

**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**



**FIFTH ANNUAL REPORT**

**2014-2015**



## VIZAG GENERAL CARGO BERTH PRIVATE LIMITED

### Board of Directors and Management of the Company

Mr. Pratik Pravin Agarwal  
Mr. Dindayal Jalan  
Mr. M. Siddiqi  
Mr. A.R. Narayanaswamy  
Mr. R. Kannan  
Ms. Pooja Yadava

Non-Executive Director  
Non-Executive Director  
Non-Executive Director  
Non-Executive Independent Director  
Non-Executive Independent Director  
Non-Executive Woman Director

Mr. D.K. Manral  
Mr. V.S. Ganesh  
Mr. Aravind Kumar Matta

Chief Executive Officer  
Chief Financial Officer  
Company Secretary & Compliance Officer

### Audit Committee

### Nomination and Remuneration Committee

Mr. Dindayal Jalan  
Mr. A.R. Narayanaswamy  
Mr. R. Kannan

Mr. Pratik Pravin Agarwal  
Mr. M. Siddiqi  
Mr. A.R. Narayanaswamy  
Mr. R. Kannan

### Bankers

### Trustees

### Statutory Auditors

AXIS Bank Limited  
Yes Bank Limited  
ICICI Bank Limited

Axis Trustee Services Limited  
Axis House, 02<sup>nd</sup> Floor  
Bombay Dyeing Mills Compound  
Pandurang Budhkar Marg  
Worli, Mumbai – 400 025

Deloitte Haskins & Sells LLP,  
Registration No.117366W-W100018  
Chartered Accountants  
7<sup>th</sup> Floor, Tower 10B, DLF Cyber City  
Phase-II, Gurgaon-122002

### Registered Office

### Administrative Office

SIPCOT Industrial Complex,  
Madurai Bypass Road,  
T. V. Puram P.O.,  
Tuticorin-628002  
Tamilnadu, India  
CIN: U35100TN2010PTC075408

Vedanta, Administrative Building,  
Eastern Stack Yard, Visakhapatnam Port,  
Visakhapatnam-530035  
Andhra Pradesh, India  
Tel: 0891-279 5696, Fax: 0891-279 5698  
Website: www.vgcb.co.in



## Notice of Fifth Annual General Meeting

**Notice is hereby given that the Fifth Annual General Meeting of the Shareholders of VIZAG GENERAL CARGO BERTH PRIVATE LIMITED will be held on Friday, the 25<sup>th</sup> day of September, 2015 at 02.00 PM at SIPCOT Industrial Complex, Madurai By Pass Road, Tuticorin - 628002 to transact the following business:**

---

### Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2015 and the Profit & Loss Account for the year ended as on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri DD Jalan, who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint M/s. Deloitte Haskins & Sells LLP, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting to the conclusion of the next Annual General meeting, who retires on conclusion of ensuing Annual General Meeting.

In this connection, to consider and if thought fit, to pass the following resolution, with or without modification(s), as an Ordinary Resolution:

**"RESOLVED THAT** M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No.117366W-W100018) be and is hereby appointed as the Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting till the conclusion of the next Annual General Meeting, at a remuneration to be decided by the Board of Directors."

### Special Business

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

**"RESOLVED THAT** Ms. Pooja Yadava (DIN: 07146082), who was appointed as an Additional Director of the Company by the Board of Directors with effect from March 31, 2015, in terms of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to retirement by rotation."

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time



being in force), the Cost Auditors, M/s. SSPGR & Associates LLP, Cost Accountants, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid a remuneration of Rs.65,000/- (Rupees Sixty Five Thousand only) including out of pocket expenses and excluding applicable taxes.

**By Order of the Board  
For Vizag General Cargo Berth Private Limited**

S/d

**Company Secretary**

**Place: Mumbai**

**Date: July 24, 2015**

**NOTES:**

- a) The explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of the above resolution is enclosed
- b) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. A blank proxy form is enclosed, which if used, should be deposited with the Company duly executed before the commencement of the Annual General Meeting.
- c) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- d) Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
- e) The Register of Directors' and key managerial personnel shareholding will be available for inspection by the members at the AGM.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF  
THE COMPANIES ACT, 2013**

**Item No. 4**

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Ms. Pooja Yadava, as an Additional Director of the Company with effect from March 31, 2015.

In terms of the provisions of Section 161(1) of the Act, Ms. Pooja Yadava would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing along with the deposit of requisite amount, under Section 160 of the Act, proposing her candidature for the office of Director of the Company.



Ms. Pooja Yadava was a Law Graduate from ILS Law College in Pune. She is currently with Vedanta Group as Corporate Counsel. Prior to her association with the group she was associated with various premier law firms viz., Donald Bunker and Associates, Dubai and Priti Suri & Associates, New Delhi. As a part of Group's HR philosophy to groom and develop internal human resources and considering Ms. Pooja Yadava's knowledge and contribution to the Company, her recommendation to the Board would be apt.

Ms. Pooja Yadava is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

No director, key managerial personnel or their relatives except Ms. Pooja Yadava, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the Ordinary Resolution for approval by the shareholders.

**Item no. 5**

The Board has approved the appointment of the Cost Auditors, M/s. SSPGR & Associates LLP at a remuneration of Rs. 65,000/- (Rupees Sixty Five Thousand only) including out of pocket expenses and excluding applicable taxes, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015.

In accordance with the provisions of the Section 148 of the Companies Act 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be decided by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 2 of the Notice for approving the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the resolution for approval of the members.

**By Order of the Board**

**Place: Mumbai**  
**Date: July 24, 2015**

**S/d**  
**Company Secretary**



**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**

Regd. Office: SIPCOT Industrial Complex, Madurai By Pass Road,  
TV Puram P.O., Tuticorin (Tamilnadu) - 628 002

**PROXY FORM**

Member's Folio No. ....

I/We ..... of  
..... in the district of ..... being a member of VIZAG  
GENERAL CARGO BERTH PRIVATE LIMITED, hereby appoint ..... of  
..... or failing him/her ..... of  
..... as my/our proxy to vote for me/us and on my/our behalf at the FIFTH  
ANNUAL GENERAL MEETING of the Company to be held on Friday, 25<sup>th</sup> day of September, 2015 at 02.00 PM.  
at the Registered Office of the Company at SIPCOT Industrial Complex, Madurai By Pass Road, TV Puram P.O.,  
Tuticorin (Tamilnadu) - 628 002 and at every adjournment thereof.

Signed this ..... day of .....2015

Proxy form must reach the Company's Regd. Office, at  
SIPCOT Industrial Complex, Madurai By Pass Road, T V  
Puram P.O., Tuticorin (Tamilnadu) - 628002, not less than  
48 hours before the commencement of the meeting.

Affix Rs.1 Revenue Stamp
--------------------------------

Signature



**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED  
BOARD REPORT**

To the Members,

Your Directors have pleasure in submitting their Fifth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

**1. FINANCIAL RESULTS**

The Company's financial performance for the year under review along with previous year's figures are given hereunder:

<b>Particulars</b>	<b>2014-2015</b>	<b>2013-14</b>
Gross Income	<b>183.63</b>	<b>105.70</b>
Profit Before Interest and Depreciation	<b>76.36</b>	<b>32.67</b>
Finance Charges	<b>31.79</b>	<b>33.89</b>
Provision for Depreciation	<b>45.41</b>	<b>35.14</b>
Net Profit Before Tax	<b>(0.85)</b>	<b>(36.36)</b>
Provision for Tax	-	-
Net Profit After Tax	<b>(0.85)</b>	<b>(36.36)</b>
Balance of Profit brought forward	<b>(51.49)</b>	<b>(15.12)</b>
Balance available for appropriation	-	-
Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Transfer to General Reserve	-	-
Surplus carried to Balance Sheet	<b>(52.34)</b>	<b>(51.49)</b>

**2. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS – Management Discussion and Analysis**

**Indian Economy and Infrastructure sector**

In 2014-15, India emerged as one of the largest economies with a promising economic outlook on the back of controlled inflation, rise in domestic demand, increase in investments, decline in oil prices and reforms among other. Indian economy signaled the recovery mode by clocking growth rate of 7.3% in 2014-15.

Further, Indian economy is forecasted to grow between 7.5% to 7.8% during 2015-16, benefiting from the acceleration of infrastructure projects, strong consumer spending due to lower inflation and government's reform measures viz., MAKE IN INDIA.

A key driver of the economy, Infrastructure is highly responsible for propelling India's overall development. This sector includes power, bridges, dams, roads, airports, ports and urban infrastructure development amongst others.

Government of India's new initiatives, viz., proposed smart cities, enhanced metro rail connectivity, river linking, focus on non-renewable power with more emphasis on solar power, efforts to restart the stalled projects shall optimistically lead to speedy progress and development of Infra sector which is directly related to the growth of Indian Economy.



## **Port Sector in India and Andhra Pradesh**

Ports in India play a vital role in the economic development of the country and definitely forms an important component of Public Infrastructure. The same has been reinstated by GoI by including it in the Core Sectors for achieving its ambitious MAKE IN INDIA programme.

Further, Government of newly formed Andhra Pradesh, is focusing on development of robust infrastructure across the state, including the ports of the State, where in your Company is operating and this will add thrust to the business of your Company.

India is the largest importer of thermal coal in the world and this is expected to grow due to increased demand for power. This is an important factor to be taken note of. Cargo traffic at major ports is projected to increase from 546 Million Metric Tonnes in 2013 to 943 Million Metric Tonnes by 2017 and this indicates the growth potential and prospects in the port sector.

However the sector continues to be impacted by challenges viz., delay in various Government clearances/approvals, dredging delays, shortage of ancillary/support infrastructure viz., railway rakes etc., affecting the viability of projects.

## **Business Overview**

The Company was incorporated on April 20, 2010 pursuant to the Letter of Award by Vishakhapatnam Port Trust (VPT) a major port, for the purpose of Mechanizing and Modernizing the General Cargo Berth at the outer Harbor of Vishakhapatnam Port. The Company entered into Concession Agreement with Vishakhapatnam Port Trust on June 10, 2010 for strengthening of Berth for 200,000 DWT capacity vessels and mechanization of complete Coal based Cargo handling facilities for General Cargo Berth (GCB) at Vizag Port, Visakhapatnam. The Company has been awarded Concession effective from October 08, 2010 for a period of 30 years.

Your Company has completed second year of its operations during the year under review.

After overcoming the initial bottlenecks, your Company has been trying to capitalize on its strengths. Your Company achieved a significant mile stone of handling 7 MMT of Cargo this financial year, which is 70% of installed capacity. In October 2014 the year under review, a very severe cyclone "Hudhud" hit Visakhapatnam, where your Company carries operations, impacting operations of Company during the months of October and early November, 2014.

On the other side, we are to face competition from other players as inner harbor of Visakhapatnam Port is dredged to 12.5 mts and is further being dredged to 14 mts. However, the silver lining is that this gives your Company more opportunities to handle Cape Size Vessels, which were hitherto forced to move to other ports because of delays.

## **3. DIVIDEND**

No Dividend was declared for the current financial year due to loss incurred by the Company.

## **4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**





The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

## **5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

## **6. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiaries or Joint ventures.

## **7. DIRECTORS & KEY MANAGERIAL PERSONNEL**

Board of Directors of your Company as on date of this report comprises of Mr. Pratik Pravin Agarwal, Mr. D.D. Jalan, Mr. M. Siddiqi, Mr. A.R. Narayanaswamy, Mr. R. Kannan and Ms. Pooja Yadava.

Mr. DD Jalan, Director retires at this Annual General Meeting and being eligible offer himself for re-election.

Ms. Pooja Yadava, who was appointed as Additional Director on March 31, 2015, holds the said office till the date of the Annual General Meeting. A notice has been received pursuant to section 160 of the Companies Act, 2013, proposing her candidature for appointment as Director liable to retire by rotation.

Key Managerial Personnel (K.M.P.) of your Company as on date of this report are Mr. D.K. Manral (C.E.O.), Mr. V.S. Ganesh (C.F.O.) and Mr. Aravind Matta (C.S. & Head – Legal).

## **8. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Company had 6 (six) Board meetings during the financial year under review, on April 18, 2014, July 23, 2014, August 11, 2014, October 21, 2014, January 21, 2015 and March 31, 2015.

Audit Committee and Nomination and Remuneration Committee of the Board were constituted on March 31, 2015 and hence no meetings of the Committees were held during the year under review.

## **9. FORMAL ANNUAL EVALUATION**

Globally, as part of good governance practice, Board evaluate its performance. The Companies Act, 2013 (Act) has mandated the need to ensure effectiveness of the Board governance and requires a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors.

Structured questionnaires/performance evaluation forms were prepared taking into consideration inputs received from the Directors for evaluation of the Board effectiveness which were broadly based on the parameters like Strategic and Operational Oversight, the Dynamics, Composition, Level of Expertise, Terms of Reference, Board support and processes, Governance etc.

## **10. DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

## **11. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The Audit Committee consists of the following members:

- a. Mr. R. Kannan
- b. Mr. A.R. Narayanaswamy
- c. Mr. D.D. Jalan

The above composition of the Audit Committee consists of independent Directors viz., Mr. R. Kannan and Mr. A.R. Narayanaswamy who form the majority.

Your Company has established a robust vigil mechanism for reporting of genuine concerns through the Whistle Blower Policy of the Group. As per the whistle blower policy adopted by various businesses in the group, all complaints are reported to Group Head – Management Assurance who is independent of operating management and businesses. In line with global practices, dedicated email IDs and centralized database have been created to facilitate receipt of complaints. A 24X7 whistle blower hotline cum web based portal was also launched during the year. All employees and stakeholders can register their integrity related concerns either by calling on a toll free number or by writing on the web based portal that is managed by a third party. The hotline provides multiple local language options. After the investigation, established cases are brought to Group Ethics Committee for decision making. All cases reported as part of whistle blower mechanism are taken to their logical conclusion within a reasonable timeframe.

As part of the Code of Conduct, the Company has a Whistle blower Policy, where any instance of non-adherence to the Policy or any observed unethical behaviour is to be brought to the attention of the Head of Management Assurance Services/Audit Committee Chairman. During the year under review, there were no reports under the mechanism.

The Whistle Blower Policy is also posted on the website of the Company.

## **12. DISCLOSURE OF COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE AND PROVIDING VIGIL MECHANISM**

The Nomination and Remuneration Committee consists of the following members:

- a. Mr. R. Kannan
- b. Mr. A.R. Narayanaswamy
- c. Mr. Pratik Pravin Agarwal
- d. Mr. M. Siddiqi

## **13. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is derived from its Nomination and Remuneration Policy, brief extracts of which are as under:

- a. Assist the Board in identifying persons who are qualified to become directors and who may be appointed in senior management.
- b. Formulate the criteria and to carry out evaluation of every director's performance, including Independent Directors and Board as a whole.
- c. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- d. Formulate and recommend to the Board a policy, relating to the remuneration.
- e. Devising a policy on Board diversity.

#### 14. DETAILS RELATING TO REMUNERATION OF DIRECTORS/KMP'S/EMPLOYEES

Directors of your Company do not draw remuneration.

Below is the sitting fees being paid to Independent Directors of the Company:

Sl. No.	Name of the Meeting	Sitting Fees in Rs. (per meeting)
1	Board Meeting	25000
2	Audit Committee Meeting	25000
3	Nomination and Remuneration Committee Meeting	10000

The information required, pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as under:

S. No.	Name of the employee	Age	Designation	Remuneration (Gross) in Rs.	Total Experience	Employment Commencement Date	Last Employment	% of shares
1	Manral DK	56	C.E.O	69,41,783	29 YRS	April 13, 2013	Aditya Birla Group	Nil
2	TPK Patro	43	A.V.P. - Finance	73,74,541	21 YRS	Nov 3, 2004	Tata Power Ltd.	Nil

None of the above employees is a relative of any directors of the Company.

Other information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request.

In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company in this regard.

## **15. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

## **16. DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

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

(b) 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 the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.- Not applicable to Private Limited Company. Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

(f) 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.

## **17. AUDITORS' REPORT ON ACCOUNTS/SECRETARIAL AUDIT REPORT**

The Statutory Audit Report and Secretarial Audit Report are self-explanatory and therefore does not call for any further comments or explanations.

## **18. STATUTORY AUDITORS**

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Registration No.117366W-W100018) retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment for a period of 1 (one) year from the conclusion of this Annual General Meeting [AGM] till the conclusion of next AGM. They were appointed as Statutory Auditors for a period of one year in the Annual General Meeting held on June 26, 2014.

The Audit Committee / Board of Directors are cognizant of the need for rotation of the Statutory Auditors in line with the requirement of Companies Act, 2013 and the high Governance standards that the Company is committed to. The Company will approach the Shareholders in this regard at the appropriate time.

## **19. SECRETARIAL AUDIT**

Secretarial audit report for the financial year 2014-15, as provided by M/s. M. Alagar & Associates, Practising Company Secretary, is annexed to this Report as Annexure I.

## **20. COST AUDITORS**



In pursuance of Section 148 of the Companies Act, 2013 read with the Companies (Cost Record and Audit) Amendment Rules 2014, your Board has appointed M/s. SSPGR & Associates LLP, Cost Accountants as the Cost Auditor of the Company under Section 148 of the Companies Act, 2013 for the financial year 2014-15. The cost audit report will be filed with the Central Government as per the timelines.

The Audit Committee and Board therefore recommend to re-appoint M/s. SSPGR & Associates LLP & Co, Cost Accountants as Cost Auditors of the Company for the year 2015-2016.

As required under the Companies Act 2013, the remuneration payable to Cost Auditor requires members approval and accordingly a resolution seeking Member's approval for the remuneration payable to M/s. SSPGR & Associates LLP, Cost Accountants is included at Item No 5 of the Notice Convening the Annual General Meeting.

## **21. INTERNAL AUDITORS**

M/s. KPMG, Chartered Accountants, were appointed as the Internal Auditors of the Company for the Financial Year 2014-15.

Pursuant to the provisions of Section 138 of the Companies Act 2013 read with Rule 13 of the Companies (Accounts) Rule 2014, the Board on the recommendations of the Audit Committee have appointed M/s. KPMG, Chartered Accountants as the Internal Auditors of the Company for the year 2015-16.

## **22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There was no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

## **23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

All related party transactions that were entered during the financial year were on arm's length basis and were in ordinary course of Business. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

## **24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

1. A. Energy conservation Measures –
    - a. Load distribution on main incoming Transformers is studied and optimization carried out.
    - b. Feasibility study being carried out for replacing the HPSV lamps with LED lamps.
  - B. Steps taken for utilizing alternate sources of energy – Assessment is being done for utilizing the Solar Power for meeting the Company's power requirements. Discussions with vendors is under process for finalizing the power purchase agreement.
  - C. Capital investment in energy conservation equipment – Nil.
2. Technology Absorption Measures – Nil

### 3. Forex Earnings & outgo

(in Cr.)

<b>Total foreign exchange earned and outgo</b>	<b>2014-15</b>	<b>2013-14</b>
i. CIF value of imports	1.14	-
ii. Expenditure in foreign currency	2.19	2.76
iii. FOB value of exports	-	-
iv. Foreign exchange earned - others	-	-

## 25. RISK MANAGEMENT POLICY

All the risks associated with the business are identified and allocated to respective designated owners to manage/control the risks and keep risk exposures within the acceptable limits.

Our risk management framework is designed to be a simple, consistent and clear for managing and reporting risks. Risk management is embedded in our critical business activities, functions and processes. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

Risk Management policy is designed/evaluated by Board of Directors through Audit Committee and policy is in alignment with the Vedanta Group's Risk Management Policy.

## 26. CRISIL RATING

CRISIL Research certifies its rating of the Company for the Financial Year 2014-2015. The treasury portfolio of fixed income investments has been evaluated as 'Very Good' (highest safety from credit default on CRISIL's 4 point scale).

## 27. DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

## 28. SHARES

### a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

### b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

### c. BONUS SHARES

No Bonus Shares were issued during the year under review.

### d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

## 29. ANNUAL RETURN



The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure II and is attached to this Report.

### **30. ACKNOWLEDGEMENTS**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

S/d

S/d

**Director**

**Director**

**Place: Mumbai**

**Date: July 24, 2015**

**Annexure -I**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
*For the Financial Year 2014-15*

To,

The Members,

**Vizag General Cargo Berth Private Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vizag General Cargo Berth Private Limited** (hereinafter called the “**the Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Vizag General Cargo Berth Private Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the year ended March 31, 2015 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by “the Company” for the year ended March 31, 2015 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (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
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; – Not Applicable



- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – Not Applicable
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – Not Applicable
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - 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
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – Not Applicable
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998– Not Applicable
2. I have also examined compliance with the Listing Agreements entered into by the Company with Stock Exchange(s).
3. I report that, based on the information provided by the Company, its officer and authorized representative during the conduct of audit, and on the review of quarterly compliance report submitted to the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the company to monitor and ensure compliance with the laws specifically applicable to the Company as listed below;
- a) The Major Port Trusts Act, 1963
  - b) The Dock Workers Act, 1986 And The Dock Workers Regulations, 1990
  - c) The Visakhapatnam Port Trust (Licensing of Stevedores and Allied Matters) Regulations, 1987
  - d) The Dock workers Act, 1986 and Dock Workers (Safety, Health & Welfare) Regulations, 1990
  - e) Coastal Regulation Zone, 1991
4. I 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 labour & industrial laws, Environmental laws, rules, regulations and guidelines made thereunder as listed below;
- a) Child Labour Prohibition And Regulation Act, 1986
  - b) Employees' Provident Funds And Miscellaneous Provisions Act, 1952, Employees' Provident Funds Scheme, 1952, Employees' Pension Scheme, 1995, Employees' Deposit-Linked Insurance Scheme, 1976
  - c) Employees' State Insurance Act, 1948 & Employees' State Insurance (General) Regulations, 1950
  - d) Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 & Employment Exchanges (Compulsory Notification of Vacancies) Rules, 1960
  - e) The Supreme Court Guidelines on Prohibition of Sexual Harassment of Women at Work place

- f) The Equal Remuneration Act, 1976 and The Equal Remuneration Rules, 1976
  - g) Apprentices Act, 1961 & Apprenticeship Rules, 1991
  - h) Workmen's Compensation Act, 1923 & Workmen's Compensation (Central) Rules, 1924
  - i) Contract Labour (Regulation And Abolition) Act, 1970 & Contract Labour (Regulation And Abolition) Central Rules, 1971
  - j) Minimum Wages Act, 1948 & Minimum Wages (Central) Rules, 1950
  - k) Industrial Employment (Standing Orders) Act, 1946 & Industrial Employment (Standing Orders) Central Rules, 1947
  - l) Payment of Gratuity Act, 1972 & Payment of Gratuity (Central) Rules, 1972
  - m) Industrial Disputes Act, 1947 & Industrial Disputes (Central) Rules 1957
  - n) The Inter-state Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 & The Inter-state Migrant Workmen (Regulation of Employment and Conditions of Service) Rules, 1980
  - o) Payment of Wages Act, 1936
  - p) The Payment of Bonus Act, 1965 & The Payment of Bonus Rules, 1975
  - q) National Festival Holidays under negotiable instrument act 1881
  - r) Private Security Agencies (regulation) Act 2005
  - s) The Environment Impact Assessment Notification 1994 amended 2006
  - t) Environment (Protection) Act, 1986 & Environment (Protection) Rules, 1986
  - u) The Environment (Protection) Act, 1986 and Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
  - v) The Environment (Protection) Act, 1986 and The Noise Pollution (Regulation and Control) Rules, 2000
  - w) E-Waste (Management & Handling) Rules, 2011
  - x) Water (Prevention & Control of Pollution) Act, 1974 & Water (Prevention and Control of Pollution) Rules 1975
  - y) Water (Prevention And Control Of Pollution) Cess Act, 1977 and Water (Prevention And Control Of Pollution) Cess Rules, 1978
  - z) Air (Prevention and Control of Pollution) Act, 1981 & Air (Prevention & Control of Pollution) Rules 1982
  - aa) Environment (Protection) Act, 1986 & Batteries (Management and Handling) Rules, 2001
  - bb) Environment (Protection) Act 1998 & Bio-Medical Waste (Management and Handling) Rules, 1998
  - cc) The Electricity Act, 2003 and the Indian Electricity rules 1956
  - dd) Food Safety and Standards Act, 2006
  - ee) The Legal Metrology Act, 2009 & The Legal metrology (General) Rules 2011
  - ff) The Indian Standard Code of Practice for Selection, Installation and Maintenance of Portable First Aid Fire Extinguishers
  - gg) Indian Wireless Telegraphy Act, 1933
  - hh) A.P Fire Service Act, 1999 and Fire Services (Fire Prevention and Fire Safety) Rules
5. I further report that, the Board of Directors of the Company is duly constituted with proper balance including a women director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
6. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to at least seven days in advance except one board meeting which was conveyed by shorter notice (6 days notice) and complied with requirements of the Companies Act, 2013.

7. I further report that, during the audit period, except issue of shares to the existing shareholders through rights issue, there were specific events / actions in pursuance of the above referred laws, rules, regulations, etc. having a major bearing on the Company's affairs.

**For M.Alagar & Associates**

**Place:** Chennai

**Date :** July 14, 2015

s/d

**M. Alagar**

**FCS No: 7488**

**C P No: 8196**



**Annexure -II**

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2015**

**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	U35100TN2010PTC075408
2	Registration Date	20/04/2010
3	Name of the Company	Vizag General Cargo Berth Private Limited
4	Category/Sub-category of the Company	Public Company (by virtue of being a subsidiary of public company)/Limited by shares
5	Address of the Registered office & contact details	SIPCOT Industrial Complex, Madurai Bypass Road, T.V. Puram P.O., Tuticorin - 628002
6	Whether listed company	Yes (Debt Listed)
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500035

**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)**

S. No.	Name and Description of main Products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Operation of Port Terminal Facility	52220	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND SUBSIDIARY COMPANIES**

S. No.	NAME & ADDRESS OF COMPANY	CIN	HOLDING	% OF SHARES HELD	APPLICABLE SECTION
1.	Vedanta Limited (formerly known as Sesa Sterlite Ltd)	L13209GA1965PLC000044	Holding	99.997%	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)**

**A. Category-wise Share Holding**



a) Bodies Corp.																		
i) Indian - <b>Leighton</b>		2600	2600	26		1000	1000	0.003	-25.997									
ii) Overseas																		
b) Individuals																		
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	NA				NA				NA									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	<b>NONE</b>																	
c) Others (specify)																		
Non Resident Indians																		
Overseas Corporate Bodies																		
Foreign Nationals																		
Clearing Members																		
Trusts																		
Foreign Bodies - D R																		
<b>Sub-total (B)(2):-</b>											2600	2600	26		1000	1000	0.003	-25.997
Total Public Shareholding (B)=(B)(1)+ (B)(2)											2600	2600	26		1000	1000	0.003	-25.997
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>																		
<b>Grand Total (A+B+C)</b>		10000	10000	100		32108000	32108000	100										

### B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year	Shareholding at the end of the year	% change
----	--------------------	---	-------------------------------------	----------

		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	in shareholding during the year
1	VEDANTA LIMITED	7400	74	NA	32107000	99.997	NA	25.997

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

S N	Particulars	Shareholding		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	7400	74	7400	74
2.1	11.08.2014 - Transfer of 1600 shares from non-promoter shareholder	9000	90	9000	90
2.2	Further issue of 24098000 equity shares under Section 62 of Companies Act 2013-11.08.2014 & 21.10.201	24107000	99.995	24107000	99.995
2.3	Further issue of 8000000 equity shares under Section 62 of Companies Act 2013-21.10.2014	32107000	99.997	32107000	99.997
3	At the end of the year	32107000	99.997	32107000	99.997

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders - Leighton	Shareholding during of 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
	At the beginning of the year	2600	26	2600	26
	11.08.2014 - Transfer of 1600 shares by non-promoter shareholder to promoter shareholder	1000	0.005	1000	0.005
	At the end of the year	1000	0.003	1000	0.003

**E) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding 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
	At the beginning of the year	NA	NA	NA	NA
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NA	NA	NA	NA
	At the end of the year	NA	NA	NA	NA

**V) INDEBTEDNESS** - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits (in Cr.)	Unsecured Loans (in Cr.)	Deposits	Total Indebtedness (in Cr.)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	414.35	150	Nil	564.34
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	24.37	0.14	Nil	24.51
<b>Total (i+ii+iii)</b>	438.72	150.14	Nil	588.85
<b>Change in Indebtedness during the financial year</b>				
* Addition	Nil	Nil	Nil	Nil
* Reduction	0.2	0.03	Nil	0.23
<b>Net Change</b>	0.2	0.03	Nil	0.23
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	414.35	150	Nil	564.34
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	24.17	0.11	Nil	24.28
<b>Total (i+ii+iii)</b>	<b>438.52</b>	<b>150.11</b>	Nil	<b>588.62</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Total Amount (in Lacs)
1	Gross salary	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission - as % of profit - others, specify...	Nil
5	Others, please specify	Nil
	Total (A)	Nil
	Ceiling as per the Act	Nil

### B. Remuneration to other directors

(Amt in Rs.)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	<b>Mr. R. Kannan</b>	<b>Mr. A R Narayanaswamy</b>	-		
	Fee for attending board committee meetings	Nil	Nil			Nil
	Commission	Nil	Nil			Nil
	Others, please specify	Nil	Nil			Nil
	Total (1)	Nil	Nil			Nil
2	Other Non-Executive Directors	<b>Mr. Pratik Agarwal</b>	<b>Mr. D D Jalan</b>	<b>Mr. M. Siddiqi</b>	<b>Ms. Pooja Yadava</b>	
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	NA	NA	NA	NA	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil

Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
Overall Ceiling as per the Act	NA	NA	NA	NA	NA

**C.REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(Amt in Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel		
		Mr. D.K. Manral Chief Executive Officer	Mr. V.S. Ganesh Chief Financial Officer	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6941783	3616435	10558218
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
-	Stock Option	-	-	-
3	Sweat Equity	NONE		
4	Commission			
	- as % of profit			
	Others, specify			
5	Others, please specify			
	Total	6941783	3616435	10558218

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NONE				
Punishment					
Compounding					

# Deloitte Haskins & Sells LLP

Chartered Accountants  
7th Floor, Building 10, Tower B,  
DLF Cyber City Complex,  
DLF City Phase - II  
Gurgaon - 122 002, Haryana  
India

Tel : +91 (0)124 679 2000  
Fax: +91 (0)124 679 2012

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **VIZAG GENERAL CARGO BERTH PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these 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 in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



**Deloitte  
Haskins & Sells LLP**

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 aforesaid 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 31 March, 2015, and its loss and its cash flows for the year ended on that date

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 of the Act, we give in the Annexure 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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

  
Jitendra Agarwal  
Partner  
(Membership No. 087104)

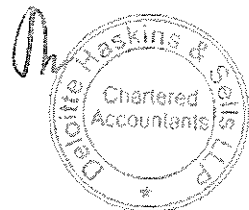


Place : Gurgaon  
Date : 24 April, 2015

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii. In respect of its inventory:
  - a. As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and for the sale of services. The Company's operations did not give rise to sale of goods during the current year. During the course of our audit, we have not observed any major weakness in such internal control system.
- v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



**Deloitte  
Haskins & Sells LLP**

- vii. According to the information and explanations given to us in respect of statutory dues:
- a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.  
  
We are informed that the provisions of 'Employees' State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company during the year did not give rise to any liability for Investor Education and Protection Fund, Sales Tax, Wealth Tax and Duty of Excise.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2015 for a period of more than six months from the date they became payable.
  - c. We were informed that there are no dues in respect of Income Tax, Sales Tax, Service Tax, Duty of Customs and Cess which have not been deposited on account of any dispute.
  - d. There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- viii. The accumulated losses of the Company at the end of the financial year are not less than fifty percent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and debenture holders. The Company has not taken loans from financial institutions.
- x. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- xi. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.
- xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)



*Jitendra Agarwal*  
Jitendra Agarwal  
Partner  
(Membership No. 087104)

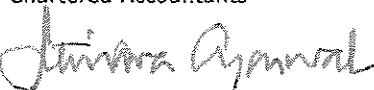
Place : Gurgaon  
Date : 24 April, 2015

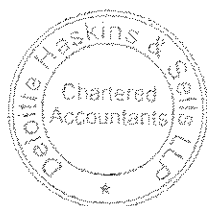
**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**BALANCE SHEET AS AT 31 MARCH, 2015**

Particulars	Note No.	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	321,080,000	100,000
(b) Reserves and surplus	4	(523,365,493)	(514,879,641)
<b>2 Share application money pending allotment</b>		-	167,980,000
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	5	2,250,000,000	5,441,162,869
<b>4 Current liabilities</b>			
(a) Short-term borrowings	6	245,042,983	25,522,836
(b) Trade payables	7	74,312,594	69,581,483
(c) Other current liabilities	8	3,581,900,925	1,085,953,409
(d) Short-term provisions	9	5,484,025	5,294,067
<b>TOTAL</b>		<b>5,954,455,033</b>	<b>6,280,715,023</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	5,478,499,193	5,800,363,618
(ii) Intangible assets	10	2,070,820	3,722,715
(iii) Capital work-in-progress		-	22,379,440
(b) Long-term loans and advances	11	77,681,239	46,327,751
<b>2 Current assets</b>			
(a) Current investments	12	248,796,100	214,630,610
(b) Inventories	13	33,081,721	3,219,721
(c) Trade receivables	14	68,246,195	80,649,694
(d) Cash and cash equivalent	15	16,184,108	6,828,803
(e) Short-term loans and advances	16	16,801,198	92,061,961
(f) Other current assets	17	13,094,459	10,530,710
<b>TOTAL</b>		<b>5,954,455,033</b>	<b>6,280,715,023</b>

See accompanying notes forming part of the financial statements


In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants


  
Jitendra Agarwal  
Partner



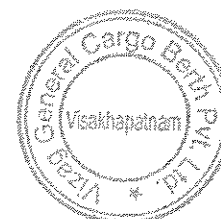
Place: Gurgaon  
Date: 24 April, 2015

For and on behalf of the Board of Directors

  
D.D. Jalan  
Director

  
Pratik Agarwal  
Director

  
VS Ganesh  
Chief Financial Officer



Place: Mumbai  
Date: 24 April, 2015

**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015**

Particulars	Note No.	For the year ended 31.03.2015 (Rupees)	For the year ended 31.03.2014 (Rupees)
<b>1 Income</b>			
(a) Revenue from operations	18	1,659,129,358	1,001,968,546
(b) Other income	19	177,153,729	55,067,126
<b>Total Revenue</b>		<u>1,836,283,087</u>	<u>1,057,035,672</u>
<b>2 Expenses:</b>			
(a) Employee benefits expense	20	61,781,220	73,955,287
(b) Finance costs	21	317,927,798	338,869,493
(c) Depreciation and amortization expense	10	454,127,749	351,435,959
(d) Other expenses	22	1,010,932,172	656,390,996
<b>Total expenses</b>		<u>1,844,768,939</u>	<u>1,420,651,735</u>
<b>3 Profit/(Loss) before tax</b>		(8,485,852)	(363,616,063)
<b>4 Tax expense</b>		-	-
<b>5 Profit/(Loss) for the year</b>		<u>(8,485,852)</u>	<u>(363,616,063)</u>
Earnings per equity share	23.11		
Nominal value of share Rs. 10			
(1) Basic		(0.45)	(36,361.61)
(2) Diluted		(0.45)	(36,361.61)

See accompanying notes forming part of the financial statements

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

*Jitendra Agarwal*  
**Jitendra Agarwal**  
Partner



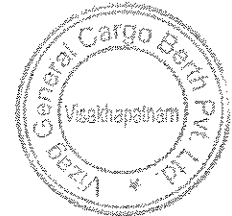
Place: Gurgaon  
Date: 24 April, 2015

For and on behalf of the Board of Directors

*D.D. Jafan*  
**D.D. Jafan**  
Director

*Pratik Agarwal*  
**Pratik Agarwal**  
Director

*VS Ganesh*  
**VS Ganesh**  
Chief Financial Officer




Place: Mumbai  
Date: 24 April, 2015



**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH, 2015**

	Note No.	Year ended 31.03.2015 (Rupees)	Year ended 31.03.2014 (Rupees)
<b>A. Cash flows from operating activities</b>			
Net Profit (loss) before tax		(8,485,852)	(363,616,063)
<b>Adjustment for :</b>			
Depreciation		454,127,749	351,435,959
Finance Cost		317,927,798	359,471,203
Loss on Damage to asset		-	1,226,410
Mark to Market (Gain)/Loss on Derivative (Forward Cover)		(10,937,160)	(69,162,887)
Profit on sale of investment		(12,044,807)	(10,318,240)
<b>Operating profit before working capital changes</b>		<b>740,587,728</b>	<b>269,036,382</b>
<b>Adjustments for (increase) / decrease in operating assets:</b>			
Inventories		(29,861,999)	(3,219,721)
Trade receivables		12,403,499	(67,399,090)
Short-term loans and advances		92,586,263	119,800,321
Long-term loans and advances		(48,684,332)	(20,805,861)
Other current assets		(13,500,909)	(10,530,710)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>			
Trade payables		4,731,106	69,581,488
Other current liabilities		(646,017,257)	20,415,987
Short-term provisions		189,958	5,294,067
<b>Net cash flow from / (used in) operating activities (i)</b>		<b>112,434,055</b>	<b>382,172,863</b>
<b>B. Cash flows from investing activities</b>			
Purchase of Fixed Assets including capital work in progress		(29,827,850)	(92,871,449)
Purchase of Investments		(1,543,400,000)	(949,861,884)
Sale of Investments		1,521,279,327	825,674,546
<b>Net cash flow from / (used in) investing activities (ii)</b>		<b>(51,948,523)</b>	<b>(217,058,787)</b>
<b>C. Cash flows from financing activities</b>			
Proceeds from issue of Equity Share Capital		153,000,000	-
Proceeds from long-term borrowings		-	3,084,471,347
Proceeds from short-term borrowings		152,878,140	2,425,102
Payment of short-term borrowings		(26,326,471)	-
Interest and finance charges paid		(317,927,798)	(350,075,015)
Repayment of other long-term borrowings		-	(2,926,740,106)
Rollover gain/(loss) on Forward Cover (Net)		(12,754,098)	31,427,989
<b>Net cash flow from / (used in) financing activities (iii)</b>		<b>(51,130,227)</b>	<b>(158,490,683)</b>
<b>Net (decrease)/increase in cash and cash equivalent (i+ii+iii)</b>		<b>9,355,304</b>	<b>6,623,393</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>6,828,803</b>	<b>205,410</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>15</b>	<b>16,184,108</b>	<b>6,828,803</b>


In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants


  
Jitendra Agarwal  
Partner



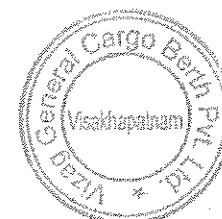
Place: Gurgaon  
Date: 24 April, 2015

For and on behalf of the Board of Directors

  
D.D. Jalan  
Director

  
Pratik Agarwal  
Director

  
VS Ganesh  
Chief Financial Officer



Place: Mumbai  
Date: 24 April, 2015

**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

---

**1. Company's overview :**

Vizag General Cargo Berth Private Limited (the "Company") has been set up to develop, establish, construct, operate and maintain a project related to mechanization of Coal Handling Facilities and Upgradation of General Cargo Berth at outer harbour of Visakhapatnam port (the "Project") under Design, Build, Finance, Operate and Transfer ("DBFOT") basis. A 'Concession Agreement' entered into between the Company and Board of Trustees for Vishakhapatnam Port (the "Concessions Authority") granted the Company an exclusive licence for designing, engineering, financing, constructing, equipping, operating and maintaining the Project.

The Concession is granted for a period of 30 years commencing from 8 October, 2010 i.e. Date of Award of Concession. The Company started its commercial operations effective 15 March, 2013. The Company is entitled to recover tariff notified from time to time by the Tariff Authority for Major Ports, from the users of Project Facilities and Services. On the expiry of the Concession period the Company shall transfer the Project Assets to the Concessions Authority in accordance with the Concession Agreement.

**2. Significant Accounting Policies:**

**(a) Basis of accounting and preparation of financial statements:**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 23.12.

**(b) Use of Estimates:**

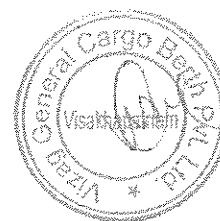
The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**(c) Fixed Assets:**

Fixed assets are stated at cost of acquisition/construction (exclusive of available Central and State VAT credit) less accumulated depreciation/amortization and impairment loss if any. Costs include non-refundable taxes and duties, borrowing costs and other expenses incidental to acquisition.

**(d) Borrowing Cost:**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.



**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**(e) Depreciation:**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, and its estimated residual value is considered as Zero because on the expiry of the concession period the Company shall transfer the Project Assets to the Concessioning Authority in accordance with the Concession Agreement.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Assets	Depreciated Life	Rate of Depreciation
<b>Tangible Assets</b>		
- Buildings, Office Buildings, Factory Buildings and Berth	27 Years	3.70%
- Plant and Machinery & Railway Sliding	3-15 Years	6.67% - 33.33%
- Office Equipment	5 Years	20%
- Furniture and Fittings	10 Years	10%
<b>Intangible Assets</b>		
- Computer Software	3-5 Years	28.57%

**(f) Impairment of Assets:**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

- an intangible asset that is not yet available for use; and
- an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

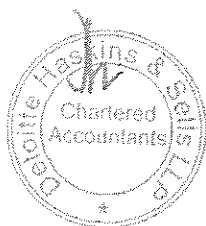
**(g) Investments:**

Current Investments are stated at lower of cost and fair value. Dividend Income is accounted when the right to receive dividend is established.

**(h) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company. Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue on transactions of rendering services is recognised to the extent the services are actually rendered. Revenue from Cargo handling and storage is recognised on proportionate completion method based on service performed.

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.



**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

---

**(i) Foreign Currency Transactions and Translation:**

i. Initial Recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

ii. Measurement at the balance sheet date:

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

iii. Exchange Differences:

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

iv. Exchange difference on long-term foreign currency monetary items:

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as 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 items, whichever is earlier, and charged to the Statement of Profit and Loss.

**(j) Provisions and contingencies:**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is neither recognized nor disclosed.

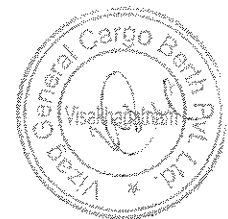
**(k) Taxes on Income:**

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

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.



**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

---

**(i) Derivative Financial Instruments:**

In order to hedge its exposure to foreign exchange, the Company enters into forward and other derivative financial instruments. The Company does not hold any derivative financial instruments for speculative purposes.

Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet dates.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Profit and Loss Account. The hedged item is recorded at fair value and any gain or loss is recorded in the Profit and Loss Account and is offset by the gain or loss from the changes in fair valuation of hedging instrument.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and are determined to be an effective hedge are recognized in equity in the hedging reserve account. The gain or loss relating to the ineffective portion is recognized in the Profit and Loss Account. Amounts accumulated in the equity are recycled to the Profit and Loss Account in the periods when the hedged item affects profit and loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised directly in equity are removed, and are included in the initial cost or other carrying amount of the asset or liability.

Derivative financial instruments that do not qualify for hedge accounting are marked to market at the Balance Sheet date and gains or losses are recognized in the Profit and Loss Account immediately.

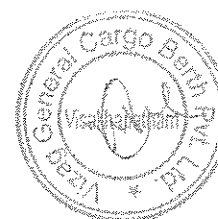
Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognized in equity is kept in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in equity is transferred to the Profit and Loss Account.

**(m) Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**(n) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**3 Share capital**

	As at 31.03.2015		As at 31.03.2014	
	Number of shares	Rupees	Number of shares	Rupees
<b>Authorised</b>				
Equity shares of Rs. 10 each with voting rights	50,000,000	500,000,000	50,000,000	500,000,000
<b>Issued Subscribed and fully Paid up</b>				
Equity shares of Rs.10 each with voting rights	32,108,000	321,080,000	10,000	100,000
	<b>32,108,000</b>	<b>321,080,000</b>	<b>10,000</b>	<b>100,000</b>

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	As at 31.03.2015		As at 31.03.2014	
	Equity Shares		Equity Shares	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Shares outstanding at the beginning of the year	10,000	100,000	10,000	100,000
Shares issued during the year	32,098,000	320,980,000	-	-
Shares outstanding at the end of the year	32,108,000	321,080,000	10,000	100,000

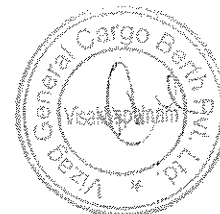
**(ii) Details of shares held by the holding Company , the ultimate holding Company , their subsidiaries and associates :**

The Board of Directors of the Company, pursuant to approval of Concessing Authority i.e. VPT for transfer of 1600 shares from Leighton to Sterlite and further allotment of remaining shares in the Company to Vedanta Limited (Formerly Sesa Sterlite Limited) which has the effect of diluting the mandatory requirements of Leighton's holding to 26% in the Company, transferred 1600 equity shares from Leighton to Sesa Sterlite and further allotted 32,098,000 equity shares of Rs. 10 each, at par as fully paid up to Vedanta Limited (Formerly Sesa Sterlite Limited) in the share capital of the Company against the share application money pending allotment. Accordingly as on date, Vedanta Limited (Formerly Sesa Sterlite Limited) holds 99.997% of the equity shares and Leighton India Contractors Private Limited holds 0.003% of the equity share in the Company.

**(iii) Details of shares held by each shareholder holding more than 5% shares :**

Name of Shareholder	As at 31.03.2015		As at 31.03.2014	
	Number of shares held	% of Holding	Number of shares held	% of Holding
(a) Vedanta Limited (Formerly Sesa Sterlite Limited)	32,107,000	99.997%	7,400	74
(b) Leighton India Contractors Private Limited	1,000	0.003%	2,600	26

**(iv)** The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.



**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
<b>4 Reserves and Surplus</b>		
<b>(a) Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	(514,879,641)	(151,263,578)
Add: Profit/(Loss) for the current year	(8,485,852)	(363,616,063)
Closing Balance at the end of the year	<u>(523,365,493)</u>	<u>(514,879,641)</u>
	<u>(523,365,493)</u>	<u>(514,879,641)</u>
<b>5 Long -term Borrowings</b>		
<b>(a) Non Convertible Debentures (Secured)</b> (See note (i) below for security created and terms of repayment)	750,000,000	3,000,000,000
<b>(b) Compulsory Convertible Debenture (Unsecured)</b> 1,500,000, 0.1% Compulsory Convertible Debentures of Rs. 1,000 each fully paid up. ( See note (ii) below)	1,500,000,000	1,500,000,000
<b>(c) Buyers credit from Axis Bank Limited (Secured)</b> (See note (iii) below for security created on Buyers Credit and note (iv) below for terms of repayment)	-	941,162,869
	<u>2,250,000,000</u>	<u>5,441,162,869</u>

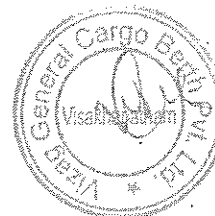
**Note (i) :** The Company had issued 9% Secured Non Convertible Debentures ("NCDs") of Rs. 1,000,000 each to IDFC Limited (the "arranger"), in the month of May 2013 amounting to Rs. 300 Crore (including current maturity of long term borrowing of Rs. 225 crore (see note 8)) for refinancing of Rupee Term Loan and for other general corporate purposes. The NCD's carry coupon rate of 9% which is payable annually. The NCD's are redeemable at the end of the 3rd years from the date of allotment i.e. 8 May, 2013, earlier redemption of these debentures can happen by way of exercising put and call option at the end of 2nd year i.e 8 May, 2015. The NCD's are listed on Bombay Stock Exchange of India Ltd.

Non Convertible Debentures are secured by 1.1 times of the face value of outstanding debentures, by way of charge on the fixed assets of the Company.

**Note (ii) :** The Company had issued 0.1% Unsecured Compulsorily Convertible Debentures ("CCDs") of Rs. 1,000 each to Vedanta Limited (Formerly Sesa Sterlite Limited) (the "Subscriber"). The CCDs were allotted to the Subscriber on March 28, 2011 at Rs. 650 called up per CCD and the balance Rs. 350 was called upon during the year ending 31 March, 2012. At the end of the 7th year from the date of allotment each of the CCDs shall be compulsorily convertible into equity shares of the Company of Rs. 11.10 each i.e. each CCD shall be converted into 90 equity shares of Rs. 10 each at a premium of Rs. 1.10 per share.

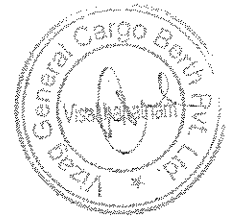
**Note (iii) :** Buyers credit from Axis Bank Limited, is Secured by (i) a first Pari passu floating charge / assignment of all revenues and receivables of the Company from the Project or otherwise; (ii) first paripasu floating charge on all the Company's immovable and movable assets (excluding Project Site as defined in Concession Agreement (CA)); (iii) a first paripasu floating charge on all intangible assets (other than project site as defined in CA) including but not limited to the goodwill, undertaking, uncalled capital, and Intellectual Property Rights of the Company; (iv) a first paripasu floating charge on the Escrow Account (v) Secured by Corporate Guarantee of the Vedanta Limited (Formerly Sesa Sterlite Limited) which is valid till the tenure of the Buyers Credit facility. Charge on assets would be governed by terms of Concession Agreement.

**Note (iv) :** The rate of interest ranges from 0.85 % to 2.24 % and other terms of repayment for these buyer's credit are based on the agreement ranges from 15 months to 36 months with the respective banks and the nature of such buyer's credit.



**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
<b>6 Short Term Borrowings</b>		
<b>Buyers credit</b>		
For security created on Buyers Credit see See note 5(iii) and also see note 5(iv) for rate of interest	245,042,983	25,522,836
<b>7 Trade Payables</b>		
Other than acceptances	74,312,594	69,581,483
<b>8 Other Current Liabilities</b>		
(a) Current Maturities of Long term Borrowings (see note below)	3,148,490,935	-
(b) Interest accrued but not due on borrowings	242,877,078	245,107,443
(c) Advance from Customers	800,000	-
(d) Other payables :		
-Statutory dues	7,222,912	9,491,939
-Payables for Capital Goods (including retention money)	18,473,050	719,226,322
-Due to Related Parties -See Note 16(b)	15,323,164	2,105,051
-Other Financial Liabilities-Derivatives	95,988,476	63,419,936
-Royalty (Payable to Vishakhapatnam Port Trust)	52,725,309	46,502,718
	<u>3,581,900,925</u>	<u>1,085,953,409</u>
<b>Note: Current Maturities of Long term Borrowings</b>		
(a) Non Convertible Debentures (Secured)	2,250,000,000	-
(See note 5(i) above for security created and terms of		
(b) Buyers credit from Axis Bank Limited (Secured)	898,490,935	-
(See note 5(iii) below for security created on Buyers Credit and note 5(iv) below for terms of repayment)		
	<u>3,148,490,935</u>	<u>-</u>
<b>9 Short Term provisions</b>		
Provision for employee benefits	5,484,025	5,294,067
	<u>5,484,025</u>	<u>5,294,067</u>





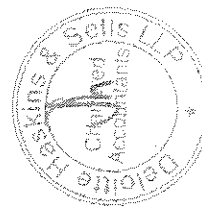
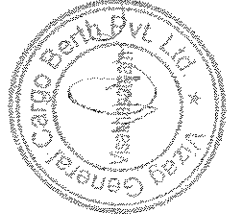
**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**10 Non Current Assets - Fixed Assets**

Particulars	Gross Block			Accumulated Depreciation		Net Block		
	Balance as at 1.04.2014	Additions / adjustments	Deductions / adjustments	As at 31.03.2015	Balance as at 1.04.2014	Depreciation / amortisation expense for the year	As at 31.03.2015	Balance as at 31.03.2014
<b>A. Tangible Assets</b>								
(a) Land	734,000	(734,000)	-	734,000 (734,000)	-	-	-	734,000 (-)
(b) Buildings	257,801,057 (25,206,2678)	(6,964,789)	(1,226,410)	257,801,057 (25,780,1057)	9,872,144 (435,553)	9,564,419 (9,436,594)	19,436,564 (9,872,147)	247,928,910 (251,627,125)
(c) Berth	1,380,422,598 (1,349,403,923)	(31,018,675)	-	1,380,422,598 (1,380,422,598)	52,574,823 (2,331,696)	51,213,678 (50,243,126)	103,788,501 (52,574,822)	1,327,847,776 (1,347,072,227)
(d) Railway siding	136,534,118 (136,534,118)	22,139,632	-	158,673,750 (136,534,118)	6,787,429 (302,058)	10,380,818 (6,485,371)	17,168,247 (6,787,429)	141,505,503 (129,746,689)
(e) Plant and equipments	4,359,181,378 (4,172,421,183)	106,568,282 (186,760,195)	-	4,465,749,660 (4,359,181,378)	291,070,468 (12,635,165)	375,031,579 (278,435,302)	666,102,047 (291,070,467)	3,799,647,613 (4,068,110,910)
(f) Furniture and fixtures	9,159,522 (6,780,478)	559,447 (2,379,041)	-	9,718,969 (9,159,519)	2,068,543 (753,188)	878,162 (1,315,355)	2,946,705 (2,068,543)	7,090,379 (6,027,290)
(g) Vehicles	1,274,250	(1,274,250)	-	1,274,250 (1,274,250)	37,477	160,820 (37,477)	198,297 (37,477)	1,075,953 (-)
(h) Office equipment	22,453,290 (4,320,406)	1,344,063 (18,132,886)	-	23,797,333 (22,453,292)	4,785,709 (954,872)	5,246,375 (3,830,837)	10,032,083 (4,785,709)	17,667,581 (3,365,534)
<b>Total Tangible Assets</b>	<b>6,167,560,213</b> <b>(5,921,522,786)</b>	<b>130,611,424</b> <b>(247,263,836)</b>	<b>-</b> <b>(1,226,410)</b>	<b>6,298,171,636</b> <b>(6,167,560,212)</b>	<b>367,196,592</b> <b>(17,412,532)</b>	<b>452,475,852</b> <b>(349,784,062)</b>	<b>819,672,444</b> <b>(167,196,591)</b>	<b>5,478,499,193</b> <b>(5,800,363,618)</b>
<b>B. Intangible Assets</b>								
Computer software	5,781,929 (5,781,929)	-	-	5,781,929 (5,781,929)	2,059,214 (407,317)	1,651,897 (1,651,897)	3,711,111 (2,059,214)	2,070,820 (3,722,715)
<b>Grand Total</b>	<b>6,173,342,142</b> <b>(5,927,304,715)</b>	<b>130,611,424</b> <b>(247,263,836)</b>	<b>-</b> <b>(1,226,410)</b>	<b>6,303,953,565</b> <b>(6,173,342,141)</b>	<b>369,255,806</b> <b>(17,819,849)</b>	<b>454,127,749</b> <b>(351,435,959)</b>	<b>823,383,555</b> <b>(369,255,808)</b>	<b>5,480,570,013</b> <b>(5,804,086,332)</b>
								<b>5,800,363,618</b> <b>(5,904,110,254)</b>
								<b>3,722,715</b> <b>(5,374,612)</b>

**Notes :**

- i) Assets costing less than Rs. 5,000 are depreciated at 100% in the year of acquisition.
- ii) Depreciation on additions/deductions to fixed assets made during the year is provided on a pro-rata basis from/upto the date of such additions/deductions, as the case may be.
- iii) Figures given in brackets pertain to the previous year.
- iv) During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II.



**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
<b>11 Long Term Loans and Advances (Unsecured, considered good)</b>		
(a) Capital Advances	-	-
(b) Advance Tax	60,167,711	19,649,507
(c) Security Deposits	17,513,528	26,678,244
	<u>77,681,239</u>	<u>46,327,751</u>

**12 Current Investments # -  
Investments in Mutual Funds-Unquoted**

Fund Particulars	Face value (Rupees)	Units holding as at		Value of Investment as at	
		31.03.2015 Number	31.03.2014 Number	31.03.2015 (Rupees)	31.03.2014 (Rupees)
Birla Sun Life Cash Plus -Growth	100	227,052	193,557	50,446,158	39,369,361
ICICI Pru Liquid Plan Reg-Growth	100	239,400	266,425	48,992,652	50,125,607
Kotak Liquid Plan A-Growth	1,000	17,682	18,510	49,616,374	47,647,981
Reliance Liquidity-Growth	1,000	23,909	24,300	49,857,534	46,547,199
Religare Liquid Fund-Growth	1,000	-	-	-	-
SBI Premier Liquid Fund Plan - Growth	1,000	-	42	-	81,726
UTI Liquid Cash Inst-Growth	1,000	22,005	14,981	49,883,382	30,858,736
		<u>530,049</u>	<u>517,815</u>	<u>248,796,100</u>	<u>214,630,610</u>

# Investments are lien marked to Axis Bank Limited, Dwaraka Nagar Branch, Visakhapatnam, as per the escrow agreement.



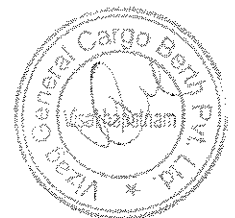
**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at <b>31.03.2015</b> (Rupees)	As at <b>31.03.2014</b> (Rupees)
<b>13 Current Assets - Inventories</b>		
Stores and spares	33,081,721	3,219,721
<b>14 Trade Receivables</b> (Unsecured, considered good)		
Outstanding for a period less than six months from the date they are due for payment	68,246,195	80,649,694
<b>15 Cash and cash equivalent</b>		
Balances with banks in current account	16,184,108	6,828,803
<b>16 Short term loans and advances</b> (Unsecured, considered good)		
(a) Prepaid expenses	5,530,407	8,161,635
(b) Due from related parties	127,196	-
(c) Advances to employees	34,600	8,640
(d) Balance with central excise/Service Tax authorities	11,108,995	83,891,686
	<b>16,801,198</b>	<b>92,061,961</b>
<b>17 Other Current Assets</b>		
(a) Unamortised expense - ancillary borrowing costs	2,427,620	7,823,978
(b) Unamortized forward premium	1,760,289	2,706,732
(c) Insurance claim receivable	8,906,550	-
	<b>13,094,459</b>	<b>10,530,710</b>



**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	Year ended <u>31.03.2015</u> (Rupees)	Year ended <u>31.03.2014</u> (Rupees)
<b>18 Revenue from operations</b>		
<b>Sale of services :</b>		
Income from Port Operations	1,659,129,358	1,001,968,546
<b>19 Other Income</b>		
(a) Liquidated damages Recovered	162,659,371	-
(b) Profit on sale of current investments	12,044,809	10,318,245
(c) Other non Operating income	2,449,549	3,520,329
(d) Net gain/(loss) on foreign currency transactions and translation	-	41,228,552
	<u>177,153,729</u>	<u>55,067,126</u>
<b>20 Employee Benefits expense</b>		
(a) Salaries and incentives	53,237,036	63,131,376
(b) Contributions to provident and other funds	5,486,776	8,903,957
(c) Staff welfare expenses	3,057,408	1,919,954
	<u>61,781,220</u>	<u>73,955,287</u>
<b>21 Finance Cost</b>		
(a) Interest expense		
(i) on Loans	22,999,230	54,412,826
(ii) on Debentures	271,500,001	244,939,432
(b) Other borrowing costs	23,428,567	39,517,235
	<u>317,927,798</u>	<u>338,869,493</u>
<b>22 Other Expenses</b>		
(a) Consumption of stores and spare parts	25,969,691	8,355,067
(b) Repairs and maintenance - Machinery	3,113,750	393,160
(c) Repairs and maintenance - Others	9,697,438	2,776,097
(d) Royalty	665,058,506	380,683,028
(e) Power and fuel	106,688,890	95,473,422
(f) Material handling expenses	38,799,557	36,616,123
(g) Demurrage charges	10,942,014	14,131,669
(h) Port operation and maintenance expenses	56,943,816	44,655,122
(i) License Fees for Land	31,328,387	27,189,640
(j) Professional and consultation fee	11,633,073	16,817,355
(k) Security expenses	6,658,859	4,017,390
(l) Insurance	6,857,006	9,984,869
(m) Miscellaneous expenses	12,900,210	7,790,733
(n) Travelling and conveyance	2,797,331	5,109,598
(o) Audit Fees (See Note (i) below)	1,537,230	1,411,408
(p) Rates and taxes	2,404,085	986,315
(q) Net loss on foreign currency transactions and translation	17,602,329	-
	<u>1,010,932,172</u>	<u>656,390,996</u>
<b>Note (i) :</b>		
<b>Auditors Remuneration (excluding service tax):</b>		
Statutory Audit Fees	650,000	650,000
Tax Audit Fees	410,000	350,000
For others services -certification	150,000	97,000
Out of Pocket Expenses	327,230	314,408
<b>Total</b>	<u>1,537,230</u>	<u>1,411,408</u>



**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**23 Additional information to the Financial Statements:**

**23.1 Contingent liabilities and Commitments:**

	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
<b>Contingent Liability:</b>	385,051,500	382,350,929
The Company has export obligations of Rs. 3,076,618,140 (previous year Rs. 3,058,807,433) against the import licenses taken for import of capital goods under Export Promotion Capital Goods and Advance Licenses. In case the Company does not meet the required export obligation it has to pay the duty saved amount against the said import licenses along with interest.		
<b>Commitments:</b>	-	32,461,392
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances).		

**23.2** The Company offers equity-based award plans to its employees, officers and directors through its parent, Vedanta Resources Plc (The Vedanta Resources Long-Term Incentive Plan ("LTIP") and Employee Share Ownership Plan ("ESOP").

The LTIP is the primary arrangement under which share-based incentives are provided to the defined management group. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the balance of basic salary and share-based remuneration consistent with local market practice. The performance condition attaching to outstanding awards under the LTIP is that of Vedanta's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three year period with the performance of the companies as defined in the scheme from the date of grant. Under this scheme, initial awards under the LTIP were granted in February 2004 and subsequently further awards were granted in the respective years. The awards are indexed to and settled by Vedanta shares. The awards provide for a fixed exercise price denominated in Vedanta's functional currency at 10 US cents per share, the performance period of each award is three years and the same is exercisable within a period of six months from the date of vesting beyond which the option lapse.

Vedanta has also granted a ESOP schemes that shall vest based on the achievement of business performance in the performance period. The vesting schedule is staggered over a period of three years. During the year, Vedanta has granted ESOP schemes that shall vest based on the achievement of business performance in the performance period. The vesting schedule is staggered over a period of three years from the date of grant with 70% vesting based on the achievement of business performance and the remaining 30% based on continued employment with the group till the end of third year. Under these scheme, Vedanta is obligated to issue the shares.

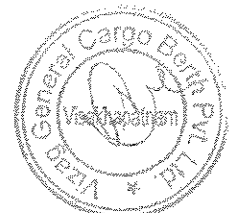
Amount recovered by Vedanta and recognised by the Company in the statement of profit and loss is Rs. 8,366,768 (previous year Rs. 10,110,279) net of capitalisation of Rs. nil (previous year Rs. Nil). The Company considers these amounts as not material and accordingly has not provided further disclosure.

**23.3 Value of Imports calculated on CIF Basis**

	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
Capital Goods	11,417,120	-

**23.4 Expenditure in Foreign Currency (on accrual basis)**

	Year ended 31.03.2015 (Rupees)	Year ended 31.03.2014 (Rupees)
Professional fee payment to foreign consultants	-	6,795,461
Interest on Buyers' Credit	21,866,323	20,785,370
	21,866,323	27,580,831



**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**23.5 Employee Benefit plans**

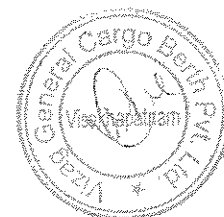
**(i) Defined Contribution Plans**

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised Rs. 1,682,847 (previous year Rs. 1,537,869) for Provident Fund contributions in the Statement of Profit and Loss.

**(ii) Defined Benefit Plans and Compensated Absences**

The company offers gratuity benefit scheme and compensated absences to its employees. The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements.

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>a. Components of employer's expense</b>				
Current Service Cost	478,253	1,745,246	456,781	1,237,143
Interest Cost	231,180	287,317	-	-
Expected return on plan assets	(89,921)	(38,023)	(19,955)	(11,404)
Net Actuarial (gain)/loss	481,759	(701,359)	2,324,099	2,105,416
Past Service Cost (non vested benefit)	-	-	-	-
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>1,101,271</b>	<b>1,293,181</b>	<b>2,760,925</b>	<b>3,331,155</b>
<b>b. Net Liability recognised in the Balance Sheet</b>				
Present Value of benefit obligation	3,542,947	4,270,888	2,681,887	3,309,053
Less : Fair Value of Plan Assets	1,704,325	625,485	443,445	253,428
Funded status [surplus/(deficit)]	(1,838,622)	(3,645,403)	(2,238,442)	(3,055,625)
Net Liability	(1,838,622)	(3,645,403)	(2,238,442)	(3,055,625)
Current	-	-	-	-
Non Current	-	-	-	-
Net Asset	-	-	-	-
<b>c. Changes in defined benefit obligations during the year</b>				
Opening defined benefit obligation	2,681,887	3,309,053	-	-
Current Service Cost	478,253	1,745,246	456,781	1,237,143
Interest Cost	231,180	287,317	-	-
Benefits paid	(332,654)	(365,298)	(79,038)	(22,102)
Actuarial (gain)/loss	484,281	(705,430)	2,304,144	2,105,416
Closing Defined Benefit Obligation	<b>3,542,947</b>	<b>4,270,888</b>	<b>2,681,887</b>	<b>3,055,625</b>
<b>d. Changes in fair value of assets during the year</b>				
Plan assets at beginning of the year	443,445	253,428	-	-
Actual company contributions	1,501,091	703,403	522,483	275,530
Expected return on plan assets	89,921	38,023	19,955	11,404
Benefits paid	(332,654)	(365,298)	(79,038)	(22,102)
Actuarial gain/(loss)	2,522	(4,071)	(19,955)	(11,404)
Plan assets at the end of the year	<b>1,704,325</b>	<b>625,485</b>	<b>443,445</b>	<b>253,428</b>
<b>e. Composition of the plan assets is as follows :</b>				
Life Insurance Corporation of India	100%	100%	100%	100%
<b>f. Principal actuarial assumptions used :</b>				
Discount rate	7.82%	7.82%	9.19%	9.19%
Salary Escalation	15%	15%	15%	15%
Expected return on plan asset	8.75%	8.75%	9%	9%



**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

---

**23.6 Related party**

**(a) Names of the related parties and nature of relationship where control exists:**

**(i) Ultimate holding company**

Volcan Investments Limited\*

**(ii) Holding Companies:**

Vedanta Limited (Formerly Sesa Sterlite Limited)

**(iii) Fellow Subsidiaries**

- Bharat Aluminium Company Limited
- Talwandi Sabo Private Limited
- Maritime Ventures Private Limited

**(iv) Associates**

Sterlite Technologies Limited

**(v) Key Managerial Personnel**

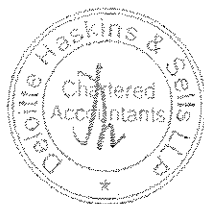
- Mr. Pratik Agarwal \*
- Mr. M. Siddiqi \*
- Mr. DD Jalan \*
- Mr. R.Kannan \* #
- Mr. AR.Narayana Swamy \* #
- Ms. Pooja Yadava \* ##
- Mr. VS Ganesh \*
- Mr. DK Manral \*

\* No transactions with these parties during the year

# # Women Director

# Independent Director

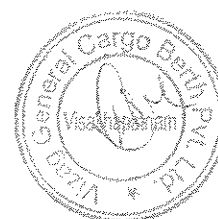
On deputation from Vedanta Limited (Formerly Sesa Sterlite Limited)



**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**(b) Details of related party transactions ( Excluding taxes, applicable if any ) and balances outstanding as at 31 March, 2015:**

	<u>As at 31.03.2015 (Rupees)</u>	<u>As at 31.03.2014 (Rupees)</u>
<b>Transactions during the year</b>		
(i) Rendering of services to *		
- Vedanta Limited - Power Division (Formerly Sesa Sterlite Limited)	-	15,360,734
- Maritime Ventures Private Limited	472,003,435	210,968,261
(ii) Salary, Personnel services and apportionment of corporate expenses charged by *		
- Vedanta Limited (Formerly Sesa Sterlite Limited)	28,184,892	38,815,809
- Bharat Aluminium Company Limited	-	1,044,382
(iii) Salary, Personnel services and apportionment of expenses Charged to *		
- Vedanta Limited (Formerly Sesa Sterlite Limited)	1,446,690	553,349
- Black Mountain Mine	113,204	-
- Bharat Aluminium Company Limited	73,102	-
- Maritime Ventures Private Limited	4,162,407	-
(iv) Interest and Corporate Guarantee commission charged by Vedanta Limited (Formerly Sesa Sterlite Limited) *		
- Interest on Compulsory Convertible Debentures	1,500,000	1,500,000
- Corporate Guarantee commission	12,939,408	13,375,669
(v) Reimbursement of expenses to/(from) -Net *		
- Talwandi Saboo Private Limited	44,167	57,783
- Sterlite Technologies Limited	-	(350,000)
- Vedanta Limited (Formerly Sesa Sterlite Limited)	2,635,360	1,931,803
- Maritime Ventures Private Limited	12,174,930	-
* Details of related party transactions are reported by excluding taxes, if any		
<b>Outstanding balance at year end</b>		
(i) Share Application money pending allotment		
Vedanta Limited (Formerly Sesa Sterlite Limited)	-	167,980,000
(ii) Loan Balances		
Vedanta Limited (Formerly Sesa Sterlite Limited) - Compulsory Convertible Debentures	1,500,000,000	1,500,000,000
(iii) Corporate Guarantee issued on our behalf by		
Vedanta Limited (Formerly Sesa Sterlite Limited) - Copper Division	5,222,351,500	5,222,351,500
(iv) Credit Balances outstanding at the end of the year		
- Bharat Aluminium Company Limited	-	5,356
- Vedanta Limited (Formerly Sesa Sterlite Limited)	3,864,106	2,099,698
- Maritime Ventures Private Limited	11,459,058	-
(iv) Debit Balances outstanding at the end of the year		
- Black Mountain Mine	127,196	-
- Maritime Ventures Private Limited	3,320,054	44,331,542





**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**23.7 Details on derivative instruments and unhedged foreign currency exposures**

The following derivative positions are open as at 31 March, 2015. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may not qualify or be designated as hedging instruments.

Outstanding forward exchange contracts entered into by the Company:

Particulars	Units	Year ended	Year ended
		31.03.2015	31.03.2014
		Rupees	Rupees
Nominal value of Forward Cover outstanding		1,110,726,155	1,093,287,030
MTM Loss/(Gain)		(33,773,094)	61,159,666

Unhedged foreign currency exposure as at the balance sheet date is Nil

**23.8** The Company is primarily engaged in the business of coal handling facility at the General Cargo Berth in the outer Harbour of Visakhapatnam. As the Company operates in a single business and geographical segment, the reporting requirements for primary and secondary segment disclosure prescribed by paragraphs 39 to 51 of Accounting Standard 17--Segment Reporting have not been provided in these financial statements.

**23.9 Earnings per share (EPS):**

Particulars	Units	Year ended	Year ended
		31.03.2015	31.03.2014
a. Net loss after tax attributable to equity shareholders	Rupees	(8,485,852)	(363,616,063)
b. Nominal value per share	Rupees	10	10
c. Weighted average number of equity shares for basic earnings per share	No. of shares	18,943,792	10,000
d. Weighted average number of equity shares for diluted earnings per share	Number of shares	18,943,792	10,000
e. Basic earnings per share (in Rs.)	Rupees	(0.45)	(36,361.61)
f. Diluted earnings per share (in Rs.)*	Rupees	(0.45)	(36,361.61)

\* Since the Company has Net loss after tax, Compulsory Convertible Debenture ('CCD') have not been considered for the purpose of computing Diluted earning per share as it will be Anti-dilutive.

**23.10 Component of Deferred Tax as under**

The Company has carried out its tax computation in accordance with the mandatory standard on accounting, Accounting Standard 22 'Accounting for Taxes on Income'. In view of absence of virtual certainty of realisation of unabsorbed tax losses, deferred tax assets have been recognised only to the extent of deferred tax liabilities. The major components of deferred tax assets / liabilities as recognised in the financial statements are as follows:

Particulars	Year ended	Year ended
	31.03.2015	31.03.2014
Deferred tax Asset		
Unabsorbed business loss/Depreciation*	259,058,783	82,902,236
Deferred tax Liability		
Depreciation	259,058,783	82,902,236
Deferred tax Asset (Net)	-	-

**23.11** Based on the information available with the Company, the balance due to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is Rs. Nil (Previous year Rs. Nil) and no interest has been paid or is payable during the year under the terms of the MSMED Act, 2006. This has been relied upon by the auditors.



**VIZAG GENERAL CARGO BERTH PRIVATE LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**23.12** During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1 April, 2014, the Company has revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied depreciation method, rates / useful life are as follows:

Asset	Previous depreciation rate / useful life	Revised useful life based on SLM
Buildings and berth	27 years	27 years
Plant and equipment and Railway siding	3-27 years	3-15 years
Office equipment	5 years	5 years
Furniture and fixtures	5-10 years	10 years
Vehicles	10 years	8 years
Computer software	3-5 years	3-5 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets where the remaining useful life of the asset was determined to be Rs. nil as on 1 April, 2014 and has adjusted an amount of Rs. nil against the opening surplus balance in the Statement of Profit and Loss.

The depreciation expense in the Statement of Profit and Loss for the year is higher by Rs. 76,904,509 consequent to the above change in useful life of assets.

**23.13** Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors



**D.D. Jalan**  
Director



**Pratik Agarwal**  
Director





**VS Ganesh**  
Chief Financial Officer

Place: Mumbai  
Date: 24 April, 2015

