does not hold any shares in the Company.

- 1) Past remuneration : Gross Salary 3.85 Cr. During FY 2023-24.

- 2) Recognition or awards: As mentioned in Background details above.
- 3) Job profile and his suitability: He is the Chief Financial Officer and having over 25 years of experience in Corporate Finance and Treasury, Accounting, Taxation, Incubating and developing businesses, Mergers & Acquisitions, Valuations & Structuring and Investor Relations.
- 4) Remuneration proposed: As mentioned in disclosures
- 5) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (In case of expatriates the relevant details would be w.r.t. the country of his origin): As per the data published by Business India regarding "India's highest paid executives – Top 500" top corporate houses of India are paying salary between Rs. 1 Crore to Rs. 5 Crore to its top executives.
- 6) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Shri. Amit Bapna is not having any interest in the capital of the Company or its holding company, directly or indirectly or through any other statutory structures and not having any direct or indirect interest or related to the directors or promoters of the Company except remuneration.

III. OTHER INFORMATION:

- 1) Reasons of loss or inadequate profits: The Company had made a profit of Rs 0.29 crores for the financial year ended March 31, 2022, Rs 31.37 cr and Rs.35.76 cr for the financial year ended March 31, 2023 and March 31, 2024 respectively, thereby indicating improvement in its performance.
- 2) The Company have two major source of income a) Income from marine assets b) income from support service agreement. The Company has a Harbour Tug, which is given on bare boat charter. The Company also earns from support service agreement by giving consultation and various support services in the field of management services for port / terminal operations, business development services, financial transaction processing and financial reporting support services, direct taxation services, indirect tax related services, human resources management, commercial and legal services, audit services.
- 3) Essar Ports Limited is expecting increase in profits in measurable terms, though the Company has inadequate profit during the financial year 2023-24, the Company is expecting rapid growth in future years.

IV. DISCLOSURES:

- 1) Period of Appointment: three years from August 30, 2025.
- 2) In consideration of his duties, Shri. Amit Bapna shall be paid the following remuneration:

The list of the remuneration to Shri. Amit Bapna is as under:

1. Remuneration :

Basic salary in the range of ₹ 4,00,000/- to ₹ 20,00,000/- per month.

Total salary

Fixed and APLI

In addition to the Basic Salary, Shri. Amit Bapna shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof; House Maintenance Allowance together with reimbursement of expenses/allowances for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement; education allowance; leave travel concession for self and his family including dependents; club fees, premium for medical insurance, commission and all other payments in the nature of perquisites and allowances as agreed by the Board of Directors or such other authority as may be delegated by the Board of Directors from time to time up to the limit of Rs. 50,00,000/- per month. As per the rules of the Company, Shri. Amit Bapna will be eligible for Provident Fund, Gratuity and Superannuation, which payments shall not be included for the purpose of calculation of the Managerial Remuneration.

Stock Option details: NA

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of tenure of Shri. Amit Bapna, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above subject to compliance with the applicable provisions of Schedule V to the Companies Act 2013, if and to the extent necessary, with the approval of the Central Government.

2. Shri. Amit Bapna shall not be paid any sitting fees for attending the meetings of the Board or any Committee(s) thereof.

3. Shri. Amit Bapna shall be bound by the non-compete and confidentiality provisions as applicable to the members of the Board.
4. Shri. Amit Bapna shall cease to be the Whole-time Director if he ceases to be an employee.
5. Either party shall be entitled to terminate the employment by giving not less than three calendar months prior notice in writing in that behalf to the other party, provided that the Company shall be entitled to terminate the employment of Shri. Amit Bapna at any time by payment to him of three months basic salary in lieu of such notice."

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

The Board is of the opinion that the appointment of Shri Amit Bapna (DIN: 00008443) will be in the best interest of the Company. The Board accordingly recommends the resolution at Item No. 4 of the accompanying notice for your approval.

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

Mumbai

Date: July 24, 2024

By Order of the Board

Ketki Belhe
Company Secretary
M. No.: A21418

Registered Office:

Salaya Administrative Building
ER-2 Building, Salaya, Taluka Khambhalia
District Devbhumi Dwarka,
Jamnagar, Gujarat 361 305

ANNEXURE TO NOTICE:

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

Dr. Jose Paul (DIN 01256347)

Dr. Jose Paul is graduated in M.A. (Political Science) from University of Mysore and has done his PhD in Port Management from University of Wales, Cardiff, United Kingdom. He is also a Fellow of the British Institute of Management (FBIM) and Chartered Institute of Transport, London (FCIT). He has also published a number of papers on port and shipping in national and international magazines and journals.

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

Dr. Paul was the Deputy Chairman, New Mangalore Port Trust from 1989 to 1994, Deputy Chairman & Acting Chairman, Jawaharlal Nehru Port Trust, New Mumbai from 1994 to 1997, Chairman, Mormugao Port Trust, Goa from 1997 to 2001 and Member, Executive Council, Indian Maritime University, Chennai for the period 1st April 2009 – 31st March 2011. He was the only speaker invited from India by the International Association of Ports and Harbours to speak in the 21st World Port Conference held in May

1999 in Kuala Lumpur, Malaysia and again in the 22nd World Port Conference held in May 2001 in Montreal, Canada.

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

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

Shri. Amit Bapna (DIN: 00008443)

Shri. Amit Bapna is an accomplished professional with over 25 years of experience in Corporate Finance and Treasury, Accounting, Taxation, Incubating and developing businesses, Mergers & Acquisitions, Valuations & Structuring and Investor Relations. Prior to Essar, he was President and Chief Operating Officer of Reliance Capital Limited, overseeing capital allocation and overall strategy and business plans for Reliance Capital's key businesses, including Reliance Nippon Life Asset Management Ltd., Reliance General Insurance Co. Ltd., Reliance Life Insurance Co. Ltd. etc. Prior to Reliance Capital Ltd. he has held leadership positions at Reliance Nippon Life Asset Management Ltd. and Reliance Industries Ltd.

DIRECTORS' REPORT

To the Members of **Essar Ports Limited**

Your Directors take pleasure in presenting the Forty Eighth Annual Report of your Company together with the Audited Financial Statements for the year ended March 31, 2024.

1. FINANCIAL RESULTS

The summary of consolidated and standalone financial results of your Company for the year ended March 31, 2024 are furnished below:

(₹ in lakhs)

Particulars	Consolidated		Standalone	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Total Revenue	27,089.87	5,111.72	5,520.60	5,111.72
Total Expenses	2,251.91	1,960.56	2,251.91	1,955.92
EBITDA	25,297.77	3,807.84	3,728.50	3,805.89
Profit / (Loss) for the year	13,756.48	10,901.89	3,570.41	3,137.00

2. DIVIDEND

Considering the funds requirement for meeting the operations, the Board has not recommended any dividend for the financial year ended March 31, 2024.

3. MANAGEMENT DISCUSSION & ANALYSIS

The discussion and analysis hereunder covers Company's financial performance and business outlook for the year 2023 – 2024. 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:

The global economic outlook is showing signs of improvement, albeit with modest growth while tighter monetary conditions persist, global activity demonstrates resilience, with inflation falling faster than expected and private sector confidence on the rise. Labor market imbalances are easing, with unemployment remaining near record lows. Real incomes are beginning to improve as inflation moderates, and trade growth has shifted to positive territory. Global GDP is projected to grow by 3.2% in 2024 and 2025, consistent with the pace seen in 2023. Advanced economies are expected to experience a slight acceleration in growth, while emerging market and developing economies may see a modest slowdown. However, the long-term forecast for global growth, at 3.1% five years from now, is at its lowest in decades. Global inflation is expected to decline steadily, from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced economies reaching their inflation targets sooner than emerging market and developing economies.

In India, GDP growth is forecasted to reach 7.8% in FY 2023-24, followed by around 6.5% growth in each of the subsequent two fiscal years. Domestic demand will be bolstered by gross capital formation, mainly in the public sector, while private consumption growth is expected to remain subdued. Exports will maintain growth momentum, buoyed by foreign investment.

Headline inflation is anticipated to decline gradually, and foreign capital inflows into Indian stock markets are expected to persist. Additionally, there are indications of India's increasing integration into global production networks, driven by trade in intermediary inputs and business services.

Industry Outlook:

Ports

Indian Scenario:

The overall cargo throughput at Indian ports has reached a new high, estimated at 1539 MMT (E) for the financial year ending March 31, 2024, marking a 7% growth over FY23. This growth is attributed to the revival in economic activity, increased demand and consumption of major commodities, and decreasing shipping freights. India's coastal cargo has seen significant growth, with anticipation of a rise in the share of coastal cargo of coal to 42% by FY26.

Container volumes in India have shown a healthy CAGR of 6% from FY20-FY22, indicating a robust economic performance despite COVID-19-related challenges. Although container volumes remained flat at 3% in FY23, a strong recovery in EXIM trade is expected to drive healthy growth of 10% in FY24. However, disruptions in the Red Sea region have led to longer transit times and increased freight costs, prompting shipping liners to consider alternative routes. Going forward, growth in exports volume and stability on geopolitical conditions shall be key monitorable.

The launch of the Sagarmala Program has brought optimism for port-led area development, with the government envisioning 189 modernization projects involving an investment of ₹ 1.42 trillion (US\$ 22 billion) by 2035. Additionally, several projects under the Sagarmala Programme are underway at non-major ports, with a significant portion being carried out through Public-Private Partnership (PPP) mode.

In 2024, the Union Minister of Ports, Shipping & Waterways and Mr. Sarbananda Sonowal, inaugurated major waterways projects in North East India, unveiling projects worth Rs.

308 crore (US\$ 37.14 million) and announcing initiatives for improved connectivity and economic growth.

Overall, Increasing investment and cargo traffic point towards a healthy outlook for the Indian ports sector. Providers of services such as operation and maintenance (O&M), pilotage and harbouring and marine assets such as barges and dredgers are benefiting from these investments

Performance Overview:

The Company 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. Company has handled 2.77 MMT Cargo in FY 2024.

Financial Highlights:

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

Total Revenue contribution on consolidated basis was ₹ 270.89 cr.

EBITDA for the year on ₹ 252.97 cr.

Net Profit for the year ₹ 137.56 cr.

Awards:

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

- Essar Ports Limited was conferred CII SCALE Award under Terminal Operator Category - 2016
- Essar Ports Limited was conferred second place at Indian Maritime Award for Dry Bulk Port - 2018.
- Essar Ports Limited was conferred Maritime & Logistics Award for CSR Activities
- Essar Ports Limited was conferred Maritime Standard Award, Dubai for CSR Activities
- Essar Vizag Terminals Limited was conferred Construction Times Award for Best Executed Port & Harbour Project - 2017

4. 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 have triggered a new wave of industrialization in India. Consequently, the expansion of the manufacturing hub linked with global supply chains would increase demand for port industry.

The robust growth in overall cargo throughput at Indian ports, reaching a record 1539 MMT (E) for the financial year ending March 31, 2024, reflects a 7% increase over FY23. This growth is fueled by the resurgence in economic activity, heightened demand for major commodities, and declining shipping costs.

Notably, there has been significant growth in India's coastal cargo, with expectations of coal accounting for 42% of coastal cargo by FY26.

In terms of cargo commodities, thermal coal, iron ore, fertilizers, POL, and finished fertilizers have experienced an upward trend in shipments, contributing to an 8.9% growth in FY23. Despite sluggish volume growth in most commodities, major ports have managed to achieve modest overall cargo throughput growth.

Although container volumes in India exhibited a healthy CAGR of 6% from FY20-FY22, FY23 saw flat growth at 3%. However, a strong recovery in EXIM trade is anticipated to drive a robust 10% growth in FY24.

Geopolitical tensions and disruptions in sea regions directly impact cargo traffic at ports, leading to prolonged transit times and increased freight costs.

The company has implemented a formal risk assessment and management system, periodically identifying risk areas, evaluating their consequences, and implementing mitigation strategies and corrective actions as necessary. The company has made consistent progress in addressing specific risks and threats through cargo diversification, strategic port capacities, long-term customer contracts, operational efficiency enhancements, cost optimization, and integrated logistics services provision.

At the domestic level, new business opportunities are emerging, particularly in the natural gas sector and container traffic handling. With the increasing size of vessels, shipping liners prefer ports with deep drafts, longer quays, high mechanization, and robust infrastructure. The company is closely monitoring these market trends and preparing many projects to capitalize on such opportunities at the appropriate time.

Investments in port infrastructure and technology are crucial for enhancing efficiency, reducing turnaround times, and accommodating larger vessels. Implementing state-of-the-art equipment, automation, and digital solutions can optimize port operations, improve customer experience, and strengthen competitiveness in the global market. Furthermore, sustainable practices such as shore power facilities, emission reduction initiatives, and eco-friendly port designs are becoming increasingly important to meet environmental regulations and attract environmentally conscious customers.

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, 2024, the following were the Holding, subsidiaries and associates of your Company:

Sl. No.	Name of the Companies	Holding/ Subsidiary/ Associate	% of Equity Capital
1.	Essar Ports & Terminals Limited	Holding	97.77%
2.	Essar Bulk Terminal (Salaya) Limited	Associates	34.22%*

* Percentage of holding calculated on diluted basis.

Disinvestment of Essar Vizag Terminals Limited (100% Subsidiary Company) on February 27, 2024.

A statement containing the salient features of the financial statements of the subsidiary/ associate companies, in Form AOC-1, has been enclosed as an annexure to this report.

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 2023-24 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, 2024:

Sl. No.	DIN	Name of the Directors	Designation
1.	00903635	Shri. Rajiv Agarwal	Managing Director
2.	00007339	Shri. Dilip J. Thakkar	Independent Director
3.	00284649	Capt. B. S. Kumar	Independent Director
4.	00202779	Shri Nikhil Naik	Nominee Director
5.	00008443	Shri Amit Bapna	Whole-time Director

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

Sl. No.	Name of the Directors	DIN	Designation	Date of Appointment/ Resignation/ Change in Designation	Remarks
1	Shri Kamla Kant Sinha	00009113	Non-Executive Director	June 19, 2023	Resignation
2	Capt. B. S. Kumar	00284649	Independent Director	September 24, 2023	Re-appointment
3	Smt. Simran Ajmani	-	Company Secretary	December 29, 2023	Resignation

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

As on March 31, 2024, following are the Key Managerial Personnel of your Company:

- Shri. Rajiv Agarwal -- Managing Director
- Shri. Amit Bapna -- Whole time Director & Chief Financial Officer

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.	Smt. Ketki Belhe	-	Company Secretary	June 10, 2024.	Appointment
2.	Dr. Jose Paul	01256347	Additional Independent Director	July 24, 2024	Appointment

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

- Re-appointment of Shri. Amit Bapna (DIN: 00008443), who retires at the ensuing Annual General Meeting of the Company and offers himself for re-appointment;
- Re-appointment of Shri Amit Bapna as Whole-time Director for a period of 3 years w.e.f. August 30, 2025, and his appointment has been recommended by the Nomination and Remuneration Committee;
- Appointment of Dr. Jose Paul (DIN 01256347) as an Independent Director of the Company for 5 consecutive years commencing from the date of Annual General Meeting, 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:

- June 22, 2023;
- July 10, 2023;
- October 25, 2023; and
- February 15, 2024;

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	Managing Director	4	4
Shri. Dilip J. Thakkar	Independent Director	4	4
Capt B. S. Kumar	Independent Director	4	4
Shri Nikhil Naik	Nominee Director	4	4
Shri. Amit Bapna	Whole-time Director	4	4

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, 2024, the Audit Committee comprised of Shri. Dilip J. Thakkar as the Chairman of the Committee, Capt B.S. Kumar (Independent Director) and Shri Nikhil Naik (Nominee Director) were the other members of the Committee.

As on the date of this report the Audit Committee of the Board comprised of 3 Non-Executive Directors, out of them 2 are Independent. Capt. B. S. Kumar (Independent Director) as the Chairman of the Committee and Dr. Jose Paul (Independent Director) and Shri Nikhil Naik (Nominee Director) are the members of the Committee. All the recommendations of the Audit Committee have been accepted by the Board.

13. CORPORATE SOCIAL RESPONSIBILITY

As on March 31, 2024 and as on the date of this report, the Corporate Social Responsibility Committee comprised of Shri. Rajiv Agarwal as the Chairman of the Committee, Capt B.S. Kumar (Independent Director), Shri Nikhil Naik (Nominee Director) and Shri Amit Bapna (Whole-time Director) were the other members of the Committee.

The composition and terms of reference of the Corporate Social Responsibility Committee had been fixed by the Board of Directors of your 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, 2024, the Nomination and Remuneration Committee comprised of Capt B.S. Kumar (Independent Director) as the Chairman of the Committee and Shri. Dilip Thakkar (Independent Director) and Shri Nikhil Naik (Nominee Director) were the other members of the Committee.

As on the date of this report the Nomination and Remuneration Committee comprised of Capt B.S. Kumar (Independent Director) as the Chairman of the Committee and Dr. Jose Paul (Independent Director) and Shri Nikhil Naik (Nominee Director) were 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. STAKEHOLDERS RELATIONSHIP COMMITTEE

As on March 31, 2024 and as on the date of this Report, the Stakeholders Relationship Committee of the Board comprised of 4 Directors. Shri. Rajiv Agarwal acts as the Chairman of the Committee and Shri Nikhil Naik (Nominee Director), and Capt. B. S. Kumar (Independent Director) are the other members of the Committee.

16. 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.

17. 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.

18. INTERNAL CONTROL FRAMEWORK

Your Company conducts its business with integrity and high standards of ethical behavior and in compliance with the laws and regulations that govern its business. Your Company has a well-established framework of internal controls in its operations, including suitable monitoring procedures. In addition to an external audit, the financial and operating controls of your Company at various locations are reviewed by Internal Auditors, who report their observations to the Audit Committee of the Board.

19. HUMAN RESOURCE

Human resources focuses on maximizing employee productivity. Your HR professionals manage the human

capital of our organization and focus on implementing policies and processes. Our HR is specialised on recruiting, training, employee-relations or benefits, recruiting specialists and hire top talent. Your HR always ensures that employees are trained and have continuous development. This is done through training programs, performance evaluations and reward programs. Employee relations deal with concerns of employees when policies are broken, such as in cases involving harassment or discrimination.

Human resources have always been the key to success of your Company's business. A balance of internal and external talent was maintained to ensure right skills are available to initiate project activities. Your Company is known for developing future leaders and having the best people practices. This coupled with the ability to attract the best talent, provides a competitive edge to the organization.

20. 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.

21. AUDITORS

Your Company's Auditors, Messrs. MSKA & Associates, Chartered Accountants (ICAI Form Registration Number: 105047W), were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 45th Annual General Meeting (AGM) till the conclusion of the 50th AGM of the Company to be held in the year 2026.

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, 2024.

22. 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.

23. 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.

24. VIGIL MECHANISM

Your Company has adopted a Whistle Blower Policy, as part of the 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.

25. 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]

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

The particulars of loans, guarantees and investments have been disclosed in the notes to the financial statements of the Company for the financial year 2023-2024.

27. 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 Financial Statements 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.

28. 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.

29. 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.

The details of foreign exchange earnings and outgo as required under Section 134 and Rule 8(3) of Companies (Accounts) Rules, 2014 are mentioned below:

Foreign Exchange Earnings & Outgo

(₹ Lakhs)

Particulars	For the year ended 31 st March, 2024
Foreign Exchange earnings	NIL
Foreign Exchange outgo	13.11

30. QUALITY, SAFETY AND ENVIRONMENT

Your Company, in order to ensure highest standard of safety, has implemented and initiated various measures with respect to Quality, Safety and Environment Management Systems.

31. 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.

32. 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 are not applicable.

33. 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.

34. 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.

35. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

36. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

There is no One Time Settlement and Valuation done during the year under review, therefore this clause is not applicable to your Company.

37. GENERAL DISCLOSURES

Your Directors hereby state and confirm that for the year ended March 31, 2024:

- The Executive Director(s) 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 was no change in the nature of business of the Company.

38. APPRECIATION AND ACKNOWLEDGEMENTS

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

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

For and on behalf of the Board

Rajiv Agarwal
Managing Director
DIN: 00903635

Amit Bapna
Wholetime Director
DIN: 00008443

Mumbai
July 24, 2024

ANNEXURES TO THE DIRECTORS' 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	NIL
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
2	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign Subsidiaries	
3	Share capital	
4	Reserves & Surplus * Includes Equity component of 0.01% Compulsorily Convertible Cumulative Participating Preference Shares	
5	Total assets	
6	Total Liabilities	
7	Investments	
8	Turnover	
9	Profit / (Loss) before taxation	
10	Provision for taxation	
11	Profit / (Loss) after taxation	
12	Proposed Dividend	
13	% of shareholding	

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

1	Names of subsidiaries which have been liquidated or sold during the year.	Essar Vizag Terminals Limited
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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	Essar Bulk Terminal (Salaya) Limited
1	Latest audited Balance Sheet Date	31-03-2024
2	Date on which the Associate or Joint Venture was associated or acquired	29-03-18
3	Shares of Associate or Joint Ventures held by the company on the year end	CCCPPS and CCDs*
	No.	307,305,000
	Amount of Investment in Associates	30,730.50
	Extent of Holding (in percentage)	34.22%
4	Description of how there is significant influence	Based upon percentage holding
5	Reason why the associate is not consolidated	It is not a subsidiary
6	Net worth attributable to shareholding as per latest audited Balance Sheet	18,461.586
7	Profit or Loss for the year	(11,317.47)
	i. Considered in Consolidation	(2,260)
	ii. Not Considered in Consolidation	(9,057.47)
8	Names of associates or joint ventures which are yet to commence operations.	Not Applicable
9	Names of associates or joint ventures which have been liquidated or sold during the year.	Not Applicable

For and on behalf of the Board

Rajiv Agarwal
Managing Director
DIN: 00903635

Amit Bapna
Wholetime Director
DIN: 00008443

Mumbai
July 24, 2024

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
Managing Director
DIN: 00903635

Amit Bapna
Wholetime Director
DIN: 00008443

Mumbai
July 24, 2024

CORPORATE SOCIAL RESPONSIBILITY POLICY

Table of Content

Sr. No.	Particulars
1.0	About the Company
1.1	About Essar Group Foundation
1.1.1	Approach
2.0	CSR Vision
3.0	CSR Mission
4.0	CSR Objectives
5.0	CSR Approach
6.0	Scope of CSR Activities
7.0	Focus areas
8.0	Implementation
9.0	Budget and expenditure
10.0	Monitoring and evaluation
11.0	Reporting

1.0 About the Company

Essar Ports Ltd. (EPL or the Company) is 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. EPL holds various port assets housed in separate SPVs. EPL currently has operational capacity of 104 MMTPA across its terminals at Vadinar and Hazira in Gujarat and Paradip in Odisha. EPL is in the process of increasing its aggregate port capacity to 189 MMTPA with an expansion project at Hazira, a new bulk terminal at Salaya in Gujarat, a new coal terminal at Paradip in Odisha and iron ore terminals at Vizag in Andhra Pradesh.

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

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

9.0 Budget and expenditure

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

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

10.0 Monitoring and evaluation

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

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

11.0 Reporting

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

For and on behalf of the Board

Sd/-	Sd/-
Rajiv Agarwal	Amit Bapna
DIN: 00903635	DIN: 0008443

Mumbai
July 24, 2024

Annual Report on CSR Activities

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

The vision of Essar Ports Limited CSR Policy is to empower the communities around our areas of Operation towards development that is collaborative, progressive, inclusive and sustainable through optimal realization of human potential and responsible utilization of resources.

The objectives of the policy are:

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

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

It has been decided that the CSR activities of Essar Ports Limited will be implemented by “Essar Group Foundation” of which the Company is a Trustee.

2. Average Net Profit of the Company for the last three financial years are as follows:

(₹ in lakhs)

	2022-23	2021-22	2020-21	Average
Net Profit / (Loss) as per P & L (Before Tax)	5.55	13.35	3.88	7.59

3. Prescribed CSR Expenditure (two percent of the amount as per item 2 above): 0.15 Crore

4. Details of CSR spent during the financial year:

- (a) Total amount to be spent for the financial year – 0.15 Crore
- (b) Total amount spent for the FY 2023-24 – 0.15 Crore
- (c) Total Amount to be adjusted for FY 2023-24- NIL
- (d) Amount unspent if any - N.A.

5. 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.

6. 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 and on behalf of the Board

Sd/- Rajiv Agarwal DIN: 00903635	Sd/- Amit Bapna DIN: 00008443
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Mumbai
July 24, 2024

Nomination and Remuneration Committee Policy

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

Content

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.

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 Wholetime Directors against the Company's goals and objectives.

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

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

7.3 Criteria for evaluation

7.3.1 Evaluation of Board as a whole

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

- 7.3.0.1 the extent to which the Board and its Committees are successful in fulfilling their key roles and responsibilities.
- 7.3.0.2 the extent to which individual directors contribute to the achievement of these objectives.
- 7.3.0.3 the extent to which the Board and its Committees adhere to best practices in structure and procedure.
- 7.3.0.4 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.

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

(As on the Financial Year ended on 31st March, 2024)

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	U85110GJ1975PLC054824
ii)	Registration Date	:	5 th April, 1975
iii)	Name of the Company	:	ESSAR PORTS LIMITED
iv)	Category / Sub-Category of the Company	:	Public Company / Subsidiary of Foreign Company limited by shares
v)	Address of the Registered Office and contact details and website	:	Salaya Administrative Building, ER-2 Building, Salaya, Taluka Khambhalia, District Devbhoomi Dwarka, Jamnagar, Gujarat-361305, India. 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	:	M/s. Data Software Research Company Pvt. Ltd., Unit – Essar Ports Limited 19, Pycrofts Garden Road Off Haddows Road Nungambakkam Chennai 600 006 Phone : +91 44 2821 3738, 2821 4487 Fax : +91 44 2821 4636 E-mail : essar.ports@dsr-cid.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON MARCH 31, 2024:

HOLDING COMPANY [Section 2(46) of the Companies Act, 2013]			
Sl. No.	Name and address of the Company	CIN/GLN	% of Equity Shares
1.	ESSAR PORTS & TERMINALS LIMITED Essar House, 10, Frere Felix, De Valois Street Port Louis, Mauritius	NA	97.77%

SUBSIDIARY COMPANIES [Section 2(87) of the Companies Act, 2013]			
Sl. No.	Name and address of the Companies	CIN/GLN	% of Equity Shares held
1.	NA		

ASSOCIATE COMPANIES [Section 2(6) of the Companies Act, 2013]			
Sl. No.	Name and address of the Companies	CIN/GLN	% of Equity Shares held
1.	ESSAR BULK TERMINAL (SALAYA) LIMITED Salaya Administrative Building, 44 KM Stone, Jamnagar-Okha Highway, P.O. Box No. 07, Khambhaliya Jamnagar, Gujarat-361305, India	U63032GJ2007PLC093255	34.22%

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the end of the year 2023				No. of Shares held at the end of the year 2024				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1	Indian									
(a)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	0	0	0	0.00	0	0	0	0.00	0.00
2	Foreign									
(a)	Bodies Corporate	20934381	0	20934381	97.77	20934381	0	20934381	97.77	0.00
	Sub-Total (A)(2)	20934381	0	20934381	97.77	20934381	0	20934381	97.77	0.00
	Total Promoter Shareholding=(A)(1)+(A)(2)	20934381	0	20934381	97.77	20934381	0	20934381	97.77	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	132	2416	2548	0.01	132	2416	2548	0.01	0.00
(c)	Insurance Companies	0	0	0	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)	296	4610	4906	0.02	296	4610	4906	0.02	0.00
2	Non-Institutions									
(a)	Bodies Corporate	12484	4051	16535	0.08	12637	4051	16688	0.08	0.00
	(i) Indian									
(b)	Individuals									
	(i) Individual shareholders holding nominal share capital upto ₹1 lakh.	256933	182330	439263	2.05	257540	180840	438380	2.05	0.00
	(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh									
(c)	Others									
	(i) Qualified Foreign Investor									
	- Non Resident Individuals	9274	8454	17728	0.08	10080	8378	18458	0.09	0.00
	Sub-Total (B)(2)	278691	194835	473526	2.21	280257	193269	473526	2.21	0.00
	Total Public Shareholding (B)=(B)(1)+B(2)	278987	199445	478432	2.23	280553	197879	478432	2.23	0.00
	TOTAL (A) + (B)	21213368	199445	21412813	100.00	21214934	197879	21412813	100.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
	GRAND TOTAL (A)+(B)+(C)	21213368	199445	21412813	100.00	21214934	197879	21412813	100.00	0.00

(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year 2023			Shareholding at the end of the year 2024			% change in share holding during the year
		No. of Shares	% of Shares total of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Shares total of the company	% of Shares Pledged/ encumbered to total shares	
1	ESSAR PORTS & TERMINALS LIMITED	20934381	97.77	97.77	20934381	97.77	97.77	0.00
	Total	20934381	97.77	97.77	20934381	97.77	97.77	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 01.04.2023		Date +	Increase/ Decrease (No. of shares)+	Reasons +	Cumulative Shareholding during the year (1.4.2023-31.03.2024)	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1.	There is no change in Promoters Shareholding during the year							

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year 01.04.2023		Date +	Increase/ Decrease (No. of shares)+	Reasons +	Cumulative Shareholding during the year (1.4.2023-31.03.2024)	
		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	INDRA KUMAR BAGRI	1342	0.01	28.04.2023	33	Bought	-	-
				08.09.2023	21	Bought	-	-
				30.12.2023	18	Bought	-	-
				12.01.2024	12	Bought	1426	0.01
5	RITU JAIN	1340	0.01	-	-	-	1340	0.01
6	BANK OF INDIA-- IN HOUSE ACCOUNT	1265	0.01	-	-	-	1265	0.01
7	RIPON ESTATES LTD	1200	0.01	-	-	-	1200	0.01
8	R P DAVID	1200	0.01	-	-	-	1200	0.01
9	SHRINIVAS VASUDEVA DEMPO	1200	0.01	-	-	-	1200	0.01
10	K D PARAKH	1200	0.01	-	-	-	1200	0.01

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
NIL					

V. INDEBTEDNESS

The indebtedness of the Company as on March 31, 2024 was as follows:

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

(₹ in lakhs)

EPL	Secured Loans excluding deposits	Unsecured Loans	Deposits	Compulsorily convertible debentures	Total Indebtedness
Indebtedness at the beginning of the financial year					
i) Principal Amount	-	4,262.85	-	1,117.50	5,380.35
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)	-	4,262.85	-	1,117.50	5,380.35
Change in Indebtedness during the financial year					
Additions	-	-	-	-	-
Reduction	-	(4,336.57)	-	-	(4,336.57)
Exchange effect / IND AS adjustment	-	867.58	-	-	867.58
Interest accrued paid / waived / adjusted in scheme	-	(390.44)	-	-	(390.44)
Interest accrued but not due	-	397.43	-	0.11	397.54
Net Change	-	800.85	-	1,117.61	1,918.46
Indebtedness at the end of the financial year					
i) Principal Amount	-	793.86	-	1,117.50	1,911.36
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	6.99	-	0.11	7.10
Total (i+ii+iii)	-	800.85	-	1,117.61	1,918.46

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 MD/ WTD		Total Amount
		Mr. Rajiv Agarwal (MD)		
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	540.9		540.9
	(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)	7.5		7.5
	Total (A)	548.40		548.40
	Ceiling as per the Act	As per part II of Schedule V of the Companies Act, 2013		

B. Remuneration to other Directors:

(₹ lakhs)

Particulars of Remuneration	Name of the Directors (Independent & Non-Executive Directors)		Total Amount
	Dilip J. Thakkar	B.S. Kumar	
Fee for attending Board / Committee meetings	4.50	4.50	9.00
Commission	-	-	-
Total (B)	4.50	4.50	9.00
Ceiling as per the Act	Not applicable		
Total Managerial Remuneration =(A+B)	557.40 Lakhs		

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

(₹ lakhs)

Particulars of Remuneration	Key Managerial Personnel	
	Mr. Amit Bapna (Chief Financial Officer & WTD*)	Ms. Simran Ajmani (Company Secretary till December 29, 2023)
1. Gross salary		
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	378.44	8.83
(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	7.28	0.17
Total	385.72	9.00

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board

Rajiv Agarwal
Managing Director
DIN: 00903635

Amit Bapna
Wholetime Director
DIN: 00008443

Mumbai
July 24, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ESSAR PORTS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Essar ports Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

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 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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 are also responsible for overseeing the Company's financial reporting process.

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

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

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

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("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.
- As required by Section 143(3) of the Act, we report that:
 - 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, except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).
- (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows 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.
- (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3) (b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).
- (g) 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".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 35 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
- v. The Company has neither declared nor paid any dividend during the year.
 - vi. Based on our examination, the Company has used an accounting software for maintaining its books of account during the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level during the year ended March 31, 2024, in respect of the accounting software to log any direct data changes.
- Further, the audit trail feature has been operated throughout the year for all relevant transactions recorded in the accounting software, except for the software at the database level as stated above, in respect of which the audit trail feature has not been operated throughout the year for all relevant transactions recorded in the said accounting software during the year ended March 31, 2024. Also, during the course of our examination, we did not come across any instance of audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.
3. 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 read with Schedule V of the Act and the rules thereunder.

For **M S K A & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration No. 105047W

Udit Brijesh Parikh
Partner

Place: Mumbai
Date: July 24, 2024

Membership No. 151016
UDIN: 24151016BKFHGB6243

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ESSAR PORTS LIMITED

Auditor's Responsibilities for the Audit of the Standalone 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 adequate internal financial controls with reference to standalone 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 and Board of Directors.
- Conclude on the appropriateness of management and Board of Director'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.

For **M S K A & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration No. 105047W

Udit Brijesh Parikh
Partner

Membership No. 151016
UDIN: 24151016BKFHGB6243

Place: Mumbai
Date: July 24, 2024

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ESSAR PORTS LIMITED FOR THE YEAR ENDED MARCH 31, 2024

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

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
- B. The Company has no intangible assets. Accordingly, the provisions stated under clause 3(i)(a)(B) of the Order are not applicable to the Company.
- (b) 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 provisions stated under clause 3(i)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The Company is involved in the business of rendering services and does not hold any inventory. Accordingly, the provisions stated under clause 3(ii)(a) of the Order are not applicable to the Company.
- (b) The Company has not been sanctioned any working capital limits during the year on the basis of security of current assets. Accordingly, the provisions stated under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. (a) According to the information explanation provided to us, the Company has provided loans, advances in the nature of loans, stood guarantee, and/or provided security(ies) to other entities.
- (A) The details of such loans, advances, guarantee or security to subsidiaries, Joint Ventures and Associates are as follows:

	Loans
Aggregate amount granted/provided during the year - Associate	₹ 16013.34 Lakhs
Balance Outstanding as at balance sheet date in respect of above cases - Associate	₹ 13.34 lakhs

The Company has not provided any guarantee or security or granted any advances in the nature of loans to subsidiaries, Joint Ventures and Associates during the year.

(B) The details of such loans or advances and guarantees or security to parties other than Subsidiaries, Joint ventures and Associates are as follows:

	Loans
Aggregate amount granted/provided during the year - Others	Nil
Balance Outstanding as at balance sheet date in respect of above cases - Others	₹ 7,947 lakhs

The Company has not provided any guarantee or security or granted any advances in the nature of loans to parties other than Subsidiaries, Joint Ventures and Associates during the year.

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to grant of all loans are not prejudicial to the interest of the Company.
- (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the repayment of the principal and payment of interest.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loans and/ or advances in the nature of loans, granted to Company.
- (e) According to the information explanation provided to us, there were no loans or advance in the nature of loan granted which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans or advances in the nature of loan given to the same parties.

- (f) According to the information explanation provided to us, the Company has not any granted loans and / or advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Act either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the provisions stated under clause 3(iii)(f) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable and accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, the provisions stated under clause 3(v) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.
- 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/ services of the Company. Accordingly, the provisions stated under clause 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, undisputed statutory dues including goods and services tax, income-tax, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.
- There are no undisputed amounts payable in respect of Goods and Services tax, income-tax, cess, and other statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded ₹	Amount Paid ₹	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income Tax	91.90	AY 2012-13	Commissioner of Income tax (Appeals), Mumbai	None
Income tax Act, 1961	Income Tax	77.00	AY 2017-18	Commissioner of Income tax (Appeals), Mumbai	None

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the provision stated under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanation provided to us, there are no funds raised during the year. Accordingly, the provision stated under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiary and associates.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary or associate companies. Accordingly, reporting under Clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.
- (b) 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, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) Based on our 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 report that

- no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.
- (b) Based on our 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) 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. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Companies Act. Accordingly, reporting under clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Companies Act in clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi) (b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group). Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 43 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a) According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Companies Act, 2013, are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund specified in schedule VII of the Companies Act, 2013 or to a Special Account as per the provisions of Section 135 of the Companies Act, 2013 read with schedule VII to the Companies Act, 2013. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.
- b) There are no ongoing projects and accordingly reporting under Clause 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For **M S K A & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration No. 105047W

Udit Brijesh Parikh
Partner

Membership No. 151016
UDIN: 23151016BGYATN5600

Place: Mumbai
Date: July 24, 2024

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ESSAR PORTS LIMITED

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of **Essar ports Limited** on the Financial Statements for the year ended March 31, 2024]

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 Essar ports Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company, in all material respects, an adequate 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, 2024, 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").

Management's and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are 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. 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 adequate 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 adequacy of 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.

For **M S K A & ASSOCIATES**
Chartered Accountants
ICAI Firm Registration No. 105047W

Place: Mumbai
Date: July 24, 2024

Udit Brijesh Parikh
Partner
Membership No. 151016
UDIN: 23151016BGYATN5600

Balance Sheet as at March 31, 2024

₹ in lakhs

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	6	1,049.56	1,091.60
(b) Financial assets			
(i) Investments	7	30,798.47	14,798.47
(ii) Loans	8	-	6,827.11
(c) Non-Current Tax Assets (net)	10	1,805.76	1,798.63
(d) Other non-current assets	11	-	464.90
Total non-current assets		33,653.79	24,980.71
Current assets			
(a) Financial assets			
(i) Investments	12	2,354.18	-
(ii) Trade receivables	13	675.48	196.19
(iii) Cash and cash equivalents	14	448.01	2,762.82
(iv) Bank balances other than cash and cash equivalents	15	-	1,020.00
(v) Loans	16	7,960.34	-
(vi) Other financial assets	17	846.73	549.26
(b) Other current assets	18	24.52	823.05
Assets classified as held for sale	19	-	16,989.20
Total current assets		12,309.26	22,340.52
Total Assets		45,963.05	47,321.23
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	20	2,141.28	2,141.28
(b) Other equity	21	42,245.99	38,675.58
Total equity		44,387.27	40,816.86
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	793.86	4,262.84
(b) Deferred tax liabilities (net)	9	-	-
(c) Other non-current liabilities	23	-	397.08
Total non-current liabilities		793.86	4,659.92
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	24	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		32.23	607.45
(ii) Other financial liabilities	25	568.57	281.66
(b) Provisions	26	26.70	26.13
(c) Current tax liabilities (net)	27	92.97	393.85
(d) Other current liabilities	28	61.45	535.36
Total current liabilities		781.92	1,844.45
Total Liabilities		1,575.78	6,504.37
Total equity and liabilities		45,963.05	47,321.23
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements

In terms of our report attached

For M S K A & Associates
Chartered Accountants
Firm Registration no: 105047W

Udit Brijesh Parikh
Partner
Membership No.: 151016

Mumbai, July 24, 2024

For and on behalf of the Board of Directors of Essar Ports Limited

Rajiv Agarwal
Managing Director
DIN : 00903635

Amit Bapna
Director & CFO
DIN: 00008443

Ketki Belhe
Company Secretary
Membership No.: A21418

Mumbai, July 24, 2024

Statement of Profit and Loss for the year ended March 31, 2024

₹ in lakhs

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
INCOME:			
I Revenue from operations	29	600.00	1,564.29
II Other income	30	4,920.60	3,547.43
III Total Income (I + II)		5,520.60	5,111.72
IV Expenses:			
(a) Operating expenses	31	11.13	35.67
(b) Employee benefits expense	32	1,504.76	862.50
(c) Other expenses	33	276.21	407.66
(d) Depreciation and amortisation expense	6	44.20	197.25
(e) Finance costs	34	415.61	452.84
V Total Expenses		2,251.91	1,955.92
VI Profit before tax (III-V)		3,268.69	3,155.80
VII Tax expense:	42		
(a) Current tax		-	-
(b) Deferred tax		(0.21)	4.73
(c) Reversal of excess provision		(300.88)	-
Total tax (benefit)/ expense		(301.09)	4.73
VIII Profit for the year (VI-VII)		3,569.78	3,151.07
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent period			
Remeasurement of the defined benefit plans	41	0.84	(18.80)
Income tax effect		(0.21)	4.73
IX Total other comprehensive income/ (loss)		0.63	(14.07)
X Total comprehensive income for the year (VIII+IX)		3,570.41	3,137.00
XI Earnings per equity share	40		
Basic (in ₹)		10.95	9.67
Diluted (in ₹)		10.95	9.67
Summary of significant accounting policies	3		

The accompanying notes are integral part of the financial statements

In terms of our report attached

For **M S K A & Associates**
Chartered Accountants
Firm Registration no: 105047W

Udit Brijesh Parikh
Partner
Membership No.: 151016

Mumbai, July 24, 2024

For and on behalf of the Board of Directors of Essar Ports Limited

Rajiv Agarwal
Managing Director
DIN : 00903635

Amit Bapna
Director & CFO
DIN: 00008443

Ketki Belhe
Company Secretary
Membership No.: A21418

Mumbai, July 24, 2024

Statement of Changes in Equity for the year ended March 31, 2024

A. EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	Amount
Balance as at April 01, 2022	2,141.28
Changes in equity share capital during the year	-
Balance as at March 31, 2023	2,141.28
Changes in equity share capital during the year	-
Balance as at March 31, 2024	2,141.28

B. OTHER EQUITY

₹ in lakhs

Particulars	Reserves and surplus					Equity Component of Compulsory Convertible Cumulative Participating Preference shares*	Equity Component of Compulsorily Convertible Debentures	Total
	Securities Premium reserve	Tonnage Tax reserve	Tonnage Tax reserve utilised	Remeasurement of defined benefit plans	Retained earnings			
Balance as at April 01, 2022	10,602.80	300.00	1,450.00	28.38	22,039.90	0.00	1,117.50	35,538.58
Profit for the year	-	-	-	-	3,151.07	-	-	3,151.07
Other comprehensive loss for the year, net of income tax	-	-	-	(14.07)	-	-	-	(14.07)
Total comprehensive income for the year	-	-	-	(14.07)	3,151.07	-	-	3,137.00
Balance as at March 31, 2023	10,602.80	300.00	1,450.00	14.31	25,190.97	0.00	1,117.50	38,675.58
Profit for the year	-	-	-	-	3,569.78	-	-	3,569.78
Other comprehensive income for the year, net of income tax	-	-	-	0.63	-	-	-	0.63
Total comprehensive loss for the year	-	-	-	0.63	3,569.78	-	-	3,570.41
1) Tonnage Tax reserve utilised transferred to retained earnings	-	-	(1,450.00)	-	1,450.00	-	-	-
2) Transfer to tonnage tax reserve	-	325.00	-	-	(325.00)	-	-	-
Balance as at March 31, 2024	10,602.80	625.00	-	14.94	29,885.75	0.00	1,117.50	42,245.99

The accompanying notes are integral part of the financial statements

* Amount less than ₹ 1000

In terms of our report attached

For M S K A & Associates

Chartered Accountants

Firm Registration no: 105047W

Udit Brijesh Parikh

Partner

Membership No.: 151016

Mumbai, July 24, 2024

For and on behalf of the Board of Directors of Essar Ports Limited

Rajiv Agarwal
Managing Director
DIN : 00903635

Amit Bapna
Director & CFO
DIN: 00008443

Ketki Belhe
Company Secretary
Membership No.: A21418

Mumbai, July 24, 2024

Cash Flow Statement for the year ended 31 March, 2024

₹ in lakhs

Particulars	For the year ended 31 March, 2024	For the year ended 31 March, 2023
I Cash flow from operating activities		
Profit before tax	3,268.69	3,155.80
Adjustments for :		
Depreciation and amortisation expense	44.20	197.25
Finance costs	415.61	452.84
Interest income on income tax refund	(206.64)	(3.22)
Interest income on bank deposits	(81.87)	(41.69)
Interest income on Inter corporate deposit	(878.21)	(900.95)
Net unrealised loss/ (gain) on foreign currency translation and transactions	-	120.29
(Profit) / Loss on Sale of Investment	(3,023.18)	2.40
Gain on sale and fair valuation of mutual funds	(104.40)	-
Profit on Sale of Property, Plant and Equipment	-	(2,053.36)
Deferred Income on discounting of financial instruments	-	(102.76)
Operating (loss)/ profit before working capital changes	(565.80)	826.60
Changes in working capital		
Changes in receivable, loans and advances and other current assets	157.00	1,554.18
Changes in payables, other liabilities and provisions	(299.44)	364.04
Cash (used in)/ generated from operations	(708.24)	2,744.82
Income taxes refund/ (paid) (net)	199.51	(239.81)
Net cash generated from operating activities (I)	(508.73)	2,505.01
II Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(2.16)	(937.21)
Fixed Deposits matured/ (placed)	1,020.00	(1,019.86)
Interest received on fixed deposits	81.87	44.69
Unsecured loan given to a related party	(13.34)	(7,132.00)
Interest received on loan given to related party	-	603.44
Net investment in mutual funds	(2,249.78)	-
Proceeds from sale of Non current investments	20,012.38	-
Refund of Unsecured loan given to a related party	88.00	10,761.00
Investment in CCDs of associate	(16,000.00)	-
Net cash generated from investing activities (II)	2,936.97	2,317.06
III Cash flow from financing activities		
Repayment of Foreign currency bond	-	(1,573.65)
Proceeds from unsecured loan from related parties	-	6,883.00
Repayment of unsecured loan from related parties	(4,336.57)	(7,471.13)
Finance costs paid	(406.48)	(14.35)
Net cash used in financing activities (III)	(4,743.05)	(2,176.13)
Net (decrease)/ increase in cash and cash equivalents for the year (I + II + III)	(2,314.81)	2,645.94
Cash and cash equivalents at the beginning of the year	2,762.82	116.88
Cash and cash equivalents at the end of the year	448.01	2,762.82

Cash Flow Statement for the year ended 31 March, 2024

Notes : ₹ in lakhs

Particulars	As at 31 March, 2024	As at 31 March, 2023
Cash and cash equivalents as per cash flow statement	448.01	2,762.82
Add : Margin money deposits not considered as cash and cash equivalents as per IND AS-7	-	0.14
Cash and bank balances (refer note 14 & 15)	448.01	2,762.96

2 Changes in liabilities arising from financing activities

Particulars	As at April 1, 2023	Cash movement (net)	Other movement	As at March 31, 2024
Borrowings	4,262.84	(4,336.57)	867.59	793.86

Particulars	As at April 1, 2022	Cash movement (net)	Other movement	As at March 31, 2023
Borrowings	7,775.31	(2,161.78)	(1,350.68)	4,262.84

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

4 Non cash transactions:

During the year 2022-23, the Company has settled ICD of ₹ 2,956.32 lakhs and Security Deposit of ₹ 1,200.00 lakhs payable to Essar Bulk Terminal Limited against Sale Proceeds of Property, Plant and Equipment.

The accompanying notes are integral part of the financial statements

In terms of our report attached
For **M S K A & Associates**
Chartered Accountants
Firm Registration no: 105047W

Udit Brijesh Parikh
Partner
Membership No.: 151016

Mumbai, July 24, 2024

For and on behalf of the Board of Directors of Essar Ports Limited

Rajiv Agarwal
Managing Director
DIN : 00903635

Amit Bapna
Director & CFO
DIN: 00008443

Ketki Belhe
Company Secretary
Membership No.: A21418

Mumbai, July 24, 2024

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

1. Corporate Information

Essar Ports Limited (“the Company”) is a public limited company domiciled in India and incorporated under the Companies Act, 1956. The Company is engaged in the business of providing fleet operating and chartering services. The Company was listed on Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) till 31 December 2015. The Company through its associate develops and operates ports and terminals for handling bulk and general cargo. The associate 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.

The financial statements were approved for issue by the board of directors on July 24, 2024.

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 material 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
Fleet	10-15
Plant and equipment	10-30
Computer and IT equipment	3-6

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

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

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

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 Company 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 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.

D. 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

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

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 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 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 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 recognised 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.

E. Revenue

The Company earns revenue primarily from charter hiring of 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 charter hiring of fleet, revenue is recognized on a time proportion basis.

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

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

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.

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.

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

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.

H. 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;

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

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

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

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

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

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

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 lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

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

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

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

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

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

II. Financial liabilities and equity instruments

a) Classification as debt or equity

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

b) Equity instruments

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

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

c) Financial liabilities

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

Financial liabilities at FVTPL:

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

A financial liability is classified as held for trading if:

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

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

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

entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

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

Other financial liabilities:

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

Derecognition of financial liabilities:

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

d) Embedded derivatives

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

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the Statement of profit or loss, unless designated as effective hedging instruments.

e) Offsetting of financial instruments

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

J. Compound financial instrument

Compound financial instruments issued by the 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.

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 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.

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 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

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

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 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.

4. Key sources of estimation uncertainty and critical accounting judgments

The preparation of the 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 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) Useful lives of property, plant and equipment and intangible assets

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

iii) Impairment of non-financial assets

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

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.

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

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 41.

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.

vii) 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 39 for further disclosures.

5. Recent accounting pronouncements:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company has applied these amendments for the first-time in these financial statements.

- **Amendments to Ind AS 8 - definition of accounting estimates**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting

policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on these financial statements.

- **Amendments to Ind AS 1 - disclosure of accounting policies**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the financial statements.

- **Amendments to Ind AS 12 - deferred tax related to assets and liabilities arising from a single transaction**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

- **New standards and amendments issued but not effective**

There are no such standards which are notified but not yet effective.

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

6 PROPERTY, PLANT AND EQUIPMENT

₹ in lakhs

Particulars	Fleet	Computer and IT equipments	Fleet	Computer and IT equipments	Total
Cost					
At April 01, 2022	6,988.83	-	-	6.51	6,995.34
Additions	300.00	1.36	21.41	3.85	326.62
Deletion	3,829.19	-	-	-	3,829.19
At March 31, 2023	3,459.64	1.36	21.41	10.36	3,492.77
Additions	-	-	-	2.27	2.27
Deletion	-	-	-	0.11	0.11
At March 31, 2024	3,459.64	1.36	21.41	12.52	3,494.93
Accumulated depreciation					
At April 01, 2022	3,580.20	-	-	6.28	3,586.48
Depreciation on Sale of asset	1,382.56	-	-	-	1,382.56
Depreciation charge for the year	195.40	-	1.43	0.42	197.25
At March 31, 2023	2,393.04	-	1.43	6.70	2,401.17
Depreciation on Sale of asset	-	-	-	-	-
Depreciation charge for the year	40.29	-	3.06	0.85	44.20
At March 31, 2024	2,433.33	-	4.49	7.55	2,445.37
Net Carrying amount					
At March 31, 2023	1,066.60	1.36	19.98	3.66	1,091.60
At March 31, 2024	1,026.31	1.36	16.92	4.97	1,049.56

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

7 INVESTMENTS

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Investments in equity shares of others (designated at fair value through other comprehensive income) 3,450 equity shares of MZN 1,000 each fully paid up of New Coal Terminal Beira, S.A	67.97	67.97
[A]	<u>67.97</u>	<u>67.97</u>
(b) Investment in preference shares of associate (at cost) 14,73,05,000, 0.01% compulsorily convertible cumulative participating preference shares of ₹ 10/- each fully paid up of Essar Bulk Terminal (Salaya) Limited	14,730.50	14,730.50
[B]	<u>14,730.50</u>	<u>14,730.50</u>
(c) Investment in debentures of of associate (at cost) 16,00,00,000, compulsorily convertible debentures of Rs.10 each fully paid up of Essar Bulk Terminal Salaya Limited	16,000.00	-
[C]	<u>16,000.00</u>	<u>-</u>
Total (unquoted) [a]+[b]+[c]	<u><u>30,798.47</u></u>	<u><u>14,798.47</u></u>
Aggregate amount of unquoted investment	30,798.47	14,798.47
Aggregate amount of quoted investment and market value thereof	-	-
Aggregate amount of impairment in value of investments	-	-

8 LOANS (NON-CURRENT)

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Intercompany deposit given		
'- to related party (Refer note 44)	-	6,827.11
Total	<u>-</u>	<u>6,827.11</u>

Note: Loan to related party are repayable in 25 months and carries interest @ 9.00-9.25% per annum (as at March 31, 2023: 10.00% per annum) . During the previous year ended March 31, 2023, the Company has given interest waiver at the request of the borrower.

9 DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	358.64	398.98
Net deferred tax liabilities	358.64	398.98
Tax effect of items constituting deferred tax assets		
Unabsorbed depreciation and business loss	358.64	398.98
Net deferred tax assets	358.64	398.98
Deferred tax Assets/ (liabilities) (net)	<u>-</u>	<u>-</u>

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.

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

10 NON-CURRENT TAX ASSETS

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Advance income-tax and tax deducted at source (net of provision for tax as at March 31, 2024 ₹ 307.08 lakhs, as at March 31, 2023 ₹ 307.08 lakhs)	1,805.76	1,798.63
Total	1,805.76	1,798.63

11 OTHER NON-CURRENT ASSETS

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured and considered good, unless otherwise stated		
Prepaid expenses on discounting of financial instruments	-	464.90
Total	-	464.90

12 INVESTMENTS (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Measured at fair value through profit and loss		
Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option (Units: 16,968.209)	1,002.64	-
Nippon India Money Market Fund - Direct Growth Plan Growth Option (Units: 26,247.027)	1,002.98	-
Nippon India Overnight Fund - Direct Growth Plan (Units: 2,71,087.834)	348.55	-
Total	2,354.18	-

13 TRADE RECEIVABLES

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured and considered good, unless otherwise stated		
Considered good (refer note 44)	675.48	196.19
Total	675.48	196.19

Trade receivables ageing schedules for the year ended March 31, 2024 and year ended March 31, 2023, outstanding from the due date of payment:

Particulars	As at March 31, 2024	As at March 31, 2023
Not Due	-	-
Less than 6 months	476.28	196.19
6 months - 1 year	177.60	-
1-2 year	21.60	-
2- 3 years	-	-
More than 3 years	-	-
Total	675.48	196.19

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

Break-up of security details

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	675.48	196.19
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	-	-
Total trade receivables	675.48	196.19

14 CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks in current account	93.01	1,760.06
Deposits with banks (Maturity of less than 3 months)	355.00	1,002.76
Total	448.01	2,762.82

15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Other bank balances		
Margin deposits (Maturity of more than 3 months but less than 12 months)	-	1,020.00
Total	-	1,020.00

16 LOANS (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Intercorporate deposit given		
- to related party (Refer note 44)	7,960.34	-
Total	7,960.34	-

Note: Loan to related party are repayable in 25 months and carries interest @ 9.00-9.25% per annum.

17 OTHER FINANCIAL ASSETS (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good, unless otherwise stated		
Security deposits		
- to others	-	540.00
Gratuity (refer note 41)	8.12	9.26
Other receivable from related party (refer note 44)	-	0.00
Interest accrued on ICDs given (refer note 44)	838.61	-
Total	846.73	549.26

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

18 OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Advances to vendors	3.30	3.30
Prepayments	16.44	10.14
Prepaid expenses on discounting of financial instruments	-	722.59
GST receivable	4.78	87.02
Total	24.52	823.05

19 ASSETS CLASSIFIED AS HELD FOR SALE

₹ in lakhs

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Investment in subsidiary company- Lower of cost or fair market value (refer note 46)		
50,000 Equity shares of ₹ 10/- each fully paid up of Essar Vizag Terminals Limited	-	5.00
12,46,67,000 0.01% compulsorily convertible cumulative participating preference shares of Rs. 10/- each fully paid up of Essar Vizag Terminals Limited	-	12,466.70
4,51,75,000, compulsory convertible debentures of ₹ 10 each fully paid up of Essar Vizag Terminals Limited	-	4,517.50
Total (unquoted)	-	16,989.20

20 SHARE CAPITAL

(a)	Particulars	As at March 31, 2024		As at March 31, 2023	
		Number	₹ in lakhs	Number	₹ in lakhs
	Authorised				
	Equity shares of ₹ 10/- each	1,50,00,00,000	1,50,000.00	1,50,00,00,000	1,50,000.00
	Compulsory Convertible Cumulative Participating Preference shares ("CCCPPS") of ₹ 10/- each	1,15,00,000	1,150.00	1,15,00,000	1,150.00
		1,51,15,00,000	1,51,150.00	1,51,15,00,000	1,51,150.00
	Issued and subscribed				
	Equity shares of ₹ 10/- each	2,14,12,813	2,141.28	2,14,12,813	2,141.28
	Paid up				
	Equity shares of ₹ 10/- each	2,14,12,813	2,141.28	2,14,12,813	2,141.28
		2,14,12,813	2,141.28	2,14,12,813	2,141.28

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	₹ in lakhs	Number	₹ in lakhs
Equity shares of ₹ 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 Standalone financial statements for the year ended March 31, 2024

(c) Terms of / rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares along with CCCPPS holders will be entitled to receive remaining assets of the company, after distribution of all preferential amount except equity shareholder's capital. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Shares held by the holding company, the ultimate holding company, their subsidiaries and associates and shareholders holding more than 5% and other shareholders

Particulars	As at March 31, 2024			As at March 31, 2023		
	Number	₹ in lakhs	%	Number	₹ in lakhs	%
Equity shares of ₹ 10/- each						
Essar Ports & Terminals Limited (holding company)	2,09,34,381	2,093.44	97.77	2,09,34,381	2,093.44	97.77
Others	4,78,432	47.84	2.23	4,78,432	47.84	2.23
	2,14,12,813	2,141.28	100.00	2,14,12,813	2,141.28	100.00

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

Particulars	As at March 31, 2024	As at March 31, 2023
	Number	Number
0.01% CCCPPS of ₹ 10/- each		
At the beginning of the year	2	2
Add: Issue of shares during the year	-	-
Outstanding at the end of the year	2	2

(f) 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 ₹ 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 ₹10/- each allotted to the holder on conversion of the CCCPPSs in terms hereof shall rank pari passu in all respects with the then existing equity shares of the Company.
- CCCPPS holders shall have the affirmative voting rights as per the Articles of Association of the Company.

(g) CCCPPS held by Vistra ITCL (India) Limited

Particulars	As at March 31, 2024		As at March 31, 2023	
	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 Standalone financial statements for the year ended March 31, 2024

(h) 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, 2024		As at March 31, 2023	
	Number	₹ in lakhs	Number	₹ in lakhs
0.01% CCD of ₹ 10/- each				
At the beginning of the year	1,11,74,954	1,117.50	1,11,74,954	1,117.50
Add: Issue of CCD during the year	-	-	-	-
Outstanding at the end of the year	1,11,74,954	1,117.50	1,11,74,954	1,117.50

(i) Terms of / rights attached to CCD

- (i) The CCDs shall have face value of Rs.10 each;
- (ii) The holder(s) of the CCDs shall be entitled to receive coupon @0.01%;
- (iii) The CCDs shall be unsecured;
- (iv) The CCD holders shall have the option to convert the one CCD into one equity share at any time after the expiry of three months from the date of allotment of the CCDs. The CCD are to be compulsorily converted after expiry of 120 months.
- (v) The Equity Shares having a face value of Rs.10/- each allotted to the holder on conversion of the CCDs in terms hereof shall rank pari passu in all respects with the then existing equity shares of the Company.
- (vi) The CCDs shall not be listed on any Stock Exchange(s).

(j) Details of debentures held by holding company

Particulars	As at March 31, 2024			As at March 31, 2023		
	Number	₹ in lakhs	%	Number	₹ in lakhs	%
i) 0.01% CCD of ₹ 10/- each						
Essar Ports & Terminals Limited (holding company)	1,11,74,954	1,117.50	100.00	1,11,74,954	1,117.50	100.00
	1,11,74,954	1,117.50	100.00	1,11,74,954	1,117.50	100.00

(k) Shares issued for consideration other than cash

Shares allotted for consideration other than cash and brought back in last 5 year: nil

(l) Shareholding of promoters are disclosed below:

(i) Equity Shares

Name of Promoters	No. of Shares	% of total shares	% Change during the year
As at March 31, 2024			
Essar Ports & Terminals Limited	2,09,34,381	97.77	-
Total	2,09,34,381	97.77	

Name of Promoters	No. of Shares	% of total shares	% Change during the year
As at March 31, 2023			
Essar Ports & Terminals Limited	2,09,34,381	97.77	-
Total	2,09,34,381	97.77	

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

21 OTHER EQUITY

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
a) Retained earnings		
Opening balance of retained earnings.	25,190.97	22,039.90
Adjustment for: Profit for the year	3,569.78	3,151.07
Transfer from tonnage tax reserve	(325.00)	-
Transfer from Tonnage Tax Reserve Utilised	1,450.00	-
Closing balance of retained earnings	29,885.75	25,190.97
b) Tonnage Tax Reserve		
Opening balance of Tonnage Tax Reserve	300.00	300.00
Transferred from retained earnings	325.00	-
Closing balance of Tonnage Tax Reserve	625.00	300.00
c) Tonnage Tax Reserve Utilised	-	1,450.00
d) Remeasurement of defined benefit plans		
Opening balance of remeasurement of defined benefit plans	14.31	28.38
Adjustment for: (loss)/ income for the year	0.63	(14.07)
Closing balance of remeasurement of defined benefit plans	14.94	14.31
e) Equity Component of CCD	1,117.50	1,117.50
f) Equity Component of CCCPPS *	0.00	0.00
g) Securities Premium	10,602.80	10,602.80
Total	42,245.99	38,675.58

* Amount is less than ₹ 1000

22 BORROWINGS (NON-CURRENT)

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured- at amortised cost		
Inter corporate deposit from related parties (refer note 44)	793.86	4,262.84
Total	793.86	4,262.84

Note: Inter corporate deposits from related parties are payable at the end of 25 months from the date of loan and carries an interest of 9.00% (as at March 31, 2023: 10.00% per annum) . During the previous year ended March 31, 2023, the Company has received interest waiver from lender.

23 OTHER NON-CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Income on discounting of financial instruments	-	397.08
Total	-	397.08

24 TRADE PAYABLES

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Payable to MSME parties (refer note 36)	-	-
Payable to other than MSME parties	32.23	607.45
Total	32.23	607.45

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

Trade Payables ageing Schedules for due to creditors for the year ended March 31, 2024 and year ended March 31, 2023:

Outstanding from the due date of payment

Particulars	As at March 31, 2024	As at March 31, 2023
Unbilled Dues	-	-
Not Due	32.23	62.36
Less than 1 year	-	-
1-2 year	-	-
2- 3 years	-	-
More than 3 years	-	545.09
Total	32.23	607.45

Company does not have any dues to MSME

Note: Company does not have any disputed trade payables to MSME & others

25 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Others financial liabilities	562.28	281.66
Interest accrued on deposits from related party (refer note 44)	6.29	-
Total	568.57	281.66

26 PROVISIONS

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Compensated absences (refer note 41)	26.70	25.86
Provision for superannuation	-	0.27
Total	26.70	26.13

27 CURRENT TAX LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for taxation [net of advance tax as at March 31, 2024 ₹ 436.15 lakhs, as at March 31, 2023 Rs 436.15 lakhs]	92.97	393.85
Total	92.97	393.85

28 OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Other liabilities (including statutory dues for GST, VAT and tax deducted at source)	61.45	73.98
Deferred Income on discounting of financial instruments	-	461.38
Total	61.45	535.36

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

29 REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fleet operating and chartering earnings (refer note 44)	600.00	1,564.29
Total	600.00	1,564.29

30 OTHER INCOME

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income from:		
- Bank deposits	81.87	41.69
- discounting of inter corporate deposit	20.39	297.51
- on income tax refund	206.64	3.22
- on Compulsorily Convertible Debenture (refer note 44)	0.43	0.45
- on inter corporate deposit given (refer note 44)	857.82	603.44
Management fee income (refer note 44)	600.00	445.00
Deferred income on discounting of financial instruments	-	102.76
Profit on Sale of property, plant and equipment	-	2,053.36
Profit on sale of investment (refer note 46)	3,023.18	-
Gain on sale and fair valuation of mutual funds	104.40	-
Miscellaneous Income	25.87	-
Total	4,920.60	3,547.43

31 OPERATING EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Transportation	-	0.83
Insurance, protection and indemnity club fees	11.13	34.84
Total	11.13	35.67

32 EMPLOYEE BENEFITS EXPENSE

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages	1,451.68	802.70
Contributions to provident and other funds (refer note 41)	39.01	26.82
Staff welfare expenses	14.07	32.98
Total	1,504.76	862.50

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

33 OTHER EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Legal and professional fees	101.95	130.20
Repair and Maintenance	12.93	0.97
Travelling expense	25.92	40.85
Auditors' remuneration (refer note below)	7.50	7.00
Net loss on foreign currency translation and transaction	0.07	120.29
Loss on sale of Investments	-	2.40
Miscellaneous Expenses	112.34	105.95
Corporate social respon sibility (refer note 47)	15.50	-
Total	276.21	407.66

Note: Auditor remuneration (excluding GST)

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
For audit	7.50	7.00
Total	7.50	7.00

34 FINANCE COSTS

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest		
- on discounting of financial instruments	9.13	120.59
- on Compulsorily Convertible Debentures (refer note 44)	0.11	0.11
- others	-	0.01
- on inter corporate deposits from related party (refer note 44)	397.43	-
Prepaid expenses on discounting of financial instruments	-	317.91
Other finance charges (loan processing charges, amortisation of upfront fees etc)	8.94	14.22
Total	415.61	452.84

35 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Guarantees given on behalf of related parties and others against their borrowings	-	62,819.00
Income tax matters	168.90	168.90
Total	168.90	62,987.90

36 DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES:

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

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

37 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.

38 FOREIGN CURRENCY BONDS

During the year 2016-17, pursuant to the Composite Scheme of Arrangement, the obligations relating to the foreign currency convertible bonds (FCCB's) of ₹ 1,321.34 lakhs (Equivalent of US\$ 2,037,894) (₹ 707.86 lakhs (US\$ 1,091,729) Series A Bond and ₹ 613.48 lakhs (US\$ 946,165) Series B Bond) attributable to the business acquired, out of FCCB's of ₹ 25,935.43 Lakhs (equivalent of US\$ 39,999,988) issued by Essar Ports Limited have been transferred to the company.

Salient Terms of the FCCBs are as under :

- The Bonds bears interest rate of 5% per annum payable in arrears semi-annually.
- The Bonds were convertible at an initial conversion price of ₹ 91.70 per share with a fixed rate of exchange on conversion of ₹ 46.94 to USD 1.00. Subsequently 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 FCBs being non-convertible.

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 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.

During the previous year, the company had repaid the FCB and necessary filings have been filed with the Authorised dealer for onward submission with RBI.

39 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 (borrowings offset by cash and bank balances) 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. 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, 2024	As at March 31, 2023
Debt	793.86	4,262.84
Less: Cash and cash equivalents (refer note 14)	(448.01)	(2,762.82)
Less: Bank balance other than cash and cash equivalents (refer note 15)	-	(1,020.00)
Net debt	345.85	480.02
Total equity (equity & other equity)	44,387.27	40,816.86
Net debt to equity ratio	0.01	0.01

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

2 Categories of financial instruments

₹ in lakhs

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying amount	Fair values	Carrying amount	Fair values
Financial assets				
Measured at amortised cost				
Loans	7,960.34	7,960.34	6,827.11	6,827.11
Trade receivable	675.48	675.48	196.19	196.19
Other financial assets	846.73	846.73	549.26	549.26
Cash and cash equivalents	448.01	448.01	2,762.82	2,762.82
Bank balances other than above cash and cash equivalents	-	-	1,020.00	1,020.00
Measured at fair value through profit and loss				
Investment in mutual funds	2,354.18	2,354.18	-	-
Measured at fair value through other comprehensive income				
Non- current Investments	67.97	67.97	67.97	67.97
Total financial assets	12,352.71	12,352.71	11,423.35	11,423.35
Financial liabilities				
Measured at amortised cost				
Borrowings	793.86	793.86	4,262.84	4,262.84
Other financial liabilities	568.57	568.57	281.66	281.66
Trade payables	32.23	32.23	607.45	607.45
Financial liabilities measured at amortised cost	1,394.66	1,394.66	5,151.95	5,151.95

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

For valuing non-current investments, net assets method was used to capture the present value of the expected future economic benefits that will flow to the entity due to the investments.

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 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 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 consist of a very few number of customers, spread across similar industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivable. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue trade receivables.

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

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

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

Deposits and advances

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.

3.2 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 assets.

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 cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

₹ in lakhs

Particulars	As at March 31, 2024				As at March 31, 2023			
	< 1 year	1-5 years	> 5 years	Total	< 1 year	1-5 years	> 5 years	Total
Financial liabilities								
Borrowings	-	793.86		793.86	-	4,262.84	-	4,262.84
Trade payables	32.23	-	-	32.23	607.45	-	-	607.45
Other financial liabilities	562.28	-	-	562.28	281.66	-	-	281.66
Total financial liabilities	594.51	793.86	-	1,388.37	889.11	4,262.84	-	5,151.95

3.4 Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities. Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023	Level	Valuation technique and key inputs
Investment in Mutual funds	2,354.18	-	1	Quoted market price
Investment in equity instruments of New Coal Terminal Beira, SA	67.97	67.97	3	Net assets method was used to capture the present value of the expected future economic benefits that will flow to the entity due to the investments.

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

40 EARNINGS PER SHARE

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic Earnings per share (in ₹)	10.95	9.67
Diluted Earnings per share (in ₹)	10.95	9.67

Basic earnings per share

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit for the year attributable to owners of the Company (₹ in lakhs)	3,569.78	3,151.07
Weighted average numbers of equity shares (Nos)	2,14,12,813	2,14,12,813
Weighted average numbers of compulsorily convertible debentures (Nos)*	1,11,74,954	1,11,74,954
Weighted average numbers of Compulsorily Convertible Cumulative Participating Preference shares (No's)*	2	2
Weighted average number of equity shares for the purposes of basic earnings per share	3,25,87,769	3,25,87,769
Earnings per share - Basic (in ₹)	10.95	9.67

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

41 EMPLOYEE BENEFITS

I Defined contribution plan

The Company makes contributions to superannuation fund for qualifying employees. The Company recognised ₹ 0.61 lakhs (year ended March 31, 2023 ₹ 3.44 lakhs) as contributions towards superannuation fund in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

II Defined benefit plans

A Gratuity: (funded)

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 (rounded to nearest decimal) 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 Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2023 by Independent valuer. 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.

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

B Compensated absences: (unfunded)

Under the Compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company 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 company upto a maximum of 120 days. At the rate of daily salary as at December 31, 2015.

A Gratuity:

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

Particulars	Valuation as at	
	March 31, 2024	March 31, 2023
Discount rate (p.a)	7.00%	7.10%
Expected rate(s) of salary increase (p.a)	10.00%	10.00%
Attrition rate (p.a)	10.00%	10.00%

In assessing the Company's post retirement liabilities, the Company 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, 2024	For the year ended March 31, 2023
Current service cost	3.43	2.38
Net interest benefit	(0.55)	(1.19)
Component of defined benefit costs recognised in Statement of Profit and Loss	1.19	6.46
<u>Re-measurement of net defined benefit liability:</u>		
Actuarial (gain)/ loss on defined benefit obligation	(0.84)	18.80
Components of defined benefit costs recognised in other comprehensive income	(0.84)	18.80
Total	2.04	19.99

The current service cost and net interest expense/ (benefit) for the year are included in the 'Employee benefit expense' line item in the Statement of Profit and Loss.

The re-measurement of the net defined benefit liability is included in other comprehensive income.

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

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of funded defined benefit obligation	52.36	72.18
Fair value of plan assets	60.48	81.44
Net asset arising from defined benefit obligation	(8.12)	(9.26)

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

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

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	72.18	48.29
Current service cost	3.43	2.38
Interest cost	4.41	3.04
Actuarial (gains)/losses	(7.66)	18.47
Benefits paid	(20.00)	-
Balance at the end of the year	52.36	72.18

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

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	81.44	56.92
Interest income on plan assets	4.96	4.23
Employer contributions	0.90	20.62
Re-measurement gain (loss):		
Return on plan assets (excluding amounts included in net interest expense)	(6.82)	(0.33)
Benefits paid	(20.00)	-
Balance at the end of the year	60.48	81.44

Composition of the plan assets:

Particulars	As at March 31, 2024	As at March 31, 2023
Scheme of insurance - conventional products	100%	100%

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

The actual return on plan assets for the year ended March 31, 2024 was Rs. (6.82) lakhs (for the year ended March 31, 2023: Rs. (0.33) lakhs).

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Estimate of amount of contribution in the immediate next year	5.66	23.05

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, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(1.25)	1.31	(1.51)	1.58
Future salary growth (0.5% movement)	0.21	(0.23)	0.43	(0.45)
Attrition rate (5% movement)	(1.79)	2.91	(0.90)	2.11

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

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 analysed 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, 2024 is 6 years (as at March 31, 2023: 6 years).

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

₹ in lakhs

Particulars	Less than a year	Between 2 to 5 years	Over 5 years	Total
As at March 31, 2023				
Defined benefit obligation	5.66	36.45	23.63	65.74
As at March 31, 2022				
Defined benefit obligation	23.05	27.54	34.15	84.75

B Compensated Absences (Unfunded)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of unfunded obligation (₹ in lakhs)	26.70	25.86
Income recognised in Statement of Profit and Loss (₹ in lakhs)	0.85	0.06
Discount rate (p.a)	7.00%	7.10%
Salary escalation rate (p.a)	0.00%	0.00%
Attrition rate (p.a)	10.00%	10.00%

42 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.

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.

a) Income taxes recognised in statement of profit and loss

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Recognised in statement of profit and loss		
Current tax		
In respect of the current year	-	-
Reversal of excess provision	(300.88)	-
Deferred tax		
In respect of the current year	(0.21)	4.73
Recognised in other comprehensive income		
Deferred tax	0.21	(4.73)
Total	(300.88)	-

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

A reconciliation of income tax expense applicable to accounting profit 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, 2024	For the year ended March 31, 2023
Profit before taxes	3,268.69	3,155.80
Enacted tax rate in India	25.17%	25.17%
Expected income tax expense at statutory tax rate	822.66	794.25
Effect of:		
Expenses not allowed in computation of income	2.52	149.87
Non-taxable income	(766.01)	(618.20)
Reversal of excess provision	(300.88)	-
Profits taxable under tonnage tax (Section 115V-l)	(135.05)	(162.26)
Previous year losses set off	-	(163.66)
Losses on which DTA not recognised	75.87	-
Income taxes recognised in the statement of income	(300.88)	-

Deferred tax assets and liabilities

Components of deferred tax liabilities/ (assets)

₹ in lakhs

Deferred tax balances in relation to	For the year ended March 31, 2023	Recognised / reversed during the year	For the year ended March 31, 2024
Property, plant and equipment	398.98	(40.34)	358.64
Unabsorbed Depreciation	(398.98)	40.34	(358.64)
Total deferred tax for the year	-	-	-

Components of deferred tax liabilities/ (assets)

₹ in lakhs

Deferred tax balances in relation to	As at April 01, 2022	Recognised / reversed during the year	As at March 31, 2023
Property, plant and equipment	316.45	82.53	398.98
Unabsorbed depreciation	(316.45)	(82.53)	(398.98)
Total deferred tax for the year	-	-	-

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

43 RATIOS ANALYSIS AND ITS ELEMENTS

Particulars	As at March 31, 2024	As at March 31, 2023	% change from March 31, 2022 to March 31, 2024
Current Ratio	15.74	12.11	29.97
Debt-Equity Ratio	0.02	0.11	(83.48)
Debt Service Coverage Ratio	9.38	NA	100.00
Return on Equity Ratio	0.09	0.08	6.18
Trade Receivables turnover ratio	1.38	6.92	(80.10)
Trade payables turnover ratio	0.90	0.52	73.07
Net capital turnover ratio	0.04	0.14	(74.06)
Net profit ratio	5.95	2.01	195.36
Return on Capital employed	0.08	0.08	1.87
Return on investment	0.08	0.08	5.11

Elements of Ratio

Ratios	Numerator	Denominator	As at March 31, 2024		As at March 31, 2023	
			Numerator	Denominator	Numerator	Denominator
Current Ratio	Current Assets	Current Liability	12,309.26	781.92	22,340.52	1,844.45
Debt-Equity Ratio	Debt (Borrowing)	Total Equity	793.86	44,387.27	4,262.84	39,366.86
Debt Service Cover- age Ratio	Profit before tax + Finance cost + Depre- ciation	Current Borrowings+ Interest on long term debt	3,728.50	397.43	3,805.89	-
Return on Equity Ratio	Profit for the year	Average Total Equity	3,569.78	41,877.07	3,151.07	39,248.36
Trade Receivables turnover ratio	Revenue from oper- ation	Average trade receiv- able	600.00	435.84	1,564.29	226.15
Trade payables turn- over ratio	Total Purchase*	Average trade payable	287.27	319.84	320.64	617.84
Net capital turnover ratio	Revenue from oper- ation	Average Working cap- ital = current assets- Current liabilities	600.00	16,011.71	1,564.29	10,827.22
Net profit ratio	Profit for the year	Revenue from oper- ation	3,569.78	600.00	3,151.07	1,564.29
Return on Capital employed	Profit Before Tax + Finance cost	Total Equity + Debt (Borrowings) + De- ferred tax liability	3,684.30	45,181.13	3,608.64	45,079.70
Return on investment	Profit Before Tax + Finance cost	Total assets	3,684.30	45,963.05	3,608.64	47,321.23

*Net credit purchases comprising of operating expenses and other expenses excluding lease related expenses and forex loss

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

Reasons for significant variance in above ratio

Particulars	% change from March 31, 2023 to March 31, 2024
Current Ratio	During the year, the Company reclassified loan from current to non-current and hence, current ratio improved.
Debt-Equity Ratio	During the year, the Company paid off substantial borrowings leading to decrease in Debt equity ratio
Debt Service Coverage Ratio	During the year, the Company incurred finance cost on borrowings and hence, change in Debt Service Coverage Ratio.
Trade receivable turnover ratio	During the year, average trade receivable increased without corresponding increase in revenue, leading to decrease in Trade Receivables turnover ratio
Trade payables turnover ratio	During the year, average trade payable decreased without corresponding decrease in Total Purchase, leading to increase in Trade Payables turnover ratio
Net profit ratio	During the year, the Company has earned substantial profit on sale of investment without corresponding increase in revenue, which has lead to increase in net profit and resultant Net profit ratio.
Net capital turnover ratio	During the previous year, the Company paid off substantial other financial liabilities and reclassified investment as current leading to increase in Average Working capital and resultant Net capital turnover ratio

44 RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES

Names of the related parties and description of relationship with whom the Company has transactions

a) Holding companies :

- i) Essar Global Fund Limited, Cayman Island (ultimate holding company)
- ii) Essar Ports HoldCo Limited, Mauritius (intermediate holding company)
- iii) Essar Ports & Terminals Limited (Immediate holding company)

b) Subsidiaries:

- i) Essar Vizag Terminals Limited (ceases to be a related party w.e.f February 27, 2024)

c) Key management personnel :

- i) Rajiv Agarwal, Managing Director
- ii) Amit Bapna, CFO

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

- i) Essar Bulk Terminal Limited (ceases to be a related party w.e.f November 15, 2022)
- ii) Essar Bulk Terminal Paradip Limited (ceases to be a related party w.e.f November 15, 2022)
- iii) Essar Construction India Limited
- iv) Essar Steel Metal Trading Limited
- v) Hazira Cargo Terminals Limited (ceases to be a related party w.e.f November 15, 2022)
- vi) Salaya Bulk Terminals Limited
- vii) Ibrox Aviation and Trading Private Limited (ceases to be a related party w.e.f November 15, 2022)
- viii) Futura Travels Limited

e) Associates

- i) Essar Bulk Terminal (Salaya) Limited

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

f) The details of transactions with related parties during the year

₹ in lakhs

Nature of transactions	Holding companies		Subsidiaries / Other related parties		Total	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Fleet operating and chartering earnings						
Essar Bulk Terminal Limited	-	-	-	1,460.42	-	1,460.42
Essar Bulk Terminal (Salaya) Limited	-	-	240.00	103.87	240.00	103.87
Total	-	-	240.00	1,564.29	240.00	1,564.29
Other income						
(Management fee)						
Essar Bulk Terminal Limited	-	-	-	175.00	-	175.00
Essar Bulk Terminal (Salaya) Limited	-	-	600.00	250.00	600.00	250.00
Essar Construction India Limited	-	-	-	20.00	-	20.00
Total	-	-	600.00	445.00	600.00	445.00
Interest income on CCDs						
Essar Vizag Terminals Limited	-	-	0.41	0.45	0.41	0.45
Essar Bulk Terminal (Salaya) Limited	-	-	0.01	-	0.01	-
Total	-	-	0.42	0.45	0.42	0.45
Interest expenses on CCDs						
Essar Ports & Terminals Limited	0.11	0.11	-	-	0.11	0.11
Interest income on Inter corporate deposit given						
Essar Bulk Terminal (Salaya) Limited	-	-	118.14	603.44	118.14	603.44
Salaya Bulk Terminals Limited	-	-	739.67	-	739.67	-
Total	-	-	857.82	603.44	857.82	603.44
Interest expense on Inter corporate deposit taken						
Essar Steel metal Trading Limited	-	-	397.43	-	397.43	-
Travel expenses						
Futura Travels Limited	-	-	13.53	24.80	13.53	24.80
Purchase of Property, Plant and Equipment						
Essar Bulk Terminal Limited	-	-	-	25.22	-	25.22
Hazira Cargo Terminals Limited	-	-	-	300.00	-	300.00
Total	-	-	-	325.22	-	325.22
Sale of Property, Plant and Equipment						
Essar Bulk Terminal Limited	-	-	-	4,500.00	-	4,500.00

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

Nature of transactions	Holding companies		Subsidiaries / Other related parties		Total	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Sale of Ultra LNG Haldia Limited Shares						
Essar Steel metal Trading Limited (₹ less than 1000)	-	-	-	0.00	-	0.00
Expense incurred on behalf on others						
Hazira Cargo Terminals Limited	-	-	-	3.29	-	3.29
Salaya Bulk Terminals Limited	-	-	-	0.90	-	0.90
Total	-	-	-	4.19	-	4.19
Reimbursement of management service expense						
Hazira Cargo Terminals Limited	-	-	-	185.91	-	185.91
Salaya Bulk Terminals Limited	-	-	-	46.48	-	46.48
Total	-	-	-	232.39	-	232.39
Inter corporate deposit given						
Essar Vizag Terminals Limited	-	-	-	32.00	-	32.00
Salaya Bulk Terminals Limited	-	-	-	7,100.00	-	7,100.00
Essar Bulk Terminal (Salaya) Limited	-	-	16,013.34	-	16,013.34	-
Total	-	-	16,013.34	7,132.00	16,013.34	7,132.00
Refund of Inter corporate deposit given						
Salaya Bulk Terminals Limited	-	-	88.00	1,050.00	88.00	1,050.00
Essar Bulk Terminal (Salaya) Limited	-	-	-	4,340.00	-	4,340.00
Essar Vizag Terminals Limited	-	-	-	1,016.00	-	1,016.00
Ibrox Aviation and Trading Private Limited	-	-	-	4,355.00	-	4,355.00
Total	-	-	88.00	10,761.00	88.00	10,761.00
Conversion of Inter corporate deposit given in to CCDs						
Essar Bulk Terminal (Salaya) Limited	-	-	16,000.00	-	16,000.00	-
Inter corporate deposit received						
Hazira Cargo Terminals Limited	-	-	-	750.00	-	750.00
Essar Steel Metal Trading Limited	-	-	-	6,133.00	-	6,133.00
Total	-	-	-	6,883.00	-	6,883.00
Refund of Inter corporate deposit received						
Hazira Cargo Terminals Limited	-	-	-	6,255.00	-	6,255.00
Essar Steel Metal Trading Limited	-	-	4,336.57	1,002.57	4,336.57	1,002.57
Essar Bulk Terminal Paradip Limited	-	-	-	173.00	-	173.00
Essar Bulk Terminal Limited	-	-	-	2,956.32	-	2,956.32
Total	-	-	4,336.57	10,386.89	4,336.57	10,386.89

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

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

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Remuneration*		
Rajiv Agarwal	548.41	510.79
Amit Bapna	385.72	295.35
Total	934.13	806.13

*Does not include the amount payable towards gratuity and compensated absences by the Company as the same is calculated for the Company as whole on the basis of actuarial valuation.

h) Balances with related parties at the year end.

₹ in lakhs

Nature of balances	Holding companies		Subsidiaries / Other related parties		Total	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Trade Receivables						
Essar Construction India Limited	-	-	21.60	21.60	21.60	21.60
Essar Bulk Terminal Salaya Limited	-	-	653.88	174.18	653.88	174.18
Essar Vizag Terminals Limited	-	-	-	0.41	-	0.41
Total	-	-	675.48	196.19	675.48	196.19
Other receivable						
Essar Bulk Terminal Salaya Limited	-	-	0.01	-	0.01	-
Other Payable						
Essar Ports & Terminals Limited	0.10	-	-	-	0.10	-
Inter corporate deposit given						
Salaya Bulk Terminals Limited	-	-	7,947.00	8,035.00	7,947.00	8,035.00
Essar Bulk Terminal Salaya Limited	-	-	13.34	-	13.34	-
Total	-	-	7,960.34	8,035.00	7,960.34	8,035.00
Less: IND AS Adjustment (discounting)	-	-	-	(1,207.89)	-	(1,207.89)
Total	-	-	7,960.34	6,827.11	7,960.34	6,827.11
Interest Accrued on Inter corporate deposit given						
Salaya Bulk Terminals Limited	-	-	732.28	-	732.28	-
Essar Bulk Terminal (Salaya) Limited	-	-	106.33	-	106.33	-
Total	-	-	838.61	-	838.61	-
Inter corporate deposit received						
Essar Steel Metal Trading Limited	-	-	793.86	5,130.43	793.86	5,130.43
Total	-	-	793.86	5,130.43	793.86	5,130.43
Less: IND AS Adjustment (discounting)	-	-	-	(867.59)	-	(867.59)
Total	-	-	793.86	4,262.84	793.86	4,262.84

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

Nature of balances	Holding companies		Subsidiaries / Other related parties		Total	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Interest Accrued on Inter corporate deposit received						
Essar Steel metal Trading Limited	-	-	6.29	-	6.29	-
Receivable on account of sale of investment*						
Essar Steel Metal Trading Limited	-	-	-	0.00	-	0.00
Guarantees given on behalf of others						
Essar Vizag Terminals Limited	-	-	-	62,819.00	-	62,819.00

45 DISCLOSURE PURSUANT TO IND AS 27 'SEPARATE FINANCIAL STATEMENT' FOR INVESTMENT IN EQUITY INSTRUMENTS OF SUBSIDIARIES, JOINT VENTURE AND ASSOCIATES:

Name of Entity	Proportion of ownership/ Voting interest	
	As at March 31, 2024	As at March 31, 2023
Subsidiaries		
Essar Vizag Terminals Limited	0.00%	100.00%
Associates		
Essar Bulk Terminal (Salaya) Limited	34.22%	19.96%

46 The Board of Directors of the Company has vide resolution dated August 25, 2022 decided to transfer the investments in equity shares of Essar Vizag Terminals Limited ("EVTL") within twelve months from the end of financial year 2022-23. The Company had signed definitive Sale and Purchase Agreement with Essar Bulk Terminal Limited (EBTL) on August 26, 2022 (SPA) for Sale of Its investment in its wholly owned subsidiary Essar Vizag Terminal Limited. During the year the Company had sold the investments in EVTL on February 27, 2024. The sale consideration was Rs 20,012.38 Lakhs and profit on the sale of Investment was ₹ 3,023.18 lakhs.

47 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amounts required to be spent as per section 135 of the Companies Act	15.18	NIL
Amount spent during the year on		
Contribution on acquisition of assets	-	0
On other purposes	15.50	0
Shortfall/(Excess) at the end of the year	(0.32)	NIL
Total Previous year shortfall	NIL	NIL
Reason for shortfall	NA	NA
Nature of CSR activities	for promoting education, social welfare and healthcare.	NA
Details of related party transactions	NIL	NIL

Notes forming part of the Standalone financial statements for the year ended March 31, 2024

48 The following Schedule III amendments is not applicable on the Company:

- (i) The Company is not holding any benami property under the "Benami Transactions (Prohibition) Act, 1988;
- (ii) The Company do not have any transactions/balances with companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956;
- (iii) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate Beneficiaries;
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year;
- (v) The Company does not hold any immovable property whose lease deed is not in the name of Company;
- (vi) The Company has not revalued any of its property, plant and equipment or intangible assets.
- (vii) The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (viii) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- ix) The Company do not have any borrowings on the basis of security of current assets.
- x) The company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.
- xi) The company has complied with the number of layers prescribed under the Companies Act, 2013.
- xii) The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- xiii) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

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

In terms of our report attached

For M S K A & Associates
Chartered Accountants
Firm Registration no: 105047W

Udit Brijesh Parikh
Partner
Membership No.: 151016

Mumbai, July 24, 2024

For and on behalf of the Board of Directors of Essar Ports Limited

Rajiv Agarwal
Managing Director
DIN : 00903635

Amit Bapna
Director & CFO
DIN: 00008443

Ketki Belhe
Company Secretary
Membership No.: A21418

Mumbai, July 24, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ESSAR PORTS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Essar Ports Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), and its associates which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, 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 material accounting policy information 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, 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 ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associates as at March 31, 2024, of consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

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 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, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates 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 Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates 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 and of its associates are responsible for overseeing the financial reporting process of each company.

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, except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and associates incorporated in India, none of the directors of the Group companies and associate Company are disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3) (b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).
 - g. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group, its associate and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 37 to the consolidated financial statements.
 - ii. The Group and its associates 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 and associate Company incorporated in India.
 - iv. (1) The respective Managements of the Holding Company and its subsidiary and associate which are companies incorporated in India have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or subsidiary and associates to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or subsidiary and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (2) The respective Managements of the Holding Company and its subsidiary and associates which are companies incorporated in India have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company or subsidiary and associate from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or subsidiary and associate shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (3) Based on the audit procedures that have been considered reasonable and appropriate in the

circumstances performed by us, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

- v. The Holding Company, subsidiary and its associate Company which are companies incorporated in India have neither declared nor paid any dividend during the year.
- vi. Based on our examination, the Holding Company, its subsidiary Company and its associate Company incorporated in India have used accounting software for maintaining their respective books of account for the year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level during the year ended March 31, 2024, in respect of the accounting software to log any direct data changes.

Further, the audit trail feature has been operated throughout the year for all relevant transactions recorded in the accounting software, except for the software at the database level as stated above, in respect of which the audit trail feature has not been operated throughout the year for all relevant transactions recorded in the said accounting software during the year ended March 31, 2024. Also, during the course of our examination, we did not come

across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group and its associate to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.
3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditors of subsidiary and associate Company included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Udit Brijesh Parikh
Partner
Membership No. 151016
UDIN: 24151016BKFHGC3989

Place: Mumbai
Date: July 24, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ESSAR PORTS LIMITED

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate 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 the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors 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 and its associate 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 and its associate 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 and its associate 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. 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 **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Place: Mumbai
Date: July 24, 2024

Udit Brijesh Parikh
Partner
Membership No. 151016
UDIN: 24151016BKFHGC3989

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ESSAR PORTS LIMITED

[Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Essar Ports Limited on the consolidated Financial Statements for the year ended March 31, 2024]

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls reference to consolidated financial statements of Essar Ports Limited (hereinafter referred to as "the Holding Company") which includes the internal financial controls over financial reporting of the Holding Company's and its subsidiary company (the Holding Company and its subsidiaries together referred to as "the Group") and its associate company, which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary company and its associate company, which are companies incorporated in India, have, in all material respects, an adequate 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, 2024, based on the internal financial controls 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").

Management and Board of Director's Responsibility for Internal Financial Controls

The respective Management and the Board of Directors of the Holding Company, its subsidiary company, and its associate 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. 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 its subsidiary company and its associate 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 adequate 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 adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary company and associate 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.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No.: 105047W

Place: Mumbai
Date: July 24, 2024

Udit Brijesh Parikh
Partner
Membership No. 151016
UDIN: 24151016BKFHGC3989

Consolidated Balance Sheet as at March 31, 2024

₹ in lakhs

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
I ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	1,049.57	1,091.61
(b) Intangible assets	5.1	-	-
(c) Financial assets			
(i) Investments	6	23,642.59	9,902.59
(ii) Loans	7	-	6,827.11
(d) Deferred Tax assets (net)	8	-	-
(e) Non-current tax assets	9	1,805.76	1,798.63
(f) Other non-current assets	10	-	464.90
Total non-current assets		26,497.92	20,084.84
Current assets			
(A) Financial assets			
(i) Investments	11	2,354.18	-
(ii) Trade receivables	12	675.48	196.19
(iii) Cash and cash equivalents	13	448.01	2,762.82
(iv) Bank balances other than cash and cash equivalents	14	-	1,020.00
(v) Loans	15	7,960.34	-
(vi) Other financial assets	16	846.73	549.28
(b) Other current assets	17	24.52	823.05
Assets classified as held for sale		-	72,167.00
Total current assets		12,309.26	77,518.34
Total assets		38,807.18	97,603.18
II EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	18	2,141.28	2,141.28
(b) Other equity	19	35,089.40	21,328.74
Equity attributable to owners of the Company		37,230.68	23,470.02
Non-controlling interests		-	-
Total equity		37,230.68	23,470.02
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	793.86	4,262.84
(b) Other Non-current Liabilities	21	-	397.08
Total non-current liabilities		793.86	4,659.92
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	22	-	-
Total outstanding dues of micro enterprises and small enterprises		32.23	607.45
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(ii) Other financial liabilities	23	568.57	281.66
(b) Provisions	24	26.70	26.13
(c) Current tax liabilities	25	92.97	393.87
(d) Other current liabilities	26	62.17	536.29
Liabilities directly associated with assets classified as held for sale		-	67,627.84
Total current liabilities		782.64	69,473.24
Total liabilities		1,576.50	74,133.16
Total equity and liabilities		38,807.18	97,603.18
Summary of significant accounting policies	3		

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

In terms of our report attached
For M S K A & Associates
Chartered Accountants
Firm Registration no: 105047W
Udit Brijesh Parikh
Partner
Membership No.: 151016
Mumbai, July 24, 2024

For and on behalf of the Board of Directors of Essar Ports Limited

Rajiv Agarwal
Managing Director
DIN : 00903635

Amit Bapna
Director & CFO
DIN: 00008443

Ketki Belhe
Company Secretary
Membership No.: A21418
Mumbai, July 24, 2024

Consolidated Statement of Profit and Loss for the year ended March 31, 2024

₹ in lakhs

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I Revenue from operations	27	600.00	1,564.29
II Other income	28	1,896.99	3,546.98
III Gain on disposal of subsidiary	41	24,592.88	-
IV Total Income (I + II+III)		27,089.87	5,111.27
V Expenses			
(a) Operating expenses	29	11.13	35.67
(b) Employee benefits expense	30	1,504.76	862.50
(c) Other expenses	31	276.21	405.26
(d) Depreciation and amortisation expense	5.2	44.20	197.25
(e) Finance costs	32	415.61	459.88
Total expenses (V)		2,251.91	1,960.56
VI Profit before share of profit/ (loss) of an associate and tax (IV-V)		24,837.96	3,150.71
VII Share of (loss)/ profit of an associate		(2,260.00)	9,834.63
VIII Profit before tax from continuing operations (VI+VII)		22,577.96	12,985.34
IX Tax (benefit)/ expense:			
(a) Current tax	39	-	-
(b) Deferred tax		(0.21)	4.73
(c) Reversal of excess provision		(300.88)	-
Total tax (benefit)/ expense		(301.09)	4.73
X Profit for the year from continuing operations (VIII-IX)		22,879.05	12,980.61
Discontinued operations			
Loss from discontinued operation before tax	41	-9,122.57	(2,078.72)
Tax expense of discontinued operations		-	-
Loss from discontinued operation		(9,122.57)	(2,078.72)
Profit for the year		13,756.48	10,901.89
Other comprehensive income			
a) Items that will not be reclassified to profit or loss in subsequent period			
(i) Remeasurement of the defined benefit plans		0.84	(18.80)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.21)	4.73
(i) Remeasurement of the defined benefit plans of discontinued operation		3.55	6.99
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
XI Total other comprehensive income/ (loss)		4.18	(7.08)
XII Total comprehensive income for the year (X+XI)		13,760.66	10,894.81
Profit for the year attributable to:			
(a) Owners of the Company		13,756.48	10,901.89
(b) Non-controlling interests		-	-

₹ in lakhs

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
Other comprehensive income/ (loss) for the year attributable to:			
(a) Owners of the Company		4.18	(7.08)
(b) Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
(a) Owners of the Company		13,760.66	10,894.81
(b) Non-controlling interests		-	-
Total comprehensive income/ (loss) attributable to owners from:			
Continuing operations		22,879.68	12,966.54
Discontinued operations		(9,119.02)	(2,071.73)
XII Earnings per equity share (face value of Rs.10 each)			
Earnings per equity share from continuing operation	35		
Basic (in ₹)		70.21	39.83
Diluted (in ₹)		70.21	39.83
Loss per equity share from discontinued operation			
Basic (in ₹)		(27.99)	(6.38)
Diluted (in ₹)		(27.99)	(6.38)
Earnings per equity share from continuing and discontinued operation			
Basic (in ₹)		42.21	33.45
Diluted (in ₹)		42.21	33.45
Summary of significant accounting policies	3		

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

In terms of our report attached
For M S K A & Associates
 Chartered Accountants
 Firm Registration no: 105047W
Udit Brijesh Parikh
 Partner
 Membership No.: 151016
 Mumbai, July 24, 2024

For and on behalf of the Board of Directors of Essar Ports Limited

Rajiv Agarwal
 Managing Director
 DIN : 00903635

Amit Bapna
 Director & CFO
 DIN: 00008443

Ketki Belhe
 Company Secretary
 Membership No.: A21418
 Mumbai, July 24, 2024

Consolidated Statement of Changes in Equity for the year ended March 31, 2024

A. Equity share capital

₹ in lakhs

Particulars	Amount
Balance as at April 01, 2022	2,141.28
Changes in equity share capital during the year	-
Changes in equity share capital due to prior period errors	-
Balance as at March 31, 2023	2,141.28
Changes in equity share capital during the year	-
Changes in equity share capital due to prior period errors	-
Balance as at March 31, 2024	2,141.28

B. Other equity

₹ in lakhs

Particulars	Reserves & Surplus				Equity Component of CCD	Equity Component of CCCPPS *	Attributable to owners of the Group	Attributable to Minority Interest	Total
	Securities Premium Reserve	Retained earnings	Tonnage Tax Reserve	Tonnage Tax reserve utilised					
Balance as at April 01, 2022	10,602.80	-3,036.37	300.00	1,450.00	1,117.50	0.00	10,433.93	-	10,433.93
Profit for the year	-	10,901.89	-	-	-	-	10,901.89	-	10,901.89
Other comprehensive loss for the year, net of income tax	-	-7.08	-	-	-	-	(7.08)	-	(7.08)
Total comprehensive income for the year	-	10,894.81	-	-	-	-	10,894.81	-	10,894.81
Balance as at March 31, 2023	10,602.80	7,858.44	300.00	1,450.00	1,117.50	0.00	21,328.74	-	21,328.74
Profit for the year	-	13,756.48	-	-	-	-	13,756.48	-	13,756.48
Other comprehensive income for the year, net of income tax	-	4.18	-	-	-	-	4.18	-	4.18
Total comprehensive income for the year	-	13,760.66	-	-	-	-	13,760.66	-	13,760.66
Transfer to Tonnage tax reserve	-	(325.00)	325.00	-	-	-	-	-	-
Tonnage Tax reserve utilised transferred to retained earnings	-	1,450.00	0.00	-1,450.00	-	-	-	-	-
Balance as at March 31, 2024	10,602.80	22,744.10	625.00	-	1,117.50	0.00	35,089.40	-	35,089.40

* amount less than ₹ 1,000

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

In terms of our report attached
For M S K A & Associates
Chartered Accountants
Firm Registration no: 105047W
Udit Brijesh Parikh
Partner
Membership No.: 151016
Mumbai, July 24, 2024

For and on behalf of the Board of Directors of Essar Ports Limited

Rajiv Agarwal
Managing Director
DIN : 00903635

Amit Bapna
Director & CFO
DIN: 00008443

Ketki Belhe
Company Secretary
Membership No.: A21418
Mumbai, July 24, 2024

Statement of Consolidated Cash Flows for the year ended 31 March, 2024

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	22,577.96	12,985.34
Loss from discontinued operation	(9,122.57)	(2,078.72)
Total	13,455.39	10,906.62
Adjustments for :		
Share of loss/ (profit) from associates	2,260.00	(9,834.63)
Depreciation and amortisation expenses	3,284.31	3,631.17
Gain on disposal of subsidiary	-24,592.88	-
Finance costs	12,188.42	7,915.20
Reversal for bad and doubtful receivables/ loans (ECL)	-	(146.67)
Interest income on bank deposits and income tax refund	(491.19)	(242.96)
Interest income on Inter corporate deposit	(878.21)	(900.95)
Net unrealised loss on foreign currency translation and transactions	-	120.29
Gain on sale and fair valuation of mutual funds	(104.40)	-
Profit on Sale of Property, Plant and Equipment	-	(2,053.36)
Deferred Income on discounting of financial instruments	-	(102.76)
Operating profit before working capital changes	5,121.44	9,291.95
Changes in working capital :		
Changes in Inventories	-	(16.16)
Changes in receivables, loans and advances and other financial and current assets	1,084.65	1,347.82
Changes in payables, other liabilities and provisions	(3,515.49)	(1,775.05)
Cash generated from operations	2,690.60	8,848.56
Income tax paid (net of refund)	24.03	(235.67)
Net cash flow generated from operating activities (I)	2,714.63	8,612.89
B CASH FLOW FROM INVESTING ACTIVITIES		
Interest income on bank deposits	272.83	246.93
Payment for acquisition of Property, Plant and Equipment including capital advances	(442.70)	(1,772.47)
Fixed Deposits matured/ (placed)	985.00	(1,075.61)
Unsecured loan given to a related party	(13.34)	(7,100.00)
Investment in CCDs of associate	(16,000.00)	-
Net investment in mutual funds	(2,249.78)	-
Amount received on account of sale of investment (net of cash disposed off)	19,387.69	-
Interest received on loan given to related party	-	603.44
Refund of Unsecured loan given to a related party	88.00	10,235.00
Net cash generated from investing activities (II)	2,027.70	1,137.29
C CASH FLOW FROM FINANCING ACTIVITIES		
Finance costs paid	(10,228.41)	(6,174.90)
Repayment of long term borrowings	(53,286.75)	(3,922.07)
Proceeds from unsecured loan from related parties	-	13,648.45
Proceeds from unsecured loan	66,599.15	-
Repayment of unsecured loan from related parties	(10,976.00)	(9,900.68)
Net cash used in financing activities (III)	(7,892.01)	(6,349.20)
Net (decrease)/ increase in cash and cash equivalents for the year (I+II+III)	(3,149.68)	3,400.98
Cash and cash equivalents at the beginning of the year	3,597.69	196.71
Cash and cash equivalents at the end of the year	448.01	3,597.69

Cash and cash equivalent from continuing operations (refer note 13)	448.01	2,762.82
Cash and cash equivalent from discontinued operations (refer note 41)	-	834.87

Notes

1 Reconciliation between closing cash and cash equivalents and cash and bank balances

₹ in lakhs

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents as per Statement of Cash Flows	448.01	2,762.82
Add : Margin money deposits considered in other cash and cash equivalent	-	1,020.00
Cash and bank balances as per note 13 and 14	448.01	3,782.82

2 Changes in liabilities arising from financing activities

₹ in lakhs

Particulars	As at April 1, 2023	Cash movement (net)	Other movement	As at March 31, 2024
Borrowings	60,805.54	(7,892.01)	(52,119.67)	793.86

₹ in lakhs

Particulars	As at April 1, 2022	Cash movement (net)	Other movement	As at March 31, 2023
Borrowings	61,701.11	(6,349.20)	5,453.63	60,805.54

- 3 The above 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).

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

In terms of our report attached

For M S K A & Associates

Chartered Accountants

Firm Registration no: 105047W

Udit Brijesh Parikh

Partner

Membership No.: 151016

Mumbai, July 24, 2024

For and on behalf of the Board of Directors of Essar Ports Limited

Rajiv Agarwal

Managing Director

DIN : 00903635

Amit Bapna

Director & CFO

DIN: 00008443

Ketki Belhe

Company Secretary

Membership No.: A21418

Mumbai, July 24, 2024

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

1. Corporate Information

Essar Ports Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of Companies Act. The Company is engaged in the business of providing fleet operating and chartering services. The Company was listed on Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) till 31 December 2015. The Company through its associate develops and operates ports and terminals for handling bulk and general cargo. The associate 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.

The Company along with its subsidiaries and associate constitute "the Group". Refer note 42 to the consolidated financial statements for the percentage holding, nature of relationship and the principal business activities of the subsidiaries and associates of the Group.

The consolidated financial statements were approved for issue by the board of directors on July 24, 2024.

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

2. Basis of preparation and presentation

A. 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.

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

- The financial statements of the subsidiaries used in this consolidation are drawn upto the same reporting date of the Group.
- 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.
- Investment in associate is accounted using the equity method and is initially recognized at cost.
- 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 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.

B. 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 material 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

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
Fleet	10-15
Plant and equipment	10-30
Office equipment	3-6
Furniture and fixture	10

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.

The group recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition the intangible

asset is measured at cost, less any accumulated amortisation and accumulated impairment losses if any. Cost includes upfront payments towards acquisition of the existing port facility including the present value of all future fixed payments.

Amortisation

Port operational rights are amortised over the period of concession on a straight-line basis.

C. Intangible assets under development

Expenditure related to and incurred during the upgradation of the existing port facility and creation of new facility are included under "Intangible Assets under Development". The same will be transferred to the respective intangible assets on completion of project. Intangible assets under development are capitalised on the basis of the cost of capital expenditure incurred plus reasonable margin in respect of service concession arrangements (which is the fair value at initial recognition), including borrowing costs on qualifying capital expenditures.

D. Impairment of tangible and intangible assets other than goodwill

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

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

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

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.

E. 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 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

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.

F. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories mainly comprise the cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Costs of inventories are determined on weighted average basis.

G. Revenue

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 dispatch and handling of cargo, revenue is recognized when cargo is actually dispatched 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer etc.

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

Service concession arrangements

Construction or upgrade services: The Group accounts for revenue and costs relating to construction or upgrade services in accordance with Ind AS 115 read Appendix of the said standard

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.

H. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

I. 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.

J. 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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

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.

K. Foreign currencies

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

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

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

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks;
- exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the financial statements for the year ended March 31, 2016 prepared under previous GAAP, are capitalized as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable.

L. 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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Financial assets at fair value

Debt instruments

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

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

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

Debt instrument at FVTPL

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

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

Equity investments

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

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

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

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

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

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

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

II. Financial liabilities and equity instruments

a) Classification as debt or equity

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

b) Equity instruments

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

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

c) Financial liabilities

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

Financial liabilities at FVTPL:

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

A financial liability is classified as held for trading if:

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

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

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

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

Other financial liabilities:

Other financial liabilities (including borrowings and trade and other payables) that are not held-for-trading and are

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

not designated as at FVTPL are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities:

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

d) Embedded derivatives

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

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

M. Compound financial instrument

Compound financial instruments issued by the Group 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.

N. 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.

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

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.

O. 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.

P. 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.

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

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

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

iii) Impairment of non-financial assets

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

iv) Income Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

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 37.

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.

vii) Fair value measurement of financial instruments

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

4.1 Recent accounting pronouncements:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Group has applied these amendments for the first-time in these consolidated financial statements.

• **Amendments to Ind AS 8 - definition of accounting estimates**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on these consolidated financial statements.

• **Amendments to Ind AS 1 - disclosure of accounting policies**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the consolidated financial statements.

• **Amendments to Ind AS 12 - deferred tax related to assets and liabilities arising from a single transaction**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

• **New standards and amendments issued but not effective**

There are no such standards which are notified but not yet effective

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

5 PROPERTY, PLANT AND EQUIPMENT

₹ in lakhs

Particulars	Freehold land	Furniture and fixtures	Vehicle	Fleet	Computers and IT equipment	Total
Cost						
As at April 01, 2022	56.55	0.63	-	5,330.24	70.48	5,457.90
Additions	-	1.36	21.41	300.00	3.85	326.62
Deletion	-	-	-	3,829.19	-	3,829.19
Assets included in a disposal group classified as held for sale	(56.55)	(0.63)	-	-	(65.37)	(122.55)
As at March 31, 2023	-	1.36	21.41	1,801.05	8.96	1,832.78
Additions	-	-	-	-	2.27	2.27
Deletion	-	-	-	-	0.11	0.11
As at March 31, 2024	-	1.36	21.41	1,801.05	11.12	1,834.94
Accumulated depreciation						
As at April 01, 2022	-	0.07	-	1,922.24	50.05	1,972.36
Depreciation charge for the year	-	-	1.43	195.40	0.42	197.25
Deletion	-	-	-	1,382.56	-	1,382.56
Assets included in a disposal group classified as held for sale	-	(0.07)	-	-	(45.81)	(45.88)
As at March 31, 2023	-	-	1.43	735.08	4.66	741.17
Depreciation charge for the year	-	-	3.06	40.29	0.85	44.20
Deletion	-	-	-	-	-	-
As at March 31, 2024	-	-	4.49	775.37	5.51	785.37
Carrying amount						
As at March 31, 2023	-	1.36	19.98	1,065.97	4.30	1,091.61
As at March 31, 2024	-	1.36	16.92	1,025.68	5.61	1,049.57

5.1 INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Port Operational Rights
Gross Block	
As at April 01, 2022	82,533.28
Assets included in a disposal group classified as held for sale	(82,533.28)
As at March 31, 2023	-
Additions	-
As at March 31, 2024	-
Accumulated Amortization	
As at April 01, 2022	14,278.01
Assets included in a disposal group classified as held for sale	(14,278.01)
As at March 31, 2023	-
Additions	(14,278.01)
As at March 31, 2024	-
Net Block	
As at March 31, 2023	-
As at March 31, 2024	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Disclosure for Service Concession Agreement

Essar Vizag Terminals Limited ("The Company" "EVTL") has the exclusive right to upgrade and operate Vizag Port and related facilities for 30 years pursuant to the Concession Agreement (SCA) entered on December 13, 2013 between The Board of Trustees for Visakhapatnam Port Trust (VPT or "the Concessioneing Authority") and EVTL ("the Concessionaire"). EVTL took control of the existing berth on May 14, 2015 (date of award of Concession). The Concession period of 30 years commences from Date of Award of Concession which is May 14, 2015. The SCA has been accounted under the intangible asset model (refer accounting policy on intangible assets).

The scope of the work broadly includes up- gradation of existing mechanized iron ore handling facility of outer harbour (Phase 1) to achieve a rated capacity of 8000 TPH and creation of new mechanized facility at West Quay — 1 (WQ-1) berth in the inner harbour of Visakhapatnam Port Trust (Phase II) for handling iron ore (including CLO upto -40 mm, fines and pellets), on design, build, finance, own, operate, transfer basis.

The Company shall be entitled to recover tariff from the users as per the Tariff Notification issued by Tariff Authority of Major Ports (TAMP) from time to time. The Tariff Notification prescribes the maximum tariff that be levied by EVTL.

The Company shall be responsible for any maintenance services during the concession period. Independent Engineer appointed under the SCA has given the provisional Completion certificate for the upgradation of the existing facility on March 31, 2018 and EVTL has capitalised the project on March 31, 2018. The Company has obtained final completion certificate from VPT on September 29, 2018 after completing the recommended punch points in the provisional completion certificate.

The Party entitled to terminate this Agreement either on account of a Force Majeure Event or on account of an Event of Default shall do so by issue of a notice in writing ("Termination Notice") to the other Party. In the Event of Default in respect of Project has occurred due to Concessionaire or the Concessioneing Authority, the non-defaulting party shall be entitled to terminate this Agreement.

In the Event of the expiry of the Concession by efflux of time, the concessionaire shall hand over peaceful possession of the Project Site, Port's Assets, the Project and the Project Facilities and Services free of Encumbrance and transfer all its rights, titles and interests in the assets comprised in the Project Facilities and Services which are required to be transferred to the Concessioneing Authority in accordance with the terms of Concession Agreement.

Ownership of Assets & Permitted charge on assets:

Ownership of Concessioneing Authority's Assets including the land and water area shall always remain vested with the Concessioneing Authority. The ownership of all infrastructure assets, buildings, structures, berths, equipment etc. constructed/ installed by the Concessionaire shall remain with Concessionaire during the Concession Period.

EVTL shall be entitled to create charge on its rights, title and interest in the assets created or provided by the Concessionaire in favor of lenders for securing financial assistance for the Project.

5.2 DEPRECIATION AND AMORTISATION EXPENSE

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of Property, plant and equipment (refer note 5)	44.20	197.25
Charged to Statement of Profit and Loss	44.20	197.25

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

6 NON-CURRENT INVESTMENT

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Unquoted		
a) Investment in preference shares and compulsory convertible debentures of associates accounted using equity method		
14,73,05,000, 0.01% compulsorily convertible cumulative participating preference shares of ₹ 10/- each fully paid up of Essar Bulk Terminal (Salaya) Limited	14,730.50	14,730.50
16,00,00,000, compulsorily convertible debentures of ₹10 each fully paid up of Essar Bulk Terminal Salaya Limited	16,000.00	-
Less: Share of loss of Associates	(7,155.88)	(4,895.88)
b) Investment in Equity Shares designated at fair value through OCI		
3,450 equity shares of MZN 1,000 each of New Coal Terminal Beira, S.A	67.97	67.97
Aggregate carrying value of unquoted investments	23,642.59	9,902.59
Aggregate amount of unquoted investment	23,642.59	9,902.59
Aggregate amount of quoted investment and market value thereof	-	-
Aggregate amount of impairment in value of investments	-	-

7 LOANS (NON-CURRENT)

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Intercompany deposit given		
'- to related party (Refer note 38)	-	6,827.11
Total	-	6,827.11

Note: Loan to related party are repayable within 25 months and carries interest @9% per annum. During the previous year ended March 31, 2023, the Group has given interest waiver at the request of the borrower.

8 DEFERRED TAX ASSETS (NET)

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of fixed assets	358.64	398.98
Net deferred tax liabilities	358.64	398.98
Tax effect of items constituting deferred tax assets		
Unabsorbed depreciation and business loss	358.64	398.98
Net deferred tax assets	358.64	398.98
Total	-	-

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

9 TAX ASSETS (NON CURRENT)

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Advance income-tax and tax deducted at source [net of provision for tax as at March 31, 2024 ₹ 307.08 lakhs, as at March 31, 2023 ₹ 307.08 lakhs]	1,805.76	1,798.63
Total	1,805.76	1,798.63

10 OTHER NON-CURRENT ASSETS

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured and considered good, unless otherwise stated		
Prepaid expenses (including discounting of financial instruments)	-	464.90
Total	-	464.90

11 INVESTMENTS (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Measured at fair value through profit and loss		
Investment in mutual funds	2,354.18	-
Total	2,354.18	-
Aggregate amount of quoted investments	2,354.18	-
Aggregate market value of quoted investments	2,354.18	-

12 TRADE RECEIVABLES

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
'Unsecured, considered good (refer note 38)	675.48	196.19
Total	675.48	196.19

Trade receivables ageing schedules for the year ended March 31, 2024 and year ended March 31, 2023, outstanding from the due date of payment:

Trade receivables considered good – Unsecured

Particulars	As at March 31, 2024	As at March 31, 2023
Not Due	-	-
Less than 6 months	476.28	196.19
6 months - 1 year	177.60	-
1-2 year	21.60	-
2- 3 years	-	-
More than 3 years	-	-
Total	675.48	196.19

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Break-up of security details

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good – Secured	-	-
Trade receivables considered good – Unsecured	675.48	196.19
Trade receivables which have significant increase in credit risk	-	-
Trade receivables – credit impaired	-	-
Total trade receivables	675.48	196.19

Note: Group does not have any disputed trade receivables and trade receivables which have significant increase in credit risk

13 CASH AND CASH EQUIVALENTS

Particulars	₹ in lakhs	
	As at March 31, 2024	As at March 31, 2023
Balances with banks in current accounts	93.01	1,760.06
Deposits with banks (maturity of less than 3 months)	355.00	1,002.76
Total	448.01	2,762.82

14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	₹ in lakhs	
	As at March 31, 2024	As at March 31, 2023
Margin deposits (maturity of more than 3 months but less than 12 months)	-	1,020.00
Total	-	1,020.00

15 LOANS (CURRENT)

Particulars	₹ in lakhs	
	As at March 31, 2024	As at March 31, 2023
Intercompany deposit given		
'- to related party (Refer note 38)	7,960.34	-
Total	7,960.34	-

Note: Loan to related party are repayable in 25 months and carries interest @ 9.00-9.25% per annum.

16 OTHER FINANCIAL ASSETS (CURRENT)

Particulars	₹ in lakhs	
	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good, unless otherwise stated		
Security deposits		
- to others	-	540.00
Interest accrued on ICDs given (refer note 38)	838.61	-
Gratuity fund balance (refer note 37)	8.12	9.28
Total	846.73	549.28

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

17 OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at	
	March 31, 2024	March 31, 2023
Balances with government authorities	4.78	87.02
Prepaid expenses (including discounting of financial instruments)	16.44	732.73
Advances to vendors		
- To others	3.30	3.30
Total	24.52	823.05

18 SHARE CAPITAL

(a) Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised				
Equity shares of ₹10/- each	1,50,00,00,000	1,50,000.00	1,50,00,00,000	1,50,000.00
Compulsory Convertible Cumulative Participating Preference shares ("CCCPPS") of ₹ 10/- each	1,15,00,000	1,150.00	1,15,00,000	1,150.00
		1,51,150.00		1,51,150.00
Issued and subscribed				
Equity shares of ₹10/- each	2,14,12,813	2,141.28	2,14,12,813	2,141.28
Paid up				
Equity shares of ₹10/- each	2,14,12,813	2,141.28	2,14,12,813	2,141.28
		2,141.28		2,141.28

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	₹ in lakhs	Number	₹ in lakhs
Equity shares of ₹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

(c) Terms of / rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares along with CCCPPS holders will be entitled to receive remaining assets of the company, after distribution of all preferential amount except equity shareholder's capital. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(d) Shares held by the holding company, the ultimate holding company, their subsidiaries and associates and shareholders holding more than 5% and other shareholders

Particulars	As at March 31, 2024			As at March 31, 2023		
	Number	₹ in lakhs	%	Number	₹ in lakhs	%
Equity shares of ₹ 10/- each						
Essar Ports & Terminals Limited (holding company)	2,09,34,381	2,093.44	97.77	2,09,34,381	2,093.44	97.77
Others	4,78,432	47.84	2.23	4,78,432	47.84	2.23
	2,14,12,813	2,141.28	100.00	2,14,12,813	2,141.28	100.00

(e) 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, 2024		As at March 31, 2023	
	Number	₹ in lakhs	Number	₹ in lakhs
0.01% CCD of ₹ 10/- each				
At the beginning of the year	1,11,74,954	1,117.50	1,11,74,954	1,117.50
Add: Issue of CCD during the year	-	-	-	-
Outstanding at the end of the year	1,11,74,954	1,117.50	1,11,74,954	1,117.50

(f) Terms of / rights attached to CCD

- (i) The CCDs shall have face value of ₹ 10 each;
- (ii) The holder(s) of the CCDs shall be entitled to receive coupon @0.01%;
- (iii) The CCDs shall be unsecured;
- (iv) The CCD holders shall have the option to convert the CCDs into one equity share at any time after the expiry of three months from the date of allotment of the CCDs. The CCD are to be compulsorily converted after expiry of 120 months.
- (v) The Equity Shares having a face value of ₹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).

(g) Details of debentures held by holding company

Particulars	As at March 31, 2024			As at March 31, 2023		
	Number	₹ in lakhs	%	Number	₹ in lakhs	%
i) 0.01% CCD of ₹ 10/- each						
Essar Ports & Terminals Limited (holding company)	1,11,74,954	1,117.50	100.00	1,11,74,954	1,117.50	100.00
	1,11,74,954	1,117.50	100.00	1,11,74,954	1,117.50	100.00

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

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

Particulars	As at March 31, 2024	As at March 31, 2023
	Number	Number
0.01% CCCPPS of ₹ 10/- each		
At the beginning of the year	2	2
Add: Issue of shares during the year	-	-
Outstanding at the end of the year	2	2

(i) Terms of / rights attached to CCCPPS

- (i) Fixed dividend on preference shares : the CCCPPS holders have right to get fixed dividend of 0.01% p.a. from the date of allotment on cumulative basis.
- (ii) Participating Dividend : CCCPPS holders have the same rights to dividend as that of the equity share holders over and above the fixed dividend.
- (iii) Subject to the terms of the Shareholders Agreement and Applicable Law, the CCCPPS Holder shall have the right, at any time and from time to time after the expiry of 1 (one) year from the date of allotment of the CCCPPS. Each CCCPPS will be convertible into one equity Share having face value of Rs. 10/- (Rupees Ten only) at a conversion ratio of 1:1.
- (iv) Upon conversion of the CCCPPS into equity Shares, the holders of the CCCPPS shall be entitled to participate in the dividend on the equity Shares, on a pari passu basis with the holders of all other equity Shares.
- (v) The Equity Shares having a face value of Rs.10/- each allotted to the holder on conversion of the CCCPPSs in terms hereof shall rank pari passu in all respects with the then existing equity shares of the Company.
- (vi) CCCPPS holders shall have the affirmative voting rights as per the Articles of Association of the Company.

(j) CCCPPS held by Vistra ITCL (India) Limited

Particulars	As at March 31, 2024		As at March 31, 2023	
	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%

(k) Shares issued for consideration other than cash

The Company has not allotted any shares pursuant to contract(s) without payment being received in cash, neither allotted any shares by way of bonus shares, nor bought back of any shares in the preceeding five years.

(l) Shareholding of promoters are disclosed below:

(i) Equity Shares

Name of Promoters	No. of Shares	% of total shares	% Change during the year
As at March 31, 2024			
Essar Ports & Terminals Limited	2,09,34,381	97.77	-
Ibrox Aviation and Trading Private Limited	-	-	-
Total	2,09,34,381	97.77	

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Name of Promoters	No. of Shares	% of total shares	% Change during the year
As at March 31, 2023			
Essar Ports & Terminals Limited	2,09,34,381	97.77	-
Total	2,09,34,381	97.77	

19 OTHER EQUITY

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
a) Retained earnings		
Opening balance of retained earnings.	7,858.44	-3,036.37
Adjustment for: Profit for the year	13,756.48	10,901.89
Remeasurement of defined benefit plans- income/ (loss) for the year	4.18	(7.08)
Transfer to tonnage tax reserve	(325.00)	-
Transfer from Tonnage Tax Reserve Utilised	1,450.00	-
Closing balance of retained earnings	22,744.10	7,858.44
c) Securities Premium on CCD	10,602.80	10,602.80
d) Tonnage Tax Reserve		
Opening balance of Tonnage Tax Reserve	300.00	300.00
Transferred from retained earnings	325.00	-
Closing balance of Tonnage Tax Reserve	625.00	300.00
(e) Tonnage Tax Reserve Utilised	-	1,450.00
(f) Equity Component of CCCPS*	0.00	0.00
(g) Equity Component of CCD	1,117.50	1,117.50
Total	35,089.40	21,328.74
Non-controlling interest	-	-
Total	35,089.40	21,328.74

* amount less than ₹ 1,000

Note:

- (a) Tonnage tax reserve is created as per sec 115 VT of Income Tax Act, 1961. The Group operates fleet and has in accordance with the provisions of such act, credited to the Tonnage tax reserve account an amount not less than twenty per cent of the book profit derived from the activities.

20 BORROWINGS (NON-CURRENT)

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured borrowings- at amortised cost		
Loans from a related party (refer note 38)	793.86	4,262.84
Total	793.86	4,262.84

Notes: Inter corporate deposits from related parties are payable at the end of 25 months from the date of loan and carries an interest of 9.00% (as at March 31, 2023: 10.00% per annum) . During the previous year ended March 31, 2023, the Group has received interest waiver from lender.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

21 OTHER LIABILITIES (NON-CURRENT)

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Income on discounting of financial instruments	-	397.08
Total	-	397.08

22 TRADE PAYABLES

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables - micro, small and medium enterprises	-	-
Trade payables other than micro, small and medium enterprises	32.23	607.45
Total	32.23	607.45

Trade Payables ageing Schedules for due to creditors for the year ended March 31, 2024 and year ended March 31, 2023:

Outstanding from the due date of payment

Particulars	As at March 31, 2024	As at March 31, 2023
Unbilled dues	-	-
Not Due	32.23	62.36
Less than 1 year	-	-
1-2 year	-	-
2- 3 years	-	-
More than 3 years	-	545.09
Total	32.23	607.45

Company does not have any dues to MSME

Note: Group does not have any disputed trade payables to MSME & others

23 OTHER FINANCIAL LIABILITIES (CURRENT)

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Other financial liabilities	562.28	281.66
Interest accrued on deposits from related party (refer note 38)	6.29	-
Total	568.57	281.66

24 PROVISIONS

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Compensated absences (refer note 37)	26.70	25.86
Superannuation	-	0.27
Total	26.70	26.13

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

25 CURRENT TAX LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for taxation [net of advance tax as at March 31, 2024 ₹ 436.15 lakhs, as at March 31, 2023 ₹ 436.15 lakhs]	92.97	393.87
Total	92.97	393.87

26 OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues (goods and service tax, tax deducted at source, provident fund and other dues)	62.17	74.90
Advance from - others	-	0.01
Deferred Income on discounting of financial instruments	-	461.38
Total	62.17	536.29

27 REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Fleet operating and chartering earnings	600.00	1,564.29
Total	600.00	1,564.29

28 OTHER INCOME

₹ in lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Management fee income (refer note 38)	600.00	445.00
Interest Income		
- bank deposits	81.87	41.69
- income tax refund	206.64	3.22
- discounting of financial instruments	20.39	297.51
- on inter corporate deposit given (refer note 38)	857.82	603.44
Deferred Income on discounting of financial instruments	-	102.76
Gain on sale and fair valuation of mutual funds	104.40	-
Profit on Sale of property, plant and equipment	-	2,053.36
Miscellaneous income	25.87	-
Total	1,896.99	3,546.98

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

29 OPERATING EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Insurance, protection and indemnity club fees	11.13	34.84
Transportation Charges	-	0.83
Total	11.13	35.67

30 EMPLOYEE BENEFIT EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	1,451.68	802.70
Contribution to provident fund and other funds	39.01	26.82
Staff welfare expenses	14.07	32.98
Total	1,504.76	862.50

31 OTHER EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consultancy and professional charges	101.95	130.20
Travelling and conveyance	25.92	40.85
Auditors' remuneration	7.50	7.00
Exchange differences (net)	0.07	120.29
Miscellaneous Expenses	140.77	106.92
Total	276.21	405.26

32 FINANCE COSTS

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on		
- discounting of financial instruments	9.13	127.63
- Compulsorily Convertible Debentures	0.11	0.11
- others	-	0.01
- on inter corporate deposits (refer note 38)	397.43	-
Prepaid expense on discounting of financial instruments	-	317.91
Other borrowing costs (including amortisation of upfront fees)	8.94	14.22
Total	415.61	459.88

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

33 CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) (FOR BOTH CONTINUING AND DISCONTINUED OPERATIONS)

₹ in lakhs

Particulars	As at	As at
	March 31, 2024	March 31, 2023
On account of disputed demand of Income tax matters	168.90	168.90
Disputed claims in respect of GST from July, 2017 to February, 2019*	-	2,115.00
Disputed claims before Directorate General of Foreign Trade	-	208.31
Claim on the Group by customer/vendor	-	816.00
Guarantee given by banks on behalf of the Group to government authorities	-	1,938.60
Total	168.90	5,246.81

* Amount paid under protest ₹ 565 lakhs

34 FINANCIAL INSTRUMENTS (FOR BOTH CONTINUING AND DISCONTINUED OPERATIONS)

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 (borrowings, offset by cash and bank balances) and total equity. The Group is subject to externally imposed capital requirements and is required to maintain certain financial covenants as specified in the loan agreements. The board of directors reviews the capital structure on an annual basis. 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.

1.1 Gearing ratio

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

₹ in lakhs

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Debt	793.86	60,805.54
Less: Cash and cash equivalents (refer note 13)	448.01	3,597.69
Less: Bank balances other than cash and cash equivalents (refer note 14)	-	3,821.41
Net debt	345.85	53,386.44
Total equity (equity and other equity)	37,230.68	28,008.95
Net debt to equity ratio	0.01	1.91

2 Categories of financial instruments

₹ in lakhs

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying amount	Fair values	Carrying amount	Fair values
Financial assets				
Measured at amortised cost				
Loans	7,960.34	7,960.34	6,827.11	6,827.11
Other financial assets	846.73	846.73	937.03	937.03
Trade receivables	675.48	675.48	474.79	474.79
Cash and cash equivalents	448.01	448.01	3,597.69	3,597.69
Bank balances other than above cash and cash equivalents	-	-	3,821.41	3,821.41
Total financial assets carried at amortised cost (A)	9,930.56	9,930.56	15,658.03	15,658.03

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

₹ in lakhs

Particulars	As at March 31, 2024		As at March 31, 2023	
	Carrying amount	Fair values	Carrying amount	Fair values
Measured at fair value through profit and loss				
Investment in mutual funds	2,354.18	2,354.18	-	-
Total financial assets at fair value through profit and loss (B)	2,354.18	2,354.18	-	-
Measured at fair value through other comprehensive income				
Non-current Investment	67.97	67.97	67.97	67.97
Total financial assets at fair value through other comprehensive income (C)	67.97	67.97	67.97	67.97
Total financial assets (A+B+C)	12,352.71	12,352.71	15,726.00	15,726.00
Financial liabilities				
Measured at amortised cost				
Borrowings	793.86	793.86	60,805.54	60,805.54
Other financial liabilities	568.57	568.57	7,072.68	7,072.68
Trade payables	32.23	32.23	3,485.52	3,485.52
Financial liabilities measured at amortised cost	1,394.66	1,394.66	71,363.74	71,363.74

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

- 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.
- For valuing non-current investments, net assets method was used to capture the present value of the expected future economic benefits that will flow to the entity due to the investments.

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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

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

₹ in lakhs

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Gross amount	Interest rate sensitivity @0.50%	Gross amount	Interest rate sensitivity @0.50%
Borrowings with variable interest rate	-	-	53,286.75	266.43
Total	-	-	53,286.75	266.43

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 Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

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

Trade receivables

Trade receivables consists of a very few numbers of customers, spread across similar industries and geographical area. Ongoing credit evaluation is performed on the financial condition of trade receivable. 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

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 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.

Deposits and advances

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.

Collateral held as securities and other credit enhancements

The Group does not hold any collateral securities or other credit enhancements to cover its credit risks associated with its financial assets.

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 Group manages liquidity risk by maintaining reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the discounted 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, 2024

₹ in lakhs

Particulars	As at March 31, 2024				As at March 31, 2023			
	< 1year	1-5 years	> 5 years	Total	< 1year	1-5 years	> 5 years	Total
Financial liabilities								
Borrowings	-	793.86	-	793.86	3,885.94	24,580.77	35,738.19	64,204.90
Trade payables	32.23	-	-	32.23	3,485.52	-	-	3,485.52
Other financial liabilities	562.28	-	-	562.28	2,314.00	1,573.29	3,185.39	7,072.68
Total financial liabilities	594.51	793.86	-	1,388.37	9,685.46	26,154.06	38,923.58	74,763.10

Future interest obligations:-

₹ in lakhs

Particulars	As at March 31, 2024				As at March 31, 2023			
	<1 year	1-5 year	>5year	Total	<1 year	1-5 year	>5year	Total
Long Term Borrowings	-	-	-	-	6,351.50	25,673.57	16,207.26	48,232.33
Total	-	-	-	-	6,351.50	25,673.57	16,207.26	48,232.33

4 Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities. Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

₹ in lakhs

Particulars	As at March 31, 2024	As at March 31, 2023	Level	Valuation technique and key inputs
Investment in Mutual funds	2,354.18	-	1	Quoted market price
Investment in equity instrument of New Coal Terminal Beira S.A	67.97	67.97	3	Net assets method was used to capture the present value of the expected future economic benefits that will flow to the entity due to the investments.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair value due to their short term nature.

35 EARNINGS/ (LOSS) PER SHARE

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Earnings per share - Basic and Diluted (in ₹) from continuing operations	70.21	39.83
Loss per share - Basic and Diluted (in ₹) from discontinued operations	(27.99)	(6.38)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

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, 2024	For the year ended March 31, 2023
Profit for the year from continuing operations attributable to the equity shareholders of the company for calculating basic earning per share (₹ in Lakhs)	22,879.05	12,980.61
Loss for the year from discontinued operations attributable to the equity shareholders of the company for calculating basic earning per share (₹ in Lakhs)	(9,122.57)	(2,078.72)
Weighted average number of equity shares (No's)	2,14,12,813	2,14,12,813
Weighted average numbers of compulsorily convertible debentures (No's)*	1,11,74,954	1,11,74,954
Weighted average numbers of Compulsorily Convertible Cumulative Participating Preference shares (No's)*	2	2
Weighted average number of equity shares for the purposes of basic earnings per share	3,25,87,769	3,25,87,769
Earnings per share - Basic and Diluted (in ₹) from continuing operations	70.21	39.83
Loss per share - Basic and Diluted (in ₹) from discontinued operations	(27.99)	(6.38)

*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.

36 SEGMENT INFORMATION (FOR BOTH CONTINUING OPERATIONS)

a) Services from which reportable segments derive their revenues

The Group is in the business of providing port and terminal services and regularly reviewed by Chief Executive Decision Maker for assessment of Group's performance and resources allocation.

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

b) Geographical information

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

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

c) Information about major customers

During the year ended on March 31, 2024 there are 2 customers (for the year ended March 31, 2023 there were 3 customers) accounting for more than 10% of gross revenue (including VPT share) amounting to ₹ 600 lakhs (March 31, 2023: ₹ 20,931.52 lakhs).

37 EMPLOYEE BENEFITS (FOR BOTH CONTINUING AND DISCONTINUED OPERATIONS)

I Defined contribution plans

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

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's contribution to provident fund/ superannuation fund	0.61	24.79
Total	0.61	24.79

II 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

service until the retirement age of 58 with the payment ceiling of ₹ 2,000,000. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years.

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

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

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2023 by Independent valuer. 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.

A Gratuity:

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

Particulars	Valuation as at	
	March 31, 2024	March 31, 2023
Discount rate (p.a)	7.00%	7.10%
Expected rate(s) of salary increase (p.a)	10.00%	10.00%
Attrition rate (p.a)	10.00%	10.00%

In assessing the Group's post retirement liabilities, the Company 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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

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, 2024	For the year ended March 31, 2023
Current service cost	3.43	10.34
Net interest benefit	(0.55)	(3.17)
Component of defined benefit costs recognised in Statement of Profit and Loss	2.88	7.17
Remeasurement of net defined benefit liability:		
Actuarial loss / (gain) on defined benefit obligation	(0.84)	11.81
Components of defined benefit costs recognised in other comprehensive income	(0.84)	11.81
Total	2.04	18.98

The current service cost and net interest expense for the year are included in the 'Employee benefit expense' line item in the Consolidated Statement of Profit and Loss.

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

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

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Present value of funded defined benefit obligation	52.36	144.55
Fair value of plan assets	60.48	191.47
Net assets arising from defined benefit obligation	(8.12)	(46.92)

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

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	144.55	124.55
Current service cost	3.43	10.34
Adjustment on account of disposal of subsidiary	(72.37)	-
Interest cost	4.41	7.54
Remeasurement (gains)/ losses:		
Actuarial (gains)/ losses	(7.66)	11.89
Benefits paid	(20.00)	(9.77)
Balance at the end of the year	52.36	144.55

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

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance at the beginning of the year	191.47	159.28
Interest income on plan assets	4.96	10.70
Adjustment on account of disposal of subsidiary	(110.03)	-
Remeasurement gain (loss):		
Return on plan assets greater / (less) than discount rate	(6.82)	0.08
Contribution from the employer	0.90	31.18
Benefits paid	(20.00)	(9.77)
Balance at the end of the year	60.48	191.47

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Composition of the plan assets:

₹ in lakhs

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Scheme of insurance - conventional products	100%	100%

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

The actual return on plan assets for the year ended March 31, 2024 was ₹ (6.82) lakhs (for the year ended March 31, 2023: ₹ 0.08 lakhs).

₹ in lakhs

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Estimate of amount of contribution in the immediate next year	5.66	28.58

Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and attrition. 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, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(1.25)	1.31	(3.36)	3.55
Future salary growth (0.5% movement)	0.21	(0.23)	1.85	(1.81)
Attrition rate (5% movement)	(1.79)	2.91	(1.96)	3.57

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, 2024 is 6 years (as at March 31, 2023: 6 years).

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

₹ in lakhs

Particulars	Less than a year	Between 1 to 5 years	Over 5 years	Total
	As at March 31, 2024			
Defined benefit obligation	5.66	36.45	23.63	65.74
As at March 31, 2023				
Defined benefit obligation	28.58	50.59	55.13	134.30

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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of unfunded obligation (₹ in lakhs)	26.70	27.49
Expense recognised in Statement of Profit and Loss (₹ in lakhs)	0.85	0.06
Discount rate (p.a)	7.00%	7.10%
Attrition rate (p.a)	10.00%	10.00%

38 RELATED PARTY RELATIONSHIPS, TRANSACTIONS AND BALANCES

Names of the related parties and description of relationship with whom the Group has transactions/balances:

a) Holding companies :

- i) Essar Global Fund Limited, Cayman Island (ultimate holding company)
- ii) Essar Ports HoldCo Limited, Mauritius (intermediate holding company)
- iii) Essar Ports & Terminals Limited, Mauritius (Immediate holding company)

b) Subsidiaries:

- i) Essar Vizag Terminals Limited (ceases to be a subsidiary w.e.f. February 27, 2024)

c) Key management personnel :

- i) Rajiv Agarwal, CEO & Managing Director
- ii) Amit Bapna, CFO
- iii) Sh. Ch. Satyanand - CEO and Whole time director, Essar Vizag Terminal Limited
- iv) Ms. Namita Ogale - CFO, Essar Vizag Terminal Limited

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

- i) Essar Bulk Terminal Limited (upto November 15, 2022)
- ii) Essar Bulk Terminal Paradip Limited (upto November 15, 2022)
- iii) Futura Travels Limited
- iv) Essar Steel Metal Trading Limited
- v) Ibrox Aviation and Trading Private Limited (upto November 15, 2022)
- vi) Black Box Limited
- vii) Essar Power MP Limited
- viii) Essar Electric Power Development Corporation Limited
- ix) Hazira Cargo Terminals Limited (upto November 15, 2022)
- x) Salaya Bulk Terminals Limited
- xi) EPC construction India Limited

e) Associates

- i) Essar Bulk Terminal (Salaya) Limited
- ii) Ultra LNG Haldia Limited (ceases to be a associate during FY 2022-23)

f) The details of transactions with related parties (for both continuing and discontinued operations)

₹ in lakhs

Nature of transactions	Holding companies		Other Related Parties		Total	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations						
Essar Bulk Terminal Limited	-	-	-	1,460.42	-	1,460.42
Essar Bulk Terminal (Salaya) Limited	-	-	240.00	103.87	240.00	103.87
Total	-	-	240.00	1,564.29	240.00	1,564.29

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Nature of transactions	Holding companies		Other Related Parties		Total	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Other income						
(Management fee)						
Essar Bulk Terminal Limited	-	-	-	175.00	-	175.00
Essar Bulk Terminal (Salaya) Limited	-	-	600.00	250.00	600.00	250.00
Essar Construction India Limited	-	-	-	20.00	-	20.00
Total	-	-	600.00	445.00	600.00	445.00
Travel expenses						
Futura Travels Limited	-	-	13.53	24.80	13.53	24.80
Purchase of Property, Plant and Equipment						
Essar Bulk Terminal Limited	-	-	-	25.22	-	25.22
Hazira Cargo Terminals Limited	-	-	-	300.00	-	300.00
Total	-	-	-	325.22	-	325.22
Sale of Property, Plant and Equipment						
Essar Bulk Terminal Limited	-	-	-	4,500.00	-	4,500.00
Sale of Ultra LNG Haldia Limited Shares						
Essar Steel metal Trading Limited*	-	-	-	0.00	-	0.00
*(₹ less than 1000)						
Interest income on Inter corporate deposit given						
Essar Bulk Terminal (Salaya) Limited	-	-	118.14	603.44	118.14	603.44
Salaya Bulk Terminals Limited	-	-	739.67	-	739.67	-
Total	-	-	857.81	603.44	857.81	603.44
Expenses incurred on behalf of others						
Hazira Cargo Terminals Limited	-	-	-	3.29	-	3.29
Salaya Bulk Terminals Limited	-	-	-	0.90	-	0.90
Total	-	-	-	4.19	-	4.19
Reimbursement of expenses						
Essar Bulk Terminal Limited	-	-	-	22.49	-	22.49
Futura Travels Limited	-	-	-	3.08	-	3.08
Total	-	-	-	25.57	-	25.57
Inter corporate deposit received						
Essar Steel Metal Trading Limited	-	-	-	10,506.04	-	10,506.04
Hazira Cargo Terminals Limited	-	-	-	750.00	-	750.00
Essar Bulk Terminal Paradip Limited	-	-	-	2,226.02	-	2,226.02
Salaya Bulk Terminals Limited	-	-	-	166.40	-	166.40
Total	-	-	-	13,648.46	-	13,648.46

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Nature of transactions	Holding companies		Other Related Parties		Total	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense on CCDs						
Essar Ports & Terminals Limited	0.11	0.11	-	-	0.11	0.11
Interest income on CCDs						
Essar Bulk Terminal (Salaya) Limited			0.01	-	0.01	-
Reimbursement of management service expense						
Hazira Cargo Terminals Limited	-	-	-	185.91	-	185.91
Salaya Bulk Terminals Limited	-	-	-	46.48	-	46.48
Total	-	-	-	232.39	-	232.39
Inter corporate deposits given						
Salaya Bulk Terminal Limited	-	-	-	7,100.00	-	7,100.00
Essar Bulk Terminal (Salaya) Limited	-	-	16,013.34	-	16,013.34	-
Conversion of Inter corporate deposit given in to CCDs						
Essar Bulk Terminal (Salaya) Limited	-	-	16,000.00	-	16,000.00	-
Refund of Inter corporate deposit received						
Hazira Cargo Terminals Limited	-	-	-	6,255.00	-	6,255.00
Essar Steel Metal Trading Limited	-	-	10,809.61	1,002.57	10,809.61	1,002.57
Essar Bulk Terminal Limited	-	-	-	3,159.85	-	3,159.85
Essar Bulk Terminal Paradip Limited	-	-	-	2,399.02	-	2,399.02
Salaya Bulk Terminals Limited	-	-	166.40	-	166.40	-
Total	-	-	10,976.01	12,816.44	10,976.01	12,816.44
Refund of Inter corporate deposit given						
Salaya Bulk Terminals Limited	-	-	88.00	1,050.00	88.00	1,050.00
Essar Bulk Terminal (Salaya) Limited	-	-	-	4,340.00	-	4,340.00
Essar Electric Power Development Corporation Limited	-	-	-	490.00	-	490.00
Ibrox Aviation and Trading Private Limited	-	-	-	4,355.00	-	4,355.00
Total	-	-	88.00	10,235.00	88.00	10,235.00
Interest expense on Inter corporate deposit taken						
Essar Steel metal Trading Limited	-	-	397.43	-	397.43	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

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

₹ in lakhs

Nature of transactions	2023-24	2022-23
Remuneration*		
Rajiv Agarwal	548.41	510.79
Amit Bapna	385.72	295.35
Ch.Satyanand	-	76.41
Total	934.13	882.55

*Does not include the amount payable towards gratuity and compensated absences by the Company as the same is calculated for the Company as whole on the basis of actuarial valuation.

h) Balances with related parties at the year end (for both continuing and discontinued operations)

₹ in lakhs

Nature of balances	Fellow subsidiaries/ other related parties		Total	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Inter- corporate deposit received				
Salaya Bulk Terminals Limited	-	166.40	-	166.40
Essar Steel Metal Trading Limited	793.86	11,603.47	793.86	11,603.47
Total	793.86	11,769.86	793.86	11,769.86
Less: IND AS Adjustment (discounting)	-	(867.59)	-	(867.59)
Total	793.86	10,902.27	793.86	10,902.27
Advance to vendors				
Futura Travels Limited	-	0.12	-	0.12
Inter corporate deposit given				
Salaya Bulk Terminals Limited	7,947.00	8,035.00	7,947.00	8,035.00
Essar Bulk Terminal Salaya Limited	13.34	-	13.34	-
Total	7,960.34	8,035.00	7,960.34	8,035.00
Less: Expected credit loss and IND AS Adjustments	-	(1,207.89)	-	(1,207.89)
Total	7,960.34	6,827.11	7,960.34	6,827.11
Trade receivables				
Essar Construction India Limited	21.60	21.60	21.60	21.60
Essar Bulk Terminal Salaya Limited	653.88	174.18	653.88	174.18
Total	675.48	195.78	675.48	195.78
Trade Payable				
Black Box Limited	-	1.72	-	1.72
Other Payable				
Essar Ports & Terminals Limited	0.10	-	0.10	-
Other receivable				
Essar Bulk Terminal Salaya Limited	0.01	-	0.01	-
Receivable on account of sale of investment*				
Essar Steel Metal Trading Limited	-	0.00	-	0.00

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Nature of balances	Fellow subsidiaries/ other related parties		Total	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Interest Accrued on Inter corporate deposit given				
Salaya Bulk Terminals Limited	732.28	-	732.28	-
Essar Bulk Terminal (Salaya) Limited	106.33	-	106.33	-
Total	838.61	-	838.61	-
Interest Accrued on Inter corporate deposit received				
Essar Steel metal Trading Limited	6.29	-	6.29	-

* Amount less than INR 1,000

39 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.

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. With effective from financial year ended March 31, 2021, the entities of the Group have elected to apply tax rate under new tax regime as per Section 115BAA of the Income Tax Act.

a) Income taxes

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Recognised in statement of profit and loss		
Current tax		
Current tax	-	-
In respect of the current year	-	-
Mat Credit reversed	(300.88)	-
Deferred tax		
In respect of the current year	(0.21)	4.73
Total (A)	(301.09)	4.73
Recognised in other comprehensive income		
Deferred tax	0.21	(4.73)
Total (B)	0.21	(4.73)
Total (A + B)	(300.88)	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

A reconciliation of income tax expense applicable to accounting profit 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, 2024	For the year ended March 31, 2023
Profit before tax from continuing operations	22,577.96	12,985.34
Loss from discontinued operation before tax	(9,122.57)	(2,078.72)
Enacted tax rate in India	25.17%	25.17%
Income tax at statutory tax rate	3,386.72	2,745.20
Effect of:		
Income/ Expenses allowed/ disallowed in the computation of income	(763.49)	(463.11)
Deferred tax asset not recognised on unabsorbed business loss and unabsorbed depreciation	2,447.85	651.47
Tax effect of license fees under service concession agreement	-	(131.58)
Tonnage taxation effect	(135.05)	(162.26)
Reversal of excess provision	(300.88)	-
Gain on disposal of subsidiary console adjustment	(5,429.09)	-
Others (including impact due to increase in statutory tax rate)	(75.78)	(181.66)
Profit/ (Loss) of associate	568.84	-2,458.38
Income taxes recognised in the statement of income	-300.88	-

Deferred tax assets and liabilities

Components of deferred tax liabilities/ (assets)

₹ in lakhs

Deferred tax balances in relation to	As at March 31, 2023	Recognised / reversed during the year	As at March 31, 2024
Property, plant and equipment	398.98	(40.34)	358.64
Unabsorbed depreciation	(398.98)	40.34	(358.64)
Allowance for doubtful debts	-	-	-
Total	-	-	-

* Refer note 41 for discontinued operations

₹ in lakhs

Deferred tax balances in relation to	As at March 31, 2022	Recognised / reversed during the year	As at March 31, 2023
Property, plant and equipment	6,707.79	(6,308.81)	398.98
Unabsorbed depreciation	(6,663.32)	6,264.34	(398.98)
Allowance for doubtful debts	(44.47)	44.47	-
Total	-	-	-

* Refer note 41 for discontinued operations

- 40** During the year 2016-17, pursuant to the Composite Scheme of Arrangement, the obligations relating to the foreign currency convertible bonds (FCCB's) of ₹ 1,321.34 lakhs (Equivalent of US\$ 2,037,894) (₹ 707.86 lakhs (US\$ 1,091,729) Series A Bond and ₹ 613.48 lakhs (US\$ 946,165) Series B Bond) attributable to the business acquired, out of FCCB's of ₹ 25,935.43 Lakhs (equivalent of US\$ 39,999,988) issued by Essar Ports Limited have been transferred to the company.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

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 ₹. 91.70 per share with a fixed rate of exchange on conversion of ₹ 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 FCBs being non-convertible.

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 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.

During the previous year, the company had repaid the FCB and necessary filings have been filed with the Authorised dealer for onward submission with RBI.

41 DISCONTINUED OPERATION AND GAIN ON DISPOSAL OF SUBSIDIARY

Brief note

The Board of Directors of the Company has vide resolution dated August 25, 2022 decided to transfer the investments in equity shares of Essar Vizag Terminals Limited ("EVTL") within twelve months from the end of financial year 2022-23. The associated assets and liabilities were consequently presented as held for sale in financial statements for the year ended 31 March 2023. Further, Financial performance and cash flow information of the Company were classified as discontinued operations and as per the requirement of IND AS 105, previous year Financial performance and cash flow information also restated. During the year the Company had sold the investments in EVTL on February 27, 2024.

Financial Performance

Particulars	March 31, 2024	March 31, 2023
Revenue from operations	13,404.07	13,506.47
Other income	318.47	754.20
Total	13,722.54	14,260.67
Expenses		
Operating expenses	4,327.72	4,590.17
Employee benefits expense	611.41	674.63
Other expenses	279.34	178.31
Depreciation and amortisation expense	3,240.11	3,433.92
Finance costs	11,772.81	7,469.85
Exceptional items	2,614.13	-
Total	22,845.52	16,346.88
Loss before tax	(9,122.98)	(2,086.21)
Tax expense	-	-
Loss for the year	(9,122.98)	(2,086.21)
Other comprehensive income	3.55	6.99
Total comprehensive loss for the year	(9,119.43)	(2,079.22)
Inter company elimination	0.41	7.49
Total comprehensive loss for the year from discontinued operations (net)*	(9,119.02)	(2,071.73)

* The entire amount is attributable to equity holders of the company.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Assets and Liabilities as at March 31, 2023

Particulars	March 31, 2023
Non-current assets	
(a) Property, plant and equipment	74.90
(b) Intangible assets	65,495.48
(c) Financial assets	
(i) Other financial assets	30.24
(d) Non - current tax assets (net)	508.01
(e) Other non- current assets	4.88
Total non-current assets	66,113.51
Current assets	
(a) Inventories	460.98
(b) Financial assets	
(i) Trade receivables	278.60
(ii) Cash and cash equivalents	834.87
(iii) Bank balances other than cash and cash equivalents	2,801.41
(iv) Other financial assets	357.51
(c) Other current assets	1,320.12
Total current assets	6,053.49
Total Assets classified as held for sale	72,167.00
LIABILITIES	
Non-current liabilities	
(a) Financial liabilities	
(i) Borrowings	53,433.95
(ii) Other financial liabilities	4,758.68
Total non-current liabilities	58,192.63
Current liabilities	
(a) Financial liabilities	
(i) Borrowings	3,108.75
(ii) Trade payables	2,878.07
(iii) Other financial liabilities	2,032.34
(b) Provisions	1.63
(c) Other current liabilities	1,414.42
Total current liabilities	9,435.21
Liabilities directly associated with assets classified as held for sale	67,627.84

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

Net cash flow attributable to the discontinued operations

Particular	March 31, 2024	March 31, 2023
Cash flows from operating activities	3,223.36	6,111.10
Cash flows from investing activities	(284.58)	(198.99)
Cash flows from financing activities	(3,148.96)	(5,157.07)

B Gain on disposal of subsidiary

The carrying amounts of assets and liabilities as at the date the Group dispose off the subsidiary (February 27, 2024) were as follows:

Particulars	February 27, 2024
Intangible Assets	62,943.34
Bank balances other than cash and cash equivalents	2,836.41
Other assets	6,017.05
Total assets	71,796.80
Borrowings	66,599.15
Other financial liabilities	9,054.26
Other liabilities	723.89
Total liabilities	76,377.30
Net liabilities	4,580.50
Sales consideration received	20,012.38
Gain on disposal of subsidiary	24,592.88

42 DETAIL OF SUBSIDIARIES / ASSOCIATE AND COMPOSITION OF GROUP

Following subsidiaries and associates have been considered in the preparation of consolidated financial statements.

Sr. No.	Name of the Company	Country of Incorporation	Proportion of ownership Interest (%)		Principal activity
			As at March 31, 2024	As at March 31, 2023	
Subsidiaries					
1.	Essar Vizag Terminal Limited (EVTL) *	India	0.00%	100.00%	Engaged in providing port and terminal handling services.
Associate					
2.	Essar Bulk Terminal (Salaya) Limited	India	34.22%	19.96%	Engaged in the business of developing a dry bulk port facility at Salaya.

* Refer note 44 for discontinued operations

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

43 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, 2024		Share of profit or loss for the year ended March 31, 2024		Share in other Comprehensive Income / (loss) for the year ended March 31, 2024		Share in total Comprehensive Income / (loss) for the year ended March 31, 2024	
	As % of consolidated net assets	Rs in Lakhs	As % of consolidated profit or loss	Rs in Lakhs	As % of consolidated other comprehensive income / (loss)	Rs in Lakhs	As % of total comprehensive income / (loss)	Rs in Lakhs
Parent								
Essar Ports Limited	117.54%	43,762.27	25.95%	3,569.79	14.98%	0.63	25.95%	3,570.42
Subsidiaries								
Indian								
Essar Vizag Terminal Limited (EVTL) *	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associate (Investment as per the equity method) :-								
Indian								
Essar Bulk Terminal (Salaya) Limited	-	-	-16.43%	(2,260.00)	-	-	-16.43%	(2,260.00)
Intercompany Elimination and Consolidation Adjustments	-17.54%	(6,531.59)	90.48%	12,446.69	85.02	3.55	90.48%	12,450.24
Grand Total	100.00%	37,230.68	100.00%	13,756.48	100.00%	4.18	100.00%	13,760.66

* Refer note 41 for discontinued operations

44 The following Schedule III amendments is not applicable on the Group:

- (i) The Group is not holding any benami property under the "Benami Transactions (Prohibition) Act, 1988;
- (ii) The Group do not have any transactions/balances with companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956;
- (iii) The Group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate Beneficiaries;
- (iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year;
- (v) The Group does not hold any immovable property whose lease deed is not in the name of Group;
- (vi) The Group has not revalued any of its property, plant and equipment or intangible assets.
- (vii) The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

- (viii) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- ix) The Group do not have any borrowings on the basis of security of current assets.
- x) The Group has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- xi) The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- xii) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- xiii) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

45 TThe figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable.

In terms of our report attached

For M S K A & Associates

Chartered Accountants

Firm Registration no: 105047W

Udit Brijesh Parikh

Partner

Membership No.: 151016

Mumbai, July 24, 2024

For and on behalf of the Board of Directors of Essar Ports Limited

Rajiv Agarwal

Managing Director

DIN : 00903635

Amit Bapna

Director & CFO

DIN: 00008443

Ketki Belhe

Company Secretary

Membership No.: A21418

Mumbai, July 24, 2024



Essar Ports Limited
Essar House, 11,
K. K. Marg, Mahalaxmi,
Mumbai - 400034