

PARADIP MULTI 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)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	100,000	100,000
(b) Reserves and surplus	4	(9,366,437)	(8,966,437)
2 Current liabilities			
Other current liabilities	5	45,421,058	8,913,642
TOTAL		36,154,621	47,205
B ASSETS			
Non Current assets			
Long-term loans and advances	6	36,107,416	-
Current assets			
Cash and cash equivalents	7	47,205	47,205
TOTAL		36,154,621	47,205

See accompanying notes forming part of the financial statements

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

For and on behalf of the Board of Directors

Jitendra Agarwal
Partner

D.D. Jalan
Director

Pratik Agarwal
Director

Place: Gurgaon
Date: April 24, 2015

Place: Mumbai
Date: April 24, 2015

PARADIP MULTI CARGO BERTH PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015

Particulars	Note No.	Year ended 31.03.2015 (Rupees)	Year ended 31.03.2014 (Rupees)
I. Income		-	-
II Expenses			
(a) Finance costs	8	-	48,050
(b) Other expenses	9	400,000	463,186
Total expenses	TOTAL	400,000	511,236
III Loss before tax		(400,000)	(511,236)
Tax expense		-	-
VI. Loss for the year		(400,000)	(511,236)
Earnings per equity share (Nominal value of share Rs. 10)			
(1) Basic		(40.00)	(51.12)
(2) Diluted		(40.00)	(51.12)

See accompanying notes forming part of the financial statements

In terms of our report attached

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Chartered Accountants

For and on behalf of the Board of Directors

Jitendra Agarwal
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D.D. Jalan
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Pratik Agarwal
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Place: Gurqaon
Date: April 24, 2015

Place: Mumbai
Date: April 24, 2015

PARADIP MULTI CARGO BERTH PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 March, 2015

Particulars	Year ended 31.03.2015 (Rupees)	Year ended 31.03.2014 (Rupees)
A Cash flows from operating activities		
Net Profit/ (Loss) before tax	(400,000)	(511,236)
Operating loss before working capital changes	(400,000)	(511,236)
Adjusted for Changes in working capital :		
Adjustments for (increase) / decrease in operating assets:		
(Increase)/Decrease in Loans and advances	(36,107,416)	(54,928)
Increase/ (Decrease) in Current liabilities	36,507,416	491,825
Net cash from Operating Activities (i)	-	(74,339)
B Cash flows from investing activities	-	-
C Cash flows from financing activities	-	-
Net (decrease)/increase in cash and cash equivalent (i+ii+iii)	-	(74,339)
Cash and cash equivalents at beginning of the year	47,205	47,205
Cash and cash equivalents at close of the year (See note 7)	47,205	47,205
	-	-

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

For and on behalf of the Board of Directors

Jitendra Agarwal
Partner

Place: Gurqaon
Date: April 24, 2015

D.D. Jalan
Director

Place: Mumbai
Date: April 24, 2015

Pratik Agarwal
Director

PARADIP MULTI CARGO BERTH PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Company overview

Paradip Multi Cargo Berth Private Limited (PMCB) was incorporated as a special purpose vehicle on February 8, 2011 for setting up a multipurpose berth to handle clean cargo including containers at Paradip port, situated in the Jagatsinghpur District of Orissa, on the east coast of India. The project is to be carried out on design, build, finance, operate and transfer basis. PMCB is owned by Vedanta Limited (Formerly Sesa Sterlite Limited) and Leighton Welspun Contractors Private Limited in the ratio of 74:26. The Concession agreement has not been signed till date due to progress of the project as mentioned in Note. 10.1.

2 Significant Accounting Policies

(a) Basis of Accounting:

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.

(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) 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.

(d) Provisions, 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.

PARADIP MULTI 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
Authorised Share Capital				
Equity Shares of Rs. 10 each with voting rights	10,000	100,000	10,000	100,000
Issued Subscribed and fully Paid up				
Equity Shares of Rs.10 each with voting rights	10,000	100,000	10,000	100,000
Total	10,000	100,000	10,000	100,000

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

	As at 31.03.2015		As at 31.03.2014	
	Number of shares	Amount in Rupees	Number of shares	Amount in Rupees
Equity Shares with voting rights				
Outstanding at the beginning of the year	10,000	100,000	10,000	100,000
Shares Issued during the year	-	-	-	-
Outstanding at the end of the year	10,000	100,000	10,000	100,000

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

Of the above, 74% of the equity shares are held by Vedanta Limited (Formerly Sesa Sterlite Limited) and 26% of the equity share are held by Leighton Welspun Contractors Private Limited .

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

	As at 31.03.2015		As at 31.03.2014	
	Number of shares	% of Holding	Number of shares	% of Holding
Equity Shares with voting rights				
Vedanta Limited (Formerly Sesa Sterlite Limited)	7,400	74	7,400	74
Leighton Welspun Contractor Private Limited	2,600	26	2,600	26
Total	10,000	100	10,000	100

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.

PARADIP MULTI CARGO BERTH PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	<u>As at 31.03.2015 (Rupees)</u>	<u>As at 31.03.2014 (Rupees)</u>
4 Reserves and Surplus		
Surplus/ (Deficit) in the Statement of Profit and Loss		
a. Balance at the beginning of the year	(8,966,437)	(8,455,201)
b. Add: Profit/ (Loss) for the year	<u>(400,000)</u>	<u>(511,236)</u>
c. Closing Balance at the end of the year	<u>(9,366,437)</u>	<u>(8,966,437)</u>
5 Other Current Liabilities		
a. Due to Related Parties (see note 10.2)	44,621,058	8,513,642
b. Provision Others	800,000	400,000
	<u>45,421,058</u>	<u>8,913,642</u>
6 Long-term loans and advances		
Dues from Paradip Port trust	<u>36,107,416</u>	<u>-</u>
7 Cash and cash equivalents		
Balances with banks in current account	<u>47,205</u>	<u>47,205</u>

PARADIP MULTI CARGO BERTH PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	<u>Year ended</u> <u>31.03.2015</u> <u>(Rupees)</u>	<u>Year ended</u> <u>31.03.2014</u> <u>(Rupees)</u>
8 Finance Cost		
Interest	-	48,050
9 Other Expenses		
(a) Payment to auditors (See note below)	400,000	400,000
(b) Consultancy Charges	-	63,186
	400,000	463,186
Note : Payment to auditors (exclusive of service tax)		
Statutory audit fee	400,000	400,000

10 Additional information to the Financial Statement :

- 10.1** The Company was incorporated on 8 February 2011, consequent to the Letter of Award by Paradip Port Trust (PPT) for the purpose of Development of Multipurpose Berth to handle clean Cargo like Aluminum Ingots, Steel etc. including Containers on Design, Build, Finance, Operate and Transfer ('DBFOT/'the Project') basis at Paradip Port, Odisha.

The responsibility of the Environmental clearance, CRZ clearance and Forest clearances is of the PPT. In the absence of securing the requisite statutory clearances by PPT at the time of issuing the Letter of Award, it was mutually decided, and the Company had consented to extend the validity of the bid from time to time considering the progress of the clearances upto September 2012. Such Forest clearance has not been granted till date for the Project by the Concerned Authority. As such the PPT has failed to obtain the required statutory clearances by the indicated timeline which is more than three years after the bid was submitted leading to escalation of costs thereby making the project unviable.

The management has decided not to pursue the project further and informed the PPT accordingly in Jan-2013 further to which the PPT sought encashment of the Bank Guarantee (BG) submitted by the Company. The Company approached the Civil Court for staying the encashment of BG by PPT. The Civil Court heard the matter but did not restrain PPT in encashing the BG. The Company further approached the Hon'ble High Court of Orissa with writ petition for staying the encashment of Bank Guarantee. The Hon'ble High Court allowed the writ petition filed by the Company and restrained PPT from encashment of BG till disposal of Interim Application before Civil Court. The Civil Court, after hearing the matter, restrained PPT from encashing the BG till disposal of Suit. The Port Authority, during the pendency of suit, floated global tender (RFQ) for the same project which was subject matter of dispute before court. The action of PPT re-tendering the project has made the reason for keeping BG alive as non-existent and the Company has applied to court in Jan-2013 for issuing orders/directives for return of Bank Guarantee.

During the current year, PPT however invoked the BG pursuant to which the bank has on 26 August, 2014 encashed the BG of Rs. 36,107,416 in favour of PPT. The Company has filed Special Leave Petition in the Hon'ble Supreme Court against the conditional BG invocation.

The net worth of the Company has completely eroded, the Company has also obtained short term advances from its parent company to service its liabilities. The management is of the view that the company has a legally enforceable right against the PPT to obtain the refund of the encashed BG and will accordingly be able to realise its assets and discharge its liabilities in the normal course of business. Further, the Parent Company has confirmed its continued financial support to the Company. Accordingly these financial statements are prepared on a going concern basis.

10.2 Related party :

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

- (i) Ultimate Holding Companies
Volcan Investments Limited
- (ii) Holding Company:
Vedanta Limited (Formerly Sesa Sterlite Limited)

(b) Names of the related parties with whom transactions were carried out during the year and description of relationship:

- (i) Fellow Subsidiaries
Sterlite Ports Limited
- (ii) Key Managerial Personnel
Mr. Pratik Agarwal **
Mr. M. Siddiqi **
Mr. DD Jaan **

* No transactions with these parties during the year

** On deputation from Vedanta Limited (Formerly Sesa Sterlite Limited)

PARADIP MULTI CARGO BERTH PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(c) Details of related party transaction during the year ended 31 March, 2015

	<u>As at</u> <u>31.03.2015</u> (Rupees)	<u>As at</u> <u>31.03.2014</u> (Rupees)
Reimbursement of expenses		
- Vedanta Limited (Formerly Sesa Sterlite Limited)	-	48,592
- Sterlite Ports Limited	-	343,203

(d) Details of balances outstanding as at 31 March, 2015 :

(i) Equity Contribution		
Vedanta Limited (Formerly Sesa Sterlite Limited)	100,000	100,000
(ii) Corporate Guarantee issued on our behalf by		
Vedanta Limited (Formerly Sesa Sterlite Ltd)	-	33,000,000
(iii) Credit Balance as at the end of the year		
- Vedanta Limited (Formerly Sesa Sterlite Limited)	44,230,939	8,123,523
- Sterlite Ports Limited	390,119	390,119

10.3 Earnings per share (EPS):

	<u>Year Ended</u> <u>31.03.2015</u> (Rupees)	<u>Year Ended</u> <u>31.03.2014</u> (Rupees)
a. Net loss after tax attributable to equity shareholders	(400,000)	(511,236)
b. Nominal value per share	10	10
c. Weighted average number of equity shares for basic earnings per share (No. of Shares)	10,000	10,000
d. Basic earnings per share (in Rs.)	(40.00)	(51.12)
e. Diluted earnings per share (in Rs.)*	(40.00)	(51.12)

*Since the company has Net loss after tax, diluted earning per share has not been calculated as it will be anti-dilutive.

10.4 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.

10.5 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosures.

For and on behalf of the Board of Directors

D.D. Jalan
Director

Pratik Agarwal
Director

Place: Mumbai
Date: April 24, 2015