

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
PARADIP MULTI CARGO BERTH PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **PARADIP MULTI CARGO BERTH PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, 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 prescribed under section 133 of the Act, as applicable.

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.

Auditor's 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 and the Order under section 143(11) of the Act.

We conducted our audit of the financial statements 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. 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.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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, 2016, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

Attention is drawn to Note 11.1 to the financial statements, which states that the Company's net worth has completely eroded and the Company has decided not to pursue the project. These conditions, along with other matters set forth in the said Note, indicate that the ability of the Company to continue as a going concern is dependent on the continued financial support from the parent company. Keeping in view that the Company expects to realise its assets and discharge its liabilities in the normal course of business and that the Parent Company has confirmed financial support to the Company, these accounts have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. 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 financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) The going concern matter described under Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



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Haskins & Sells LLP**

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company 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 – Refer Note 11.5 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company- Refer Note 11.6 to the financial statements;
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Jitendra Agarwal
Partner
(Membership No. 87104)

Gurgaon, 22 April, 2016

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **PARADIP MULTI CARGO BERTH PRIVATE LIMITED** ("the Company") as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)



provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Jitendra Agarwal
Partner
(Membership No. 87104)

Gurgaon, 22 April, 2016

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. The Company does not have any fixed assets and hence reporting under clause (i) of the Order is not applicable.
- ii. The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- iv. The Company has not granted any loans, made investments or provide guarantees and securities and hence reporting under clause (iv) of the Order is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposit. Also, according to the information and explanations given to us, there are no unclaimed deposits, hence the provisions of Sections 73 to 76 of the Act do not apply to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- 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 Income-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 did not give rise to any liability for Provident Fund, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax.
 - b. There were no undisputed amounts payable in respect of Income Tax, Cess and other material statutory dues in arrears as at 31 March, 2016 for a period of more than six months from the date they became payable.
 - c. There are no dues in respect of Income Tax as on 31 March, 2016 on account of disputes.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- x. 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 by its officers or employees has been noticed or reported during the year.

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- xi. The Company has not paid/ provided any managerial remuneration and hence reporting under clause (xii) of the Order is not applicable to the Company.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



Jitendra Agarwal
Partner
(Membership No. 87104)

Gurgaon, 22 April, 2016

PARADIP MULTI CARGO BERTH PRIVATE LIMITED
BALANCE SHEET AS AT 31 MARCH, 2016

Particulars	Note No.	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	100,000	100,000
(b) Reserves and surplus	4	(10,080,670)	(9,366,437)
2 Current liabilities			
(a) Short-term borrowings	5	1,050,000	-
(b) Other current liabilities	6	51,386,151	45,421,058
TOTAL		<u>42,455,481</u>	<u>36,154,621</u>
B ASSETS			
Non Current assets			
(a) Long-term loans and advances	7	42,311,751	36,107,416
Current assets			
(b) Cash and cash equivalents	8	143,730	47,205
TOTAL		<u>42,455,481</u>	<u>36,154,621</u>

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: 22 April, 2016

For and on behalf of the Board of Directors

D.D. Jalan

D.D. Jalan
Director

Place: Mumbai
Date: 22 April, 2016

Pratik Agarwal

Pratik Agarwal
Director



PARADIP MULTI CARGO BERTH PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2016

Particulars	Note No.	Year ended 31.03.2016 (Rupees)	Year ended 31.03.2015 (Rupees)
I. Income		-	-
II. Expenses			
(a) Finance costs	9	66,613	-
(b) Other expenses	10	647,620	400,000
Total expenses		<u>714,233</u>	<u>400,000</u>
III. Loss before tax		(714,233)	(400,000)
Tax expense		-	-
IV. Loss for the year		<u>(714,233)</u>	<u>(400,000)</u>
Earnings per equity share (Nominal value of share Rs. 10)			
(1) Basic		(71.42)	(40.00)
(2) Diluted		(71.42)	(40.00)

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: 22 April, 2016

For and on behalf of the Board of Directors

D.D. Jalan

D.D. Jalan
Director

Place: Mumbai
Date: 22 April, 2016

Pratik Agarwal

Pratik Agarwal
Director



PARADIP MULTI CARGO BERTH PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 March, 2016

Particulars	Year ended 31.03.2016 (Rupees)	Year ended 31.03.2015 (Rupees)
A Cash flows from operating activities		
Net Profit/ (loss) before tax	(714,233)	(400,000)
Adjustments for :		
Finance costs	66,613	-
Operating profit/(loss) before working capital changes	<u>(647,620)</u>	<u>(400,000)</u>
Adjustments for (increase) / decrease in operating assets:		
Long-term loans and advances	(6,204,335)	(36,107,416)
Adjustments for increase / (decrease) in operating liabilities:		
Other current liabilities	5,965,093	36,507,416
Net cash from operating activities (i)	<u>(886,862)</u>	<u>-</u>
B Cash flows from investing activities (ii)	<u>-</u>	<u>-</u>
C Cash flows from financing activities		
Proceeds from Short-term borrowings	1,050,000	-
Interest and finance charges paid	(66,613)	-
Net cash from financing activities (iii)	<u>983,387</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalent (i+ii+iii)	<u>96,525</u>	<u>-</u>
Cash and cash equivalents at beginning of the year	47,205	47,205
Cash and cash equivalents at close of the year (See note 8)	<u>143,730</u>	<u>47,205</u>

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: 22 April, 2016

For and on behalf of the Board of Directors

D.D. Jalan

D.D. Jalan
Director

Place: Mumbai
Date: 22 April, 2016

Pratik Agarwal

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. 11.1.

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"). 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 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.

(e) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

(f) 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.

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

(g) 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.

(h) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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

3 Share capital

	As at 31.03.2016		As at 31.03.2015	
	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 31.03.2016		As at 31.03.2015	
	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 31.03.2016		As at 31.03.2015	
	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.

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

	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
4 Reserves and surplus		
Surplus/ (Deficit) in the Statement of Profit and Loss		
a. Balance at the beginning of the year	(9,366,437)	(8,966,437)
b. Add: Profit/ (Loss) for the year	(714,233)	(400,000)
c. Closing Balance at the end of the year	<u>(10,080,670)</u>	<u>(9,366,437)</u>
5 Short-term borrowings (Unsecured)		
Loans and advances from related parties (Refer Note 11.2)	<u>1,050,000</u>	-
6 Other current liabilities		
a. Statutory liabilities	856	-
b. Due to Related parties (Refer note 11.2)	50,885,295	44,621,058
c. Provision others	500,000	800,000
	<u>51,386,151</u>	<u>45,421,058</u>
7 Long-term loans and advances		
Dues from Paradip Port trust	<u>42,311,751</u>	<u>36,107,416</u>
8 Cash and cash equivalents		
Balances with banks in current account	<u>143,730</u>	<u>47,205</u>

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

	Year ended 31.03.2016 (Rupees)	Year ended 31.03.2015 (Rupees)
9 Finance cost		
Interest on loan (Refer note 11.2)	66,556	-
Bank charges	57	-
	66,613	-
10 Other Expenses		
Payment to auditors (See note below)	597,620	400,000
Miscellaneous expenses	50,000	-
	647,620	400,000
Note :		
Payment to auditors include the following payment to auditors		
(a) To statutory auditors		
For audit	450,000	400,000
For arrears of audit fees of 2014-15	37,000	-
For service tax on audit fees of 2013-14 and 2014-15	110,620	-
	597,620	400,000

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

11 Additional information to the Financial Statement :

- 11.1** 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 was of the PPT. In the absence of securing the requisite statutory clearances by PPT at the time of issuing the Letter of Award, the Company as mutually agreed and consented to extend the validity of the bid from time to time considering the progress of the clearances up to January- 2013. The bid was also backed by a bank guarantee (BG) issued by the parent of the company which was also accordingly extended from time to time. Such Forest and Environmental clearances have not been granted till date for the Project by the Concerned Authority. As such PPT has failed to obtain the required statutory clearances by the indicated timeline which was more than three years after the bid was submitted. This led to escalation of costs thereby making the project unviable.

Hence after a three year wait, the management had decided in Jan-2013 and informed PPT its intention not to pursue the project nor renew the BG further to which PPT sought encashment of the same. 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 from 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 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 also made the reason for keeping BG alive as non-existent and the Company has applied to court in January-2013 for issuing orders/directives for return of Bank Guarantee.

During the year 2014-15, PPT had invoked the BG pursuant to which the bank encashed the BG of Rs. 36,107,416 (the value as on 31.03.2016 is Rs. 42,311,751 including interest for the year 2015-16 Rs. 6,204,335) in favour of PPT on 26 August, 2014. The Company had filed Special Leave Petition in the Hon'ble Supreme Court against the conditional BG invocation.

During the year the matter has been listed from time to time in Supreme Court, but the final listing has not happened.

The net worth of the Company has completely eroded and the Company has also obtained short term loan from its parent company to service its liabilities. However, the management of the Company 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 realize 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.

11.2 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 Jalan **

* No transactions with these parties during the year

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

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

	As at 31.03.2016 (Rupees)	As at 31.03.2015 (Rupees)
(c) Details of related party transactions during the year		
Inter-corporate loan taken from		
- Vedanta Limited - (Formerly Sesa Sterlite Limited)	1,050,000	-
Interest on inter-corporate loan		
- Vedanta Limited - (Formerly Sesa Sterlite Limited)	66,556	-
(d) Details of balances outstanding as at 31 March, 2016 :		
(i) Equity Contribution		
Vedanta Limited (Formerly Sesa Sterlite Limited)	74,000	74,000
(ii) Short-term borrowings		
Vedanta Limited (Formerly Sesa Sterlite Limited)	1,050,000	-
(ii) Credit Balance as at the end of the year		
- Vedanta Limited (Formerly Sesa Sterlite Limited)	50,495,176	44,230,939
- Sterlite Ports Limited	390,119	390,119

11.3 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 on unabsorbed tax losses has not been recognised.

11.4 Earnings per share (EPS):

	Year ended 31.03.2016 (Rupees)	Year ended 31.03.2015 (Rupees)
a. Net loss after tax attributable to equity shareholders	(714,233)	(400,000)
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.)	(71.42)	(40.00)
e. Diluted earnings per share (in Rs.)*	(71.42)	(40.00)

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

11.5 The Company does not have any long term commitments/contracts including derivative contracts for which there will be any material foreseeable losses.

11.6 There were no amounts which were require to be transferred to the Investor Education and Protection Fund by the Company.

11.7 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.

11.8 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: 22 April, 2016

