

**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

For and on behalf of the Board of Directors

**Jitendra Agarwal**  
Partner

**D.D. Jalan**  
Director

**Pratik Agarwal**  
Director

**VS Ganesh**  
Chief Financial Officer

Place: Gurgaon  
Date: 24 April, 2015

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>		<b>1,836,283,087</b>	<b>1,057,035,672</b>
<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>		<b>1,844,768,939</b>	<b>1,420,651,735</b>
<b>3 Profit/(Loss) before tax</b>		<b>(8,485,852)</b>	<b>(363,616,063)</b>
<b>4 Tax expense</b>		-	-
<b>5 Profit / (Loss) for the year</b>		<b>(8,485,852)</b>	<b>(363,616,063)</b>
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**

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Chartered Accountants

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Partner

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Chief Financial Officer

Place: Gurgaon  
Date: 24 April, 2015

Place: Mumbai  
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**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>
Adjustments for (increase) / decrease in operating assets:			
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)
Adjustments for increase / (decrease) in operating liabilities:			
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

For and on behalf of the Board of Directors

**Jitendra Agarwal**  
Partner

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**VS Ganesh**  
Chief Financial Officer

Place: Gurgaon  
Date: 24 April, 2015

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

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**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.:

<b>Assets</b>	<b>Depreciated Life</b>	<b>Rate of Depreciation</b>
<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**

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**(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**

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**(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><u>Authorised</u></b>				
Equity shares of Rs. 10 each with voting rights	50,000,000	500,000,000	50,000,000	500,000,000
<b><u>Issued Subscribed and fully Paid up</u></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 <b>31.03.2015</b> (Rupees)	As at <b>31.03.2014</b> (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)
<b>Closing Balance at the end of the year</b>	<b>(523,365,493)</b>	<b>(514,879,641)</b>
	<b>(523,365,493)</b>	<b>(514,879,641)</b>
<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
	<b>2,250,000,000</b>	<b>5,441,162,869</b>

**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 <b>31.03.2015</b> (Rupees)	As at <b>31.03.2014</b> (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	<b>245,042,983</b>	<b>25,522,836</b>
<b>7 Trade Payables</b>		
Other than acceptances	<b>74,312,594</b>	<b>69,581,483</b>
<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	46,602,718
	<b>3,581,900,925</b>	<b>1,085,953,409</b>
<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)		
	<b>3,148,490,935</b>	<b>-</b>
<b>9 Short Term provisions</b>		
Provision for employee benefits	5,484,025	5,294,067
	<b>5,484,025</b>	<b>5,294,067</b>

**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 (252,062,678)	(6,964,789)	(1,226,410)	257,801,057 (257,801,057)	9,872,144 (435,553)	9,564,419 (9,436,594)	19,436,564 (9,872,147)	238,364,493 (247,928,910)
(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)	1,276,534,097 (1,327,847,776)
(d) Railway sidina	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 (278,433,302)	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)	6,772,264 (7,090,979)
(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)	-	23,797,353 (22,453,292)	4,785,709 (954,872)	5,246,375 (3,830,837)	10,032,083 (4,785,709)	13,765,270 (17,667,581)
<b>Total Tangible Assets</b>	<b>6,167,560,213</b> (5,921,522,786)	<b>130,611,424</b> (247,263,836)	<b>-</b> (1,226,410)	<b>6,298,171,636</b> (6,167,560,212)	<b>367,196,592</b> (17,412,532)	<b>452,475,852</b> (349,784,062)	<b>819,672,444</b> (367,196,594)	<b>5,478,499,193</b> (5,800,363,618)
<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> (5,927,304,715)	<b>130,611,424</b> (247,263,836)	<b>-</b> (1,226,410)	<b>6,303,953,565</b> (6,173,342,141)	<b>369,255,806</b> (17,819,849)	<b>454,127,749</b> (351,435,959)	<b>823,383,555</b> (369,255,808)	<b>5,480,570,013</b> (5,804,086,332)

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

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

Fund Particulars	Face value	Units holding as at		Value of Investment as at	
	(Rupees)	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
		<b>530,049</b>	<b>517,815</b>	<b>248,796,100</b>	<b>214,630,610</b>

# 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**

	<b>As at 31.03.2015 (Rupees)</b>	<b>As at 31.03.2014 (Rupees)</b>
<b>13 Current Assets - Inventories</b>		
Stores and spares	33,081,721	3,219,721
<b>14 Trade Receivables (Unsecured, considered good)</b>		
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 (Unsecured, considered good)</b>		
(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 <b>31.03.2015</b> (Rupees)	Year ended <b>31.03.2014</b> (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
	<b>177,153,729</b>	<b>55,067,126</b>
<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
	<b>61,781,220</b>	<b>73,955,287</b>
<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
	<b>317,927,798</b>	<b>338,869,493</b>
<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	-
	<b>1,010,932,172</b>	<b>656,390,996</b>
<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>	<b>1,537,230</b>	<b>1,411,408</b>

**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:**

	<b>As at 31.03.2015 (Rupees)</b>	<b>As at 31.03.2014 (Rupees)</b>
<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**

	<b>As at 31.03.2015 (Rupees)</b>	<b>As at 31.03.2014 (Rupees)</b>
Capital Goods	11,417,120	-

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

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

**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**

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**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:**

	<b>As at 31.03.2015 (Rupees)</b>	<b>As at 31.03.2014 (Rupees)</b>
<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
<b>Deferred tax Asset</b>		
Unabsorbed business loss/Depreciation*	259,058,783	82,902,236
<b>Deferred tax Liability</b>		
Depreciation	259,058,783	82,902,236
<b>Deferred tax Asset (Net)</b>	-	-

**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**

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**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:

<b>Asset</b>	<b>Previous depreciation rate / useful life</b>	<b>Revised useful life based on SLM</b>
Buildings and berth	27 years	27 years
Plant and equipment and Railway sliding	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