Vadinar Oil Terminal Limited
Annual Report 2017-18

NAYARA
ENERGY

Vadinar Oil Terminal Limited
Annual Report 2017-18

Corporate Information

BOARD OF DIRECTORS (As on August 3, 2018)

Mr. C. Manoharan
Director

Mr. Anup Vikal
Additional Director

Capt. B. S. Kumar
Independent Director

Dr. M. L. Sharma
Independent Director

Ms. Gayathri S.
Director

Capt. Alok Kumar
Whole time Director

CHIEF FINANCIAL OFFICER
Mr. Yogesh Kumar Sharma

COMPANY SECRETARY
Mr. Nihar R. Avasare

AUDITORS
S. R. Batliboi & Co. LLP

BANKERS
Yes Bank Ltd.

REGISTRARS & TRANSFER AGENTS

Data Software Research Company Private Limited
19, Pycrofts Garden Road
Off. Haddows Road
Nungambakkam
Chennai 600006

Tel : +91 44 28213738, 2821 4487
Fax : +91 44 2814636
e-mail: votl@dsrc-cid.in

REGISTERED OFFICE
Nayara Energy Refinery Site
39 KM Stone
Okha Highway (SH-25)
Taluka Khambhalia
Dist: Devbhumi Dwarka – 361305 Gujarat

Tel : +91 2833 661449
Fax : +91 2833 662929
e-mail: votlcosec@nayaraenergy.com

CORPORATE OFFICE
Equinox Business Park, Tower – 2
Off. Bandra Kurla Complex
L.B.S. Marg, Kurla (W)
Mumbai – 400070.

Tel : +91 22 67335000
Fax : +91 22 67082183
e-mail: votlcosec@nayaraenergy.com

VADINAR OIL TERMINAL LIMITED

Registered Office: Nayara Energy Refinery Site, 39 KM Stone, Okha Highway (SH-25)
Khambhalia, Dist.: Devbhumi Dwarka - 361 305, Gujarat, India
Corporate Identity Number: U35111GJ1993PLC053434
Phone: +91 2833 661444, Fax: +91 2833 662929
Email: votlcosec@nayaraenergy.com

Notice

NOTICE is hereby given that Twenty Fifth Annual General Meeting of the members of VADINAR OIL TERMINAL LIMITED will be held at the Registered Office of the Company at Nayara Energy Refinery Complex, Khambhalia Post (39th km. stone on Jamnagar-Okha Highway), District Devbhumi Dwarka -361 305, Gujarat on Friday, September 14, 2018 at 12:00 noon, to transact, the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2018 together with the reports of Board of Directors and Auditors thereon.

2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2018 together with the report of Auditors thereon.

3. To appoint a Director in place of Mr. C Manoharan (DIN 00184471) who retires from office by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **Appointment of Mr. Anup Vikal as Director of the Company**

   To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) ("Act"), Mr. Anup Vikal (DIN: 03171808), who was appointed by the Board of Directors as an Additional Director of the Company with effect from January 22, 2018 pursuant to Section 161 of the Act and who holds office up to the date of the next Annual General Meeting and in respect of whom the Company has received notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

5. **Adoption of new set of Articles of Association of the Company**

   To consider and if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 and the Companies (Incorporation) Rules, 2014 (including statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members of the Company be and is hereby accorded, to adopt a new set of Articles of Association of the Company, a draft of which is submitted to this meeting (which is hereby specifically approved), in substitution of the existing Articles of Association of the Company."

   "RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to undertake all such acts, steps, deeds, matters and things and give such directions as may be deemed necessary, proper, desirable and expedient in its absolute discretion, and to settle any question, difficulty or doubt that may arise in this regard without being required to seek any further consent or approval of the members of the Company or otherwise to the end and intent that the members of the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution."

6. **To approve the remuneration paid to Capt. Deepak Sachdeva as Whole time Director in the financial year 2017-18**

   To consider and, if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED THAT in furtherance to the resolution passed by the members at the Annual General Meeting of the Company held on September 26, 2014, and pursuant to the provisions of Sections 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for time being in force) (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for time being in force) and subject to such approvals, consents, permissions as may be required from any person or authority, and subject to any conditions and/or modifications as may be imposed and/or suggested by such authority while granting such approvals, consent of the members of the Company be and is hereby accorded by way of a special resolution for the remuneration paid to Capt. Deepak Sachdeva (DIN 05176410) as Whole time Director of the Company during the financial year ended on March 31, 2018, as set out in the Explanatory Statement annexed to this Notice, which was in excess of the limits for total managerial remuneration specified in Schedule V of the Act, which is hereby specifically approved."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary or expedient to give effect to this resolution."

7. **To approve the remuneration paid to Capt. Alok Kumar as Whole time Director in the financial year 2017-18 and revision of remuneration payable to him**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in furtherance to the resolution passed by the members at the Annual General Meeting of the Company held on September 29, 2017, and pursuant to the provisions of Sections 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for time being in force) (the "Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, permissions as may be required from any person or authority, and subject to any conditions and/or modifications as may be imposed and/or suggested by such authority while granting such approvals, consent of the members of the Company be and is hereby accorded by way of a special resolution for the remuneration paid to Capt. Alok Kumar (DIN 07151716) as Whole time Director of the Company during the financial year ended March 31, 2018 as set out in the Explanatory Statement annexed to this Notice, which along with the remuneration paid to other wholetime director during the financial year ended March 31, 2018 was in excess of the limits for total managerial remuneration specified in Schedule V of the Act, which is hereby specifically approved."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 198 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("the Act") read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and Articles of Association of the Company and subject to such approvals, permissions and sanctions, as may be required, the consent of the members be and is hereby accorded to the payment of remuneration to Capt. Alok Kumar (DIN 07151716) as Whole time Director of the Company for a period of three years from April 1, 2018, as set out in the Explanatory Statement annexed to this Notice which is hereby specifically approved, with the Board of Directors (hereinafter referred to the "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) being authorised to alter and vary the terms and conditions of remuneration, as it may deem fit, within the parameters set out in the Explanatory Statement, without being required to seek any further consent or approval of the members, and subject to the remuneration not exceeding the limits specified under Section 197 read with Schedule V of the Act."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take such steps as may be necessary or expedient to give effect to this resolution."

By order of the Board of Directors

Nihar Avasare
Company Secretary

Place: Mumbai
Date: August 3, 2018

Registered Office:
Nayara Energy Refinery Site, 39 KM Stone
Okha Highway (SH-25), Khambhalia
Dist. Devbhumi Dwarka – 361305, Gujarat.
Corporate Identity Number: U35111GJ1993PLC053434
Phone: +91 02833 661444, Fax: +91 02833 662929
e-mail: votlcosec@nayaraenergy.com

Notes:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts is annexed hereto.

2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxy, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting, i.e. before 12.00 noon on Wednesday, September 12, 2018.**

3. As per Section 105 of the Companies Act, 2013 and relevant rules made there under, a person can act as a proxy on behalf of not more than 50 (fifty) members and holding in aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.

4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company between 10:00 a.m. to 1:00 p.m., provided that not less than three days of notice in writing of the intention so to inspect the proxies is given to the Company.

5. The notice of Annual General Meeting, attendance slip and proxy form is being sent by electronic mode to all the members who have registered their email IDs with the depository participants (DP) / Share transfer agent (STA) unless where any member has requested for the physical copy. Physical copies of said documents are being sent by permitted mode to members who have not registered their email IDs. Members may further note that the said documents will also be available on the Holding Company's website www.nayaraenergy.com and at website of the service provider providing e-voting platform i.e. https://www.evoting.nsdl.com for download. Physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours i.e. from 10:00 a.m. to 1:00 p.m. on any working day, excluding Saturday and Sunday. For any communication, the members may also send requests to the Company's email ID i.e. votlcosec@nayaraenergy.com.

6. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays, between 10:00 a.m. and 1:00 p.m. up to the date of the Annual General Meeting. Copies of the documents referred to in the accompanying Notice will also be kept open for inspection at the Corporate Office of the Company located at Tower 2, Equinox Business Park, L. B. S. Marg, Off Bandra Kurla Complex, Kurla (W), Mumbai – 400 070.

7. Pursuant to Section 101 of the Act and Rules made there under, companies are allowed to send communication to members electronically. We thus request you to kindly register/update your email IDs with your respective DP (in case of electronically held shares) and Company's Share Transfer Agents (in case of shares in physical form) and make this initiative a success.

8. Members / proxies should bring the attendance slip duly filled in for attending the meeting.

9. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Annual General Meeting.

10. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 duly filled in to M/s. Data Software Research Company Private Limited. The prescribed form in this regard may also be obtained from M/s. Data Software Research Company Private Limited.

11. The particulars of the venue of the Meeting including route map and prominent land mark has been enclosed for easy location.

12. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting hall.

Voting through electronic means

1. Pursuant to Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, the Company will provide remote e-voting facility as an option to the members to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting. All business to be transacted at the Annual General Meeting can be transacted through the electronic voting system. The facility of casting the votes by the members using the electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

   It may be noted that this remote e-voting facility is optional. The remote e-voting facility will be available at the link https://www.evoting.nsdl.com during the following voting period:

Commencement of remote e-voting	:	From 8.00 a.m. of September 9, 2018
End of remote e-voting	:	Up to 5.00 p.m. of September 13, 2018

   Remote e-voting shall not be allowed beyond 5.00 p.m. of September 13, 2018. During the remote e-voting period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date may cast their vote electronically. The cut-off date for the purpose of remote e-voting is September 7, 2018.

   You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

2. The notice of AGM will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on August 10, 2018 and any recipient of the notice whose name does not appear as a member in relation to the shares as on the aforesaid date should treat the same as an intimation only.

3. The facility for voting through ballot paper will be made available at the AGM and the Members attending the meeting, who have not cast their vote by remote e-voting, shall be able to exercise their right at the AGM.

4. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

5. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

6. The members shall have one vote per equity share held by them. The facility of remote e-voting would be provided once for every folio/ client id, irrespective of the number of joint holders.

7. The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date of September 7, 2018.

8. Any person, who acquires shares of the Company and becomes member after dispatch of the notice and holding shares as of the cut-off date i.e. September 7, 2018 may obtain the login ID and password by sending a request to NSDL at evoting@nsdl.co.in. Members may also contact Mr. Benjamin Rajaratnam of the Share Transfer Agent i.e. Data Software Research Company Private Limited at 044-28213738 or send email at B.Rajaratnam@dsrc.co.in.

9. The Board of Directors of the Company has appointed Mr. Prakash Pandya (Membership No. FCS – 3901 COP No. 2311) or failing him Ms. Reena Raphael Anthony (Membership No. ACS 48557, COP No. 20255) of M/s P. K. Pandya & Co., Practicing Company Secretaries as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

10. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by the Board of Directors, who shall countersign the same and declare the result of the voting forthwith.

11. The results of the voting on the resolution at the AGM shall be declared by the Chairman or his authorized representative or anyone of the Directors of the Company on/or after the date of the AGM within the prescribed time limits.

12. The result of the remote e-voting along with the report of scrutiniser will also be placed on the website of the holding company i.e. www.nayaraenergy.com and on the website of NSDL.

13. The scrutinizer's decision on the validity of remote e-voting will be final.

INSTRUCTIONS FOR REMOTE E-VOTING

The instructions for equity shareholders for e-voting are as under:

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

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

How to Log-in to NSDL e-Voting website?

(i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

(ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

(iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.

(iv) 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***

(v) Your password details are given below:

a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c. How to retrieve your 'initial password'?

- 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'.

- If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

(vi) 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.nsdl.com.

b. Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

(vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

(viii) Now, you will have to click on "Login" button.

(ix) After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system. How to cast your vote electronically on NSDL e-Voting system?

(i) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

(ii) After click on Active Voting Cycles, you will be able to see all the companies E-voting Event Number ("EVEN") in which you are holding shares and whose voting cycle is in active status.

(iii) Select "EVEN" 108925 of "Vadinar Oil Terminal Limited" for casting your vote.

(iv) Now you are ready for e-Voting as the Voting page opens.

(v) 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.

(vi) Upon confirmation, the message "Vote cast successfully" will be displayed.

(vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

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

General Guidelines for shareholders

(i) 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 info@pkpandya.com with a copy marked to evoting@nsdl.co.in.

(ii) 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.

(iii) 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.: 1800-222-990 or send a request at evoting@nsdl.co.in

(iv) Any person, who acquires shares of the Company and becomes a shareholder after dispatch of the Notice and holding shares as on the cut-off date of September 7, 2018 may obtain the login id and password by sending a request to NSDL at evoting@nsdl.co.in. Members may also contact Mr. Benjamin Rajaratnam of the Share Transfer Agent i.e. Data Software Research Company Private Limited at 044 28213738 or send e-mail at b.rajaratnam@dsrc.co.in.

ANNEXURE TO NOTICE

As required by Section 102 of the Companies Act, 2013, and Secretarial Standard 2 following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 7 of the accompanying Notice:

Item No. 4

The Board of Directors on the request of Nayara Energy Limited (formerly Essar Oil Limited) appointed Mr. Anup Vikal as Non-Executive Director of the Company in place of Mr. B. Anand. Mr. Anup Vikal joined the Board as an Additional Director in terms of the provisions of Section 161 of the Companies Act, 2013 w.e.f. January 22, 2018 to hold office till the date of ensuing Annual General Meeting. In terms of the provisions of Section 152 of the Companies Act, 2013, appointment of Mr. Anup Vikal is subject to approval of the members by Ordinary Resolution.

The Company has received from Mr. Anup Vikal consent to act as Director of the Company, other disclosures and declaration confirming that he is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has also received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing the appointment of Mr. Anup Vikal as Director of the Company.

As required under Secretarial Standard 2 specified by the Institute of Company Secretaries of India, the details of Mr. Anup Vikal proposed to be appointed are appended at the end of the Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Anup Vikal, are concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 4 of the Notice.

The Board recommends the resolution set forth in Item No. 4 for the approval of the members.

Item No. 5

The Company has refinanced all its pre-existing long term borrowings and Yes Bank Limited is now the sole lender of the Company. To meet the conditions set out in the financing documents, Yes Bank Limited has suggested certain amendments to be carried out in the Articles of Association (“AoA”) of the Company. Further to align the Articles of Association of the Company with the provisions of the Companies Act, 2013 certain amendments are proposed to be carried out. Accordingly, it is thought prudent to adopt new set of Articles of Association of the Company. The draft of the revised Articles of Association of the Company has been uploaded on the website of holding company Nayara Energy Limited i.e. www.nayaraenergy.com for perusal of the Members which shall also be available for inspection at the Registered Office of the Company, till the date of Annual General Meeting, during normal business hours on any working day, excluding Saturday and Sunday. The shareholders of the Company can also obtain a copy of the draft AoA by giving a written request to the Company Secretary.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, adoption of new set of Articles of Association is subject to approval of shareholders by Special Resolution. The draft AoA are subject to the comments and approval, if any of the lender of the Company.

The Board of Directors of the Company at its Meeting held on August 3, 2018 approved the adoption of new set of AoA subject to approval of the Members by special resolution in terms of the provisions of Section 14 of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, are concerned or interested, financially or otherwise, in the resolution mentioned at Item No. 5 of the Notice.

The Board recommends the special resolution, as set out at Item No. 5 of the accompanying Notice, for approval by the Members.

Item No. 6 and 7

The members of the Company at their 21st Annual General Meeting held on September 26, 2014 had approved the re-appointment of Capt Deepak Sachdeva as Whole time Director for a period of three years with effect from October 18, 2014. Capt Sachdeva ceased to be a Director w.e.f. August 14, 2017. Subsequently at the Annual General Meeting held on September 29, 2017, the members had approved appointment of Capt. Alok Kumar as Whole time Director for a period of five years w.e.f. August 14, 2017 in his place.

At the time of the appointment of Capt. Deepak Sachdeva, the remuneration payable to him was within the limits of total managerial remuneration payable to directors in accordance with and subject to the provisions of Section 197 read with Section 198 and Schedule V of the Companies Act, 2013. Further when Capt. Alok Kumar was appointed as Wholetime Director of the Company the shareholders approved the remuneration payable to him subject to it not exceeding the limits set out in Section 197 read with Schedule V of the Act.

However, as per the audited financial statements of the Company for the financial year ended March 31, 2018, the net profits of the Company are inadequate under the provisions of Section 197 read with Section 198 and Schedule V of the Act. Due to the said inadequacy of profits, approval of the members at General Meeting is required in terms of Section 197(3) read with Schedule V of the Act for payment of managerial remuneration to Whole-time Directors for the financial year 2017-18.

The relevant information required to be provided to members as per Schedule V of the Act is set out below:

I General Information

(1) Nature of Industry:

The Company provides ports and terminal facilities. It is an existing company engaged in providing facilities for storage and handling of liquid cargo of Refinery of Nayara Energy Limited.

(2) Commencement of commercial production:

The Company is an operating entity. The Company commenced its commercial production in the year 2008.

(3) Financial performance:

(Rs. in crore)

Financial parameters	Financial year ended March 31		
	2016@	2017*#	2018*
Revenue from Operations (Including other Income)	538.04	1,730.89	1,501.95
Earnings before finance cost, depreciation and amortization, exceptional items and tax (EBIDTA)	440.04	1,358.27	1,343.15
Net profit/(loss) after tax as per Statement of Profit & Loss	16.92	(430.76)	65.15
Net profit / (loss) computed u/s 198 of the Act	23.83	(393.07)	(251.83)

@figures as per previous IGAAP

*figures as per Indian Accounting Standards (IndAS)

#restated numbers

(4) Foreign investments and collaborations, if any:

No foreign investment or collaboration was made in the Company.

II Information about Whole-time Directors

Capt Deepak Sachdeva

Capt. Deepak Sachdeva, aged 45 was serving as a Whole time Director since October 18, 2011 and was reappointed as Whole time Director with effect from October 18, 2014. He was responsible for all the day to day operations of the Company subject to superintendence and control of the Board of Directors. He stepped down from the Board w.e.f. August 14, 2017.

Capt. Sachdeva joined Essar Shipping Limited in 1993 as a cadet and sailed in Essar Shipping till becoming Captain. Thereafter he joined the Company on December 27, 2005 as a Port Captain and was promoted to Head Marine in January 2007. He was elevated to Chief Operating Officer in 2011 and Chief Executive Officer in November 2015.

Capt. Deepak Sachdeva is a Master (Foreign Going) and a qualified Risk Assessor and Lead Auditor for ISO 9000, 14000, 18000 and 28000. He does not hold any shares in the Company and he is not related to any director or key managerial personnel of the Company. During the year under review he attended two out of three meetings of the Board during the period when he was a Board member. Currently as per the records available with the Registrar of Companies, he is a director in EPC Offshore Subsea Prejects Limited, Essar Dredging Limited, Petro Tankages India Limited and Vega Marine Consultants Private Limited. He was not a member or chairman of any committees of the Board in any company where he was a Director. During the year ended March 31, 2017, he was paid remuneration of Rs. 94.64 lacs. Besides performance in the terminal operations, he was responsible for securing several awards and certifications including the prestigious Sword of Honor and double five star recognition by the British Safety Council. He has been a part of various functional and Governmental and Non- Governmental Committees.

Since the Company is not listed, it does not include section on "Corporate Governance" in its Annual Report. During the financial year 2017-18 Capt. Sachdeva has been paid remuneration of Rs. 1,58,43,643. As required under clause (IV)(iv) Section II Part II of Schedule V details of remuneration paid to Capt. Deepak Sachdeva during the previous financial year 2017-18 as stated above comprises of Rs. 10,67,436 as basic salary, Rs. 14,18,377 as perquisites and allowances, Rs. 47,54,488 as performance linked incentive, Rs. 1,28,092 towards contribution to Provident Fund and other Superannuation funds and Rs. 84,75,250 as one time ex-gratia payment. As mentioned above Capt. Deepak Sachdeva was appointed on October 18, 2014 with a service contract of 3 years and notice period of 3 months. There was no separate provision for payment of severance fee to Capt. Deepak Sachdeva. He was not given any stock options during the financial year 2017-18. However in the past he had been given stock options by erstwhile holding Company, Essar Ports Limited.

On account of inadequacy of profits in the financial year 2017-18 as computed under Section 198 of the Act, in terms of Section 197 read with Schedule V of the Act, approval of the shareholders is sought for the remuneration of Rs. 1,58,43,643/- paid to Capt. Deepak Sachdeva in financial year 2017-18.

The remuneration paid to Capt. Deepak Sachdeva is comparable with the remuneration being paid for similar assignments in the industry.

Capt. Deepak Sachdeva during his tenure in office did not have direct or indirect pecuniary relationship with the Company or relationship with the managerial personnel other than getting remuneration as the Whole-time Director of the Company. Capt. Deepak Sachdeva is not related to any Director or any other key managerial personnel of the Company.

Capt. Alok Kumar

Capt. Alok Kumar, aged 46 is serving as Whole time Director of the Company since August 14, 2017 and is responsible for all the day to day operations of the Company subject to superintendence and control of the Board of Directors.

Capt. Alok Kumar is a Nautical Sciences graduate from T. S. Chanakya, one of India's premier nautical college. After passing out in 1994 he joined Shipping Corporation of India as Trainee Nautical Officer. He grew in ranks and sailed with various shipping companies and became a Master in the year 2006.

Capt. Alok Kumar joined Vadinar Oil Terminal Limited (VOTL) in January 2008 as Port Captain. He spent his initial years stabilising Marine Operations at Vadinar. He became Head Marine in April 2013 and is responsible for managing all aspect of the Marine Terminal including Operations, HSE and Maintenance. Under his leadership throughput of Marine facilities increased to 30 MMTPA.

He does not hold any shares in the Company and he is not related to any director or key managerial personnel of the Company. During the year under review he attended all three meetings of the Board held during his tenure. Currently he is a director in Vega Marine Consultants Private Limited. He is a member of CSR, Safety and Sustainability Committee of VOTL. Besides this he is not a member or chairman of any committees of the Board in any other company where he is a Director. During the year ended March 31, 2018, he was paid remuneration of Rs. 49.96 lacs. He played a key role in getting several awards and certifications for VOTL. Under his leadership, the Company secured various accolades including the prestigious 5 star rating on Occupational Health, Safety and Environment, by the British Safety Council. Special tasks where he led VOTL's successful efforts include commissioning of second berth in 2009, construction and replacement of new SPM in 2011 besides successful turnaround of offshore facilities during 2011 and 2015. He is an avid reader. He is a Master (Foreign Going) and a qualified Risk Assessor and Lead Auditor for Quality & Security Management System.

Since the Company is not listed, it does not include section on "Corporate Governance" in its Annual Report. During the financial year 2017-18 Capt. Alok Kumar has been paid remuneration of Rs. 49,96,075. As required under clause (IV) (iv) Section II Part II of Schedule V details ore remuneration paid to Capt. Alok Kumar during the previous financial year 2017-18 as stated above comprises of which included Rs. 12,76,710 as basic salary, Rs. 12,89,466 as perquisites and allowances, Rs. 12,76,694 as performance linked incentive, Rs. 1,53,205 towards contribution to Provident Fund and other Superannuation funds and Rs. 10,00,000 as retention bonus. As mentioned above Capt. Alok Kumar was appointed on August 14, 2017 with a service contract of 5 years and notice period of 3 months. There was no separate provision for payment of severance fee to Capt. Alok Kumar. He was not given any stock options during the financial year 2017-18.

The remuneration payable to Capt. Alok Kumar for a period of three years starting from the financial year 2018-19, as Whole time Director is Rs. 52.92 lakhs p.a. comprising of basic salary, allowances and perquisites including house rent allowance, special allowance, reimbursement of expenses for operating vehicle for official use, entertainment, telephone, professional pursuit and medical expenses, food coupons, leave travel allowance and contribution to provident fund, all as per Company rules. In addition, he will be paid annual performance linked incentive of Rs. 22.68 lakhs which depending on performance of the Company and his performance assessed as per Company policy can range from 100% to 200% of the Annual Performance Linked incentive as may be decided by the Board / Nomination and Remuneration Committee. In addition to the salary and annual performance linked incentive, Capt. Alok Kumar shall be paid a retention bonus of Rs. 10 lakh each per annum for three consecutive years i.e. in August 2017, August 2018 and August 2019. He will also be covered under Company's Provident Fund /Gratuity/ Hospitalisation / Health Insurance / Group Personal Accident Scheme/ and mobile reimbursement policy. The Board/ Nomination and Remuneration Committee of the Board is authorized to increase remuneration payable to Capt. Alok Kumar annually, based on the performance of the Company and his individual performance, provided that remuneration in any financial year shall not exceed the limits, for that financial year, specified under Section 197 of Companies Act, 2013. The perquisite value of the facilities / benefits / allowances and performance linked incentive shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 and the Rules framed thereunder.

In the event of loss or inadequacy of profits in any financial year during the term of employment of Capt. Alok Kumar as Whole time Director for the period from April 1, 2018 to March 31, 2021, the remuneration payable by way of salary, perquisites, allowances and performance linked incentive as aforesaid and as revised by Nomination and Remuneration Committee from time to time will be paid to Capt. Alok Kumar as minimum remuneration subject to the remuneration not exceeding Rs. 1.5 crore per annum.

On account of inadequacy of profits in the financial year 2017-18 as computed under Section 198 of the Act, in terms of Section 197 read with Schedule V of the Act, approval of the shareholders is sought for the remuneration of Rs. 49,96,074/- paid to Capt. Alok Kumar in financial year 2017-18.

The remuneration paid/proposed to be paid to the Capt. Alok Kumar is comparable with the remuneration being paid for similar assignments in the industry.

Capt. Alok Kumar does not have direct or indirect pecuniary relationship with the Company or relationship with the managerial personnel other than getting remuneration as the Whole-time Director of the Company. Capt. Alok Kumar is not related to any Director or any other key managerial personnel of the Company.

III Other information

(1) Reasons for inadequacy of profits, if any

The Company has been generating profits in the past. In the financial year ended March 31, 2018 the Company generated Earnings before Interest Tax Depreciation and Amortization (EBITDA) of Rs. 1,343.15 crores. In spite of a good EBITDA the Company's profit after tax stood at Rs. 65.15 crore. Further the net loss computed under Section 198 of the Companies Act, 2013 was Rs. 251.83 crore mainly on account of losses in the previous financial year arising out of certain exceptional and one time provisions like provision for Corporate Debt Restructure scheme of Rs. 363.83 crore, loss on re-assessment of recoverability of certain receivables of Rs. 177.50 crore and loss on extinguishment of lease arrangement of Rs. 377.35 crores.

(2) Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

The Company generated EBITDA of Rs. 1,343.15 crore in the current financial year 2017-18 compared to EBITDA of Rs. 1,358.28 crore in previous financial year 2016-17. The Company has also generated a PAT of Rs. 65.15 crore during the year. The operations of the Company during the year were satisfactory. As stated above, the net loss computed under Section 198 of the Companies Act, 2013 was Rs. 251.83 crore mainly on account of losses in the previous financial year arising out of certain exceptional items. The losses incurred in FY 2016-17 were exceptional in nature and are not expected to repeat. During the year, the entire stake in the Company has been acquired, from the controlling shareholders (other than the public shareholders) by Nayara Energy Limited (formerly known as Essar Oil Limited) which is the user of the crude and product handling and storage facility services being provided by the Company. On account of the acquisition, the Company will be benefitted by better synergies between operations of the Company and that of Nayara Energy Limited and is expected to have steady state of income and profitability.

There was a delay in repayment of debts or interest due thereon for a continuous period of thirty days to certain lenders in the financial year 2013-14 preceding the re-appointment of Capt. Sachdeva and in financial year 2016-17 preceding the year of appointment of Capt. Alok Kumar. Further the Company had refinanced all its loans and all the lenders existing during the financial years 2013-14 and 2016-17 have been repaid in full.

Except Capt. Alok Kumar who is interested in Resolution at Item No. 7 above, none of the Directors and Key managerial personnel of the Company or their respective relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 6 and 7 of the Notice.

Accordingly, the Directors recommend the resolutions at Item Nos. 6 and 7 of the Notice for your approval.

By order of the Board of Directors

Nihar Avasare
Company Secretary

Place: Mumbai
Date: August 3, 2018

Registered Office:
Nayara Energy Refinery Site, 39 KM Stone
Okha Highway (SH-25), Khambhalia
Dist. Devbhumi Dwarka – 361305, Gujarat.
Corporate Identity Number: U35111GJ1993PLC053434
Phone: 91 02833 661444, Fax: 91 02833 662929
e-mail: votlcosec@nayaraenergy.com

Details of Directors, pursuant to Secretarial Standard 2 seeking appointment/ re-appointment at this General Meeting

Particulars	C. Manoharan	Anup Vikal
Age	64	49
Qualification	Chemical Engineer from Calicut University	Bachelor of Engineering (Mechanical) and MBA
Experience	Mr. Manoharan is currently working as Director & Head of Refinery of Nayara Energy Limited. Mr. Manoharan started his career in 1977 at Indian Oil Corporation Limited (IOCL) and handled a variety of key assignments in various positions in Refining Operations, Maintenance, and Technical Services at Gujarat Refinery, Panipat Refinery as well as Head Office (Refinery Division). His last assignment with IOCL was at Panipat Refinery as Executive Director prior to joining Nayara Energy Limited. Mr. Manoharan had also worked for 2 years on deputation to Nigeria providing technical assistance to the operating personnel at Port Harcourt Refinery of NNPC. He was a Board member and also served as Chairman of Indian Oil Technologies Limited. He also has the distinction of being the first Indian to be on the panel of NPRA's Q&A 2003 session held at New Orleans in U.S.A.	Mr. Anup Vikal is currently working as Chief Financial Officer of Nayara Energy Limited. He is a seasoned business leader with nearly 25 years' of experience in various aspects of finance across large multinational and professionally run Indian companies. Mr. Vikal has been responsible for large turnarounds of multibillion dollar businesses through managing capital, helping business growth both organically and inorganically in complex business structures and operating environments. He had managed conflicted business stakeholders across different geographies, challenging regulatory, statutory environments including managing numerous government disputes. Prior to joining Nayara Energy, he was working as Group Chief Financial Officer of Jasper India (Owner of Ecommerce market place- Snapdeal, Payments business- Free charge and Logistics business- Vulcan).
Terms and conditions of appointment/ re-appointment	Subject to retirement by rotation.	Upto the ensuing AGM. Proposed to be appointed as Non-Executive Director liable to retire by rotation.
Remuneration sought to be paid	Not Applicable	Not Applicable
Remuneration last drawn	Not Applicable	Not Applicable
Date of first appointment by the Board	August 14, 2017	January 22, 2018
Shareholding in the Company	Nil	Nil
Relationship with other directors, KMPs	Not Related	Not Related
Number of meetings of the Board attended during the year	3 out of 3	1 out of 1
Other directorships	• Nayara Energy Limited	• Vadinar Power Company Limited, (VPCL)
	• Vadinar Power Company Limited (VPCL)	• Coviva Energy Terminals Limited
	• Nayara Energy Properties Limited (NEPL)	
	• Coviva Energy Terminals Limited	
Chairmanship of committee of other Boards	Nil	Nil
Membership of committee of other Boards	• CSR, Safety and Sustainability Committee of VPCL	• Nomination and Remuneration Committee of VPCL
	• Nomination and Remuneration Committee of NEPL	

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their twenty-fifth Annual Report together with the Audited Financial Statements for the year ended March 31, 2018.

FINANCIAL RESULTS

The summary of financial results of your Company for the year ended March 31, 2018 is furnished below:

(₹ In crore)

Particulars	2017-18	2016-17 (Restated)
Revenue from operations	1,439.26	1,588.58
Total Revenue including other income	1,501.95	1,730.89
Earnings before finance cost, depreciation / amortization, exceptional items and tax (EBIDTA)	1,343.15	1,358.27
Profit before Exceptional Items and Tax	300.27	347.85
Exceptional items	127.93	918.68
Profit before Tax	172.34	(570.83)
Tax	107.19	(140.07)
Net Profit / (Loss) after tax	65.15	(430.76)
Add: Balance brought forward from previous year	(851.68)	(322.90)
Balance to be carried to Balance Sheet	(783.77)	(851.68)

OPERATIONS OF THE COMPANY

During the year under review, your Company handled 37.1 million metric tonnes (MMT) of crude and products and continued to serve its customer by handling various grades of crude and petroleum products at the Jetty and Single Point Mooring (SPM).

During the year, 19.3 MMT cargo was handled at the SPM from 103 vessels with an average occupancy of 57%. The two berths of the jetty handled 263 vessels with an aggregate 12.3 MMT cargo and achieved an occupancy of 63%. The jetties were able to operate at higher than the designated capacity whenever the need arose. Further, during the year under review, arrangement to handle crude at jetty was completed. The Berth A of jetty is now equipped to handle crude through Aframax tankers. Interconnection of Crude receipt line with Indian Oil Corporation Limited was completed during the year, helping the Company achieve crude supply chain security to refinery in case of any exigencies.

Your Company has always focused on Quality, Health, Safety and Environment. The Company completed 11 years of safe operation on September 22, 2017 and registered 4206 Lost Time Injury (LTI) Free days as on March 31, 2018 for employees. During the year an inline inspection of 48" crude pipeline was carried out for health check of the pipeline. During the year Company upgraded ISO 9001:2008 (Quality Management System) certification to ISO 9001:2015.

FINANCIAL PERFORMANCE

Your Company generated revenue from operations of Rs. 1,439.26 crore for the financial year ended March 31, 2018, as compared to Rs. 1,588.58 crore for the financial year ended March 31, 2017. The decrease in revenue was mainly due to reclassification of tankage facilities from finance lease in FY 2016-17 to operating lease in FY 2017-18 based on change in term of cargo handling agreement, resulting in reduction in revenue.

The Company earned a net profit of tax (PAT) of Rs. 65.15 crore in the current financial year against a loss of Rs. 430.76 crore in the preceding financing year, mainly due to certain one-time exceptional items taken in previous financial year.

Considering the accumulated losses incurred during the previous financial year, the Board has not recommended any dividend for the financial year ended March 31, 2018. Further, no amounts are proposed to be transferred to the General Reserve.

The Company undertook a comprehensive exercise to refinance the entire debt of the Company with an objective to optimize the interest cost, elongate the loan maturity profile in line with the useful life of the assets and align the loan covenants with the enhanced credit profile of the Company and successfully completed the refinancing program for entire debt, thereby achieving substantial savings in interest cost, providing more flexibility in operations and further potential for growth.

Credit rating of the Company was obtained for the first time, which was "AA", in line with the rating of the holding Company. The credit rating is primarily a result of refinancing of long term debt.

Standalone and Consolidated Financial Statements

The Company successfully implemented Indian Accounting Standards (Ind AS) effective from FY 2016-17. All numbers including comparative numbers for FY 2016-17 represented in financial statements are based on IND AS. The standalone financial statements for the financial year ended March 31, 2018 form part of the Annual Report.

The audited Consolidated Financial Statements of the Company as required under Section 129 of the Companies Act, 2013 (Act) also form part of this Annual Report.

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.

HOLDING, SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Directors had, in their last Report, informed about acquisition of 97.63% of the shareholding in the Company by Nayara Energy Limited (formerly known as Essar Oil Limited) from Essar Steel Jharkhand Limited (EJSL). Accordingly EJSL ceased to be holding company of your Company w.e.f. June 29, 2017. Since then and as on March 31, 2018 Nayara Energy Limited is the holding company of the Company. The erstwhile Promoters of Nayara Energy Limited sold their entire stake in Nayara Energy Limited on August 18, 2017. Petrol Complex Pte Ltd (now renamed as Rosneft Singapore Pte. Ltd.), a subsidiary of PJSC Rosneft Oil Company acquired 49.13% stake in the share capital and another 49.13% stake in share capital of Nayara Energy Limited was acquired by Kesani Enterprises Company Limited, a consortium led by Trafigura Group and UCP Investment Group.

As on March 31, 2018, Enneagon Limited was wholly owned subsidiary and Coviva Energy Terminals Limited (formerly known as Vadinar Liquid Terminals Limited) was an associate company of your Company.

RELATED PARTY TRANSACTIONS

All Related Party Transactions entered during the year were in ordinary course of business and on an arm's length basis. During the year under review, the Company did not enter into any related party transactions which require disclosure in form AOC-2.

CORPORATE SOCIAL RESPONSIBILITY

In accordance with the requirements of Section 135 of Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee with the name of CSR, Safety and Responsibility Committee ("CSR Committee"). The composition and terms of reference of the CSR Committee are in accordance with the Companies Act, 2013. As of March 31, 2018 the Committee had three members with Dr. Mohan Lal Sharma as Chairman of the Committee and Mr. C. Manoharan and Capt Alok Kumar as members of the Committee.

Your Company has also formulated a Corporate Social Responsibility Policy. Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules) has been appended as Annexure A to this report.

The Company was not liable to incur any expenditure on CSR activities during the financial year 2017-18. The Board of Directors had voluntary approved a budget of Rs. 51 Lakh towards CSR activities to be spent during the Financial Year 2017-18. However, the Company could not incur any expenditure on account of the following reasons:

- Under Infrastructure development project, a road construction project was planned in Soda Taragdi village with the Gram Panchayat Soda Taragdi. However the Company could not contribute the amount as the Gram Panchayat received financial support from the Government for the said work. All the infrastructure related projects have been proposed to be carried out in FY 2018-19.
- Solar equipment were to be installed in primary schools however due to procedural delay in partnership with the Government, this project will now commence in the financial year 2018-19 as against the original plan for commencement in the financial year 2017-18.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management

The Company documents and maintains updated risk registers pertaining to all its functions, and departments capturing the potential business risks, risk category, likelihood of risk occurrence, severity or impact of the risk, magnitude and manageability of the risks and risk response plans and/or internal control measures.

The Company effectively addresses its key risks by implementing appropriate and adequate risk response plans and/or internal control measures that brings down the risks to acceptable and manageable levels.

Audit Committee

As on March 31, 2018 and on the date of this report the Audit Committee of the Board comprised of 3 Non-Executive Directors, 2 of which are Independent. Capt. B. S. Kumar acts as the Chairman of the Committee and Dr. Mohan Lal Sharma and Ms. Gayathri S. are the other members of the Committee. All the recommendations of the Audit Committee have been accepted by the Board.

Internal Control Framework

Your Company conducts its business with integrity and high standards of ethical behaviour 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.

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. The policy provides for adequate safeguards against victimization of persons who use the mechanism and has a process for providing direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

HUMAN RESOURCE

The Company recognizes that it is not only important to attract and retain the right talent; but also crucial to build capability thereby enabling leadership continuity and build succession management pool. Our manpower as on March 31, 2018 consists of 50 regular employees, 2 agency role employees and 54 Contractual workers under various Contractors. The Company's Human Resource (HR) team is working in line with Human Resources practices of holding company, Nayara Energy Limited and all the employees are included for all common programs & harmony activities conducted by Nayara Energy Limited. Vadinar Oil Terminal Ltd, despite being in a state of transition and change, saw very low attrition in key critical talent base. The strength of the manpower has resulted in most of the middle and junior management positions being filled through Internal elevation and Internal movement.

The Company has formulated a policy on Prevention of Sexual Harassment at workplace and has also complied with the provisions of formulation of Internal Complaints Committee 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 filed under the Act.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

With change in control of the Company as stated above, the Board of Directors was reconstituted. Mr. L. K. Gupta and Mr. C. Manoharan joined the Board as Non-Executive Directors and Capt. Alok Kumar as Whole time Director w.e.f. August 14, 2017. Mr. Rajiv Agarwal, Chairman, Capt Deepak Sachdeva, Whole time Director, Mr. P. K. Srivastava, Mr. K. K. Sinha and Ms. Suparna Singh, Non-Executive Directors tendered resignation from the Board, which were accepted by the Board on August 14, 2017. Mr. V G Raghavan, Independent Director also tendered resignation with effect from August 14, 2017. Dr. Mohan Lal Sharma was appointed as Independent Director in his place effective from the same date.

Further Mr. Ajay Sharma, nominee of IDBI Bank Limited and Mr. Sachikanta Mishra, nominee of IFCI Limited, ceased to be directors of the Company w.e.f. August 5, 2017 and August 8, 2017 respectively on withdrawal of nomination respectively by IDBI Bank Limited and IFCI Limited.

Mr. L. K. Gupta resigned as Director w.e.f. September 5, 2017. Mr. B. Anand and Ms. Gayathri S. were appointed as Non-Executive Directors w.e.f. September 5, 2017. Mr. B. Anand resigned as Director w.e.f January 19, 2018. The Board has appointed Mr. Anup Vikal as an Additional Director w.e.f. January 22, 2018. His appointment as Director is subject to the approval of shareholders at the ensuing Annual General Meeting (AGM).

Further pursuant to the applicable provisions of the Companies Act, 2013, Mr. C. Manoharan is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Board of Directors recommends to the shareholders, the appointment of Mr. Anup Vikal and re-appointment of Mr. C. Manoharan as Non-Executive Director of the Company.

The Board wishes to place on record its appreciation for the valuable services rendered by Mr. Rajiv Agarwal, Capt Deepak Sachdeva, Mr. P. K. Srivastava, Mr. V. G. Raghavan, Mr. K. K. Sinha, Ms. Suparna Singh, Mr. Ajay Sharma, Mr. Sachikanta Mishra, Mr. L. K. Gupta and Mr. B. Anand during their tenure as Directors of the Company.

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

Performance evaluation of the Board

The Board carried out a formal evaluation of the performance of the Board, its Committees and Individual Directors for FY 2017 – 18. As the Board did not have a full time Chairman, the Directors could not carry out the performance evaluation of the Chairman. The Independent Directors evaluated performance of the Non-Independent Directors and the Board as a whole. Feedback from the individual Directors was sought based on a structured questionnaire covering, among others, Board and Committee composition, skills of Directors, quality and content of agenda, and performance of Directors at the meetings. Evaluation was carried out through circulation of a structured questionnaire based on the responses from all the Directors. The evaluation report was reviewed by the Nomination and Remuneration Committee and the Board of Directors.

Number of Meetings of the Board of Directors / Committees and attendance of the Directors

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

Policy on Appointment of Directors and Remuneration

The policy formulated by the Board of Directors under Section 178 of the Companies Act, 2013 for appointment and remuneration of the Directors and Senior Management employees is annexed as an Annexure C to this report.

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:

(i) In the preparation of the annual accounts for FY 2017-18, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) The Directors had selected such accounting policies, and applied them consistently and made judgments and estimates 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 FY 2017-18 and of the profit and loss of the Company for that period;

(iii) The Directors had taken proper and sufficient care 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;

(iv) The Directors had prepared the annual accounts for the year ended March 31, 2018 on a 'going concern' basis;

(v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws, and that such systems were adequate and operating effectively.

Key Managerial Personnel

During FY 2017 – 18, the following executives were designated as Key Managerial Personnel under the Companies Act, 2013:

a. Capt Deepak Sachdeva – Whole time Director upto August 14, 2017

b. Mr. Kumar Nandula – Chief Financial Officer upto July 31, 2017

c. Capt. Alok Kumar - Whole time Director w.e.f. August 14, 2017

d. Mr. Vinod Jain – Chief Financial Officer w.e.f. September 5, 2017

e. Mr. Nihar Avasare – Company Secretary w.e.f. August 21, 2017

AUDITORS AND AUDIT

Statutory Auditors

The shareholders had, at the last Annual General Meeting held on September 29, 2017, approved appointment M/s S. R. Batliboi & Co. LLP, Chartered Accountants as Auditors of the Company for a period of five years.

The reports given by M/s S. R. Batliboi & Co. LLP, on standalone and consolidated financial statements of the Company form part of the Annual Report. There are no qualifications, reservations, adverse remarks or disclaimers given by the Auditors in their reports. The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Secretarial Audit

The Board had appointed M/s Parikh Parekh & Associates, Practicing Company Secretaries, as Secretarial Auditor to conduct Secretarial Audit for the year ended March 31, 2018 in place of M/s Martinho Ferrao & Associates. The Secretarial Audit Report for the year ended March 31, 2018 is annexed as Annexure - D to this Report.

The Secretarial Auditors have observed that there was no Company Secretary for the period from April 1, 2017 to August 20, 2017. With change in Board of Directors of the Company on August 14, 2017, the Company immediately identified a suitable candidate for post of Company Secretary who was appointed on August 14, 2017 to take office w.e.f. August 21, 2017.

OTHER DISCLOSURES

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 Annexure E to this Report.

Foreign Exchange Earnings & Outgo

1. Earned : Rs. Nil
2. Outgo : Rs. 4.32 crore.

Particulars of loans given, investments made, guarantees given or security provided

The Company is providing infrastructural facilities in terms of Section 186 read with Schedule VI to the Companies Act, 2013 and hence is exempted from the provisions of Section 186 of the Companies Act, 2013.

General disclosures

Your Directors state that for the year ended March 31, 2018, no disclosure is required in respect of the following items and accordingly confirm as under:

- Your Company has fully complied with the provisions of Secretarial Standards 1 on Board / Committee Meetings and Secretarial Standards 2 on the General Meetings of Shareholders, issued by the Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Companies Act, 2013.
- The Company has not accepted any deposits from the public in accordance with the applicable provisions of the Companies Act, 2013 and the Rules framed thereunder. Accordingly the details prescribed under Rule 8(5) of the Companies (Accounts) Rules, 2014 are not applicable.
- The Executive Director did not receive any remuneration from the holding and/or subsidiary companies.
- The Company has neither revised the financial statements nor the report of Board of Directors.
- The Company has not issued equity shares with differential rights as to dividend, voting, or otherwise or sweat equity shares.
- No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the going concern status or Company's operations in future.
- The Company has not bought back any shares during the year.
- 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.
- The particulars relating to conservation of energy, technology absorption are not applicable to the Company.
- Maintenance of cost records as specified by the Central Government under sub section 1 of Section 148 of the Companies Act, 2013, is not applicable to the Company.

APPRECIATION AND ACKNOWLEDGEMENTS

Your Directors thank the Financial Institutions and Banks, Deendayal Port Trust, Indian Coast Guard, other business associates, shareholders and employees for their continued support and co-operation.

For and on behalf of the Board

Capt Alok Kumar
Whole time Director
DIN: 07151716

Gayathri S.
Director
DIN: 07115908

Mumbai
August 3, 2018

Annexure A

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 or programs

   A brief outline of the CSR Policy of the Company is as under

   CSR Vision

   The Company's vision is to be among the most respected organizations in India by doing what is right and rightful for the communities and nation at large.

   CSR Mission

   Aspires to build a symbiotic relationship with its stakeholders and intends to make them equal partners in the process of nation building. We firmly believe that our role is to lay the path that is collaborative, progressive, inclusive and sustainable through our CSR programs. We also believe that technology and innovations can hasten the process of change and endeavour to support new and innovative models of development.

   CSR Objectives

   The objective of the CSR policy is to guide the planning, implementation and oversight mechanism of the CSR programs of the Company.

2. The Composition of the CSR Committee

   As of March 31, 2018 the CSR Committee titled as 'CSR, Safety and Sustainability Committee" comprised of Dr. Mohan Lal Sharma, Independent Director and Chairman of the Committee and Mr. C. Manoharan and Capt Alok Kumar.

   The CSR Policy can be accessed on the website of the holding Company at the link https://www.nayaraenergy.com/.

3. Average net profits of the company for last three financial years Rs. (105.16) Crore

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)- NA

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year;- Rs 51 lakh

   (b) Amount unspent , if any; - Rs. 51 Lakh

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

Sr. No.	CSR Projects or activities identified	Sector in which the project is covered	Projects or programs 1. Local area or others 2. Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or program wise (Amount Rs in Lacs)	Amount spent on the projects or programs Sub heads: 1. Direct expenditure on projects or programs 2. Overheads (Amount Rs in Lacs)	Cumulative expenditure upto the reporting period (Amount Rs in Lacs)	Amount spent direct or through implementing agency
GUJARAT							
1	Ensuring environmental sustainability	Clean Energy	Devbhumi Dwarka	26	0.0	0.0	NA
2	Support to Infrastructure Development work	Rural Development Projects	Devbhumi Dwarka	25	0.0	0.0	NA

(6) Reasons for shortfall in spent, if any – The reasons for shortfall are explained in the Board report.

(7) Responsibility statement of the CSR Committee - The implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

For and on behalf of the CSR,
Safety and Sustainability
Committee

Capt. Alok Kumar
Whole time Director
DIN: 07151716

Mohan Lal Sharma
Director
DIN: 02724685

Mumbai
August 3, 2018

Annexure B

Details of meetings of the Board of Directors and Committees held during the financial year 2017-18

Sr. No	Names of Directors	Meetings of Board of Directors	Meetings of Committee of Directors			
			Audit	Nomination and Remuneration	Stakeholders Relationship	CSR, Safety and Sustainability
A)	Number of meetings held	6	4	2	Nil	2
B)	Dates of meeting	28/6/2017	8/8/2017	5/9/2017		15/12/2017
		8/8/2017	5/9/2017	29/3/2018		29/3/2018
		14/8/2017	15/12/2017			
		5/9/2017	29/3/2018			
		15/12/2017				
		29/3/2018				
C)						
1	Mr. Rajiv Agarwal[1]	2	1	NA	NA	NA
2	Mr. K. K. Sinha[1]	3	NA	NA	NA	NA
3	Mr. P. K. Srivastava[1]	1	NA	NA	NA	NA
4	Mr. V. G. Raghavan[1]	1	1	NA	NA	NA
5	Capt. B. S. Kumar	5	3	1	NA	NA
6	Capt. Deepak Sachdeva[1]	2	NA	NA	NA	NA

Sr. No	Names of Directors	Meetings of Board of Directors	Meetings of Committee of Directors			
			Audit	Nomination and Remuneration	Stakeholders Relationship	CSR, Safety and Sustainability
7	Mr. Ajay Sharma[2]	1	NA	NA	NA	NA
8	Mr. Sachikanta Mishra[3]	0	NA	NA	NA	NA
9	Ms. Suparna Singh[1]	2	NA	NA	NA	NA
10	Mr. L. K. Gupta[4]	Nil	NA	NA	NA	NA
11	Mr. C. Manoharan[5]	3	1	1	NA	2
12	Dr. Mohan Lal Sharma[5]	3	3	2	NA	2
13	Capt Alok Kumar[5]	3	NA	NA	NA	2
14	Mr. B. Anand[6]	2	NA	NA	NA	NA
15	Ms. Gayathri S.[7]	3	2	NA	NA	NA
16	Mr. Anup Vikal[8]	1	NA	Nil	NA	NA

Notes

1. Mr. Rajiv Agarwal, Mr. K. K. Sinha, Mr. P. K. Srivastava, Mr. V. G. Raghavan, Capt Deepak Sachdeva and Ms. Suparna Singh ceased to be Directors w.e.f. August 14, 2017.
2. Mr. Ajay Sharma ceased to be Director w.e.f. August 5, 2017.
3. Mr. Sachikanta Mishra ceased to be Director w.e.f. August 8, 2017.
4. Mr. L. K. Gupta was appointed as Director w.e.f. August 14, 2017 and ceased to be Director w.e.f. September 5, 2017.
5. Mr. C. Manoharan, Dr. Mohan Lal Sharma and Capt Alok Kumar were appointed as Directors w.e.f August 14, 2017.
6. Mr. B. Anand was appointed as Director w.e.f. September 5, 2017 and ceased to be Director w.e.f. January 19, 2018.
7. Ms. Gayathri S. was appointed as Director w.e.f. September 5, 2017.
8. Mr. Anup Vikal was appointed as Director w.e.f. January 22, 2018

For and on behalf of the Board

Capt. Alok Kumar
Whole time Director
DIN: 07151716

Gayathri S.
Director
DIN: 07115908

Mumbai
August 3, 2018

Annexure C

Policy on Appointment of Directors and payment of remuneration to them

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 To meet these objectives, the policy on appointment, remuneration and evaluation of directors has been adopted by the Board of Directors on August 8, 2017.

2. SELECTION, IDENTIFICATION AND APPOINTMENT OF DIRECTORS

2.1 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.

2.2 **Director Selection Procedures**

2.2.1 For each shortlisted director candidate considered for election to the Board, the Nomination and Remuneration Committee shall evaluate each director candidate and recommend to the Board any duly qualified director candidates.

2.2.2 To aid in the short listing 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.

2.2.3 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.

2.2.4 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.

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

2.3 **Director qualification criteria**

2.3.1 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.

2.3.2 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.

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

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

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

2.3.4.2 The number of directorships post appointment as Director in the Company exceed the total number of directorships permitted under section 165 of the Act.

2.3.5 In addition any person to be appointed as a Managing Director or whole time director in the Company (hereinafter referred to as 'Executive Directors') shall have to meet the following requirements for being eligible for appointment shall have to meet the requirements set out in Part I of Schedule V of the Act.

2.3.6 Further, while selecting Independent Directors:

2.3.6.1 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.

2.3.6.2 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.

2.3.7 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. CRITERIA FOR APPOINTMENT OF SENIOR MANAGEMENT EXECUTIVES

3.1 The Nomination and Remuneration Committee is responsible for the appointment of senior management executives in accordance with the laid down criteria.

3.2 The criteria laid down for the appointment of senior management executives just below the Executive Directors including the Key Managerial Personnel is set out below.

3.3 The Senior Management Executives are sourced from Internal and external sources. These resumes are shortlisted by the hiring manager and the shortlisted candidates are scheduled for Interviews.

4. REMUNERATION

4.1 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 and other meetings.

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

4.3 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:

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

4.4.1 Executive Directors

4.4.1.1 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.

4.4.1.2 In case of inadequacy of profits mentioned in 4.3 and 4.4.1 above, the Committee while approving the remuneration for executive directors

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

4.4.1.2.2 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.

4.4.2 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:

4.4.2.1 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

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

4.4.2.2.1 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.

4.4.2.2.2 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.

4.4.3 Non-executive Directors including Independent Directors

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

4.4.3.2 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 ` 1,00,000 for attending each such meeting or such higher amount as may be prescribed by the Central Government.

4.4.3.3 An independent director shall not be entitled to any stock option

For and on behalf of the Board

Capt Alok Kumar	**Gayathri S.**
Whole time Director	Director
DIN: 07151716	DIN: 07115908

Mumbai
August 3, 2018

Annexure - D

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,

Vadinar Oil Terminal Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vadinar Oil Terminal Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)

   (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period)

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time; (Not applicable to the Company during the audit period)

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company namely:

   a. The Explosives Act, 1864

   b. The Expolsive Substances Act, 1908

   c. Hazardous Waste (Management and Handling) Rules, 1989

   d. The Petroleum Act, 1934

   e. The Petroleum Rules, 1976

   f. The Static and Mobile Pressure Vessels (Unfired) Rules, 1981

   g. The Coastal Regulatory Zone Notification, 1991

   h. E-waste (M&H) Rules, 2011

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings which are generally complied with.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above except the following:

a. The Company did not have a Company Secretary for the period April 01, 2017 to August 20, 2017.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were generally carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The payment of remuneration to whole time directors during the year under review, was found to be in excess of the limits under Schedule V, which is subject to approval of the shareholders and other authorities, if any.

We further report that during the audit period following events have occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

a. Allotment of 7,54,876 equity shares on conversion of 2800 Foreign Currency Convertible Bonds.

For Parikh Parekh & Associates
Company Secretaries

Place: Mumbai
Date: August 3, 2018

Signature: J. U. Poojari
Partner
FCS No: 8102 CP No: 8187

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

'Annexure A'

To,

The Members

Vadinar Oil Terminal Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh Parekh & Associates
Company Secretaries

Place: Mumbai
Date: August 3, 2018

Signature: J. U. Poojari
Partner
FCS No: 8102 CP No: 8187

Annexure - E
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on Financial Year ended on March 31, 2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	**CIN**	U35111GJ1993PLC053434
2	**Registration Date**	June 22, 1993
3	**Name of the Company**	Vadinar Oil Terminal Limited
4	**Category / Sub-category of the Company**	Public Limited Company
5	**Address of the Registered office & contact details**	Nayara Energy Refinery Site, 39 KM Stone, Okha Highway (SH-25), Taluka Khambhalia, Dist. Devbhumi Dwarka, Gujarat 361 305 Tel: +91-2833-661444, Fax: +91-2833-662929, Email:votlcosec@nayaraenergy.com
6	**Whether listed company**	No
7	**Name, Address & contact details of the Registrar & Transfer Agent, if any.**	M/s. Data Software Research Company Pvt. Ltd., Unit – Vadinar Oil Terminal 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 : B.Rajaratnam@dsrc.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product / Service*	% to Total Turnover of the Company
1	Owning and operations of Ports & Terminals	521 and 522	100.00

* As per National Industrial Classification 2008 – Ministry of Statistics and Programme Implementation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Nayara Energy Limited (formerly Essar Oil Limited) Khambhalia, Post Box No. 24, District Devbhumi Dwarka, Gujarat - 361305	U11100GJ1989PLC032116	Holding Company	97.63	2(46)
2	Enneagon Limited Essar House, 10, Frere Felix, DE Valios Street, Port Louis, Mauritius	NA	Subsidiary Company	100	2(87)
3	Coviva Energy Terminals Limited (Formerly 'Vadinar Liquid Terminals Limited') Khambhalia, Post Box No. 24, District Devbhumi Dwarka, Gujarat - 361305	U74140GJ2015PLC082393	Associate Company	25	2(6)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	313,402,199	151,236	313,553,435	97.62	314,323,454		314,323,454	97.63	0.01
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	313,402,199	151,236	313,553,435	97.62	314,323,454	-	314,323,454	97.63	0.01
-									
(2) Foreign					-	-	-		
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.					-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	313,402,199	151,236	313,553,435	97.62	314,323,454	-	314,323,454	97.63	0.01
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2,485	13,214	15,699	0.00	2,485	13,214	15,699	0.00	-
b) Banks / FI	2,299	47,446	49,745	0.02	2,050	47,446	49,496	0.02	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	24	24	0.00	-	24	24	0.00	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
g) FIIs	-	9,221	9,221	0.00	-	9,221	9,221	0.00	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	4,784	69,905	74,689	0.00	4,535	69,905	74,440	0.02	(0)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	194,899	65,418	260,317	0.08	197,161	71,277	268,438	0.08	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	3,760,013	3,141,168	6,901,181	2.15	3,785,300	3,100,989	6,886,289	2.14	(0.01)
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	95,262	64,584	159,846	0.05	80,262	64,584	144,846	0.04	(0.01)
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) NRI Rep	63,194	135,797	198,991	0.06	61,371	134,487	195,858	0.06	-
ii) NRI Non-Rept	43,740	-	43,740	0.01	53,750	-	53,750	0.02	0.01
iii) Foreign Bodies	-	-	-	-	-	-	-	-	-
iv) Foreign National	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	4,157,108	3,406,967	7,564,075	2.35	4,177,844	3,371,337	7,549,181	2.34	(0.01)
Total Public (B)	4,161,892	3,476,872	7,638,764	2.38	4,182,379	3,441,242	7,623,621	2.37	(0.01)
C. Shares held by Custodian for GDRs & ADRs*	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	317,564,091	3,628,108	321,192,199	100.00	318,505,833	3,441,242	321,947,075	100.00	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the com-pany	% of Shares Pledged/ encum-bered to total shares	No. of Shares	% of total Shares of the com-pany	% of Shares Pledged / encum-bered to total shares	
1	Imperial Consultants and Securities Pvt Ltd	1,16,577	0.04	0.00	-	-	-	(0.04)
2	Essar Steel Jharkhand Limited	313,436,858	97.59	97.11	-	-	-	(97.59)
3	Nayara Energy Limited	-	-	-	314,323,454	97.63	97.11	97.63
	Total	313,553,435	97.62	97.11	314,323,454	97.63	97.11	0.00

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

Sr. No.	Name of Share-holder	Shareholding at the beginning of the year as on April 1, 2017		Date	Reason	Increase / Decrease in shareholding		Cumulative sharehold-ing during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Com-pany	No. of Shares	% of total shares of the Company
1	Imperial Consultants and Securities Pvt Ltd	116,577	0.04	14.04.2017	sold	116,072	0.04	-	-
				16.06.2017	bought	2,821	0.00	-	-
				16.06.2017	sold	505	0.00	-	-
				29.09.2017	sold	2,821	0.00	-	-
2	Essar Shipping & Logistics Limited			18.05.2017	Allot-ment	754,876	0.23	-	-
				26.05.2017	sold	754,876	0.23	-	-
3	Essar Steel Jharkhand Limited	313,436,858	97.59	16.06.2017	bought	886,048	0.28	-	-
				30.06.2017	sold	282,759,811	87.83	-	-
				21.07.2017	sold	31,563,095	9.80	-	-
4	Nayara Energy Limited			29.06.2017	bought	282,760,359	87.83	-	-
				20.07.2017	bought	31,563,095	9.80	314,323,454	97.63

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

Sr. No.	Name of Shareholder	Shareholding at the begining of the year		Increase during the year	Decrease during the year	Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
1	LAL TOLANI	52,363	0.02	-	-	52,363	0.02
2	R J SHARES AND SECURITIES PRIVATE LIMITED	21,403	0.01	-	-	21,403	0.01
3	SUSHIL KUMAR GUPTA	21,391	0.01	-	-	21,391	0.01
4	RITU JAIN	20,100	0.01	-	-	20,100	0.01
5	BANK OF INDIA-- IN HOUSE ACCOUNT	19,018	0.01	-	-	19,018	0.01
6	RIPON ESTATES LTD	18,000	0.01	-	-	18,000	0.01
7	R P DAVID	18,000	0.01	-	-	18,000	0.01
8	SHRINIVAS VASUDEVA DEMPO	18,000	0.01	-	-	18,000	0.01
9	K D PARAKH	18,000	0.01	-	-	18,000	0.01
10	SATYAVATI R RUIA	16,630	0.01	-	-	16,630	0.01

Note: Shareholding in folios having common PAN no. have been clubbed.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Director and Key Managerial Personnel	Shareholding at the beginning of the year		Increase during the year	Decrease during the year	Cumulative Shareholding during the year	
		No. of shares	% of total shares			No. of shares	% of total shares
-	-	-	NIL	-	-		-

V. INDEBTEDNESS

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

(Rs. in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,940.66	32.97	-	5,973.63
ii) Interest due but not paid	5.53	-	-	5.53
iii) Interest accrued but not due	30.79	-	-	30.79
Total (i+ii+iii)	5,976.98	32.97	-	6,009.95
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	(2,492.93)	(32.97)	-	(2,525.90)
Net Change	(2,492.93)	(32.97)	-	(2,525.90)

(Rs. in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year				
i) Principal Amount	3,484.05		-	3,484.05
ii) Interest due but not paid	-		-	-
iii) Interest accrued but not due	-		-	-
Total (i+ii+iii)	3,484.05		-	3,484.05

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount (Amount in Rs.)
		Capt Deepak Sachdeva*	Capt Alok Kumar**	
		Whole time Director	Whole time Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,067,436	1,276,710	2,344,146
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	1,418,377	1,289,466	2,707,843
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Contribution to provident fund	128,092	153,205	281,297
	Performance Linked Incentive	4,754,488	1,276,694	6,031,182
	Ex Gratia Payment	8,475,250	-	8,475,250
	Retention Bonus	-	1,000,000	1,000,000
	Total (A)	15,843,643	4,996,075	20,839,718
	Ceiling as per the Act	**10% of net profit**		

* Capt Deepak Sachdeva ceased to be Whole time Director w.e.f. August 14, 2017.

** Capt Alok Kumar was appointed as Director w.e.f. August 14, 2017. The aforesaid remuneration was paid to him for a period from August 14, 2017 to March 31, 2018.

B. Remuneration to other Directors

Sr. No.	Name	Commission	Sitting Fees	Total Compensation (Amount in Rs.)
A)	Non Executive Directors			
1	Mr. Rajiv Agarwal	-	-	-
2	Mr. K. K. Sinha	-	-	-
3	Mr. P. K. Srivastava	-	-	-
4	Mr. Ajay Sharma	-	-	-
5	Mr. Sachikanta Mishra	-	-	-
6	Ms. Suparna Singh	-	-	-
7	Mr. L. K. Gupta	-	-	-
8	Mr. C. Manoharan	-	-	-
9	Mr. B. Anand	-	-	-
10	Ms. Gayathri S.	-	-	-
11	Mr. Anup Vikal	-	-	-
	Total (A)	-	-	-
B)	Independent Directors			
12	Capt B. S. Kumar	-	360,000	360,000
13	Mr. V. G. Raghavan	-	90,000	90,000
14	Dr. Mohan Lal Sharma	-	330,000	330,000
	Total (B)	-	780,000	780,000
	Grand Total (A+B)	-	780,000	780,000
	Overall Ceiling as per the Companies Act, 2013	**1% of net profit**	**Rs. 1,00,000 per meeting**	

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

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Amount in Rs)
		Mr. Kumar Nandula*	Mr. Vinod Jain*	Mr. Nihar Avasare	
	Designation	**CFO**	**CFO**	**CS**	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,48,488	-	-	11,48,488
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
		-	-	-	-

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Amount in Rs)
		Mr. Kumar Nandula*	Mr. Vinod Jain*	Mr. Nihar Avasare	
	Designation	**CFO**	**CFO**	**CS**	
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify:	-	-	-	-
	Contribution to Provident Fund	72,000	-	-	72,000
	Performance Bonus	1,841,206	-	-	1,841,206
	Total	30,60,694	-	-	30,60,694

* Mr. Kumar Nandula ceased to be CFO w.e.f. July 31, 2017 and Mr. Vinod Jain was appointed as CFO w.e.f. September 5, 2017.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NOT APPLICABLE

For and on behalf of the Board of Directors

Capt Alok Kumar
Whole time Director
DIN: 07151716

Gayathri S.
Director
DIN: 07115908

Mumbai
August 3, 2018

Financial Statements

Independent Auditor's Report

To
The Members of Vadinar Oil Terminal Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Vadinar Oil Terminal Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profits including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

As more fully described in note 10(i), the comparative financial statements of the Company for the year ended March 31, 2017, included in the these standalone financial statements have been restated to give effect to the adjustments identified to the deferred tax as at and for the year ended March 31, 2017. Accordingly the comparative period financial information comprises of:

(i) the standalone financial statements of the Company for the year ended March 31, 2017, which has been audited by the predecessor auditor whose report dated August 14, 2017 expressed a qualified opinion;

(ii) adjustments made to the deferred tax balance and charge as at and for the year ended March 31, 2017 as described in note 10(i) of the accompanying standalone financial statements has been audited by us. In our opinion, such adjustments are appropriate and have been properly applied.

We further state that we were not engaged to either audit or review or apply any procedures to the standalone financial statements of the Company for the year ended March 31, 2017, other than with respect to the adjustments stated in (ii) above and, accordingly, we neither express any opinion nor a review conclusion nor any other form of assurance on the standalone financial statements for the year ended March 31, 2017.

Report on Other Legal and Regulatory Requirements

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

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

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

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

(c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes infg Equity 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 of the Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;

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

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

ii. The Company has made provision, as required under the applicable law or accounting standards, for 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 Company.

For **S R Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Naman Agarwal**
Partner
Membership Number: 502405
Place of Signature: Gurugram
Date: June 26, 2018

Annexure 1

Referred to in paragraph on Report on Other Legal and Regulatory Requirements of our report of even date

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

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

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, income-tax, goods and service tax, duty of custom, value added tax, sales tax, cess and other material statutory dues have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious. The provisions relating to employees' state insurance and sales tax are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, Good and Service tax, duty of custom, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax, customs duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank or financial institutions. There are no dues payable to government nor has the Company issued any debentures.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) of the Order is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanation given by the management, we report that remuneration of the whole time directors for the year ended March 31, 2018 is in excess of the limits applicable under section 197 of the Act, read with Schedule V thereto, by ₹ 0.80 Crores. As stated in note no. 34, the Company proposes to seek approval of shareholders through special resolution seeking ratification of excess remuneration paid.

(xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Naman Agarwal**
Partner
Membership Number: 502405
Place of Signature: Gurugram
Date: June 26, 2018

Annexure 2

To the Independent Auditor's Report of Even Date on the standalone Financial Statements of Vadinar Oil Terminal Limited.

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

We have audited the internal financial controls over financial reporting of Vadinar Oil Terminal Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these 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 system over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these 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 internal financial controls system over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Standalone Financial Statements

A Company's internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Over Financial Reporting with reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Naman Agarwal**
Partner
Membership Number: 502405
Place of Signature: Gurugram
Date: June 26, 2018

Standalone Balance Sheet

as at March 31, 2018

(₹ in crore)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017 (restated) refer note 10 (d)
ASSETS			
1) Non-current assets			
(a) Property, plant and equipment	6	4,247.43	4,456.06
(b) Capital work-in-progress		79.29	41.87
(c) Financial assets			
(i) Investments	7	0.01	0.01
(ii) Loans	8	-	20.50
(iii) Other financial assets	9	0.00	11.20
(d) Other non-current assets	11	1.28	0.04
(e) Non-current tax assets (net of provisions)	12	95.22	68.49
2) Current assets			
(a) Inventories	13	4.62	5.75
(b) Financial assets			
(i) Investments	14	-	3,033.21
(ii) Trade receivables	15	49.59	124.34
(iii) Cash and cash equivalents	16	26.01	2.84
(iv) Bank balances other than (iii) above	17	9.92	-
(v) Loans	18	1.11	0.01
(vi) Other financial assets	19	24.55	595.11
(c) Other current assets	20	32.46	69.54
3) Non-current assets held for Sale	21	-	0.05
TOTAL ASSETS		**4,571.49**	**8,429.02**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	22	321.95	321.19
(b) Other equity	23	(23.35)	(120.31)
LIABILITIES			
1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	3,449.59	5,122.31
(ii) Other financial liabilities	25	-	1,681.39
(b) Deferred tax liabilities (net)	10	408.47	301.43
2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	26	21.46	78.04
(ii) Other financial liabilities	27	364.44	981.24
(b) Other current liabilities	28	27.53	62.64
(c) Provisions	29	1.02	0.71
(d) Current tax liabilities	30	0.38	0.38
TOTAL EQUITY AND LIABILITIES		**4,571.49**	**8,429.02**

See accompanying notes to the standalone financial statements

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Naman Agarwal
Partner
Membership No. 502405

Gurugram, June 26, 2018

For and on behalf of the Board of Directors

Gayathri S
Director

Capt. Alok Kumar
Whole time Director

Vinod Jain
Chief Financial Officer

Nihar Avasare
Company Secretary

Mumbai, June 26, 2018

Mumbai, June 26, 2018

Standalone Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in crore)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017 (restated) refer note 10
Income			
Revenue from operations	31	1,439.26	1,588.58
Other income	32	62.69	142.31
Total Income		**1,501.95**	**1,730.89**
Expenses			
(a) Operating expenses	33	79.20	81.00
(b) Employee benefits expense	34	10.13	18.85
(c) Other expenses	35	69.47	272.77
(d) Depreciation and amortisation expense	6	236.17	0.85
(e) Finance costs	36	806.71	1,009.57
Total expenses		**1,201.68**	**1,383.04**
Profit before exceptional items and tax		300.27	347.85
Exceptional items	37	127.93	918.68
Profit/(Loss) before tax		**172.34**	**(570.83)**
Tax expense/(benefit):			
Current tax expenses		-	-
Deferred tax expenses/ (credit)		107.19	(140.07)
		107.19	**(140.07)**
Profit/(Loss) for the year		**65.15**	**(430.76)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of the defined benefit plans		(0.43)	0.34
Income tax relating to items that will not be reclassified to profit or loss		0.15	(0.12)
Total other comprehensive (loss) / income for the year		(0.28)	0.22
Total Comprehensive (loss) / Income for the year (comprising Profit / (loss) and Other Comprehensive (loss) / Income for the year)		64.87	(430.54)
Earnings / (loss) per equity share (Face value of ₹ 10 per share)			
(1) Basic (in ₹)	44	2.02	(13.41)
(2) Diluted (in ₹)		2.02	(13.41)

See accompanying notes to the standalone financial statements

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
Firm Registration No. 301003E/E300005

per **Naman Agarwal**
Partner
Membership No. 502405

Gurugram, June 26, 2018

For and on behalf of the Board of Directors

Gayathri S
Director

Capt. Alok Kumar
Whole time Director

Vinod Jain
Chief Financial Officer

Nihar Avasare
Company Secretary

Mumbai, June 26, 2018

Mumbai, June 26, 2018

Standalone Statement of Cash Flow

for the year ended March 31, 2018

(₹ in crore)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit / (Loss) before tax	172.34	(570.83)
	Adjustment for:		
	Debit to profit or loss on re-assessment of the Company's ability to collect the amount (Refer note 37)	-	177.50
	Loss on extinguishment of lease arrangement	-	377.35
	Net Expected credit loss / (gain)	(14.08)	14.52
	Depreciation and amortisation expense	236.17	0.85
	Capital work in progress written off	-	2.40
	PPE written off	0.21	
	Costs on account of CDR exit	-	363.83
	Interest Expenses	806.71	1,009.57
	Interest income on loans and advances	(0.14)	(96.32)
	Interest Income on bank deposits	(6.17)	(0.73)
	Unrealised exchange loss / (gain)	-	(1.41)
	Loss on surrender of equity shares by subsidiary	127.93	-
	Loss / (gain) on derivative liability (net)	(34.10)	176.81
	Claim receivable written off	42.35	0.53
	Capital creditors written back	(0.79)	-
	Operating profit before working capital changes	**1,330.43**	**1,454.07**
	Adjustment for working capital changes:		
	(Increase) / Decrease in inventories	1.13	(0.63)
	(Increase) / Decrease in Trade and other receivables	661.79	(297.33)
	Increase / (Decrease) in Trade and other payables	(1,138.10)	(134.16)
	Cash generated from operations	855.25	1,021.95
	Income taxes paid (net)	(26.88)	(40.12)
	Net cash generated from operating activities (A)	**828.37**	**981.83**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Payments for property, plant and equipment including capital work in progress	(64.14)	(24.84)
	Interest received on loans and advances given	-	12.45
	Refund of Inter-corporate deposits	20.50	32.92
	Inter-corporate deposits given	-	(178.02)
	Fixed deposits made	(9.92)	-
	Proceeds from maturity of fixed deposits	-	3.88
	Interest received on fixed deposits	6.33	0.78
	Investment in equity shares of a subsidiary	-	(3,033.21)
	Proceeds from surrender of shares by subsidiary	2,905.28	-
	Proceeds from disposal of investments held for sale	0.05	-
	Net cash from / (used in) investing activities (B)	**2,858.10**	**(3,186.04)**

Standalone Statement of Cash Flow

for the year ended March 31, 2018

(₹ in crore)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long term borrowings	3,500.00	3,716.24
	Repayment of long term borrowings	(6,320.56)	(942.62)
	Loans received from holding company	427.06	-
	Loans repaid to holding company	(427.06)	-
	Interest and finance costs paid	(842.74)	(578.21)
	Net cash generated from / (used in) financing activities (C)	**(3,663.30)**	**2,195.41**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	23.17	(8.80)
	Cash and cash equivalents at the beginning of the year	2.84	11.64
		26.01	**2.84**

Notes :

1. **Non cash transactions**

   The Company has transferred receivables of ₹ Nil (previous year ₹ 2,569.42 crore) and payables of ₹ Nil (previous year ₹ 2,298.21 crores) to related parties.

2. The company has issued 7,54,876 number of equity shares of ₹ 10 each at a premium of ₹ 309 per share against all 2800 numbers of foreign currency convertible bonds, which being a non-cash transaction has been included above

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. The amendments to Ind AS 7 Cash flow statements require the entities to provide disclosures the enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

Particulars	As at March 31, 2017	Cash Changes	Non-cash changes	As at March 31, 2018
Long term Borrowings including current maturities classified in other financial liabilities	5,973.63	(2,489.58)	-	3,484.05
Liability towards additional cost on debt restructuring classified in other financial liabilities	363.83	(363.83)	-	-

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Naman Agarwal
Partner
Membership No. 502405

Gurugram, June 26, 2018

For and on behalf of the Board of Directors

Gayathri S
Director

Capt. Alok Kumar
Whole time Director

Vinod Jain
Chief Financial Officer

Mumbai, June 26, 2018

Nihar Avasare
Company Secretary

Mumbai, June 26, 2018

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

a. Equity share capital (₹ in crore)

Particulars	Amount
Balance as at March 31, 2017	321.19
Issue of equity shares upon conversion of Foreign currency convertible bonds into equity *	0.76
Balance as at March 31, 2018	321.95

Particulars	Amount
Balance as at March 31, 2016	960.14
Cancellation of equity shares upon implementation of the Composite Scheme of arrangement	(960.14)
Issue of equity shares pursuant to the scheme	321.19
Balance as at March 31, 2017	321.19

* During the current financial year, the Company has issued 7,54,876 number of equity shares of ₹ 10 each, fully paid up, at premimum of ₹ 309 per share as a consideration for conversion of 2800 number of foreign Currency Convertible bonds.

b. Other equity (₹ in crore)

Particulars	Reserves and surplus						Total
	Capital reserve						
	On common control business combination	On cancellation and fresh issue of equity share capital	On convesrion of FCCB into Equity	Equity component of compound financial instruments	Retained earnings	Securities Premium	
Balance as at March 31, 2016	3.38	-	-	3.04	(322.90)	-	(316.48)
Loss for the year (restated - refer note 10)	-	-	-	-	(430.76)	-	(430.76)
Other comprehensive income for the year, net of income tax	-	-	-	-	0.22	-	0.22
Total comprehensive income/ (loss) for the year	-	-	-	-	(430.54)	-	(430.54)
Accounting effects pursuant to implementation of the Scheme:							
- Effect of elimination of Investments in the Company upon merger of EPML	-	1046.14	-	-	-	-	1,046.14
- Issue of fresh share capital	-	(321.19)	-	-	-	-	(321.19)

Standalone Statement of Changes in Equity

for the year ended March 31, 2018

Particulars	Reserves and surplus						Total
	Capital reserve						
	On common control business combination	On cancellation and fresh issue of equity share capital	On conversrion of FCCB into Equity	Equity component of compound financial instruments	Retained earnings	Securities Premium	
- Transfer of payables to the Company pertaining to loans and advances given during the year upon merger of EPML	-	-	-	-	(98.24)	-	(98.24)
Balance as at April 01, 2017 {Restated-Refer note 10(d)}	3.38	724.95	-	3.04	(851.68)	-	(120.31)
Profit for the year	-	-	-	-	65.15	-	65.15
Other comprehensive loss for the year, net of income tax	-	-	-	-	(0.28)	-	(0.28)
Total comprehensive income for the year	-	-	-	-	64.87	-	64.87
- Security Premium on Foreign Currency Convertible Bonds conversion into Equity	-	-	-	-	-	23.33	23.33
- Capital Reserve on conversion of Foreign Currency Convertible Bonds into Equity	-	-	8.76	-	-	-	8.76
- Effect of Elimination of Equity Component on conversion of Foreign Currency Convertible Bonds into Equity	-	-	-	(3.04)	3.04	-	-
Balance as at March 31, 2018	3.38	724.95	8.76	-	(783.77)	23.33	(23.35)

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Naman Agarwal
Partner
Membership No. 502405

Gurugram, June 26, 2018

For and on behalf of the Board of Directors

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Director

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Chief Financial Officer

Mumbai, June 26, 2018

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Company Secretary

Mumbai, June 26, 2018

Notes to Standalone Financial Statements

for the year ended March 31, 2018

1. Corporate information

Vadinar Oil Terminal Limited (the Company") is a public limited company incorporated under the Companies act, 1956 and its registered office is located at Nayara Energy Refinery Site, 39, KM Stone, Okha Highway (SH-25), Taluka Khambalia, Dist-Jamnagar, Gujrat 361 305. Principal place of business of the Company is located at Vadinar, Gujarat.

The Company has an integrated oil terminal situated at Vadinar, Gujarat. It has capacity of 58 MMTPA and handles crude oil and petroleum products. The facilities consist of an off-shore single point mooring (SPM), two jetties for handling liquid petroleum products, tanks for storage of crude oil and petroleum products and rail and road gantries for dispatch of petroleum products.

Essar Energy Holdings Limited and Oil Bidco Mauritius Limited (collectively "the erstwhile shareholder's group") had entered into Share Purchase Agreements dated October 15, 2016 with Rosneft Singapore Pte. Limited (formerly, Petrol Complex Pte. Limited), an entity owned and controlled by PJSC Rosneft Oil Company, Russia and Kesani Enterprises Company Limited, a joint venture of Trafigura Pte Limited and United Capital Partners (collectively "the new shareholder's group") for transfer of equity ownership of the Nayara Energy Limited (formerly known as Essar Oil Limited) and of the Company. Pursuant to such agreements, Essar Steel Jharkhand Limited ("the erstwhile promoter company") had entered into a Share Purchase Agreement ("SPA") dated February 18, 2017 with Nayara Energy Limited (formerly known as Essar Oil limited) ("the new shareholders group") for the transfer of 97.63% of equity ownership of the Company. Upon completion of all the conditions precedent stated in the SPA and after obtaining all requisite regulatory approvals, the erstwhile shareholder's group has transferred 97.63% of the shareholding from the period June 29, 2017 to July 20, 2017, to the new Shareholder's group.

The financial statements of the Company for the year ended March 31, 2018 were authorised for issue in accordance with a resolution of the directors on June 26, 2018.

2. Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind ASs), prescribed under Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

These financial statements are prepared on accrual basis. The standalone financial statements provide comparative information in respect of the previous period. The financial statements are presented in Indian Rupees, and all values are rounded to the nearest crore, except where otherwise indicated.

3. Summary of significant accounting policies

A. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. The Company has also disclosed fair value of financial instruments.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions (Refer note 41)
- Quantitative disclosures of fair value measurement hierarchy (Refer note 41)
- Financial instruments (including those carried at amortised cost) (Refer note 41)

B. Property, Plant and Equipment

Property, plant & equipment (PPE) is recorded at cost of acquisition less accumulated depreciation and impairment loss, if any. Capital work in progress is stated at cost, net of accumulated impairment losses, if any.

Cost of acquisition comprises of all costs incurred to bring the assets to their present location and working condition up to the date the assets are ready for their intended use. Cost also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. 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. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation

Depreciation on PPE is provided, pro-rata for the period of use, by the straight line method, as specified in schedule II of Companies Act, 2013 except in respect of plant and machinery. The estimate of the useful life of these assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful life of items of property, plant and equipment is mentioned below:

Particulars	Estimated useful life
Buildings and civil structure	5-30
Plant and machinery	10-30
Furniture and fixtures	10
Office equipment	3-6
Marine structures and plant and equipment to be handed over under agreement with Deendayal Port Trust	20
Roads	10

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

C. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

An assessment is made for assets at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

D. Leases

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

(i) Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Lease expenses and lease income are recognised in the statement of profit and loss on a straight line basis over the lease term.

(ii) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease 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 over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

E. Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of inventories comprise of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories are determined on a weighted average basis.

F. Revenue recognition

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

The specific recognition criteria described below must also be met before revenue is recognised.

(i) Revenue from operations

Revenue from operations which include cargo handling and storage services are recognized as per proportionate completion method based on services completed till reporting date.

(ii) Interest Income

For all financial instruments measured at amortised cost and interest income is recognised using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit and loss.

(iii) Dividend

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

G. Retirement and other employee benefits

Payments to defined contribution plans are recognised as expense when employees have rendered services entitling them to the contributions.

The Company determines the present value of the defined benefit obligation and fair value of plan assets. The net liability or assets represents the deficit or surplus in the Company's defined benefit plans. (The surplus is limited to the present value of economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans). The present value of the obligation is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each year.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation under the head 'employee benefit expense' in the statement of profit and loss (by nature):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Notes to Standalone Financial Statements

for the year ended March 31, 2018

H. Foreign currencies

The Company's financial statements are presented in Indian Rupees, which is also the Company's functional currency. For each entity the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transaction and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

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 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. Exchange difference arising on settlement / restatement of other items are charged to statement of profit and loss.

I. Investment in subsidiaries and associates:

Equity investments in subsidiaries and associates are shown at cost less impairment, if any. The Company tests these investments for impairment in accordance with the policy applicable to 'Impairment of non-financial assets'. Where the carrying amount of an investment or CGU to which the investment relates is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in the Statement of Profit and Loss.

Dividends from a subsidiary or an associate are recognised when the Company's right to receive the dividend is established. 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.

J. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments. Derivatives can be financial assets or financial liabilities depending on whether value is positive or negative respectively.

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

(i) Financial Assets

a) Initial Recognition and measurement

The Company initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset is initially measured at fair value plus / minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification of financial assets

On initial recognition, a financial asset is classified into one of the following categories:

- Financial assets other than equity investment at amortised cost
- Financial assets other than equity investment at fair value through other comprehensive income (FVTOCI)
- Financial assets other than equity investment at fair value through profit or loss (FVTPL)

Financial assets other than equity investment measured 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. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are

Notes to Standalone Financial Statements

for the year ended March 31, 2018

an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to deposits, trade and other receivables.

Financial assets other than equity investment at FVTOCI

A debt instrument is classified as FVTOCI only 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 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 the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets other than equity investment at FVTPL

FVTPL is a residual category for financial assets. 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 statement of profit and loss.

c) Equity Investments

All equity investments within the 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 decides to classify an equity instrument as 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. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

d) 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.

e) Impairment of financial assets

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

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e.

all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

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

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 18, the Company follows simplified approach and 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.

f) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in the statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to the statement of profit and loss at the reclassification date.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

g) 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.

(ii) Financial liabilities / debt and equity instruments

a) Classification as financial liabilities / 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 in Ind AS 32.

b) Financial liabilities / debt

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings including payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, plus directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

c) 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.

d) Financial Liabilities:

The Company does not have any financial liabilities to be classified as at FVTPL. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

e) 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 between 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 new liability recognised plus consideration paid or payable is recognised in the statement of profit and loss.

K. Derivative financial instruments

(i) <u>Embedded derivatives</u>

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 profit or loss.

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

L. 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, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred. Borrowing costs consists 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.

M. Taxes

(i) Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. However, recognition of deferred tax asset is subject to the following exceptions:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 income taxes levied by the same taxation authority on the same taxable entity.

(iii) Sales tax (includes value added tax and Goods and service tax)

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

Notes to Standalone Financial Statements

for the year ended March 31, 2018

- When receivables and payables are stated with the amount of tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

N. Provisions

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the 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.

O. Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

P. Exceptional items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows a better understanding of the underlying performance of the business in the year and facilitates more appropriate comparison with prior periods. Exceptional items are adjusted in arriving at profit before tax.

4. Critical accounting judgments and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses and accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A. Critical accounting judgements

In the process of applying the Company's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

(i) Determination of functional currency

The Management makes judgements in determining the functional currency based on economic substance of the transactions relevant to the Company. In concluding that Indian Rupees is the functional currency, the management considered (i) the currency that mainly influences the sales prices for goods and services, the labour, material and other costs of providing goods and services, and (ii) the effect of the competitive forces and regulations of the country which mainly determine the sales prices of the goods and services. As no single currency was clearly dominant, the management also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained. The management concludes that INR is the functional currency of the Company.

(ii) Impairment of Investment

The investment in associates and subsidiaries are tested for impairment in accordance with provisions applicable to impairment of non-financial assets. Generally these investment are tested for impairment on individual basis. However if the individual investment are not capable of generating cash flows independently being part of cash generating units of the group, then the same are tested for impairment as a part of cash generating unit of the group. This involves significant judgement in terms of how the individual cash generating unit is contributing towards generation of cash flows of the group.

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Income Taxes

Deferred tax assets (including MAT recoverable) are recognized for unused tax losses and tax credits 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. The management has made a significant judgment, based on counsel's opinion, about pattern of utilization of brought forward book losses and depreciation for the purpose of computation of minimum alternated tax. Further details related to Deferred Taxes are given in note 10.

(ii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalizing or cannot be quantified reliably are treated as contingent liabilities. Among other matters, such determination require involvement of legal and other subject matter experts. Depending on materiality, the Company may involve internal and/ or external experts to make such assessment. Contingent liabilities are disclosed in the notes but are not recognized.

(iii) Fair value measurements of financial instruments

When the fair values of financial assets or financial liabilities recognised 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. Refer note 41 for further disclosures.

5. Changes in accounting policies and Standards issued but not yet effective

A. Change in accounting policies

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April, 2017.

i) Amendments to Ind AS 7 Statement of Cash Flows

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

ii) Amendments to Ind AS 102 Share Based Payment

The amendments to Ind AS 102 provide specific guidance for measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. The Company does not have any share-based payment plan. Hence, adoption of the amendment will not have any impact on financial statements of the Company.

B. Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below if they are or likely to be relevant from Company perspective. The Company intends to adopt these standards, if relevant, when they become effective. The Company does not intend to early adopt any of these standards.

i) Ind As 115 Revenue from Contracts with Customers

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. Ind AS 115 is effective for the Company from April 1, 2018 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company will adopt the standard on April 1, 2018, by using modified retrospective method and accordingly, comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant on recognition and measurement of revenues.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

6 Property, Plant And Equipment

Current year

(₹ in crore)

Description of the assets	Gross block (I)				Depreciation / amortisation (II)				Net block (III) = (I - II)	
	As at April 01, 2017	Additions	Deductions	As at March 31,2018	As at April 01, 2017	For the year	Deductions	As at March 31,2018	As at Mar 31,2018	As at March 31,2017
Tangible assets										
Land	0.05	-	-	0.05	-	-	-	-	0.05	0.05
Building & Civil Structure (including marine structure)	502.84	-	-	502.84	0.10	35.42	-	35.52	467.32	502.74
Plant and equipment	3,953.28	27.62	-	3,980.90	0.55	200.62	-	201.17	3,779.73	3,952.73
Furniture and fixtures	0.53	0.01	0.20	0.34	0.22	0.07	0.13	0.16	0.18	0.31
Office equipments	0.40	0.01	0.04	0.37	0.17	0.06	0.01	0.22	0.15	0.23
Total	**4,457.10**	**27.64**	**0.24**	**4,484.50**	**1.04**	**236.17**	**0.14**	**237.07**	**4,247.43**	**4,456.06**

Previous year

Description of the assets	Gross block (I)				Depreciation / amortisation (II)				Net block (III) = (I - II)	
	As at April 01, 2016	Additions	Deductions	As at March 31,2017	As at April 01, 2016	For the year	Deductions	As at Mar 31,2017	As at Mar 31,2017	As at March 31,2016
Tangible assets										
Land	0.05	-	-	0.05	-	-	-	-	0.05	0.05
Building & Civil Structure (including marine structure)	576.95	502.84	576.95	502.84	37.06	0.10	37.06	0.10	502.74	539.89
Plant and equipment	4,355.69	3,956.10	4,358.51	3,953.28	202.60	0.55	202.60	0.55	3,952.73	4,153.11
Furniture and fixtures	0.51	0.02	-	0.53	0.11	0.11	-	0.22	0.31	0.40
Office equipments	0.34	0.06	-	0.40	0.08	0.09	-	0.17	0.23	0.24
Total	**4,933.54**	**4,459.02**	**4,935.46**	**4,457.10**	**239.85**	**0.85**	**239.66**	**1.04**	**4,456.06**	**4,693.69**

Notes

A All the property, plant and equipment of the Company have been pledged to secure borrowings of the Company Refer note 24 (a)

Notes to Standalone Financial Statements
for the year ended March 31, 2018

7 Investments (Non-Current) (Unquoted)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Investments in equity instruments - at cost		
Coviva Liquid Terminals Limited (formerly known as Vadinar Liquid Terminals Limited) - Associate	0.01	0.01
12,500 (as at March 31, 2017) equity shares of ₹ 10 each fully paid		
Enneagon Limited (refer note 14)- Subsidiary #	0.00	-
(as at March 31,2018: 1; as at March 31, 2017: 450,000,000) equity shares of USD. 1/- each		
Total	**0.01**	**0.01**
Aggregate carrying value of unquoted investments	**0.01**	**0.01**
Aggregate amount of impairment in value of investments	**-**	**-**

Amount 0.00 represents amount less than ₹ 0.01 crore

8 Loans (Non-Current)

(Unsecured and considered good)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Loans (refer note below)		
- to related parties (refer note 49)	-	20.50
Total	**-**	**20.50**

The Business activities of the Company fall under the category of “Infrastructure” and therefore, it is exempted from the provisions of Section 186(2) to Section 186(13) of the Companies Act, 2013 with respect to the loans made, guarantees given and securities provided.

9 Other Financial Assets (Non-Current)

(Unsecured and considered good)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Deposits in escrow account with maturity of more than 12 months #	-	0.00
Margin money with bank - In time deposits (Debt service reserve account as per the term loan agreement) with maturity of more than 12 months #	0.00	11.20
Total	**0.00**	**11.20**

For details of assets pleaged as security against borrowing, refer note no. 24

Amount 0.00 represents amount less than ₹ 0.01 crore

Notes to Standalone Financial Statements

for the year ended March 31, 2018

10 Taxation

(a) Income tax expense / (benefit)

(₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Income tax on items classified to OCI	(0.15)	0.12
Deferred tax	107.19	(140.07)
Total tax (benefit) / expense	**107.04**	**(139.95)**

(b) The income tax expenses for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(Loss) / Profit before tax for the year	172.34	(570.83)
Statutory tax rate	34.944%	34.608%
Expected income tax (benefit) / expense at statutory rates	60.22	(197.55)
Items giving rise to difference in tax		
Deferred tax asset not recognised	44.70	74.18
Other disallowances	1.07	(75.46)
Effect of change in tax rate	3.42	-
Reversal of Deferred Tax asset on UAD not allowed to be c/f pursuant to scheme of arrangement	-	58.19
Deferred tax asset not recognised on Borrowing Cost (CWIP)	-	(1.05)
Others	(2.38)	1.74
Total Income tax (benefit) / expense	**107.04**	**(139.95)**
Effective tax rate	**62.20%**	**24.54%**

(c) Comparison of deferred tax (assets) / liabilities:

Deferred tax balance in relation to	As at March 31, 2017	Recognised through profit and loss	Recognised in other comprehen-sive income	As at March 31, 2018
Difference in property, plant and equipment	1,089.17	(5.26)	-	1,083.91
Carried forward unabsorbed depreciation	(389.07)	(70.15)	-	(459.22)
Carried forward business losses	-	(108.00)	-	(108.00)
Borrowings	(277.25)	277.25	-	-
MAT credit entitlement	(50.61)	-	-	(50.61)
Provision for employee benefit	0.13	(0.36)	(0.15)	(0.38)
Embedded derivative	(61.19)	11.32	-	(49.87)
Others	(9.75)	2.39	-	(7.36)
Total	**301.43**	**107.19**	**(0.15)**	**408.47**

Deferred tax balance in relation to	As at March 31, 2016	Recognised through profit and loss	Recognised in other comprehen-sive income	As at March 31, 2017
Difference in Property, plant and equipment	1,095.41	(6.24)	-	1,089.17
Carried forward unabsorbed depreciation	(527.17)	138.10	-	(389.07)
Borrowings	(76.25)	(201.00)	-	(277.25)
MAT credit entitlement	(50.61)	-	-	(50.61)
Provision for employee benefit	0.01	-	0.12	0.13
Embedded derivative	-	(61.19)	-	(61.19)
Others	(0.02)	(9.73)	-	(9.75)
Total	**441.37**	**(140.06)**	**0.12**	**301.43**

Notes to Standalone Financial Statements

for the year ended March 31, 2018

(d) Note:

i. The Company noted that certain adjustments to the deferred tax computation as at 31st March 2017 which had the effect of the total equity as at March 31, 2017 being higher by ₹ 133.80 crore and deferred tax liability being lower by ₹ 133.80 crore; and the deferred tax charge for the year ended March 31, 2017 being lower by ₹ 133.80 crore, as against the previously reported figures. The Company has restated the March 31, 2017 financial statement to give effect of the same.

ii. The Company has unrecognised deferred tax assets of ₹ 44.70 crore on long term capital loss, as there is no reasonable certainty towards its realisation. The same expires on March 31, 2026. All brought forward losses upto March 31, 2017 have lapsed due to change of control.

11 Other Non-Current Assets

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Prepaid expenses	0.26	0.04
Capital Advances	1.02	-
Total	**1.28**	**0.04**

12 Current Tax Assets (Non Current)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance income tax / Tax deducted at source (Net of provision)	95.22	68.49
Total	**95.22**	**68.49**

13 INVENTORIES

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Stores and spares (Valued at lower of cost and net realisable value)	4.62	5.75
Total	**4.62**	**5.75**

14 Investments

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade Investment (unquoted, fully paid up)		
Enneagon Limited (refer foot note)	-	3,033.21
(as at March 31,2018: 1; as at March 31, 2017: 50,000,000) equity shares of USD. 1/- each		
Total investments	**-**	**3,033.21**
Aggregate carrying value of unquoted investments	-	**3,033.21**

Enneagon Ltd. offered to buyback the share capital (449,999,999 shares) which has been accepted by the Company during the financial year. The carrying value of the investment has been realised through escrow arrangement as per condition precedent to the agreements (SPAs)

15 Trade Receivables

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	49.59	124.34
Total	**49.59**	**124.34**

The Company's exposure to credit and currency risk related to trade receivables are disclosed in Note 41.3.3

16 Cash and Cash Equivalents

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance with banks		
On current accounts	25.85	2.84
Deposits of origional maturity of less than 3 months	0.16	-
Total	**26.01**	**2.84**

Notes to Standalone Financial Statements

for the year ended March 31, 2018

17 Bank Balances Other Than Cash And Cash Equivalents

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Margin deposits *	9.85	-
Deposits of origional maturity of more than 3 months	0.07	-
* Mainly placed as margin for letters of credit facilities, guarantees and borrowings obtained from banks.		
Total	**9.92**	**-**

18 Loans (Current)

(Unsecured, considered good)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposits	1.11	0.01
Total	**1.11**	**0.01**

19 Other Financial Assets (Current)

(Unsecured, considered good, unless otherwise stated)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Interest accrued on bank deposits	0.05	0.21
Other receivables		
-From related parties (refer note 49)		
-Considered good	20.02	590.42
-Considered doubtful	0.44	14.52
-Less: Allowance for bad and doubtful receivables expected credit loss)	(0.44)	(14.52)
-From others	4.48	4.48
Total	**24.55**	**595.11**

20 Other Current Assets

(Unsecured, considered good)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Claim receivable	0.81	42.32
Advances to related parties towards provision of services (refer note 49)	-	4.68
Balances with government authorities	9.92	10.38
Prepaid expenses	13.30	10.86
Advances to vendors	8.43	1.26
Advances to employees	-	0.04
Total	**32.46**	**69.54**

Notes to Standalone Financial Statements

for the year ended March 31, 2018

21 Non-Current Assets Held for sale

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Investment in equity instruments		
Essar Vizag Terminals Limited	-	0.05
NIL (as at March 31, 2017: 50000) equity shares of ₹ 10 each fully paid		
Total	**-**	**0.05**

22 Equity Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	**₹ in crore**	**Number of shares**	**₹ in crore**
Authorised				
Equity shares of ₹ 10/- each	9,000,000,000	9,000.00	9,000,000,000	9,000.00
Total	9,000,000,000	9,000.00	9,000,000,000	9,000.00
Issued and Subscribed				
Equity shares of ₹ 10/- each	321,947,075	321.95	321,192,199	321.19
Total	**321,947,075**	**321.95**	**321,192,199**	**321.19**
Paid up				
Equity shares of ₹ 10/- each	321,947,075	321.95	321,192,199	321.19
Total	**321,947,075**	**321.95**	**321,192,199**	**321.19**

Notes:-

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Opening balance	Conversion of Foreign Currency Convertible Bonds into Equity Shares	Cancellation of equity shares on account of scheme of arrangement	Issue of equity shares pursuant to the scheme of arrangement	Closing
Equity Shares					
Year ended March 31, 2018					
- Number of shares	321,192,199	754,876	-	-	321,947,075
- Amount (₹ in crore)	321.19	0.76	-	-	321.95
Year ended March 31, 2017					
- Number of shares	1,046,142,000	-	(1,046,142,000)	321,192,199	321,192,199
- Amount (₹ in crore)	1,046.14	-	(1,046.14)	321.19	321.19

(ii) Terms/ Rights attached to equity shares

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

Notes to Standalone Financial Statements

for the year ended March 31, 2018

(iii) Shares held by the holding company

Particulars	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017
	Number of shares	% shares	Number of shares	% shares
Equity shares *				
Nayara Energy Limited (formerly known as Essar Oil Ltd), (w.e.f. 29th June, 2017)	314,323,454	97.63%	-	-
Essar Steel Jharkhand Limited (w.e.f. 27th March 2017 to 28th June, 2017)	-	-	313,436,858	97.69%
* No other shareholder is holding more than 5% shares in the Company.				

23 Other Equity

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Capital reserve on common control business combination	3.38	3.38
Capital reserve on cancellation and fresh issue of equity share capital	724.95	724.95
Capital reserve on conversion of FCCB into Equity	8.76	-
Equity component of compound financial instrument	-	3.04
Securities Premium account	23.33	-
Retained earnings	(783.77)	(851.68)
Total	**(23.35)**	**(120.31)**

Securities Premium account: The amount in the account represents the additional amount shareholders paid for their issued shares that was in excess of the par value of those shares. The same can be utilised for the items specified under section 52 of the Companies Act, 2013.

Capital reserve: The Company recognises profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserves. The same can be utilised for issuance of bonus shares.

24 Borrowings (Non-Current)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured borrowings- at amortised cost		
-Rupee term loans from banks	3,484.05	5,230.78
-Rupee term loans from financial institutions	-	709.88
-Current maturities of long term debt and finance lease obligation included under other finance liabilities (Current) (refer note 27)	(34.46)	(818.35)
Unsecured borrowings- at amortised cost		
-Foreign Currency Convertible Bonds (FCCBs)	-	32.97
-Current maturities of long term debt and finance lease obligation included under other finance liabilities (Current) (refer note 27)	-	(32.97)
Total	**3,449.59**	**5,122.31**

Notes to Standalone Financial Statements
for the year ended March 31, 2018

Security details, repayment terms and interest rate, breach of loan agreement (if any)

a) Term loans from bank of ₹ 3,491.25 crore (as at March 31, 2017- NIL) are secured by first charge ranking pari passu over all movable and immovable assets (including land as available and registered in the name of the Borrower and including any leasehold interest granted by holding company and including the project land) both present and future, intangible assets of the Company both present and future, insurance contracts, title and interests under project documents, designated project accounts and other accounts including DSRA when created, pledge of certain equity shares of the Company owned by holding Company. The above loan carries an interest rate of MCLR + spread of 50 bps and repayable in 80 unequal quarterly instalments from March 2018 to December 2037.

b) Term loans from banks and financial institutions including funded interest facilities of Nil (as at March 31, 2017 - ₹ 2,608.52 crore) was governed by Master Restructuring Agreement ("MRA") dated 17 December 2004 under Corporate Debt Restructuring Scheme (the "CDR") secured by, excluding securities referred to in footnote (c) and (d) below, first ranking security interests over all movable and immovable assets of the Company, present and future, and immoveable assets of Nayara Energy Ltd. (formerly known as Essar Oil Limited) pertaining to the Terminal Project, rights, title and interests under project documents, trust and retention accounts and all sub-accounts created thereunder, pledge of certain shares of the Company held by promoters (as defined in MRA) / associates of promoters or the Company and by personal guarantees of erstwhile promoters and a guarantee of Essar Ports Limited ("EPL") for Nil (as at March 31, 2017 – ₹ 250 crore) together will all collateral securities.

c) Term loan from a bank and a financial institution of ₹ Nil (as at March 31, 2017 - ₹ 896.52 crore) under Common Loan Agreement dated 23 March 2013 entered into by Vadinar Ports & Terminal Limited (VPTL) (combined with the Company pursuant to the Composite Scheme of Arrangement) were secured by first mortgage and charge over all present and future movable and immoveable assets / properties of VPTL combined with the Company.

The Term loan from a bank and a financial institution was carrying interest rate 3.6% p.a. over and above benchmark rate, the same has been prepaid during the year.

d) Term loan from banks of NIL (as at March 31, 2017 - ₹ 3,020 crore) under Rupee Facility Agreement dated 5 July 2016 was secured by second ranking charge over all the assets of the Company and/or Essar Port Group companies, both present and future, and first ranking charge on incremental revenue under the take or pay agreement, first ranking pledge of certain shares of the Company held by a related party and first ranking pledge of shares held by Company in its subsidiary. The Term loan from banks was carrying interest rate linked with respective banks base rate plus margin upto 2.9% , the same has been prepaid during the year.

e) Loan from related party, carrying interest rate of 13% p.a. The same has been converted into equity during the year.

25 Other Financial Liabilities (Non-Current)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposit from a customer	-	1,088.78
Interest accrued but not due on security deposit from a related party (refer note 49)	-	134.77
Liability towards additional cost on debt restructuring	-	363.83
Derivative liability - At fair value	-	94.01
Total	**-**	**1,681.39**

26 Trade Payables

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Micro and small enterprise (refer note 43)	0.37	-
Others	21.09	78.04
Total	**21.46**	**78.04**

The average credit period on purchases of certain goods and services is 30 to 90 days. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Notes to Standalone Financial Statements
for the year ended March 31, 2018

27 Other Financial Liabilities (Current)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Current maturities of long-term borrowings		
(Refer footnotes to the note 24 for detail of securities)		
-From banks and financial institutions	34.46	818.35
-Foreign currency convertible bonds	-	32.97
Interest accrued but not due on borrowings		
-To banks and financial institutions	-	30.79
Interest accrued on borrowings	-	5.53
Payable in respect of capital expenses	1.34	10.80
Security deposits	185.92	-
Derivative liability - At fair value	142.72	82.80
Total	**364.44**	**981.24**

28 Other Current Liabilities

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Statutory dues	27.53	62.64
Advance from customers#	0.00	-
Total	**27.53**	**62.64**

Amount 0.00 represents amount less than ₹ 0.01 crore

29 Provisions (Current)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits		
-Compensated absences	0.55	0.38
-Gratuity (refer note 48)	0.47	0.33
Total	**1.02**	**0.71**

30 Current Tax Liabilities

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for taxation (Net of advance tax)	0.38	0.38
Total	**0.38**	**0.38**

31 Revenue From Operations

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended Mar, 31 2017
Sale of services		
- Crude and petroleum product storage revenue	946.59	10.37
- Crude and petroleum product handling services	492.67	493.99
Other operating income (finance lease income) (refer note 49)	-	1,084.22
Total	**1,439.26**	**1,588.58**

Notes to Standalone Financial Statements

for the year ended March 31, 2018

32 Other Income (₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended Mar, 31 2017
Interest income earned on financial assets that are not designated as at FVTPL		
- Interest income from loans and advances to related parties (refer note 49)	0.14	95.38
- Interest income from loans and advances to others	-	0.94
- Interest income from bank deposits	6.17	0.73
	6.31	97.05
Dividend income		
- Dividend received on investment carried at FVTPL #	0.00	-
Other gains and losses		
-Income from Services Exports from India Scheme (SEIS)	-	42.32
-Interest on income tax refund	1.28	-
-Net gain on foreign currency transactions / translations	0.56	1.41
-Gain on Derivative	34.10	-
-Gain on reversal of Expected credit loss (net)	14.08	-
-Miscellaneous income	6.36	1.53
Total	**62.69**	**142.31**

Amount 0.00 represents amount less than ₹ 0.01 crore

33 Operating Expenses (₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended Mar, 31 2017
Hire charges	12.36	12.59
Lease rent	6.19	6.70
Operation and maintenance	30.24	33.13
Manning management	20.19	21.40
Consumption of stores and spares	4.54	2.20
Repairs and maintenance	5.29	3.97
Power and fuel	0.36	0.70
Others	0.03	0.31
Total	**79.20**	**81.00**

Notes to Standalone Financial Statements

for the year ended March 31, 2018

34 Employee Benefits Expense

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended Mar, 31 2017
Salaries, wages and allowance	9.24	17.73
Contributions to provident and other funds (refer note 48)	0.78	0.99
Staff welfare expenses	0.11	0.13
Total	**10.13**	**18.85**

Note: The above includes a sum of ₹ 2.08 crore paid to whole time directors of the company, which exceeds the limit prescribes under schedule V of the Companies Act, 2013 by ₹ 0.80 crore. The Board of Directors of the company have proposed to the shareholders of the Company to ratify the same by passing a special resolution. The Company is hopeful of obtaining the said approval at the ensuing AGM.

35 Other Expenses

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended Mar, 31 2017
Consultancy and professional charges	12.94	24.59
Rates and taxes	0.44	0.74
Travelling	1.24	7.93
Communication	0.09	0.41
Expenditure on Corporate Social Responsibility (refer note 42)	-	1.05
Auditors' remuneration (refer note below)	0.85	0.97
Directors sitting fees (refer note 49)	0.08	0.06
Insurance	10.35	9.56
Stamp duty expenses	0.18	32.69
Allowance for bad and doubtful receivables / loans (Expected credit loss)	-	14.52
Loss on derivative liability	-	176.81
Claim receivable, written off	-	0.53
Capital work in progress/FA written off	0.21	2.40
Debit balance written off #	42.35	-
General expenses	0.74	0.51
Total	**69.47**	**272.77**

During the current year the Company was informed that certain export incentives would not accrue to it and hence the Company has written off the outstanding balances with respect to the same.

Note: Auditors' remuneration

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
-Audit fees - as statutory auditor	0.54	0.76
-For certification and other services	0.31	0.20
-For reimbursement of expenses	0.00	0.01
Total	**0.85**	**0.97**

Notes to Standalone Financial Statements

for the year ended March 31, 2018

36 Finance Costs

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended Mar, 31 2017
Interest on term borrowings from banks and financial institutions	724.71	595.53
Interest on inter corporate deposit from a related party (refer note 49)	0.87	253.50
Interest on security deposit from a related party (refer note 49)	-	141.54
Other borrowing costs	81.13	19.00
Total	**806.71**	**1,009.57**

37 Exceptional Items

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended Mar, 31 2017
Costs on account of CDR exit	-	363.83
Loss on extinguishment of lease arrangement	-	377.35
Debit to profit or loss on re-assesment of the company's ability to collect the amount *	-	177.50
Loss on surrender of equity shares by subsidiary	127.93	-
Total	**127.93**	**918.68**

* In terms of the SPAs entered into by the erstwhile promoter group to sell their stake in the Company, an escrow arrangement was put in place to deploy the sales consideration, to the extent required, for realization of amounts due from erstwhile related parties and other entities. The closure of sale by the erstwhile promoter group erstwhile promoter group took longer than previously envisaged and the Company in the interim continued to transact with these entities, and reassessed its ability to collect the outstanding balance, through the said escrow arrangement, based on which it had debited to profit or loss ₹ 177.50 crore as an Exceptional Item. The carrying values of the dues to be received through the escrow mechanism aggregated at March 31, 2017 to ₹ 3,613.44 crore {comprises investment in equity shares of Enneagon Ltd. of ₹ 3,033.21 crore and other receivables of ₹ 580.23 crore (net of ECL provision of ₹ 14.27 crore)}. In the current financial year ₹ 589.03 crore was received and the balance ₹ 5.03 crore (net of ECL provision of ₹ 0.44 crore) is outstanding which the company expects to recover in due course.

38 Leases

Operating lease

i) The Company as lessee

The Company has entered into the following non-cancellable operating lease agreements:

a) Two berths for the period of 30 years (remaining period of approximate 9.5 years) with annual lease rental of ₹ 3.63 crore for current financial year and with yearly escalation of 5%.

Non-cancellable operating lease commitments (₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Payable not later than 1 year	3.81	3.63
Payable later than 1 year and not later than 5 years	17.25	16.43
Payable later than 5 years	24.00	28.64
Total	**45.06**	**48.70**

Notes to Standalone Financial Statements
for the year ended March 31, 2018

b) VOTL has taken land on lease basis from Nayara Energy Ltd. (formerly known as “”Essar Oil Ltd.””) for setup of terminal facility as below

(i) for creating facilities like tankages, gantries, pipelines etc. for 5.5 MMTPA capacity for 25 years (remaining period of approximate 18 years) with annual lease rental of ₹ 1.61 Crore for current financial year and yearly escalation of 4% and

(ii) for setting up VOTL terminal facilities for 30 years (remaining period of approximate 18 years) with annual lease rental of ₹ 0.25 crore for next financial year.

Non-cancellable operating lease commitments (₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Payable not later than 1 year	2.01	1.94
Payable later than 1 year and not later than 5 years	8.77	8.47
Payable later than 5 years	36.95	39.26
Total	**47.73**	**49.67**

ii) The Company as lessor

The Company has entered into an operating lease agreement with Nayara Energy Limited (formerly known as ‘Essar Oil Limited’) for the storage facility of crude oil and petroleum products w.e.f. 1st April, 2016 for the period of 3 years. The lease rentals are recognised under “revenue from operation. There will be yearly escalation to lease income which will be 3%. These leasing arrangements are usually renewable by mutually agreed terms and conditions.

Particulars	As at March 31, 2018	As at March 31, 2017
Payable not later than 1 year	985.08	953.03
Payable later than 1 year and not later than 5 years	-	981.97
Payable later than 5 years	-	-
Total	**985.08**	**1,935.00**

39 Capital Commitments

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	15.14	57.61
Total	**15.14**	**57.61**

Notes to Standalone Financial Statements

for the year ended March 31, 2018

40 Derivative Instruments And Unhedged Foreign Currency Exposure

a) Unhedged foreign currency exposure

The foreign currency exposure of the Company as at the balance sheet date that have not been hedged by a derivative instrument or otherwise are given below. :

(₹ in crore)

Particulars	Currency	As at March 31, 2018 Amount ₹ in crore	As at March 31, 2018 foreign currency (in Million)	As at March 31, 2017 Amount ₹ in crore	As at March 31, 2017 foreign currency (in Million)
Amount payable in foreign currency on account of the following #					
Import of equipment / materials and services	USD	(0.00)	(0.00)	2.48	0.38
	GBP	-	-	0.80	0.10
	EUR	(0.11)	(0.01)		
Debt portion of Foreign currency convertible bonds	USD	-	-	32.97	4.48
Total		(0.11)		36.25	
Amount receivable in foreign currency on account of the following #					
Advance to vendor for materials and services	EURO	-	-	0.17	0.03
	USD	0.02	0.00	-	-
	SGD	0.03	0.01		
	GBP	-	-	0.03	0.00
Total		**0.05**		**0.20**	

Amount 0.00 represents amount less than ₹ 0.01 crore

b) There were no forward / option contracts entered into by the Company during the current or previous financial year to hedge its foreign currency exposures.

41 Financial Instruments

1 Capital management

The Company'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 Company consists of net debt (non-current borrowings, current borrowings and current portion of non-current borrowings as detailed in notes 24 & 27 respectively, offset by cash and bank balances) and total equity. As part of externally imposed capital requirements, the Company is required to maintain certain financial covenants as specified in the loan agreements. The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes borrowings less cash and cash equivalents and other bank balances.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

1.1 **Gearing ratio**

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

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Borrowings # (refer note 24)	3,484.05	5,973.64
Less: Cash and cash equivalents (refer note 16)	(26.01)	(2.84)
Less: Bank balances other than cash and cash equivalents (refer note 17)	(9.92)	-
Underlying Net borrowings	3,448.12	5,970.80
Equity share capital (refer note 22)	321.95	321.19
Other equity (refer note 23)	(23.35)	(120.31)
Total equity	298.60	200.88
Equity & Underlying Net borrowing	3,746.72	6,171.68
Gearing ratio	92%	97%

Including current maturities of long term borrowing

2 Categories of Financial Instruments

(₹ in crore)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair values	Carrying amount	Fair values
Financial assets				
Measured at amortised cost				
Loans *	1.11	1.11	20.51	20.51
Other financial assets *	24.55	24.55	606.31	606.31
Trade receivables *	49.59	49.59	124.34	124.34
Cash and cash equivalents *	26.01	26.01	2.84	2.84
Bank balances other than above cash and cash equivalents *	9.92	9.92	-	-
Total financial assets carried at amortised cost	111.18	111.18	754.00	754.00
Total financial assets	**111.18**	**111.18**	**754.00**	**754.00**
Financial liabilities				
Measured at fair value through profit and loss				
Other financial liabilities	142.72	142.72	176.81	176.81
Financial liabilities				
Measured at amortised cost				
Long-term borrowings #	3,484.05	3,484.05	5,973.64	5,925.16
Other financial liabilities	187.26	187.26	1,634.50	1,634.50
Trade payables	21.46	21.46	78.04	78.04
Financial liabilities measured at amortised cost	3,692.77	3,692.77	7,686.18	7,637.70

including current maturities of long-term borrowings

* The management assessed that the fair value of these financial assets and liabilities approximate their carrying amount due to the short-term maturities of these instruments.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

3 Financial Risk Management Objectives

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

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

3.1 Foreign currency risk management

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

3.2 Interest rate risk management

The Company is exposed to interest rate risk because funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company has exposure to interest rate risk, arising principally on changes in MCLR and base rates. The Company 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.

Interest rate sensitivity analysis

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

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

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Borrowings with fixed interest rate	-	2,120.64
Borrowings with variable interest rate	3,484.05	3,852.99
Total Borrowings#	**3,484.05**	**5,973.63**

including current maturities of long-term borrowings

If interest rate had been 50 basis point higher /lower and all other variables were held constant, the company's profit for the year ended would decrease/increase by ₹ 17.42 crore (Previous year ₹ 29.87 crore)

3.3 Credit Risk Management

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

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

Trade receivables

Trade receivables consists of a single customer, holding company Nayara Energy Limited (formerly known as Essar Oil Limited). The operations of the customer are limited to single industry and geographical area. The outstanding trade receivables are

Notes to Standalone Financial Statements
for the year ended March 31, 2018

regularly monitored and appropriate action is taken for collection of overdue trade receivables. The Company has taken security deposit from the customer as a collateral which is equivalent to nine months tariff charges liable under long-term arrangement with its customer

Cash and bank balances

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

Loans, deposits and advances

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

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

Collateral held as security and other credit enhancements

The Company does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial asset, except that the credit risk associated with trade receivable is mitigated because the Company has received security deposit as a collateral against the trade receivables. The carrying amount of trade receivables amounts to ₹ 49.59 crore (as at March 31, 2017 : ₹ 124.34 crore) and the fair value of the security deposit is ₹ 180.11 crore (as at March 31, 2017 : ₹ 1,088.78 crore).

3.4 Liquidity Risk Management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. Ultimate responsibility for liquidity risk management rests with the board of directors. The 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.

There is no any default in repayment of borrowings (including interest thereon) during current FY 2017-18 and previous FY 2016-17. Bank loans availed by the Company are subject to certain financial covenants relating to debt service coverage ratio, certain limit on total borrowing and fixed assets coverage ratio, the Company has complied with the financial covenants as per the terms of the loan agreement.

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

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

(₹ in crore)

	As at March 31, 2018				As at March 31, 2017			
Particulars	**< 1year**	**1-5 years**	**> 5 years**	**Total**	**< 1year**	**1-5 years**	**> 5 years**	**Total**
Financial liabilities								
Long-term borrowings#	35.00	323.75	3,132.50	3,491.25	851.32	1,201.78	3,920.53	5,973.63
Future interest obligations	326.08	1,259.95	2,807.01	4,393.04	757.61	2,376.76	3,586.22	6,720.59
Trade payables	21.46	-	-	21.46	78.02	-	-	78.02
Other financial liabilities	329.44	-	-	329.44	129.92	1,317.56	363.83	1,811.31
Total financial liabilities	**711.98**	**1,583.70**	**5,939.51**	**8,235.19**	**1,816.87**	**4,896.10**	**7,870.58**	**14,583.55**

including current maturities of long-term borrowings

Notes to Standalone Financial Statements
for the year ended March 31, 2018

4 (Ii) Level Wise Disclosure of Financial Instruments:

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	Level	Valuation technique and key inputs
Embedded derivatives liability	142.72	176.81	II	The embedded derivatives are foreign currency forward contracts which are separated from long-term sales/ lease contracts where the transaction currency differs from the functional currencies of the involved parties. Embedded foreign currency are measured similarly to the foreign currency forward contracts. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies and currency basis spreads between the respective currencies.
Long term borrowings (including current maturities)	3,484.05	5,973.62	II	Long-term fixed-rate and variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and the risk characteristics of the financed project. The fair value is determined using the discounted cash flow method. The future cash flows are based on terms of the borrowing. These cash flows are discounted at a rate that reflects current market rate and the current market risk.

42 The company has incurred ₹ nil crore (previous year ₹ 1.05 Crore) towards Corporate Social Responsibility (csr) as prescribed under section 135 of the companies act, 2013, and is included in other expenses.

(₹ in crore)

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	In-Cash	Yet to be paid in cash	In-Cash	Yet to be paid in cash
(A) Gross amount required to be spent by the Company during the year	-	-	0.66	-
(B) Amount spent on:				
(i) Construction/acquisition of assets	-	-	0.30	-
(ii) On purposes other then (i) above (for CSR projects)	-	-	0.75	-
Total	**-**	**-**	**1.05**	**-**

Notes to Standalone Financial Statements

for the year ended March 31, 2018

43 Details of dues to Micro and Small Enterprises

The information regarding principal and interest pertaining to micro and small enterprises based on available details is as under:

Particulars	As at March 31, 2018	As at March 31, 2017
1. Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.37	-
2. Interest due on (1) above and the unpaid interest	0.00	-
3. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
4. The amount of interest due and payable for the year	0.01	-
5. The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
6. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

44 Earnings/ (Loss) Per Share

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic Earnings per share (in ₹)	2.02	(13.41)
Diluted Earnings per share (in ₹) *	2.02	(13.41)

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

Basic earnings per share

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Loss for the year attributable to owners of the Company (₹ in crore)	65.15	(430.76)
Weighted average number of equity shares for the purposes of basic earnings per share	321,947,075	321,192,199
Earnings per share - Basic (in ₹)	2.02	(13.41)

Diluted earnings per share

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Earnings used in the calculation of basic earnings per share (₹ in crore)	65.15	(430.76)
Interest on Foreign Currency Convertible Bonds (after tax at 34.608%) (₹ in crore)	-	0.47
Foreign exchange loss (gain) / loss	-	(0.49)
Earnings used in the calculation of diluted earnings per share (₹ in crore)	**65.15**	**(430.78)**
Weighted average number of equity shares for the purposes of diluted earnings per share	321,947,075	323,818,213
Diluted earnings per share (₹)	**2.02**	**(13.30)**

Notes to Standalone Financial Statements

for the year ended March 31, 2018

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Ordinary shares at the beginning of the year for basic EPS (Nos.)	321,192,199	321,192,199
Add: Weighted average number of ordinary shares issued during the period	754,876	-
Weighted average number of equity shares used in the calculation of basic earnings per share #	321,947,075	321,192,199
Potential equity shares to be issued upon conversion of FCCBs	-	2,626,014
Weighted average number of equity shares used in the calculation of Diluted EPS	**321,947,075**	**323,818,213**

#The holder of convertible debt instrument had agreed to waive interest accrued from 24th February 2016 vide its letter dated 11th April 2017. Consequently ordinary shares issued pursuant to the said conversion are included in weighted average number of equity shares from 1st April 2017 (for the year ended).

45 Segment Information

Identification of Segments: The Company is in the business of providing services relating to receipts, storage and dispatch of crude and petroleum products primarily operated through its port and terminal facilities at Vadinar, Gujarat. The management committee (the Chief Operating Decision Maker as defined in Ind AS 108 Operating Segments) regularly reviews the entire operation as one activity for measuring performance and allocating resources. Basis this, the management has decided that the entire company is a single segment.

46 Prior to the change in ownership of the Company, the lenders of the Company released the guarantees and securities issued by the erstwhile promoter company, including the lien over the latter's shareholding in the Company, for the borrowings taken by the Company. Further, as a condition precedent to the execution of the SPA refer to in note no 1, the Company realised the carrying value of investment in subsidiary and outstanding dues from erstwhile promoter company amounting to ₹ 3,607.97 crores.

47 In March 2017, the Company applied to one of its lenders to prepay the entire outstanding loans due along with the applicable interest. The said lender did not respond to the said request and subsequently in August 2017 the Company went ahead and prepaid all its dues to said lender aggregating to ₹ 224.53 crore (including interest of ₹ 7.49 crore). Till date the said lender has neither issued any communication to the Company nor has it responded to the request of the Company to release its charge over its assets and issue a no dues certificate. Given aforementioned situation, the holding Company has obtained legal advice in the similar matter, as per which no additional liability should devolve on the Company with respect to its borrowings from said lender.

48 Employee Benefits

A Gratuity:

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Service cost	0.36	0.09
Net interest expense	0.00	0.01
Component of defined benefit costs recognised in Statement of Profit and Loss	**0.36**	**0.10**
Remeasurement of net defined benefit liability:		
Actuarial losses/(gains) - experience	0.14	0.06
Actuarial losses/(gains) - assumptions	0.27	(0.02)
Return on plan assets greater/(lesser) than discount rate	0.02	(0.38)
Components of defined benefit costs recognised in other comprehensive income	**0.43**	**(0.34)**
Total Expenses	**0.79**	**(0.24)**

Notes to Standalone Financial Statements

for the year ended March 31, 2018

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

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

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

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded defined benefit obligation (A)	1.48	1.38
Fair value of plan assets (B)	1.01	1.05
Net liability arising from defined benefit obligation (refer note 29) (C=A-B)	**0.47**	**0.33**

Movement in the present value of the defined benefit obligation are as follows: (₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at the beginning of the year	1.38	0.84
service cost	0.36	0.09
Interest cost	0.07	0.06
Acquisitions (credit)/ cost	-	0.39
Remeasurement (gains)/losses:		
Actuarial losses/(gains) - experience	0.14	0.06
Actuarial losses/(gains) - demographic assumptions	-	-
Actuarial losses/(gains) - financial assumptions	0.27	(0.02)
Benefits paid	(0.74)	(0.04)
Balance at the end of the year	**1.48**	**1.38**

Movement in the fair value of the plan assets are as follows: (₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at the beginning of the year	1.05	1.00
Interest income on plan assets	0.07	0.05
Remeasurement gain (loss):		
Return on plan assets greater/(lesser) than discount rate	(0.02)	0.02
Contribution from the employer	0.65	0.02
Benefits paid	(0.74)	(0.04)
Balance at the end of the year	**1.01**	**1.05**

Composition of the plan assets:

Particulars	As at March 31, 2018	As at March 31, 2017
Scheme of insurance - conventional products, administered by LIC	100%	100%

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimate of amount of contribution in the immediate next year	0.25	0.21

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

Particulars	Valuation as at	
	March 31, 2018	March 31, 2017
Discount rate (p.a)	7.50%	6.90%
Expected rate(s) of salary increase (p.a)	12.00%	7.00%
Attrition rate (p.a)	10.00%	10.00%
Mortality	**Indian Assured Lives Mortality (2006-08) Ult. Modified**	

Defined contribution plans

The Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised expense of ₹ 0.35 crore (Year ended 31st March, 2017 expense of ₹ 0.43 crore) for Provident Fund contributions 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.

Defined benefit plans

The Company 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.

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

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

1 **Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

2 **Salary Inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation

Notes to Standalone Financial Statements

for the year ended March 31, 2018

3 **Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

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

(₹ in crore)

Particulars	Gratuity
As at March 31	
2019	0.25
2020	0.14
2021	0.32
2022	0.14
2023	0.18
March 31, 2024 to March 31, 2028	0.86

Sensitivity analysis:

Particulars	Gratuity (Funded)	
	As at March 31, 2018	As at March 31, 2017
A. Discount Rate :		
Defined benefit obligation	1.48	1.38
Discount rate	7.50%	6.90%
1. Effect on DBO due to 0.5% increase in Discount Rate	(0.05)	(0.04)
2. Effect on DBO due to 0.5% decrease in Discount Rate	0.05	0.04
B. Salary Escalation Rate :		
Salary Escalation rate	12%	7%
1. Effect on DBO due to 0.5% increase in Salary Escalation Rate	0.03	0.02
2. Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(0.03)	(0.02)
C. Withdrawal Rate :		
Attrition rate	10%	10%
1. Effect on DBO due to 5.00% increase in Withdrawal Rate	(0.06)	0.05
2. Effect on DBO due to 5.00% decrease in Withdrawal Rate	0.10	(0.07)

Method used for sensitivity analysis:

The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

Notes to Standalone Financial Statements

for the year ended March 31, 2018

49 Related Party Disclosures

Related party relationship, transactions and balances.

a. Names of the related parties and description of relationship up to August 18, 2017

Relationship	Entity Name
Holding company	Essar Steel Jharkhand Limited (ESJL) (immediate holding company) (upto 28th June 2017) Essar Ports Limited (EPL) (immediate holding company) (up to 1st July 2016)
Associate	Coviva Energy Terminals Limited (CETL) (formerly known as Vadinar Liquid Terminals Limited)
Subsidiaries	Enneagon Limited, Mauritius (from September 30, 2016) (Enneagon)
Fellow Subsidiaries	Nayara Energy Limited (formerly known as Essar oil Limited) (Upto 28th June 2017)
	Aegis Limited (Aegis)
	Essar Bulk Terminal (Salaya) Limited (EBTSL)
	Essar Bulk Terminal Limited (EBTL)
	Essar Bulk Terminal Paradip Limited (EBTPL)
	Essar Dredging Limited (EDL)
	Essar Engineering Services Limited (EESL)
	Essar Exploration & Production India Limited (EEPIL)
	Essar Ports Limited (EPL)
	Essar Power and Minerals Limited (EPML)
	Essar Power M. P. Limited (EPMPL)
	Essar Projects (India) Limited (EPIL)
	Essar Services India Private Limited (ESIL)
	Essar Shipping Limited (ESL)
	Essar Steel India Limited (ESIL)
	Essar Vizag Terminals Limited (EVTL)
	Futura Travels Limited (FTL)
	Hazira Cargo Terminal Limited (HCTL)
	Imperial Consultants and Securities Private Limited (ICSPL)
	IBROX Aviation and Trading Private Limited (IBROX)
	Petro Tankage India Limited (PTIL)
	Salaya Bulk Terminal Limited (SBTL)

Notes to Standalone Financial Statements
for the year ended March 31, 2018

b. Names of the related parties and description of relationship from June 29,2017

Relationship	Entity Name
Holding company	Nayara Energy Limited (formerly known as Essar Oil Limited)
Associate	Coviva Energy Terminals Limited (CETL) (formerly known as Vadinar Liquid Terminals Limited)

c. Key Management Personnel

Relationship	Name
Whole Time Director	Capt. Alok Kumar (wef 14th August 2017)
Whole Time Director	Capt. Deepak Sachdeva (upto 14th August 2017))
Director	Mr. B.S.Kumar
Director	Mr. LK Gupta (From 14th August 2017 to 5th September 2017)
Director	Mr. B. Anand (From 5th September 2017 to 19th January 2018)
Director	Mr. Chakrapani Manoharan (wef 14th August 2017)
Director	Mr. Mohanlal Ramgopal Sharma (wef 14th August 2017)
Director	Mr. Anup Ajit Vikal (wef 22nd January 2018)
Director	Mrs. Gayathri S Kumar (wef 5th September 2017)
Director	Mr. P.K. Shrivastava (upto 14th August 2017))
Director	Mr. Rajeev Agrawal (upto 14th August 2017))
Director	Mr. K.K. Sinha (upto 14th August 2017))
Director	Mr. V.G Raghavan (upto 14th August 2017))
Director	Mrs. Suparana Singh (upto 14th August 2017))

Notes to Standalone Financial Statements

for the year ended March 31, 2018

49 Related Party Disclosures

I. Transactions with related parties

(₹ in crore)

Nature of transactions	Holding Company / Intermediate Holding Company	Fellow Subsidiaries
Rendering of services	**1,083.06**	**356.20**
	-	(504.36)
Finance Lease income	**-**	**-**
	-	(1,084.22)
Interest income on inter-corporate deposits given	**-**	**0.14**
	(10.43)	(84.95)
Recovery of expense	**54.26**	**28.31**
	-	(47.53)
Receiving of services	**32.39**	**21.10**
	(5.23)	(72.03)
Lease expense (including lease tax)	**1.64**	**0.46**
	-	(1.84)
Purchase of goods / supply of materials	**0.24**	**0.12**
	-	(0.79)
Purchase of fixed assets / Capital work in progress	**-**	**-**
	-	(19.84)
Interest / financial charges paid / funded	**1.37**	**-**
	-	(396.22)
Inter Corporate Deposits taken & repaid	**329.64**	**-**
	-	-
Inter Corporate Deposits given	**-**	**-**
	-	(178.02)
Loans and advances received	**97.43**	**-**
Loans and advances given	**-**	**-**
	-	(32.92)
Sale of Shares under buyback offer from a subsidiary (net of loss of ₹ 127.93 Crore)	**-**	**2,905.33**
	-	-
Expenses paid on behalf of company	**7.06**	**0.23**
	-	(0.90)
Receiving of Capital Service	**-**	**4.42**
	-	-
Assets & Liabilities transferred (net)	**-**	**-**
	(15.13)	(256.08)

Notes to Standalone Financial Statements

for the year ended March 31, 2018

Transactions with other classes of related parties

a) Key management personnel (remuneration)@

Name	2017-18	2016-17
Captain Deepak Sachdeva	1.58	0.95
Captain Alok Kumar	0.50	-

@ exclusive of provisions for liability in respect of leave earned and gratuity, since this is based on acturial valuation done on an over-all basis for all employees. Performance bonus/incentive amount considered on payment basis. Also refer note 34.

b) Key management personnel (Director Sitting Fees)

Name	2017-18	2016-17
Mr. V.G Raghavan	0.01	0.02
Mr. B.S.Kumar Mr. B.S.Kumar	0.04	0.02
Mr. Mohanlal Ramgopal Sharma Mr. Mohanlal Ramgopal Sharma	0.03	-
Mr. P.K. Shrivastava Mr. P.K. Shrivastava	-	0.01
Directors nominated by Banks or Financial Instutions Mr. P.K. Shrivastava	-	0.01

Nature of balances	Holding Company/ Intermediate Holding Company	Subsidiaries and Others
Assets		
Financial Assets		
Investments	-	0.01
		-
Trade receivables	49.40	-
	-	124.34
Financial Assets - Others		
Advances given for provision of services	-	-
	-	(4.68)
Interest on Security deposit received from a customer	-	-
	-	(134.77)
Other receivables (net of ECL)	-	10.44
	-	575.65
Intercorporate Deposit Given	-	-
	-	(20.50)

Notes to Standalone Financial Statements
for the year ended March 31, 2018

Nature of balances	Holding Company/ Intermediate Holding Company	Subsidiaries and Others
Liabilities		
Other Financial Liabilities		
Security deposits	180.11	-
	-	(1,088.78)
Payable for Capital Expenses	-	-
	-	7.58
Trade payables / Other liabilities	0.01	-
	-	1.40
Other balances		
Outstanding guarantees given on behalf of the company	-	-
	-	(250.00)

"0.00" represents amount less than ₹ 0.01 crore.

i) Previous year figures for March 2017 have been shown in brackets.

50 **The financial statement of the comparative period as at March 31, 2017 has been audited by a firm of chartered accountants other than S.R.Batliboi & Co. LLP.**

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Naman Agarwal
Partner
Membership No. 502405

Gurugram, June 26, 2018

For and on behalf of the Board of Directors

Gayathri S
Director

Capt. Alok Kumar
Whole time Director

Vinod Jain
Chief Financial Officer

Nihar Avasare
Company Secretary

Mumbai, June 26, 2018

Mumbai, June 26, 2018

Independent Auditor's Report

To
The Members of Vadinar Oil Terminals Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Vadinar Oil Terminals Limited (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate company, comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associate as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

(a) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of one subsidiary, whose financial statements and other financial information reflect total assets of ₹ 0.22 Crore and net assets of ₹ 0.10 Crore as at March 31, 2018, and total revenues of NIL and net cash outflows of ₹ 0.02 Crore for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

(b) As more fully described in note 9, the comparative consolidated financial statements of the Company for the year ended March 31, 2017, included in these consolidated financial statements have been restated to give effect to the adjustments identified to the deferred tax as at and for the year ended March 31, 2017. Accordingly the comparative period financial information comprises of:

(i) the consolidated financial statements of the Company for the year ended March 31, 2017, which has been audited by the predecessor auditor whose report dated August 14, 2017 expressed a qualified opinion;

(ii) adjustments made to the deferred tax balance and charge as at and for the year ended March 31, 2017 as described in note 9 of the accompanying consolidated financial statements, which has been audited by us. In our opinion, such adjustments are appropriate and have been properly applied.

We further state that we were not engaged to either audit or review or apply any procedures to the consolidated financial statements of the Company for the year ended March 31, 2017, other than with respect to the adjustments stated in (ii) above and, accordingly, we neither express any opinion nor a review conclusion nor any other form of assurance on the consolidated financial statements for the year ended March 31, 2017.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and the other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its associate company incorporated in India, none of the directors of the Group's companies, its associate, incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company and its associate company incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate– Refer Note 38 to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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 associate incorporated in India, during the year ended March 31, 2018.

For **S R Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Naman Agarwal**
Partner
Membership Number: 502405
Place of Signature: Gurugram
Date: June 26, 2018

Annexure to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Vadinar Oil Terminal Limited.

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

In conjunction with our audit of the consolidated financial statements of Vadinar Oil Terminal Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Vadinar Oil Terminal Limited (hereinafter referred to as "Holding Company") and its associate company which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements 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") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these 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 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 system over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Consolidated Financial Statements

A Company's internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Over Financial Reporting with reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its associate company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31,2018, based on the internal control over financial reporting criteria established by the Holding 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.

For **S R Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Naman Agarwal**
Partner
Membership Number: 502405
Place of Signature: Gurugram
Date: June 26, 2018

Consolidated Balance Sheet
as at March 31, 2018

(₹ in crore)

	Particulars	Notes	As at March 31, 2018	As at March 31, 2017 (restated) refer note 9 (d)
	ASSETS			
1)	**Non-current assets**			
	(a) Property, plant and equipment	**6**	4,247.43	4,456.06
	(b) Capital work-in-progress		79.29	41.87
	(c) Financial assets			
	(i) Loans	**7**	-	20.50
	(ii) Other financial assets	**8**	0.00	11.20
	(d) Other non-current assets	**10**	1.28	0.04
	(e) Non-current tax assets (net of provisions)	**11**	95.22	68.49
2)	**Current assets**			
	(a) Inventories	**12**	4.62	5.75
	(b) Financial assets			
	(i) Trade receivables	**13**	49.81	124.34
	(ii) Cash and cash equivalents	**14**	26.01	2.85
	(iii) Bank balances other than (ii) above	**15**	9.92	-
	(iv) Loans	**16**	1.11	0.01
	(v) Other financial assets	**17**	24.55	3,569.71
	(c) Other current assets	**18**	32.46	69.52
3)	**Non-current assets held for Sale**	**19**	-	0.05
	TOTAL ASSETS		**4,571.70**	**8,370.39**
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity share capital	**20**	321.95	321.19
	(b) Other equity	**21**	(23.27)	(246.19)
	LIABILITIES			
1)	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	**22**	3,449.59	5,122.30
	(ii) Other financial liabilities	**23**	-	1,681.39
	(b) Deferred tax liabilities (net)	**9**	408.47	300.58

Consolidated Balance Sheet
as at March 31, 2018

(₹ in crore)

Particulars		Notes	As at March 31, 2018	As at March 31, 2017 (restated) refer note 9 (d)
2)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Borrowings	**24**	0.01	-
	(ii) Trade payables	**25**	21.58	146.14
	(iii) Other financial liabilities	**26**	364.44	981.24
	(b) Other current liabilities	**27**	27.53	62.64
	(c) Provisions	**28**	1.02	0.72
	(d) Current tax liabilities	**29**	0.38	0.38
	TOTAL EQUITY AND LIABILITIES		**4,571.70**	**8,370.39**

See accompanying notes to the consolidated financial statements

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Naman Agarwal
Partner
Membership No. 502405

Gurugram, June 26, 2018

For and on behalf of the Board of Directors

Gayathri S
Director

Capt. Alok Kumar
Whole time Director

Vinod Jain
Chief Financial Officer

Nihar Avasare
Company Secretary

Mumbai, June 26, 2018

Mumbai, June 26, 2018

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in crore)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017 (restated) refer note 9
Income			
Revenue from operations	30	1,439.26	1,588.58
Other income	31	123.49	208.94
Total Income		**1,562.75**	**1,797.52**
Expenses			
(a) Operating expenses	32	79.20	81.00
(b) Employee benefits expense	33	10.13	18.85
(c) Other expenses	34	96.65	355.08
(d) Depreciation and amortisation expense	6	236.17	0.85
(e) Finance costs	35	806.71	1,009.57
Total expenses		**1,228.86**	**1,465.35**
Profit before exceptional items and tax		333.89	332.17
Exceptional items	36	150.06	918.68
Share of loss of an associate		-	0.01
Profit/(Loss) before tax		**183.83**	**(586.52)**
Tax expense/(benefit):			
Current tax expenses		-	0.01
Deferred tax expenses/ (credit)		108.04	(144.10)
		108.04	(144.09)
Profit/(Loss) for the year		**75.79**	**(442.43)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of the defined benefit plans		(0.43)	0.34
Equity instruments through other comprehensive income		-	(101.04)
Income tax relating to items that will not be reclassified to profit or loss		0.15	9.53
		(0.28)	(91.17)
Items that will be reclassified to profit or loss:			
Foreign currency translation reserve		115.55	(77.91)
Total other comprehensive (loss) / income for the year		**115.27**	**(169.08)**

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in crore)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017 (restated) refer note 9
Total Comprehensive (loss) / Income for the year (comprising Profit / (loss) and Other Comprehensive (loss) / Income for the year)		**191.06**	**(611.51)**
Profit/(Loss) for the year attributable to:			
(a) Owners of the Company		75.79	(431.95)
(b) Non-controlling interests		-	(10.48)
Other comprehensive income for the year attributable to:			
(a) Owners of the Company		115.27	(165.07)
(b) Non-controlling interests		-	(4.01)
Total comprehensive income for the year attributable to:			
(a) Owners of the Company		191.06	(597.02)
(b) Non-controlling interests		-	(14.49)
Earnings / (loss) per equity share (Face value of ₹ 10 per share)			
(1) Basic (in ₹)	41	2.36	(13.77)
(2) Diluted (in ₹)		2.36	(13.77)

See accompanying notes to the consolidated financial statements

As per our report of even date

For and on behalf of the Board of Directors

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Naman Agarwal
Partner
Membership No. 502405

Gurugram, June 26, 2018

Gayathri S
Director

Capt. Alok Kumar
Whole time Director

Vinod Jain
Chief Financial Officer

Nihar Avasare
Company Secretary

Mumbai, June 26, 2018

Mumbai, June 26, 2018

Consolidated statement of Cash Flows

for the year ended March 31, 2018

(₹ in crore)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit (Loss) before tax	183.83	(586.52)
	Adjustment for:		
	Debit to profit or loss on re-assessment of the Company's ability to collect the amount (Refer note 36)	-	177.50
	Loss on extinguishment of lease arrangement	-	377.35
	Net Expected credit loss / (gain)	(25.72)	26.16
	Depreciation and amortisation expense	236.17	0.85
	Capital work in progress written off	-	2.40
	PPE written off	0.21	
	Costs on account of CDR exit	-	363.83
	Interest Expenses	806.71	1,009.57
	Interest income on loans and advances	(49.27)	(162.84)
	Interest Income on bank deposits	(6.17)	(0.73)
	Unrealised exchange loss / (gain)	-	(1.41)
	Foreign exchange loss on surrender of equity shares by subsidiary	150.06	-
	Loss / (gain) on derivative liability (net)	(34.10)	176.81
	Claim receivable written off	42.35	0.53
	Capital creditors written back	(0.79)	-
	Amount written back	(0.03)	(0.10)
	Operating profit before working capital changes	**1,303.25**	**1,383.40**
	Adjustment for working capital changes:		
	(Increase) / Decrease in inventories	1.13	(0.63)
	(Increase) / Decrease in Trade and other receivables	3,544.58	(3,330.73)
	Increase / (Decrease) in Trade and other payables	(1,206.09)	(63.30)
	Cash generated from / (used in) operations	**3,642.87**	**(2,011.26)**
	Income taxes paid (net)	(26.88)	(40.12)
	Net cash generated from / (used in) operating activities (A)	**3,615.99**	**(2,051.38)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase for property, plant and equipment including capital work in progress	(64.14)	(48.38)
	Interest received on loans and advances given	117.64	12.37
	Refund of Inter-corporate deposits	20.50	30.30
	Inter-corporate deposits given	-	(148.79)
	Fixed deposits made	(9.92)	(9.89)
	Proceeds from maturity of fixed deposits	-	15.87
	Interest received on fixed deposits	6.33	0.79
	Proceeds from disposal of investments held for sale	0.05	-
	Net cash from / (used in) investing activities (B)	**70.46**	**(147.73)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long term borrowings	3,500.00	3,743.44
	Repayment of long term borrowings	(6,320.56)	(942.62)

Consolidated statement of Cash Flows

for the year ended March 31, 2018

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Loans received from holding company	427.06	-
Loans repaid to holding company	(427.06)	-
Interest and finance costs paid	(842.74)	(611.88)
Net cash generated from / (used in) financing activities (C)	**(3,663.30)**	**2,188.94**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	23.15	(10.17)
Cash and cash equivalents at the beginning of the year	2.85	16.09
Net cash transferred under the Scheme	-	(3.07)
Cash and cash equivalents at the end of the year (refer note 14 & 24)	**26.00**	**2.85**
Composition of Cash and cash equivalents included in the cash flow statement comprise of the following balance sheet amounts:		
Cash and cash equivalents as per Financial statements (refer note no. 14)	26.01	2.85
Less: Bank overdraft (refer note 24)	(0.01)	-
Total	**26.00**	**2.85**

Notes :

1. **Non cash transactions**

   The Company has transferred receivables of ₹ Nil (previous year ₹ 2,569.42 crore) and payables of ₹ Nil (previous year ₹ 2,298.21 crores) to related parties.
2. The company has issued 7,54,876 number of equity shares of ₹ 10 each at a premium of ₹ 309 per share against all 2800 numbers of foreign currency convertible bonds, which being a non-cash transaction has been included above.
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. The amendments to Ind AS 7 Cash flow statements require the entities to provide disclosures the enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

Particulars	As at March 31, 2017	Cash changes	Non-cash changes	As at March 31, 2018
Long term Borrowings including current maturities classified in other financial liabilities	5,973.62	(2,489.57)	-	3,484.05
Liability towards additional cost on debt restructuring classified in other financial liabilities	363.83	(363.83)	-	-

See accompanying notes forming part of the financial statements

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
Firm Registration No. 301003E/E300005

per **Naman Agarwal**
Partner
Membership No. 502405

Gurugram, June 26, 2018

For and on behalf of the Board of Directors

Gayathri S
Director

Capt. Alok Kumar
Whole time Director

Vinod Jain
Chief Financial Officer

Nihar Avasare
Company Secretary

Mumbai, June 26, 2018

Mumbai, June 26, 2018

Consolidated Statement of Changes in Equity

FOR YEAR ENDED MARCH 31, 2018

Details of Subsidiaries/Associate and Composition of Group

a. Equity share capital	(₹ in crore)
Particulars	Amount
Balance as at March 31, 2017	**321.19**
Issue of equity shares upon conversion of Foreign currency convertible bonds into equity *	0.76
Balance as at March 31, 2018	**321.95**
Particulars	Amount
Balance as at March 31, 2016	**1,046.14**
Cancellation of equity shares upon implementation of the Composite Scheme of arrangement	(1,046.14)
Issue of equity shares pursuant to the scheme	321.19
Balance as at March 31, 2017	**321.19**

* During the current financial year, the Company has issued 7,54,876 number of equity shares of ₹ 10 each, fully paid up, at premium of ₹ 309 per share as a consideration for conversion of 2800 number of foreign Currency Convertible bonds.

b. Other equity

(₹ in crore)

Particulars	Reserves and surplus						Other Comprehensive income		Attributable to owners of the Parent	Non- controlling interest	Total
	Capital reserve			Equity component of compound financial instruments	Retained earnings	Securities Premium	Equity Instruments through other comprehensive income	Foreign currency translation reserve			
	On common control business combination	On cancellation and fresh issue of equity share capital	On conversion of FCCB into Equity								
Balance as at March 31, 2016	**3.38**	**-**	**-**	**3.04**	**395.08**	**-**	**32.17**	**1.42**	**435.09**	**778.92**	**1,214.01**
Loss for the year	-	-	-	-	(442.36)	-	-	-	(442.36)	(0.07)	(442.43)
Other comprehensive income for the year, net of income tax	-	-	-	-	0.22	-	(91.39)	(88.79)	(179.96)	10.88	(169.08)
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**-**	**(442.14)**	**-**	**(91.39)**	**(88.79)**	**(622.32)**	**10.81**	**(611.51)**
Acquisition of additional interest in EBTSL	-	-	-	-	-	-	-	-	-	(108.72)	(108.72)

Consolidated Statement of Changes in Equity

FOR YEAR ENDED MARCH 31, 2018

Accounting effects pursuant to implementation of the Scheme:	-	-	-	-	-	-	-	-	-	-	-
- Effect of elimination of Investments in the Company upon merger of EPML	-	1046.14	-	-	-	-	-	-	1,046.14	-	1,046.14
- Issue of fresh share capital		(321.19)							(321.19)		(321.19)
- Transfer of payables to the Company pertaining to loans and advances given during the year upon merger of EPML	-	-	-	-	(98.24)	-	-	-	(98.24)	-	(98.24)
Transfer of strategic investments					(716.56)		59.22	(28.33)	(685.67)	(681.01)	(1,366.68)
Balance as at April 01, 2017 {Restated- Refer note 9 (d)}	**3.38**	**724.95**	**-**	**3.04**	**(861.86)**	**-**	**-**	**(115.70)**	**(246.19)**	**0.00**	**(246.19)**
Profit for the year	-	-	-	-	75.79	-	-	-	75.79	-	75.79
Other comprehensive loss for the year, net of income tax	-	-	-	-	(0.28)			115.55	115.27	-	115.27
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**75.51**		**-**	**115.55**	**191.06**	**-**	**191.06**
- Security Premium on Foreign Currency Convertible Bonds conversion into Equity	-	-	-	-	-	-	-	-	23.33	-	23.33
- Capital Reserve on conversion of Foreign Currency Convertible Bonds into Equity	-	-	8.76	-	-	-	-	-	8.76	-	8.76
- Others - Foreign Currency Translation Reserve	-	-	-	-	-	-	-	(0.23)	(0.23)	-	(0.23)
- Effect of Elimination of Equity Component on conversion of Foreign Currency Convertible Bonds into Equity	-	-	-	(3.04)	3.04	-	-	-	-	-	-
Balance as at March 31, 2018	**3.38**	**724.95**	**8.76**	**-**	**(783.31)**	**23.33**	**-**	**(0.38)**	**(23.27)**	**0.00**	**(23.27)**

As per our report of even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
Firm Registration No. 301003E/E300005

per **Naman Agarwal**
Partner
Membership No. 502405

Gurugram, June 26, 2018

For and on behalf of the Board of Directors

Gayathri S
Director

Capt. Alok Kumar
Whole time Director

Vinod Jain
Chief Financial Officer

Nihar Avasare
Company Secretary

Mumbai, June 26, 2018

Mumbai, June 26, 2018

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

1. Corporate information

Vadinar Oil Terminal Limited (the Company") is a public limited company incorporated under the Companies act, 1956 and its registered office is located at Nayara Energy Refinery Site, 39, KM Stone, Okha Highway (SH-25), Taluka Khambalia, Dist-Jamnagar, Gujrat 361 305. Principal place of business of the Company is located at Vadinar, Gujarat.

The Company has an integrated oil terminal situated at Vadinar, Gujarat. It has capacity of 58 MMTPA and handles crude oil and petroleum products. The facilities consist of an off-shore single point mooring (SPM), two jetties for handling liquid petroleum products, tanks for storage of crude oil and petroleum products and rail and road gantries for dispatch of petroleum products.

Essar Energy Holdings Limited and Oil Bidco Mauritius Limited (collectively "the erstwhile shareholder's group") had entered into Share Purchase Agreements dated October 15, 2016 with Rosneft Singapore Pte. Limited (formerly, Petrol Complex Pte. Limited), an entity owned and controlled by PJSC Rosneft Oil Company, Russia and Kesani Enterprises Company Limited, a joint venture of Trafigura Pte Limited and United Capital Partners (collectively "the new shareholder's group") for transfer of equity ownership of the Nayara Energy Limited (formerly known as Essar Oil Limited) and of the Company. Pursuant to such agreements, Essar Steel Jharkhand Limited ("the erstwhile promoter company") had entered into a Share Purchase Agreement ("SPA") dated February 18, 2017 with Nayara Energy Limited (formerly known as Essar Oil limited) ("the new shareholders group") for the transfer of 97.63% of equity ownership of the Company. Upon completion of all the conditions precedent stated in the SPA and after obtaining all requisite regulatory approvals, the erstwhile shareholder's group has transferred 97.63% of the shareholding from the period June 29, 2017 to July 20, 2017, to the new Shareholder's group.

The consolidated financial statements of Vadinar Oil Terminal Limited and its subsidiary (collectively, the "Group") for the year ended March 31, 2018 were authorised for issue in accordance with a resolution of the directors on 26th June, 2018.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind ASs), prescribed under Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The consolidated financial statements are prepared on an accrual basis

These consolidated financial statements are prepared under the historical cost basis, except for derivative and certain other financial instruments (refer accounting policy on financial instruments), which are measured at fair value at each reporting date. The consolidated financial statements provide comparative information in respect of the previous period. The consolidated financial statements are presented in Indian Rupees, and all values are rounded to the nearest crore, except where otherwise indicated.

A. Basis of consolidation

The consolidated financial statements comprise of the financial statements of the Company and its subsidiaries (collectively, the "Group") as at reporting date. Subsidiaries are entities controlled by the Group.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedures:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

(d) Deferred tax assets and liabilities are recognised for temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in statement of profit and loss
- Reclassifies the parent's share of components previously recognised in OCI to statement of profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

3. Summary of significant accounting policies

A. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. The Group has also disclosed fair value of financial instruments.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions (Refer note 40)
- Quantitative disclosures of fair value measurement hierarchy (Refer note 40)
- Financial instruments (including those carried at amortised cost) (Refer note 40)

B. Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining whether significant influence is similar to those necessary to determine control over the subsidiaries. The Group's investments in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The Statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If Group's share of losses of an associate exceeds its interest in that associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

The financial statements of the associate for applying the equity method are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as Share of profit of an associate in the consolidated statement of profit and loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit and loss.

C. Property, Plant and Equipment

Property, plant & equipment (PPE) is recorded at cost of acquisition less accumulated depreciation and impairment loss, if any. Capital work in progress is stated at cost, net of accumulated impairment losses, if any.

Cost of acquisition comprises of all costs incurred to bring the assets to their present location and working condition up to the date the assets are ready for their intended use. Cost also includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. 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. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation

Depreciation on PPE is provided, pro-rata for the period of use, by the straight line method, as specified in schedule II of Companies Act, 2013 except in respect of plant and machinery. The estimate of the useful life of these assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

The estimated useful life of items of property, plant and equipment is mentioned below:

Particulars	Estimated useful life
Buildings and civil structure	5-30
Plant and machinery	10-30
Furniture and fixtures	10
Office equipment	3-6
Marine structures and plant and equipment to be handed over under agreement with Deendayal Port Trust	20
Roads	10

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

D. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

An assessment is made for assets at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

E. Leases

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

(i) Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Lease expenses and lease income are recognised in the statement of profit and loss on a straight line basis over the lease term.

(ii) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease 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 over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

F. Inventories

Inventories are valued at the lower of cost and net realisable value.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Cost of inventories comprise of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories are determined on a weighted average basis.

G. Revenue recognition

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

The specific recognition criteria described below must also be met before revenue is recognised.

(i) Revenue from opeations

Revenue from operations which include cargo handling and storage services are recognized as per proportionate completion method based on services completed till reporting date.

(ii) Interest Income

For all financial instruments measured at amortised cost and interest income is recognised using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit and loss.

(iii) Dividend

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

H. Retirement and other employee benefits

Payments to defined contribution plans are recognised as expense on accrual basis when employees have rendered services entitling them to the contributions.

The Group determines the present value of the defined benefit obligation and fair value of plan assets. The net liability or assets represents the deficit or surplus in the Group's defined benefit plans. (The surplus is limited to the present value of economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans). The present value of the obligation is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each year.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

Past service costs are recognised in the statement of profit and loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under the head 'employee benefit expense' in the statement of profit and loss (by nature):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

I. Foreign currencies

The Group's financial statements are presented in Indian Rupees, which is also the Group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

(i) Transaction and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

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 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. Exchange difference arising on settlement / restatement of other items are charged to statement of profit and loss.

(ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified in the consolidated statement of profit and loss.

J. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments comprise of financial assets and financial liabilities. Financial assets primarily comprise of loans and advances other deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings trade and other payables and derivative financial instruments. Derivatives can be financial assets or financial liabilities depending on whether value is positive or negative respectively.

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

(i) Financial Assets

a) Initial Recognition and measurement

The Group initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument. A financial asset is initially measured at fair value plus / minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification of financial assets

On initial recognition, a financial asset is classified into one of the following categories:

- Financial assets other than equity investment at amortised cost
- Financial assets other than equity investment at fair value through other comprehensive income (FVTOCI)
- Financial assets other than equity investment at fair value through profit or loss (FVTPL)

<u>Financial assets other than equity investment measured at amortised cost</u>

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

- 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. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to deposits, trade and other receivables.

<u>Financial assets other than equity investment at FVTOCI</u>

A debt instrument is classified as FVTOCI only 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 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 the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

<u>Financial assets other than equity investment at FVTPL</u>

FVTPL is a residual category for financial assets. 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

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

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 statement of profit and loss.

c) Equity Investments

All equity investments within the 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 decides to classify an equity instrument as 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. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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

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

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

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

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 18, the

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Group follows simplified approach and 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.

f) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in the statement of profit and loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to the statement of profit and loss at the reclassification date.

g) 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.

(ii) Financial liabilities / debt and equity instruments

a) Classification as financial liabilities / 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 in Ind AS 32.

b) Financial liabilities / debt

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings including payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments. Derivative can be financial assets or financial liabilities depending on whether value is positive or negative respectively.

c) 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. Derivative can be financial assets or financial liabilities depending on whether value is positive or negative respectively.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

d) Financial Liabilities:

The Group does not have any financial liabilities to be classified as at FVTPL. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

e) 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 between 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 new liability recognised plus consideration paid or payable is recognised in the statement of profit and loss.

K. Derivative financial instruments

(i) 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 profit or loss.

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

L. Borrowing Costs

Borrowing costs consists 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.

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, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

M. Taxes

(i) Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. However, recognition of deferred tax asset is subject to the following exceptions:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 income taxes levied by the same taxation authority on the same taxable entity.

(iii) Sales tax (includes value added tax and Goods and service tax)

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

N. Provisions

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the 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.

O. Cash and short-term deposits

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

P. Exceptional items

Exceptional items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows a better understanding of the underlying performance of the business in the year and facilitates more appropriate comparison with prior periods. Exceptional items are adjusted in arriving at profit before tax.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

4. Critical accounting judgments and key sources of estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses and accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

A. Critical accounting judgements

In the process of applying the Group's accounting policies, the management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Determination of functional currency

The Management makes judgements in determining the functional currency based on economic substance of the transactions relevant to the Group. In concluding that Indian Rupees is the functional currency, the management considered (i) the currency that mainly influences the sales prices for goods and services, the labour, material and other costs of providing goods and services, and (ii) the effect of the competitive forces and regulations of the country which mainly determine the sales prices of the goods and services. As no single currency was clearly dominant, the management also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained. The management has concluded that INR is the functional currency of the Group.

B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Income Taxes

Deferred tax assets (including MAT recoverable) are recognized for unused tax losses and tax credits 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. The management has made a significant judgment, based on counsel's opinion, about pattern of utilization of brought forward book losses and depreciation for the purpose of computation of minimum alternated tax. Further details related to Deferred Taxes are given in note 9.

(ii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystalizing or cannot be quantified reliably are treated as contingent liabilities. Among other matters, such determination require involvement of legal and other subject matter experts. Depending on materiality, the Group may involve internal and/ or external experts to make such assessment. Contingent liabilities are disclosed in the notes but are not recognized.

(iii) Fair value measurements of financial instruments

When the fair values of financial assets or financial liabilities recognised 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. Refer note 40 for further disclosures.

5. Changes in accounting policies and Standards issued but not yet effective

A. Change in accounting policies

The Group applied for the first time following amendments to the standards, which are effective for annual periods beginning on or after 1 April 2017. In all other cases, accounting policies followed in the current year are consistent with the previous year.

i) Amendments to Ind AS 7 Statement of Cash Flows

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

ii) Amendments to Ind AS 102 Share Based Payment

The amendments to Ind AS 102 provide specific guidance for measurement of cash-settled awards, modification

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. The Company does not have any share-based payment plan. Hence, adoption of the amendment will not have any impact on financial statements of the Company

B. Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group 's financial statements are disclosed below if they are or likely to be relevant from Group perspective. The Group intends to adopt these standards, if relevant, when they become effective. The Group does not intend to early adopt any of these standards.

i) Ind As 115 Revenue from Contracts with Customers

Ind AS 115 was notified on 28 March 2018 is applicable for financial year beginning 1 April 2018. It establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Group. Ind AS 115 is effective for the Group from April 1, 2018 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company will adopt the standard on April 1, 2018, by using modified retrospective method and accordingly, comparatives for the year ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

6 Property, Plant and Equipment

(₹ in crore)

Current year

Description of the assets	Gross block (I)				Depreciation / amortisation (II)				Net block (III) = (I - II)	
	As at April 01, 2017	Additions	Deductions	As at March 31,2018	As at April 01, 2017	For the year	Deductions	As at March 31,2018	As at Mar 31,2018	As at March 31,2017
Tangible assets										
Land	0.05	-	-	0.05	-	-	-	-	0.05	0.05
Building & Civil Structure (including marine structure)	502.84	-	-	502.84	0.10	35.42	-	35.52	467.32	502.74
Plant and equipment	3,953.28	27.62	-	3,980.90	0.55	200.62	-	201.17	3,779.73	3,952.73
Furniture and fixtures	0.53	0.01	0.20	0.34	0.22	0.07	0.13	0.16	0.18	0.31
Office equipments	0.40	0.01	0.04	0.37	0.17	0.06	0.01	0.22	0.15	0.23
Total	**4,457.10**	**27.64**	**0.24**	**4,484.50**	**1.04**	**236.17**	**0.14**	**237.07**	**4,247.43**	**4,456.06**

Previous year

Description of the assets	Gross block (I)				Depreciation / amortisation (II)				Net block (III) = (I - II)	
	As at April 01, 2016	Additions	Deductions	As at March 31,2017	As at April 01, 2016	For the year	Deductions	As at March 31,2017	As at Mar 31,2017	As at March 31,2016
Tangible assets										
Land	0.05	-	-	0.05	-	-	-	-	0.05	0.05
Building & Civil Structure (including marine structure)	576.95	502.84	576.95	502.84	37.06	0.10	37.06	0.10	502.74	539.89
Plant and equipment	4,355.69	3,956.10	4,358.51	3,953.28	202.60	0.55	202.60	0.55	3,952.73	4,153.11
Furniture and fixtures	0.51	0.02	-	0.53	0.11	0.11	-	0.22	0.31	0.40
Office equipments	0.34	0.06	-	0.40	0.08	0.09	-	0.17	0.23	0.24
Total	**4,933.54**	**4,459.02**	**4,935.46**	**4,457.10**	**239.85**	**0.85**	**239.66**	**1.04**	**4,456.06**	**4,693.69**

Notes

A All the property, plant and equipment of the Company have been pledged to secure borrowings of the Company Refer note 22 (a)

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

7 Loans (non-current)

(Unsecured and considered good) (₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Loans (refer note below)		
- to related parties (refer note 46)	-	20.50
Total	**-**	**20.50**

The Business activities of the Company fall under the category of "Infrastructure" and therefore, it is exempted from the provisions of Section 186(2) to Section 186(13) of the Companies Act, 2013 with respect to the loans made, guarantees given and securities provided.

8 Other financial assets (non-current)

(Unsecured and considered good) (₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Deposits in escrow account with maturity of more than 12 months #	-	0.00
Margin money with bank - In time deposits (Debt service reserve account as per the term loan agreement) with maturity of more than 12 months #	0.00	11.20
Total	**0.00**	**11.20**

For details of assets pledged as security against borrowing, refer note no. 22

 # Amount 0.00 represents amount less than ₹ 0.01 crore

9 Taxation

(a) Income tax expense / (benefit) (₹ in crore)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Income tax on items classified to OCI	(0.15)	(9.53)
Deferred tax	108.04	(144.10)
Total tax (benefit) / expense	**107.89**	**(153.63)**

(b) The income tax expenses for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(Loss) / Profit before tax for the year	**183.83**	**(586.52)**
Statutory tax rate	34.944%	34.608%
Expected income tax (benefit) / expense at statutory rates	**64.24**	**(202.98)**
Items giving rise to difference in tax		
Deferred tax asset not recognised	44.70	74.18
Other disallowances	1.07	(75.46)
Effect of change in tax rate	3.42	-
Reversal of Deferred Tax asset on UAD not allowed to be c/f pursuant to scheme of arrangement	-	58.19
Deferred tax asset not recognised on Borrowing Cost (CWIP)	-	(1.05)
Others	(5.54)	(6.51)
Total Income tax (benefit) / expense	**107.89**	**(153.63)**
Effective tax rate	**58.77%**	**24.57%**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(c) Comparison of deferred tax (assets) / liabilities:

Deferred tax balance in relation to	As at March 31, 2017	Recognised through profit and loss	Recognised in other comprehensive income	As at March 31, 2018
Difference in property, plant and equipment	1,084.00	(0.09)	-	1,083.91
Carried forward unabsorbed depreciation	(285.89)	(281.33)	-	(567.22)
Borrowings	(371.79)	371.79	-	-
MAT credit entitlement	(50.61)	-	-	(50.61)
Provision for employee benefit	0.13	(0.36)	(0.15)	(0.38)
Embedded derivative	(61.19)	11.32	-	(49.87)
Others	(14.07)	6.71	-	(7.36)
Total	**300.58**	**108.04**	**(0.15)**	**408.47**

Deferred tax balance in relation to	As at March 31, 2016	Recognised through profit and loss	Recognised in other comprehensive income	As at March 31, 2017
Difference in Property, plant and equipment	1,090.24	(6.24)		1,084.00
Carried forward unabsorbed depreciation	(423.99)	138.10		(285.89)
Borrowings	(170.79)	(201.00)		(371.79)
MAT credit entitlement	(50.61)	-		(50.61)
Provision for employee benefit	0.01	-	0.12	0.13
Embedded derivative	-	(61.19)		(61.19)
Others	(9.71)	(13.77)	9.41	(14.07)
Total	**435.15**	**(144.10)**	**9.53**	**300.58**

(d) Note:

i. The Company noted that certain adjustments to the deferred tax computation as at 31st March 2017 which had the effect of the total equity as at March 31, 2017 being higher by ₹ 133.80 crore and deferred tax liability being lower by ₹ 133.80 crore; and the deferred tax charge for the year ended March 31, 2017 being lower by ₹ 133.80 crore, as against the previously reported figures. The Company has restated the March 31, 2017 financial statement to give effect of the same.

ii. The Company has unrecognised deferred tax assets of ₹ 44.70 crore on long term capital loss, as there is no reasonable certainty towards its realisation. The same expires on March 31, 2026. All brought forward losses upto March 31, 2017 have lapsed due to change of control.

10 Other non-current assets

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Prepaid expenses	0.26	0.04
Capital Advances	1.02	-
Total	**1.28**	**0.04**

11 Current tax assets (Non current)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance income tax / Tax deducted at source (Net of provision)	95.22	68.49
Total	**95.22**	**68.49**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

12 Inventories

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Stores and spares (Valued at lower of cost and net realisable value)	4.62	5.75
Total	**4.62**	**5.75**

13 Trade receivables

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	49.81	124.34
Total	**49.81**	**124.34**

The Company's exposure to credit and currency risk related to trade receivables are disclosed in Note 40.3.3

14 Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance with banks		
On current accounts	25.85	2.85
Deposits of original maturity of less than 3 months	0.16	-
Total	**26.01**	**2.85**

15 Bank balances other than cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Margin deposits *	9.85	-
Deposits of original maturity of more than 3 months	0.07	-
* Mainly placed as margin for letters of credit facilities, guarantees and borrowings obtained from banks.		
Total	**9.92**	**-**

16 Loans (current)

(₹ in crore)

(Unsecured, considered good)

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposits	1.11	0.01
Total	**1.11**	**0.01**

17 Other financial assets (current)

(₹ in crore)

(Unsecured, considered good, unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Interest accrued on bank deposits	0.05	0.21
Other receivables		
-From related parties (refer note 46)		
-Considered good	20.02	590.42
-Considered doubtful	0.44	14.52
-Less: Allowance for bad and doubtful receivables (expected credit loss)	(0.44)	(14.52)
- from others		
Considered good	4.48	2,979.08
Considered doubtful		11.65
Less: Allowance for bad and doubtful receivables (expected credit loss)		(11.65)
Total	**24.55**	**3,569.71**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

18 Other current assets

(Unsecured, considered good) (₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Claim receivable	0.81	42.32
Advances to related parties towards provision of services (refer note 46)	-	4.68
Balances with government authorities	9.92	10.38
Prepaid expenses	13.30	10.84
Advances to vendors	8.43	1.26
Advances to employees	-	0.04
Total	**32.46**	**69.52**

19 Non-current assets held for Sale

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Investment in equity instruments		
Essar Vizag Terminals Limited	-	0.05
NIL (as at March 31, 2017: 50000) equity shares of ₹ 10 each fully paid		
Total	**-**	**0.05**

20 Equity share capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	(₹ in crore)	Number of shares	(₹ in crore)
Authorised				
Equity shares of ₹ 10/- each	9,000,000,000	9,000.00	9,000,000,000	9,000.00
Total	9,000,000,000	9,000.00	9,000,000,000	9,000.00
Issued and Subscribed				
Equity shares of ₹ 10/- each	321,947,075	321.95	321,192,199	321.19
Total	321,947,075	321.95	321,192,199	321.19
Paid up				
Equity shares of ₹ 10/- each	321,947,075	321.95	321,192,199	321.19
Total	**321,947,075**	**321.95**	**321,192,199**	**321.19**

Notes:-

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Opening balance	Conversion of Foreign Currency Convertible Bonds into Equity Shares	Cancellation of equity shares on account of scheme of arrangement	Issue of equity shares pursuant to the scheme of arrangement	Closing
Equity Shares					
Year ended March 31, 2018					
- Number of shares	321,192,199	754,876	-	-	321,947,075
- Amount (₹ in crore)	321.19	0.76	-	-	321.95
Year ended March 31, 2017					
- Number of shares	1,046,142,000	-	(1,046,142,000)	321,192,199	321,192,199
- Amount (₹ in crore)	1,046.14	-	(1,046.14)	321.19	321.19

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(ii) Terms/ Rights attached to equity shares

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

(iii) Shares held by the holding company

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% shares	Number of shares	% shares
Equity shares *				
Nayara Energy Limited (formerly known as Essar Oil Ltd), (w.e.f. 29th June, 2017)	314,323,454	97.63%	-	-
Essar Steel Jharkhand Limited (w.e.f. 27th March 2017 to 28th June, 2017)	-	-	313,436,858	97.69%

* No other shareholder is holding more than 5% shares in the Company.

21 Other equity

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Capital reserve on common control business combination	3.38	3.38
Capital reserve on cancellation and fresh issue of equity share capital	724.95	724.95
Capital reserve on conversion of FCCB into Equity	8.76	-
Equity component of compound financial instrument	-	3.04
Securities Premium account	23.33	-
Foreign currency translation reserve	(0.38)	(115.70)
Retained earnings	(783.31)	(861.86)
Total	**(23.27)**	**(246.19)**

Securities Premium account: The amount in the account represents the additional amount shareholders paid for their issued shares that was in excess of the par value of those shares. The same can be utilised for the items specified under section 52 of the Companies Act, 2013.

Capital reserve: The Company recognises profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserves. The same can be utilised for issuance of bonus shares.

22 Borrowings (non-current)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured borrowings- at amortised cost		
-Rupee term loans from banks	3,484.05	5,230.78
-Rupee term loans from financial institutions	-	709.87
-Current maturities of long term debt and finance lease obligation included under other finance liabilities (Current) (refer note 26)	(34.46)	(818.35)
Unsecured borrowings- at amortised cost		
-Foreign Currency Convertible Bonds (FCCBs)	-	32.97
-Current maturities of long term debt and finance lease obligation included under other finance liabilities (Current) (refer note 26)	-	(32.97)
Total	**3,449.59**	**5,122.30**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Security details, repayment terms and interest rate, breach of loan agreement (if any)

a) Term loans from bank of ₹ 3,491.25 crore (as at March 31, 2017- nil) are secured by first charge ranking pari passu over all movable and immovable assets (including land as available and registered in the name of the Borrower and including any leasehold interest granted by holding company and including the project land) both present and future, intangible assets of the Company both present and future, insurance contracts, title and interests under project documents, designated project accounts and other accounts including DSRA when created, pledge of certain equity shares of the Company owned by holding Company. The above loan carries an interest rate of MCLR + spread of 50 bps and repayable in 80 unequal quarterly instalments from March 2018 to December 2037.

b) Term loans from banks and financial institutions including funded interest facilities of Nil (as at March 31, 2017 - ₹ 2,608.52 crore) was governed by Master Restructuring Agreement ("MRA") dated 17 December 2004 under Corporate Debt Restructuring Scheme (the "CDR") secured by, excluding securities referred to in footnote (c) and (d) below, first ranking security interests over all movable and immovable assets of the Company, present and future, and immoveable assets of Nayara Energy Ltd. (formerly known as Essar Oil Limited) pertaining to the Terminal Project, rights, title and interests under project documents, trust and retention accounts and all sub-accounts created thereunder, pledge of certain shares of the Company held by promoters (as defined in MRA) / associates of promoters or the Company and by personal guarantees of erstwhile promoters and a guarantee of Essar Ports Limited ("EPL") for Nil crore (as at March 31, 2017 – ₹ 250 crore) together will all collateral securities.

c) Term loan from a bank and a financial institution of Nil (as at March 31, 2017 - ₹ 896.52 crore) under Common Loan Agreement dated 23 March 2013 entered into by Vadinar Ports & Terminal Limited (VPTL) (combined with the Company pursuant to the Composite Scheme of Arrangement) were secured by first mortgage and charge over all present and future movable and immoveable assets / properties of VPTL combined with the Company. The Term loan from a bank and a financial institution was carrying interest rate 3.6% p.a. over and above benchmark rate, the same has been prepaid during the year.

d) Term loan from banks of ₹ Nil (as at March 31, 2017 - ₹ 3,020 crore) under Rupee Facility Agreement dated 5 July 2016 was secured by second ranking charge over all the assets of the Company and/or Essar Port Group companies, both present and future, and first ranking charge on incremental revenue under the take or pay agreement, first ranking pledge of certain shares of the Company held by a related party and first ranking pledge of shares held by Company in its subsidiary. The Term loan from banks was carrying interest rate linked with respective banks base rate plus margin upto 2.9% , the same has been prepaid during the year.

e) Loan from related party, carrying interest rate of 13% p.a. The same has been converted into equity during the year.

23 Other financial liabilities (non-current) (₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposit from a customer	-	1,088.78
Interest accrued but not due on security deposit from a related party (refer note 46)	-	134.77
Liability towards additional cost on debt restructuring	-	363.83
Derivative liability - At fair value	-	94.01
Total	**-**	**1,681.39**

24 Short term borrowings (₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Secured Borrowings		
Bank overdraft / Cash credit	0.01	-
Total	**0.01**	**-**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

25 Trade payables

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Micro and small enterprise	0.37	-
Others	21.21	146.14
Total	**21.58**	**146.14**

The average credit period on purchases of certain goods and services is 30 to 90 days. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

26 Other financial liabilities (current)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Current maturities of long-term borrowings		
(Refer footnotes to the note 22 for detail of securities)		
-From banks and financial institutions	34.46	818.35
-Foreign currency convertible bonds	-	32.97
Interest accrued but not due on borrowings		
-To banks and financial institutions	-	36.32
Payable in respect of capital expenses	1.34	10.80
Security deposits	185.92	
Derivative liability - At fair value	142.72	82.80
Total	**364.44**	**981.24**

27 Other current liabilities

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Statutory dues	27.53	62.64
Advance from customers#	0.00	-
Total	**27.53**	**62.64**

Amount 0.00 represents amount less than ₹ 0.01 crore

28 Provisions (current)

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits		
-Compensated absences	0.55	0.38
-Gratuity (refer note 45)	0.47	0.34
Total	**1.02**	**0.72**

29 Current tax liabilities

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for taxation (Net of advance tax)	0.38	0.38
Total	**0.38**	**0.38**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

30 Revenue from operations

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended Mar, 31 2017
Sale of services		
- Crude and petroleum product storage revenue	946.59	10.37
- Crude and petroleum product handling services	492.67	493.99
Other operating income (finance lease income) (refer note 46)	-	1,084.22
Total	**1,439.26**	**1,588.58**

31 Other income

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended Mar, 31 2017
Interest income earned on financial assets that are not designated as at FVTPL		
- Interest income from loans and advances to related parties (refer note 46)	0.14	91.01
- Interest income from loans and advances to others	-	71.83
- Interest income from bank deposits	6.17	0.73
	6.31	163.57
Dividend income		
- Dividend received on investment carried at FVTPL #	0.00	-
Other gains and losses		
-Income from Services Exports from India Scheme (SEIS)	-	42.32
-Interest on income tax refund	1.28	-
-Net gain on foreign currency transactions / translations	0.56	1.42
-Gain on Derivative	34.10	-
-Gain on reversal of Expected credit loss (net)	25.72	-
-Miscellaneous income	6.39	1.63
-Other financial assets (carried at amortised cost)	49.13	-
Total	**123.49**	**208.94**

Amount 0.00 represents amount less than ₹ 0.01 crore

32 Operating expenses

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended Mar, 31 2017
Hire charges	12.36	12.59
Lease rent	6.19	6.70
Operation and maintenance	30.24	33.13
Manning management	20.19	21.40
Consumption of stores and spares	4.54	2.20
Repairs and maintenance	5.29	3.97
Power and fuel	0.36	0.70
Others	0.03	0.31
Total	**79.20**	**81.00**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

33 Employee benefits expense

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended Mar, 31 2017
Salaries, wages and allowance	9.24	17.73
Contributions to provident and other funds (refer note 45)	0.78	0.99
Staff welfare expenses	0.11	0.13
Total	**10.13**	**18.85**

Note: The above includes a sum of ₹ 2.08 crore paid to whole time directors of the company, which exceeds the limit prescribes under schedule V of the Companies Act, 2013 by ₹ 0.80 crore. The Board of Directors of the company have proposed to the shareholders of the Company to ratify the same by passing a special resolution. The Company is hopeful of obtaining the said approval at the ensuing AGM.

34 Other expenses

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended Mar, 31 2017
Consultancy and professional charges	40.07	95.10
Rates and taxes	0.44	0.74
Travelling	1.24	7.93
Communication	0.09	0.41
Expenditure on Corporate Social Responsibility	-	1.05
Auditors' remuneration	0.88	1.12
Directors sitting fees (refer note 46)	0.08	0.06
Insurance	10.35	9.56
Stamp duty expenses	0.18	32.69
Allowance for bad and doubtful receivables / loans (Expected credit loss)	-	26.16
Loss on derivative liability	-	176.81
Claim receivable, written off	-	0.53
Advertisement expenses	-	0.39
Capital work in progress/FA written off	0.21	2.40
Debit balance written off #	42.35	-
General expenses	0.76	0.13
Total	**96.65**	**355.08**

During the current year the Company was informed that certain export incentives would not accrue to it and hence the Company has written off the outstanding balances with respect to the same.

35 Finance costs

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended Mar, 31 2017
Interest on term borrowings from banks and financial institutions	724.71	595.53
Interest on inter corporate deposit from a related party (refer note 46)	0.87	253.50
Interest on security deposit from a related party (refer note 46)	-	141.54
Other borrowing costs	81.13	19.00
Total	**806.71**	**1,009.57**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

36 Exceptional items

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended Mar, 31 2017
Costs on account of CDR exit	-	363.83
Loss on extinguishment of lease arrangement	-	377.35
Debit to profit or loss on re-assessment of the company's ability to collect the amount *	-	177.50
Loss on surrender of equity shares by subsidiary	150.06	-
Total	**150.06**	**918.68**

* In terms of the SPAs entered into by the erstwhile promoter group to sell their stake in the Company, an escrow arrangement was put in place to deploy the sales consideration, to the extent required, for realization of amounts due from erstwhile related parties and other entities. The closure of sale by the erstwhile promoter group erstwhile promoter group took longer than previously envisaged and the Company in the interim continued to transact with these entities, and reassessed its ability to collect the outstanding balance, through the said escrow arrangement, based on which it had debited to profit or loss ₹ 177.50 crore as an Exceptional Item. The carrying values of the dues to be received through the escrow mechanism aggregated at March 31, 2017 to ₹ 3,613.44 crore {comprises investment in equity shares of Enneagon Ltd. of ₹ 3,033.21 crore and other receivables of ₹ 580.23 crore (net of ECL provision of ₹ 14.27 crore)}. In the current financial year ₹ 589.03 crore was received and the balance ₹ 5.03 crore (net of ECL provision of ₹ 0.44 crore) is outstanding which the company expects to recover in due course.

37 Leases

Operating lease

i) The Company as lessee

The Company has entered into the following non-cancellable operating lease agreements:

a) Two berths for the period of 30 years (remaining period of approximate 9.5 years) with annual lease rental of ₹ 3.63 crore for current financial year and with yearly escalation of 5%.

Non-cancellable operating lease commitments (₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Payable not later than 1 year	3.81	3.63
Payable later than 1 year and not later than 5 years	17.25	16.43
Payable later than 5 years	24.00	28.64
Total	**45.06**	**48.70**

b) VOTL has taken land on lease basis from Nayara Energy Ltd. (formerly known as "Essar Oil Ltd.") for setup of terminal facility as below

(i) for creating facilities like tankages, gantries, pipelines etc. for 5.5 MMTPA capacity for 25 years (remaining period of approximate 18 years) with annual lease rental of ₹ 1.61 Crore for current financial year and yearly escalation of 4% and

(ii) for setting up VOTL terminal facilities for 30 years (remaining period of approximate 18 years) with annual lease rental of ₹ 0.25 crore for next financial year.

Non-cancellable operating lease commitments (₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Payable not later than 1 year	2.01	1.94
Payable later than 1 year and not later than 5 years	8.77	8.47
Payable later than 5 years	36.95	39.26
Total	**47.73**	**49.67**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

ii) The Company as lessor

The Company has entered into an operating lease agreement with Nayara Energy Limited (formerly known as 'Essar Oil Limited') for the storage facility of crude oil and petroleum products w.e.f. 1st April, 2016 for the period of 3 years. The lease rentals are recognised under "revenue from operation. There will be yearly escalation to lease income which will be 3%. These leasing arrangements are usually renewable by mutually agreed terms and conditions.

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Payable not later than 1 year	985.08	953.03
Payable later than 1 year and not later than 5 years	-	981.97
Payable later than 5 years	-	-
Total	**985.08**	**1,935.00**

38 Capital commitments & Contingent liabilities

a. Capital Commitment

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	15.14	57.61
Total	**15.14**	**57.61**

b. Contingent liabilities

Share of associates in respect of contingent Liabilities for claims not acknowledged as debts is ₹ 18.68 crore (As on March 31, 2017 ₹ 11.51 crore)

39 Derivative instruments and unhedged foreign currency exposure

a) Unhedged foreign currency exposure

The foreign currency exposure of the Company as at the balance sheet date that have not been hedged by a derivative instrument or otherwise are given below. :

(₹ in crore)

Particulars	Currency	As at March 31, 2018		As at March 31, 2017	
		Amount ₹ in crore	foreign currency (in Million)	Amount ₹ in crore	foreign currency (in Million)
Amount payable in foreign currency on account of the following #					
Import of equipment / materials and services	USD	(0.00)	(0.00)	2.48	0.38
	GBP	-	-	0.80	0.10
	EUR	(0.11)	(0.01)		
Debt portion of Foreign currency convertible bonds	USD	-	-	32.97	4.48
Total		**(0.11)**		**36.25**	
Amount receivable in foreign currency on account of the following #					
Advance to vendor for materials and services	EURO	-	-	0.17	0.03
	USD	0.02	0.00	-	-
	SGD	0.03	0.01		
	GBP	-	-	0.03	0.00
Total		**0.05**		**0.20**	

Amount 0.00 represents amount less than 0.01 crore

b) There were no forward / option contracts entered into by the Company during the current or previous financial year to hedge its foreign currency exposures.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

40 Financial instruments

1 Capital management

The Company'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 Company consists of net debt (non-current borrowings, current borrowings and current portion of non-current borrowings as detailed in notes 22 & 25 respectively, offset by cash and bank balances) and total equity. As part of externally imposed capital requirements, the Company is required to maintain certain financial covenants as specified in the loan agreements. 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 crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Borrowings # (refer note 22)	3,484.05	5,973.63
Less: Cash and cash equivalents (refer note 14)	(26.01)	(2.85)
Less: Bank balances other than cash and cash equivalents (refer note 15)	(9.92)	-
Underlying Net borrowings	3,448.12	5,970.78
Equity share capital (refer note 20)	321.95	321.19
Other equity (refer note 21)	(23.27)	(246.19)
Total equity	**298.68**	**75.00**
Equity & Underlying Net borrowing	3,746.80	6,045.78
Gearing ratio	92%	99%

Including current maturities of long term borrowing

2 Categories of financial instruments

(₹ in crore)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair values	Carrying amount	Fair values
Financial assets				
Measured at amortised cost				
Loans *	1.11	1.11	20.51	20.51
Other financial assets *	24.55	24.55	3,580.91	3,580.91
Trade receivables *	49.81	49.81	124.34	124.34
Cash and cash equivalents *	26.01	26.01	2.85	2.85
Bank balances other than above cash and cash equivalents *	9.92	9.92	-	-
Total financial assets carried at amortised cost	111.40	111.40	3,728.61	3,728.61
Total financial assets	111.40	111.40	3,728.61	3,728.61
Financial liabilities				
Measured at fair value through profit and loss				
Other financial liabilities	142.72	142.72	176.81	176.81

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair values	Carrying amount	Fair values
Financial liabilities				
Measured at amortised cost				
Long-term borrowings #	3,484.05	3,484.05	5,973.63	5,925.16
Other financial liabilities	187.26	187.26	1,634.50	1,634.50
Trade payables	21.58	21.58	146.14	146.14
Financial liabilities measured at amortised cost	3,692.89	3,692.89	7,754.27	7,705.80

including current maturities of long-term borrowings

* The management assessed that the fair value of these financial assets and liabilities approximate their carrying amount due to the short-term maturities of these instruments.

3 Financial risk management objectives

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

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

3.1 Foreign currency risk management

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

3.2 Interest rate risk management

The Company is exposed to interest rate risk because funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company has exposure to interest rate risk, arising principally on changes in MCLR and base rates. The Company 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.

Interest rate sensitivity analysis

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

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

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Borrowings with fixed interest rate	-	2,120.63
Borrowings with variable interest rate	3,484.05	3,852.99
Total Borrowings#	3,484.05	5,973.62

including current maturities of long-term borrowings

If interest rate had been 50 basis point higher /lower and all other variables were held constant, the company's profit for the year ended would decrease/increase by ₹ 17.42 crore (Previous year ₹ 29.87 crore)

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

3.3 Credit risk management

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

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

Trade receivables

Trade receivables consists of a single customer, holding company Nayara Energy Limited (formerly known as Essar Oil Limited). The operations of the customer are limited to single industry and geographical area. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue trade receivables. The Company has taken security deposit from the customer as a collateral which is equivalent to nine months tariff charges liable under long-term arrangement with its customer

Cash and bank balances

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

Loans, deposits and advances

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

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

Collateral held as security and other credit enhancements

The Company does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial asset, except that the credit risk associated with trade receivable is mitigated because the Company has received security deposit as a collateral against the trade receivables. The carrying amount of trade receivables amounts to ₹ 49.59 crore (as at March 31, 2017 : ₹ 124.34 crore) and the fair value of the security deposit is ₹ 180.11 crore (as at March 31, 2017 : ₹ 1,088.78 crore).

3.4 Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. Ultimate responsibility for liquidity risk management rests with the board of directors. The 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.

There is no any default in repayment of borrowings (including interest thereon) during current FY 2017-18 and previous FY 2016-17.

Bank loans availed by the Company are subject to certain financial covenants relating to debt service coverage ratio, certain limit on total borrowing and fixed assets coverage ratio, the Company has complied with the financial covenants as per the terms of the loan agreement.

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in crore)

Particulars	As at March 31, 2018				As at March 31, 2017			
	< 1year	1-5 years	> 5 years	Total	< 1year	1-5 years	> 5 years	Total
Financial liabilities								
Long-term borrowings#	35.00	323.75	3,132.50	3,491.25	851.32	1,201.78	3,920.53	5,973.63
Future interest obligations	326.08	1,259.95	2,807.01	4,393.04	757.61	2,376.76	3,586.22	6,720.59
Trade payables	21.58	-	-	21.58	146.14	-	-	146.14
Other financial liabilities	329.44	-	-	329.44	129.92	1,317.56	363.83	1,811.31
Total financial liabilities	712.10	1,583.70	5,939.51	8,235.31	1,884.99	4,896.10	7,870.58	14,651.67

including current maturities of long-term borrowings

4 (ii) Level wise disclosure of Financial instruments:

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017	Level	Valuation technique and key inputs
Embedded derivatives liability	142.72	176.81	II	The embedded derivatives are foreign currency forward contracts which are separated from long-term sales/ lease contracts where the transaction currency differs from the functional currencies of the involved parties. Embedded foreign currency are measured similarly to the foreign currency forward contracts. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies and currency basis spreads between the respective currencies.
Long term borrowings (including current maturities)	3,484.05	5,973.62	II	Long-term fixed-rate and variable-rate borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and the risk characteristics of the financed project. The fair value is determined using the discounted cash flow method. The future cash flows are based on terms of the borrowing. These cash flows are discounted at a rate that reflects current market rate and the current market risk.

41 Earnings/ (loss) per share

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic Earnings per share (in ₹)	2.36	(13.77)
Diluted Earnings per share (in ₹) *	2.36	(13.77)

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Basic earnings per share

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Loss for the year attributable to owners of the Company (₹ in crore)	75.79	(442.43)
Weighted average number of equity shares for the purposes of basic earnings per share	321,192,199	321,192,199
Earnings per share - Basic (in ₹)	2.36	(13.77)

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Ordinary shares at the beginning of the year for basic EPS (Nos.)	321,192,199	321,192,199
Add: Weighted average number of ordinary shares issued during the period *	-	-
Weighted average number of equity shares used in the calculation of basic earnings per share #	321,192,199	321,192,199
Potential equity shares to be issued upon conversion of FCCBs *	-	-
Weighted average number of equity shares used in the calculation of Diluted EPS	321,192,199	321,192,199

* Shares deemed to be issued for the year ended March 31, 2017 and 2018 are nil since the effect is anti dillutive

The holder of convertible debt instrument had agreed to waive interest accrued from 24th February 2016 vide its letter dated 11th April 2017. Consequently ordinary shares issued pursuant to the said conversion are included in weighted average number of equity shares from 1st April 2017 (for the year ended).

42 Segment information

Identification of Segments:

The Company is in the business of providing services relating to receipts, storage and dispatch of crude and petroleum products primarily operated through its port and terminal facilities at Vadinar, Gujarat. The management committee (the Chief Operating Decision Maker as defined in Ind AS 108 Operating Segments) regularly reviews the entire operation as one activity for measuring performance and allocating resources. Basis this, the management has decided that the entire company is a single segment.

43 Prior to the change in ownership of the Company, the lenders of the Company released the guarantees and securities issued by the erstwhile promoter company, including the lien over the latter's shareholding in the Company, for the borrowings taken by the Company. Further, as a condition precedent to the execution of the SPA refer to in note no 1, the Company realised the carrying value of investment in subsidiary and outstanding dues from erstwhile promoter company amounting to ₹ 3,607.97 crore.

44 In March 2017, the Company applied to one of its lenders to prepay the entire outstanding loans due along with the applicable interest . The said lender did not respond to the said request and subsequently in August 2017 the Company went ahead and prepaid all its dues to said lender aggregating to ₹ 224.53 crore (including interest of ₹ 7.49 crore). Till date the said lender has neither issued any communication to the Company nor has it responded to the request of the Company to release its charge over its assets and issue a no dues certificate. Given aforementioned situation, the holding Company has obtained legal advice in the similar matter, as per which no additional liability should devolve on the Company with respect to its borrowings from said lender.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

45 Employee benefits

A Gratuity:

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
service cost	0.36	0.09
Net interest expense	0.00	0.01
Component of defined benefit costs recognised in Statement of Profit and Loss	0.36	0.10
Remeasurement of net defined benefit liability:		
Actuarial losses/(gains) - experience	0.14	0.06
Actuarial losses/(gains) - assumptions	0.27	(0.02)
Return on plan assets greater/(lesser) than discount rate	0.02	(0.38)
Components of defined benefit costs recognised in other comprehensive income	0.43	(0.34)
Total Expenses	0.79	(0.24)

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

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

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

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded defined benefit obligation (A)	1.48	1.38
Fair value of plan assets (B)	1.01	1.05
Net liability arising from defined benefit obligation (refer note 27) (C=A-B)	0.47	0.33

Movement in the present value of the defined benefit obligation are as follows: (₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at the beginning of the year	1.38	0.84
service cost	0.36	0.09
Interest cost	0.07	0.06
Acquisitions (credit)/ cost	-	0.39
Remeasurement (gains)/losses:		
Actuarial losses/(gains) - experience	0.14	0.06
Actuarial losses/(gains) - demographic assumptions	-	-
Actuarial losses/(gains) - financial assumptions	0.27	(0.02)
Benefits paid	(0.74)	(0.04)
Balance at the end of the year	1.48	1.38

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

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

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Balance at the beginning of the year	1.05	1.00
Interest income on plan assets	0.07	0.05
Remeasurement gain (loss):		
Return on plan assets greater/(lesser) than discount rate	(0.02)	0.02
Contribution from the employer	0.65	0.02
Benefits paid	(0.74)	(0.04)
Balance at the end of the year	1.01	1.05

Composition of the plan assets:

Particulars	As at March 31, 2018	As at March 31, 2017
Scheme of insurance - conventional products, administered by LIC	100%	100%

(₹ in crore)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimate of amount of contribution in the immediate next year	0.25	0.21

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

		Valuation as at
Particulars	March 31, 2018	March 31, 2017
Discount rate (p.a.)	7.50%	6.90%
Expected rate(s) of salary increase (p.a.)	12.00%	7.00%
Attrition rate (p.a.)	10.00%	10.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ult. Modified	

Defined contribution plans

The Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised expense of ₹ 0.35 crore (Year ended 31st March, 2017 expense of ₹ 0.43 crore) for Provident Fund contributions 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.

Defined benefit plans

The Company 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.

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

1 **Interest rate risk :** The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

2 **Salary Inflation risk :** Higher than expected increases in salary will increase the defined benefit obligation

3 **Demographic risk :** This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

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

(₹ in crore)

Particulars	Gratuity
As at March 31	
2019	0.25
2020	0.14
2021	0.32
2022	0.14
2023	0.18
March 31, 2024 to March 31, 2028	0.86

Sensitivity analysis:

Particulars	Gratuity (Funded)	
	As at March 31, 2018	As at March 31, 2017
A. Discount Rate :		
Defined benefit obligation	1.48	1.38
Discount rate	7.50%	6.90%
1. Effect on DBO due to 0.5% increase in Discount Rate	-0.05	-0.04
2. Effect on DBO due to 0.5% decrease in Discount Rate	0.05	0.04
B. Salary Escalation Rate :		
Salary Escalation rate	12%	7%
1. Effect on DBO due to 0.5% increase in Salary Escalation Rate	0.03	0.02
2. Effect on DBO due to 0.5% decrease in Salary Escalation Rate	-0.03	-0.02
C. Withdrawal Rate :		
Attrition rate	10%	10%
1. Effect on DBO due to 5.00% increase in Withdrawal Rate	-0.06	0.05
2. Effect on DBO due to 5.00% decrease in Withdrawal Rate	0.10	-0.07

Method used for sensitivity analysis:

The sensitivity results above determine their individual impact on the Plan's end of year Defined Benefit Obligation. In reality, the Plan is subject to multiple external experience items which may move the Defined Benefit Obligation in similar or opposite directions, while the Plan's sensitivity to such changes can vary over time.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

46 Related party disclosures

Related party relationship, transactions and balances.

a. Names of the related parties and description of relationship up to August 18, 2017

Relationship	Entity Name
Holding company	Essar Steel Jharkhand Limited (ESJL) (immediate holding company) (upto 28th June 2017) Essar Ports Limited (EPL) (immediate holding company) (up to 1st July 2016)
Fellow Subsidiaries	Nayara Energy Limited (formerly known as Essar oil Limited) (Upto 28th June 2017)
	Aegis Limited (Aegis)
	Essar Bulk Terminal (Salaya) Limited (EBTSL)
	Essar Bulk Terminal Limited (EBTL)
	Essar Bulk Terminal Paradip Limited (EBTPL)
	Essar Dredging Limited (EDL)
	Essar Engineering Services Limited (EESL)
	Essar Exploration & Production India Limited (EEPIL)
	Essar Ports Limited (EPL)
	Essar Power and Minerals Limited (EPML)
	Essar Power M. P. Limited (EPMPL)
	Essar Projects (India) Limited (EPIL)
	Essar Services India Private Limited (ESIL)
	Essar Shipping Limited (ESL)
	Essar Steel India Limited (ESIL)
	Essar Vizag Terminals Limited (EVTL)
	Futura Travels Limited (FTL)
	Hazira Cargo Terminal Limited (HCTL)
	Imperial Consultants and Securities Private Limited (ICSPL)
	IBROX Aviation and Trading Private Limited (IBROX)
	Petro Tankage India Limited (PTIL)
	Salaya Bulk Terminal Limited (SBTL)

b. Names of the related parties and description of relationship from June 29,2017

Relationship	Entity Name
Holding company	Nayara Energy Limited (formerly known as Essar Oil Limited)

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

c. **Key Management Personnel**

Relationship	Name
Whole Time Director	Capt. Alok Kumar (wef 14th August 2017)
Whole Time Director	Capt. Deepak Sachdeva (upto 14th August 2017)
Director	Mr. B.S.Kumar
Director	Mr. LK Gupta (From 14th August 2017 to 5th September 2017)
Director	Mr. B. Anand (From 5th September 2017 to 19th January 2018)
Director	Mr. Chakrapani Manoharan (wef 14th August 2017)
Director	Mr. Mohanlal Ramgopal Sharma (wef 14th August 2017)
Director	Mr. Anup Ajit Vikal (wef 22nd January 2018)
Director	Mrs. Gayathri S Kumar (wef 5th September 2017)
Director	Mr. P.K. Shrivastava (upto 14th August 2017)
Director	Mr. Rajeev Agrawal (upto 14th August 2017)
Director	Mr. K.K. Sinha (upto 14th August 2017)
Director	Mr. V.G Raghavan (upto 14th August 2017)
Director	Mrs. Suparana Singh (upto 14th August 2017)

46 Related party disclosures

I. Transactions with related parties (₹ in crore)

Nature of transactions	Holding Company / Intermediate Holding Company	Fellow Subsidiaries
Rendering of services	1,083.06	356.20
	-	(504.36)
Finance Lease income	-	-
	-	(1,084.22)
Cargo Handling Income (Credited to EDC)	-	-
	-	(10.56)
Interest income on inter-corporate deposits given	-	0.14
	(10.43)	(80.58)
Recovery of expense	54.26	28.31
	-	(47.53)
Receiving of services	32.39	21.10
	(5.23)	(72.03)
Lease expense (including lease tax)	1.64	0.46
	-	(1.84)
Purchase of goods / supply of materials	0.24	0.12
	-	(0.79)

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

I. Transactions with related parties **(₹ in crore)**

Nature of transactions	**Holding Company / Intermediate Holding Company**	**Fellow Subsidiaries**
Purchase of fixed assets / Capital work in progress	-	-
	(0.65)	(19.98)
Interest / financial charges paid / funded	1.37	-
	-	(396.22)
Inter Corporate Deposits taken & repaid	329.64	-
	-	-
Inter Corporate Deposits given	-	-
	-	(148.79)
Loans and advances received	97.43	-
Loans and advances given	-	-
	-	(30.30)
Expenses paid on behalf of company	7.06	0.23
	-	(0.90)
Capital advance	-	-
	-	(48.68)
Capital advance refunded	-	-
	-	(6.06)
Receiving of Capital Service	-	4.42
	-	-
Assets & Liabilities transferred (net)	-	-
	(15.13)	(256.08)

Transactions with other classes of related parties

a) Key management personnel (remuneration)@

Name	**2017-18**	**2016-17**
Captain Deepak Sachdeva	1.58	0.95
Captain Alok Kumar	0.50	-

@ exclusive of provisions for liability in respect of leave earned and gratuity, since this is based on acturial valuation done on an overall basis for all employees. Performance bonus/incentive amount considered on payment basis. Also refer note 33.

b) Key management personnel (Director Sitting Fees)

Name	**2017-18**	**2016-17**
Mr. V.G Raghavan	0.01	0.02
Mr. B.S.Kumar	0.04	0.02
Mr. Mohanlal Ramgopal Sharma	0.03	-
Mr. P.K. Shrivastava	-	0.01
Director Mr. P.K. Shrivastava	-	0.01

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Nature of balances	Holding Company/ Intermediate Holding Company	Others
Assets		
Financial Assets		
Trade receivables	49.40	-
	-	124.34
Financial Assets - Others		
Advances given for provision of services	-	-
	-	(4.68)
Interest on Security deposit received from a customer	-	-
	-	(134.77)
Other receivables (net of ECL)	-	-
	-	(575.65)
Intercorporate Deposit Given	-	-
	-	(20.50)
Liabilities		
Other Financial Liabilities		
Security deposits	180.11	-
	-	(1,088.78)
Payable for Capital Expenses	-	-
	-	7.58
Trade payables / Other liabilities	0.01	-
	-	1.40
Other balances		
Outstanding guarantees given on behalf of the company	-	-
	-	(250.00)

“0.00” represents amount less than ₹ 0.01 crore.

i) Previous year figures for March 2017 have been shown in brackets.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

47 Details of Subsidiaries/Associate and Composition of Group

Following subsidiaries and associate have been considered in the preparation of consolidation financial statements.

Sr No	Name of the Company	Relation	Country of the Company	Proportion of ownership Interest (%) As at March 31, 2018	Proportion of ownership Interest (%) As at March 31, 2017	Principal activity
1	Enneagon Limited*	Wholly owned subsidiary	Mauritius	100%	100%	Engaged in the buying and selling of petroleum and coal products
2	Vadinar Liquid Terminals Limited #	Associate	India	25%	25%	Engaged in the business of development of marine liquid terminal facilities including single point mooring (SPM) and product jetties. There have been no operations in this Company till March 31, 2018.

*Unaudited financial statements have been considered for consolidation

Since the Group's share of losses of VLTL exceeds its interest in that associate, the carrying value of asscoaciate for the year ended March 31, 2018 and March 31, 2017 is NIL. Further, the Group has discontinued recognising its share of further losses as the Group believes it has no legal or constructive obligations or payments to be made on behalf of the associate. If the associate subsequently reports profits, the Group will resume recognising its share of those profits only after its share of the profits equals the share of losses not recognized.

Non controlling interest (NCI)

Financial information of Essar Bulk Terminal (Salaya) Limited (₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue	-	-
Expenses	-	0.14
Loss for the year	-	(0.14)
Loss attributable to the owners of the equity	-	(0.11)
Loss attributable to the non controlling interest	-	(0.03)
Loss for the year	-	(0.14)

48 Additional information as required under schedule III to the Companies Act, 2013 of enterprises consolidated as subsidiaries / associate

Name of the Entity in the Group	Net assets, i.e. total assests minus total liabilities as at March 31, 2018		Share of profit or loss for the year ended March 31, 2018		Share in other comprehensive income/ (loss) for the year ended March 31, 2018		Share in Total comprehensive income/ (loss) for the year ended March 31, 2018	
	As % of Consolidated net assets	₹ in crore	As % of Consolidated profit or loss	₹ in crore	As % of Consolidated other comprehensive income/(loss)	₹ in crore	As % of Consolidated total comprehensive income/(loss)	₹ in crore
Parent								
Vadinar Oil Terminal Limited	99.97%	298.53	85.93%	65.09	-0.24%	(0.28)	33.93%	64.81
Subsidiaries								
Foreign								
Enneagon Limited	0.03%	0.10	15.19%	11.50			6.02%	11.50
Intercompany Elimination and Consolidation adjustments			-1.12%	(0.85)	100.24%	115.55	60.05%	114.70
Associate (Investment as per the equity method):-								
Indian								
Vadinar Liquid Terminals Limited	0%	-	0%	-	0%	-	0%	-
Grand Total	**100.00%**	**298.63**	**100.00%**	**75.74**	**100.00%**	**115.27**	**100.00%**	**191.01**

49 The financial statement of the comparative period as at March 31, 2017 has been audited by a firm of chartered accountants other than S.R.Batliboi & Co. LLP.

As per our report of even date

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Naman Agarwal
Partner
Membership No. 502405

Gurugram, June 26, 2018

For and on behalf of the Board of Directors

Gayathri S
Director

Capt. Alok Kumar
Whole time Director

Vinod Jain
Chief Financial Officer

Nihar Avasare
Company Secretary

Mumbai, June 26, 2018

Mumbai, June 26, 2018

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 statements of subsidiaries / associates companies

Part "A" - Subsidiaries	**Amt in USD**	**(₹ in crore)**
Name of the subsidiary	**Enneagon Limited**	
Reporting period	**March 31, 2018**	
The date since when subsidiary was Incorporated / acquired	**September 30, 2016**	
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	USD	1 US$ = ₹ 65.04
Share capital #	1	0.00
Reserves & surplus	15,250	0.10
Total assets	34,516	0.22
Total liabilities	(19,264)	(0.13)
Investments	-	-
Turnover	-	-
Profit before taxation	1,768,517	11.50
Provision for taxation #	128	0 .00
Profit after taxation	1,768,389	11.50
Proposed dividend	-	-
% of shareholding	100%	
Names of subsidiaries which are yet to commence operations	Nil	
Names of subsidiaries which have been liquidated or sold during the year	-	

Amount 0.00 represents amount less than ₹ 0.01 crore

Part "B" - Associates

Name of the associate	**Coviva Energy Terminals Limited (formerly Vadinar Liquid Terminals Limited)**
1. Latest audited balance sheet date	March 31, 2018
2. Date on which the Associate or Joint Venture was associated or acquired	March 27, 2015
3. Shares of associates held by the company at the year end	
Numbers	12,500
Amount of investment in associates (₹ in crore)	0.01

Name of the associate	Coviva Energy Terminals Limited (formerly Vadinar Liquid Terminals Limited)
Extent of holding %	25.00%
4. Description of how there is significant influence	Based upon percentage holding
5. Reason why the associate is not consolidated	NA
6. Networth attributable to shareholding as per latest audited Balance Sheet (₹ in crore)	-
7. Profit / Loss for the year	
i. Considered in consolidation (₹ in crore)	-
ii. Not considered in consolidation	NA
Names of associates which are yet to commence operations	Coviva Energy Terminals Limited (formerly Vadinar Liquid Terminals Limited)
Names of associates which have been liquidated or sold during the year	NIL

For and on behalf of the Board of Directors

Gayathri S
Director

Capt. Alok Kumar
Whole time Director

Vinod Jain
Chief Financial Officer

Nihar Avasare
Company Secretary

Mumbai, June 26, 2018

Mumbai, June 26, 2018

tear here

VADINAR OIL TERMINAL LIMITED

Registered Office: Nayara Energy Refinery Site, 39 KM Stone, Okha Highway (SH-25),
Khambhalia Dist.: Devbhumi Dwarka - 361 305, Gujarat, India
Corporate Identity Number: U35111GJ1993PLC053434
Phone : +91 2833 661444, **Fax**: +91 2833 662929
E-mail : votlcosec@nayaraenergy.com

ATTENDANCE SLIP

25TH ANNUAL GENERAL MEETING - SEPTEMBER 14, 2018 AT 12:00 NOON

Folio No.	
DP ID/ Client ID	
No. of Shares held	

NAME & ADDRESS OF THE REGISTERED SHAREHOLDER

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

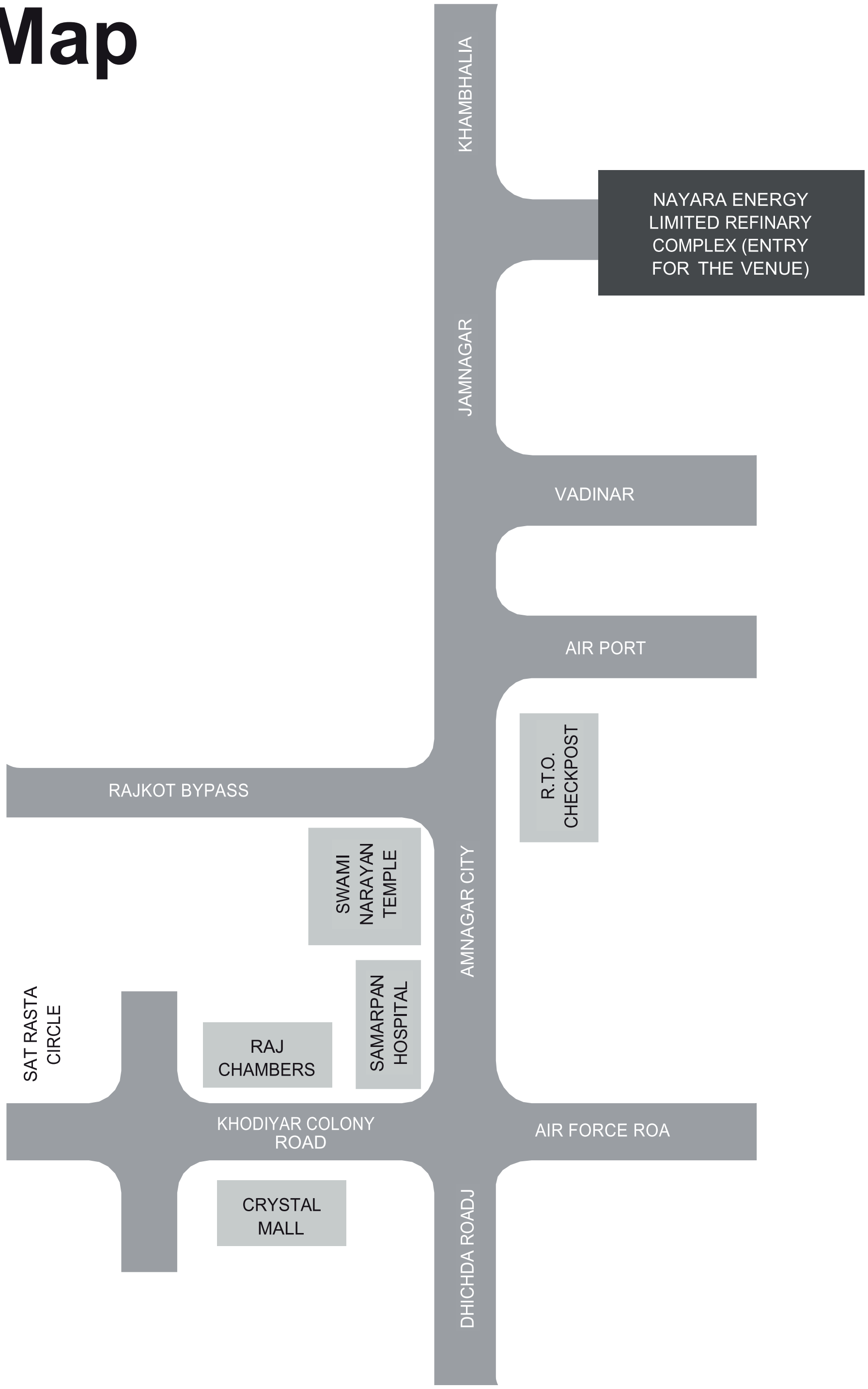
I hereby record my presence at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company being held at the Registered Office at Nayara Energy Refinery Site, Khambhalia Post (39th KM. stone on Jamnagar-Okha Highway), Dist. Devbhumi Dwarka - 361305, Gujarat , India on September 14, 2018 at 12:00 noon.

Member's/Proxy's Signature

Note:

1. Please complete this and hand it over at the entrance of the hall.

Route Map



AGM Venue:

Vadinar Oil Terminal Limited
Nayara Energy Refinery Complex, Okha Highway (SH-25) Taluka - Khambhalia,
Dist. Devbhumi Dwarka – 361305, Gujarat.

tear here

NAYARA ENERGY

VADINAR OIL TERMINAL LIMITED

Registered Office: Nayara Energy Refinery Site, 39 KM Stone, Okha Highway (SH-25),
Khambhalia Dist.: Devbhumi Dwarka - 361 305, Gujarat, India
Corporate Identity Number: U35111GJ1993PLC053434
Phone : +91 2833 661444, **Fax**: +91 2833 662929
E-mail : votlcosec@nayaraenergy.com

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	U35111GJ1993PLC053434		
Name of the Company	VADINAR OIL TERMINAL LIMITED		
Registered Office	Nayara Energy Refinery Site, 39 KM Stone, Okha Highway (SH-25), Khambhalia Dist.: Devbhumi Dwarka - 361 305, Gujarat, India		
Name of the member (s)			
Registered address			
E-mail Id			
Folio No/ Client Id		DP ID	

I We, being the member (s) of ………................... shares of the above named company, hereby appoint

1.	Name			
	Address			
	E-mail Id		Signature	
	Or Failing him			
2.	Name			
	Address			
	E-mail Id		Signature	
	Or Failing him			
3.	Name			
	Address			
	E-mail Id		Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Fifth Annual General Meeting of the Company to be held on Friday, September 14, 2018 at 12:00 noon at the Registered Office at Nayara Energy Refinery Complex, Khambhalia Post (39th Km. stone on Jamnagar-Okha Highway), Dist. Devbhumi Dwarka - 361305, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	For	Against
1	To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2018 together with the reports of Board of Directors and Auditors thereon		
2	To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2018 together with the report of Auditors thereon		

Sr. No.	Resolutions	For	Against
3	To appoint a Director in place of Mr. C Manoharan (DIN 00184471) who retires from office by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment		
4	Appointment of Mr. Anup Vikal as Director of the Company		
5	Adoption of new set of Articles of Association of the Company		
6	To approve the remuneration paid to Capt. Deepak Sachdeva as Whole time Director in the financial year 2017-18		
7	To approve the remuneration paid to Capt. Alok Kumar as Whole time Director in the financial year 2017-18 and revision of remuneration payable to him		

Signed this ……………day of …………………2018.

Signature of shareholder : ______________________

Signature of Proxy holder(s): ____________________

Affix Revenue Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. It is optional to put a "√" in the appropriate column against the Resolution indicated in the Box. If you leave the 'For" or 'Against' column blank against Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Notes

If undelivered, please return to:

M/s. Data Software Research Company Private Ltd.
Unit: VADINAR OIL TERMINAL LIMITED
19, Pycrofts Garden Road
Off Haddows Road
Nungambakkam
Chennai- 600006