

Annual Report 2017 - 18

Essar Ports Limited



CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. P. K. Srivastava

Chairman

Shri. Rajiv Agarwal

Managing Director & CEO

Shri. Dilip J. Thakkar

Independent Director

Capt. B. S. Kumar

Independent Director

Shri. K. K. Sinha

Wholetime Director

CHIEF FINANCIAL OFFICER

Shri. Rakesh Kankanala

COMPANY SECRETARY

Smt. Neelam Jagdish Thanvi

AUDITORS

MSKA & Associates, Chartered Accountants
Floor 2, Enterprise Centre, Nehru Road,
New Domestic Airport,
Vile Parle (E), Mumbai - 400 099

AUDIT COMMITTEE

Shri. Dilip J. Thakkar

Shri. V. G. Raghavan

Shri. P. K. Srivastava

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Shri. Rajiv Agarwal

Shri. V. G. Raghavan

Shri. K. K. Sinha

NOMINATION AND REMUNERATION COMMITTEE

Shri. Dilip J. Thakkar

Shri. P. K. Srivastava

Shri. V. G. Raghavan

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Shri. P. K. Srivastava

Shri. V. G. Raghavan

Shri. Rajiv Agarwal

REGISTRARS & TRANSFER AGENTS

Data Software Research Company Private Limited

19, Pycroft Garden Road

Off Haddows Road

Nungambakkam

Chennai 600006

Tel: + 91 44 2821 3738, 2821 4487 Fax: +91 44 2821 4636

e-mail: essar.ports@dsr-cid.in

CORPORATE INFORMATION

REGISTERED OFFICE

Salaya Administrative Building

ER-2 Building

Salaya

Taluka Khambhalia

District Devbhumi Dwarka, Jamnagar

Gujarat 361 305

Tel: +91 2833 664440 - Fax: +91 2833 661366

e-mail: epl.secretarial@essarport.co.in

CORPORATE OFFICE

Essar House

11, K. K. Marg

Mahalaxmi

Mumbai 400 034

Tel: +91 22 6660 1100 / 4001 1100

Fax: +91 22 2354 4330

e-mail: epl.secretarial@essarport.co.in

NOTICE TO MEMBERS

Notice is hereby given that the Forty-Second Annual General Meeting of Essar Ports Limited will be held at the Registered Office of the Company at "Salaya Administrative Building", ER-2 Building, Salaya, Taluka Khambhalia, District Devbhumi Dwarka Gujarat 361 305 on Monday, September 24, 2018 at 02.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a. the Audited Standalone Profit and Loss Account for the year ended March 31, 2018 and the Audited Balance Sheet and Cash Flow Statement as on that date together with the schedules and notes thereto and the Reports of the Board of Directors and Auditors thereon (Financial Statements).
 - b. The Audited Consolidated Profit and Loss Account for the year ended March 31, 2018 and the Audited Balance Sheet and Cash Flow Statement as on that date together with the schedules and notes thereto and the Report of the Auditors thereon (Consolidated Financial Statements).
2. To appoint a Director in the place of Shri. K. K. Sinha (DIN 00009113) who retires by rotation and being eligible, has been recommended for re-appointment by Nomination and Remuneration Committee.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded for the re-appointment of Shri. Rajiv Agarwal (DIN 00903635), as a Managing Director, designated as MD & CEO of the Company liable to retire by rotation for a period of three years with effect from July 24, 2019 on a remuneration and such other terms and conditions as set out in the Explanatory Statement annexed to the notice convening this meeting with liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include the Nomination and Remuneration Committee or any other Committee of the Board formed for the purpose) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit."

"RESOLVED FURTHER THAT notwithstanding anything hereinabove stated where in any financial year during the tenure of Shri. Agarwal as a Managing Director & CEO of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Shri. Agarwal the remuneration as set out in the Explanatory Statement by

way of salary, bonus and other allowances as minimum remuneration."

"RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel be and are hereby severally authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to Section 149 and other applicable provisions if any, of the Companies Act, 2013 ('Act') and the rules made thereunder Shri. P. K. Srivastava (DIN 00843258), and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from September 24, 2018."

"RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel be and are hereby severally authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to Section 149 and other applicable provisions if any, of the Companies Act, 2013 ('Act') and the rules made thereunder Capt. B. S. Kumar (DIN 00284649) who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 14, 2018 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of an Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years commencing from September 24, 2018."

"RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel be and are hereby severally authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 41, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), enabling provisions of the Memorandum and Articles of Association of the Company and in accordance with the guidelines issued by the Government of India (GOI), the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI)

and/or any other competent authorities and clarifications thereof, issued from time to time, the applicable provisions of Foreign Exchange Management Act, 1999 ("FEMA"), Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to such approvals, permissions, consents and sanctions, as may be necessary from the GOI, RBI, SEBI and / or other competent authorities and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include any committee constituted / to be constituted by the Board for exercising the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and / or competitive basis, for such part of issue and for such categories of persons including employees of the Company as may be permitted), in one or more tranches, Equity Shares and / or Equity Shares through Global Depository Securities (GDSs) / Receipts (GDRs) and / or American Depository Receipts (ADRs) and / or Optionally / Compulsorily Convertible / Foreign Currency Convertible Bonds (FCCBs) and / or Convertible Bonds, Convertible Debentures, fully or partly and / or any other instruments / securities, convertible into or exchangeable with Equity Shares and / or securities convertible into Equity Shares at the option of the Company and / or the holder(s) of such securities and / or securities linked to Equity Shares and / or securities with or without detachable / non detachable warrants and / or warrants with a right exercisable by the warrant holders to subscribe to Equity Shares and / or any instruments (hereinafter referred to as 'Securities' which terms shall inter alia include Equity Shares) or combination of Securities, with or without premium as the Board may, at its sole discretion decide by way of one or more public and / or private offerings in domestic and / or one or more international markets(s), with or without green shoe option, and / or private placement or issue through Prospectus, Institutional Placement Programme, Qualified Institutions Placement in accordance with the Guidelines for Qualified Institutions Placement prescribed under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended or by anyone or more or a combination of the above modes / methods or otherwise and at such time or kinds, with or without an over-allotment offer, and in one or more tranches, aggregating to an amount not exceeding ` 6000 Crores (Rupees Six Thousand Crores only) or any other currency to Domestic / Foreign Investors / Qualified Institutional Buyers / Institutional Investors / Foreign Institutional Investors / Members / Employees / Non-Resident Indians / Companies / Bodies Corporate / Trusts/ Mutual Funds / Banks / Financial Institutions / Insurance Companies / Pension Funds / Individuals or otherwise, whether shareholders of the Company or not and on such terms and

conditions, as the Board may, at its sole discretion, at any time hereinafter decide."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board, in consultation with Lead Managers, Underwriters, Advisors, Merchant Bankers and / or other persons as appointed by the Company be and is hereby authorised to finalise the timing of the issue(s) / offering(s), including the investors to whom the Securities are to be allotted and accept any modifications to the terms of the issue as may be required and any other matter in connection with or incidental to the issue."

"RESOLVED FURTHER THAT the Company and / or any entity, agency or body, authorised and / or appointed by the Company, may issue depository receipts representing the underlying Securities issued by the Company in negotiable, registered or bearer form with such features and attributes as are prevalent in domestic / international capital markets for instruments of this nature and to provide for the tradability and free transferability thereof as per practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the domestic / international markets."

"RESOLVED FURTHER THAT:

- i. The equity shares issued and allotted directly or upon conversion, exchange, redemption or cancellation of other Securities when fully paid up, shall rank pari-passu with the existing equity shares of the Company;
- ii. The Relevant Date for determining the pricing of the Securities (whether on Qualified Institutions Placement to QIBs as per provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended or issue of equity shares underlying the GDSs / GDRs / ADRs or securities issued on conversion of FCCB(s) shall be the date of the meeting in which the Board decides to open the proposed issue or such date as may be notified by SEBI or RBI or any other authority from time to time; and
- iii. For the purpose of giving effect to this resolution the Board be and is hereby authorised to do all such acts, deeds, matters and things as the Board may in its absolute discretion consider necessary, proper, expedient, desirable or appropriate for making the said issue as aforesaid and to settle any question, query, doubt or difficulty that may arise in this regard including the power to allot under subscribed portion, if any, in such manner and to such person(s) as the Board, may deem fit and proper in its absolute discretion to be most beneficial to the Company."

"RESOLVED FURTHER THAT such of these Securities to be issued, which are not subscribed, may be disposed off by the Board in such manner and on such terms including offering / placing them with Banks / Financial Institutions / Mutual Funds or otherwise as the Board may deem fit and proper in its absolute discretion."

"RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel be and are hereby severally authorised to delegate all or any of the powers herein conferred by this resolution on it, to any Committee or Directors or any person

or persons, as it may in its absolute discretion deem fit in order to give effect to this resolution."

7. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), if any, the approval of the members of the Company be and is hereby accorded to the Board to acquire by way of subscription, purchase or otherwise, securities of any Body Corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding ₹ 2000,00,00,000/- (Indian Rupees Two Thousand Crores only) outstanding at any time notwithstanding that such investments, are in excess of the limits prescribed under Section 186 of the Companies Act, 2013."

"RESOLVED FURTHER THAT in case of divestment of the investment, the Directors and Key Managerial Personnel of the Company be and are hereby severally authorised to sign the necessary applications, papers, forms, documents etc. for effective implementation of decision of divestment taken by the Company from time to time."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, Board of Directors of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder (including any statutory modifications, amendments thereto or re-enactment thereof, the circulars, notifications, regulations, rules, guidelines, if any, issued thereunder), the consent of the members of the Company be and is hereby accorded to increase the authorized share capital of the Company from the existing ₹ 10,10,50,00,000 (Rupees One Thousand Ten Crores Fifty Lakhs only) divided into 1,00,00,00,000 equity shares of ₹ 10/- and 1,05,00,000 preference shares of ₹ 10/- each to ₹ 10,11,50,00,000 (Rupees One Thousand Eleven Crores Fifty Lakhs only) divided into 1,00,00,00,000 equity shares of ₹ 10/- each and 1,15,00,000 preference shares of ₹ 10/- each and that Clause V of the Memorandum of Association of the Company be and is hereby replaced with the following:

"The Authorised Share Capital of the Company is ₹ 10,11,50,00,000 (Rupees One Thousand Eleven Crores Fifty Lakhs only) divided into 1,00,00,00,000 equity shares of ₹ 10/- each and 1,15,00,000 preference shares of ₹ 10/-."

"The minimum paid up capital of the company will be ₹ 5,00,000/- (Rupees Five Lakhs Only)."

"RESOLVED FURTHER THAT the Board of Directors and Key Managerial Personnel of the Company be and are hereby severally authorized to execute and file and/ or submit necessary forms and other documents as may be required by the statutory authorities, including with the jurisdictional Registrar of Companies, and to do all such acts and deeds as may be necessary, proper or expedient for the implementation of these resolutions."

"RESOLVED FURTHER THAT any Director or the Company Secretary of the Company be and are hereby severally authorised to certify a copy of this resolution and issue the same to all concerned parties."

9. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, read with rules framed thereunder (including any statutory modifications, amendments thereto or re-enactment thereof, the circulars, notifications, regulations, rules, guidelines, if any, issued thereunder), the consent of the members of the Company, be and is hereby accorded to the alteration of the Articles of Association of the Company (the "Altered Articles"), and the Altered Articles be and are hereby approved in substitution for, and to the entire exclusion, of the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company and Key Managerial Personnel of the Company be and are hereby severally authorized to execute and file and/ or submit necessary forms and other documents as may be required by the statutory authorities, including with the jurisdictional Registrar of Companies, and to do all such acts and deeds as may be necessary, proper or expedient for the implementation of these resolutions."

"RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company be and are hereby severally authorised to certify a copy of this resolution and issue the same to all concerned parties."

Mumbai
August 29, 2018

By Order of the Board

Neelam Thanvi
Company Secretary
M. No.: F7045

Registered Office:
Salaya Administrative Building
ER-2 Building, Salaya, Taluka Khambhalia
District Devbhumi Dwarka,
Jamnagar, Gujarat 361 305

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. Proxy forms in order to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
3. The Company has fixed August 17, 2018 as the Record Date for the purpose of identifying the eligible members of the Company for the purpose of AGM.
4. The Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 relating to the Special Businesses is at item Nos. 3 to 9 of the accompanying Notice is annexed.
5. Members desiring any information and/or document regarding the Annual Report are requested to write to the Company at "Essar House", 11, K. K. Marg, Mahalaxmi, Mumbai 400 034 at least 7 days before the date of the meeting to enable the Company to keep the information ready.
6. The Notice of AGM and Annual Report are being sent in electronic mode to members whose email address are registered with the Company or the Depository Participant(s), unless the members have registered their request for the hard copy of the same. Physical copy of the notice of AGM and Annual Report are being sent by the permitted mode to those members who have not registered their email address with the Company or Depository Participant(s).
7. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is pleased to provide the facility to members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means through the e-voting platform of Central Depository Services (India) Limited (CDSL). The Members, whose names appear in the Register of Members / list of Beneficial Owners as on September 17, 2018, i.e. the Record Date fixed by the Company for the purpose of AGM are entitled to vote on the Resolutions set forth in this Notice. The members may cast their votes on electronic voting system from place other than the venue of the meeting. The e-voting period will commence at 9.00 a.m. on September 19, 2018 and will end at 5.00 p.m. on September 23, 2018. The members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed Mr. Martinho Ferrao, M/s. Martinho Ferrao & Associates, Practising Company Secretaries, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.
8. **The instructions for members voting electronically are as under:**
 - (i) The voting period begins on Wednesday, September 19, 2018 at 9.00 a.m. and ends on Sunday, September 23, 2018 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record

date) of Monday, September 17, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your

password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users**

can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO NOTICE:

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 3

The Board of Directors at their meeting held on September 22, 2016 had appointed Shri. Rajiv Agarwal as the Managing Director of the Company for a period of three years with effect from July 24, 2016. Subsequently, the members of the Company at their 40th Annual General Meeting held on December 22, 2016 had approved the appointment and the remuneration payable to Shri. Agarwal. The present term of Shri. Agarwal as the Managing Director & CEO will end on July 23, 2019.

The Nomination and Remuneration Committee of the Company and thereafter the Board of Directors have recommended and approved that Shri. Agarwal be appointed as the Managing Director of the Company for a period of three years from July 24, 2019.

I. GENERAL INFORMATION :

- 1) Nature of industry: Ports and Terminal Services
- 2) Date or expected date of commencement of commercial production: Not Applicable to the Company as the company is holding company of Essar Vizag Terminal Limited (EVTL) port at Visakhapatnam.
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
- 4) Financial performance based on given indicators:

Amt in Cr			
Particulars	2015-16	2016-17	2017-18
Total Income	91.06	35.25	23.43
Total Expense	235.53	81.70	27.43
EBITDA	-144.47	-46.45	-4.00
EBIT	39.32	-17.79	-1.50
Profit/(Loss) after Tax	-150.97	-41.11	-1.43
Earnings Per Share			
- Basic (₹)	-0.46	-3.25	-0.66

- 5) Foreign investment or collaborators: Not applicable.

II. INFORMATION ABOUT THE APPOINTEE:

1) Background Details:

Shri. Rajiv Agarwal is Chartered Accountant, Cost and Works Accountant and Company Secretary by qualification with over 30 years of rich and varied experience in industries like Retail, BPO, Telecom, Manmade fibres, Shipping and Logistics etc., and has successfully led businesses as CEO since 1992, mainly in telecom services and shipping, logistics and ports sectors.

Shri. Agarwal was the Chief Executive Officer of Modi Champion during 1992-94 and Joint Managing Director of Modi Korea Telecom during 1994-97. He joined the Essar Group in 1997 as Chief Operating Officer in Essar Telecom. Shri. Agarwal served on the Board of public listed companies

in India and United States of America. Shri. Agarwal has held the position of Chief Financial Officer and Executive Director on the Board of this Company during 1998-2002.

Shri. Agarwal was the President of IndoRama Synthetics Limited during 2002-2004. Shri. Agarwal held the position of CEO and Director of The Mobile Store Limited and created a well recognised and strong Indian Telecom Brand in just 2 years.

Shri. Agarwal has won a series of accolades and awards including CEO of the Year Award – 2009 Asia Retail Congress, Retail Professional of the Year:2008 at Franchise India and Best Retailer in Telecom Segment – over 2 years in India Retail Forum.

Shri. Agarwal is also a Director on the Board of various other Indian public limited companies.

Shri. Agarwal does not hold any shares in the Company.

- 2) Past remuneration : Gross Salary 3.32 Cr. During FY 2017-18.
- 3) Recognition or awards: As mentioned in Background details above.
- 4) Job profile and his suitability: He is the Managing Director and Chief Executive Officer and is having relevant experience caliber.
- 5) Remuneration proposed: As mentioned in disclosures
- 6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (In case of expatriates the relevant details would be w.r.t. the country of his origin): As per the data published by Business India regarding "India's highest paid executives – Top 500" top corporate houses of India are paying salary between Rs. 1 Crore to Rs. 5 Crore to its top executives.
- 7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Shri Rajiv Agarwal is not having any interest in the capital of the Company or its holding company, directly or indirectly or through any other statutory structures and not having any direct or indirect interest or related to the directors or promoters of the Company.

III. OTHER INFORMATION:

- 1) Reasons of loss or inadequate profits: Though the Company had suffered a loss of 150.97 crores for the financial year ended March 31, 2015, however, the loss reduced to -41.11 cr. In 2015-16 and -1.43 crores for the financial year ended March 31, 2017, thereby improving its performance for the financial year 2017-18.

Major ports suffered from capacity constraint and thus, congestion at these ports resulted in higher cost for industry. In view thereof, a large part of incremental traffic had shifted to non-major ports over the period. This had resulted in significant increase in share of non-major ports in total traffic. The traffic at Indian ports had increased at a slow pace of

4.4% CAGR during the last five years from 850 MMT during 2009-10 to 1052 MMT during 2014-15. Slow growth in traffic was caused by the ban on iron ore mining and exports since 2011, due to which the traffic declined. Between 2009-10 and 2014-15, traffic at non-major ports has grown by about 10.3% CAGR as compared to about 0.7% at major ports.

2. Steps taken or proposed to be taken for improvement: Series of steps were been taken by the current government to increase private participation in the ports industry development viz, PPP projects, private sector participation in Major Ports, Sagar Mala Project for tourism development and JV with foreign ports. Due to this, the Company has managed to improve its performance during the year 2014-15 and earned a profit as compared to the loss in the previous year. During the year 2014-15, the Company delivered consistent growth. The Company is in the process of obtaining all the required clearances from the Governmental authorities. Company is also undertaking capacity addition by investing in new projects over the years.
3. Expected increase in productivity and profits in measurable terms: Though the Company has inadequate profit during the financial year 2016-17, the Company is expecting rapid growth in future years

IV. DISCLOSURES:

1. Period of Appointment: three years from July 24, 2019.
2. In consideration of his duties, Shri. Agarwal shall be paid the following remuneration:

The gist of the remuneration to Shri. Agarwal is as under:

1. Remuneration :

Basic salary in the range of ₹ 6,00,000/- to ₹ 16,00,000/- per month, per month.

In addition to the Basic Salary, Shri. Agarwal shall be entitled to perquisites and allowances like accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof; House Maintenance Allowance together with reimbursement of expenses/allowances for utilisation of gas, electricity, water, furnishing and repairs; medical reimbursement; education allowance; leave travel concession for self and his family including dependents; club fees, premium for medical insurance, commission and all other payments in the nature of perquisites and allowances as agreed by the Board of Directors or such other authority as may be delegated by the Board of Directors from time to time up to the limit of Rs. 40,00,000/- per month. As per the rules of the Company, Shri. Agarwal will be eligible for Provident Fund, Gratuity and Superannuation, which payments shall not be included for the purpose of calculation of the Managerial Remuneration.

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of tenure of Shri. Agarwal, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above subject to compliance with the applicable provisions of Schedule V to the Companies Act 2013, if and to the extent necessary, with the approval of the Central Government.

2. Shri. Agarwal shall not be paid any sitting fees for attending the meetings of the Board or any Committee(s) thereof.
3. Shri. Agarwal shall be bound by the non-compete and confidentiality provisions as applicable to the members of the Board.
4. Shri. Agarwal shall cease to be the Managing Director if he ceases to be an employee.
5. Either party shall be entitled to terminate the employment by giving not less than three calendar months prior notice in writing in that behalf to the other party, provided that the Company shall be entitled to terminate the employment of Shri. Agarwal at any time by payment to him of three months basic salary in lieu of such notice."

The above may be treated as an abstract of the agreement between the Company and Shri. Agarwal pursuant to the provisions of the Companies Act, 2013.

The Board accordingly recommends the resolutions at Item No. 3 of the accompanying notice for your approval.

None of the Directors other than Shri. Agarwal is deemed to be concerned or interested in the resolution.

Shri. Agarwal does not hold any shares in the Company.

Item No. 4

The Board of Directors of your Company have appointed Shri. P. K. Srivastava (DIN 00843258) as a Director on the Board of the Company, however he has become an Independent Director.

Shri. Srivastava has done his M.Sc., (Physics) from University of Lucknow (India) and M.A., (Management Studies) from University of Leeds (UK) and has been consistently placed in First Class / Distinction in academics.

Shri. Srivastava has a rich experience of 45 years in various commercial organisations in India and abroad (mainly Public Sector undertakings in India and Kingdom of Saudi Arabia) with about 15 years as Director on the Board and 10 years as the Chairman and Managing Director of Shipping Corporation of India Limited, a group "A" Public Sector Undertaking in India with an annual turnover in excess of USD 1 billion.

Shri. Srivastava thereafter joined Emirates Trading Agency L.L.C., Dubai, UAE as Group Advisor (Trading & Shipping Division). Shri. Srivastava was responsible for the overall management of large business enterprises mainly in the fields of Shipping, Oil Transportation and Infrastructure Development.

Shri. Srivastava was the Chairman and Managing Director of Shipping Corporation of India Limited. He was the President of Indian National Shipowners' Association and Association of Multimodal Transport Operators of India.

He was also the Chairman of Irano-Hind Shipping Company Limited and Indian National Committee of American Bureau of Shipping (ABS) & Member of ABS and its council. He was also a Director on the Board of Steamship Mutual Underwriting Association Limited (SMUL), London, Indian Register of Shipping and Cochin Shipyard Limited. He also held the position of Chairman of India, Pakistan, Bangladesh, Ceylon Conference. Shri. Srivastava was also a member of Institute of Public Enterprises, Hyderabad, Board of