

Annual Report 2016-2017



Sagarmala Development Company Limited
(A Government of India Enterprise)
CIN No: U74999DL2016GOI305194

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman

(Secretary, Ministry of Shipping)

Shri. Rajive Kumar
DIN 06620110
(Upto 27th June, 2017)

Shri. Ravikant
DIN: 03092250
(From 27th June, 2017 till 17th October, 2017)

Shri. Gopal Krishna
DIN: 01957931
(From 01st November, 2017)

Managing Director

Shri. Rabindra Kumar Agarwal
DIN: 00365865

Directors

Dr. Alok Srivastava
DIN: 02399467

Registered Office

1st Floor, PTI Building, Parliament Street, New Delhi-10001
CIN

U74999DL2016G01305194

EMAIL ID & CONTACT NO.

Email id: sagar.mala@nic.in
Contact No.: 011-23714715

STATUTORY AUDITORS

SHARAD JAIN ASSOCIATES
213, Hans Bhawan,
1, Bahadur Shah Zafar Marg,
Delhi-110002

BANKER
SYNDICATE BANK
Transport Bhawan

SECRETARIAL AUDITORS

PRIYANKA SAXENA & ASSOCIATES
J-30, First Floor, Lajpat Nagar-3,
New Delhi-110024

CONTENTS

- Chairman's Message
- Objectives
- Notice of the Annual General Meeting
- Directors' Report
- Details of the Investments Designated to be Undertaken by the Company
- Form MGT - 9 Extract of Annual Return
- Form MR -3 Secretarial Audit for the period ended 31st March, 2017
- Independent Auditors' Report
- Financial Statements
- Comments of the Comptroller and Auditor General of India
- Proxy Form
- Attendance Slip

CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of SAGARMALA DEVELOPMENT COMPANY LIMITED (SDCL), I welcome you all to the 1st Annual General Meeting of your Company. I am pleased to place before our esteemed shareholders, the 1st Annual Report of the Company for the financial period ended on 31st March, 2017.

Your Company Sagarmala Development Company Limited (SDCL) was incorporated on 31st August, 2016 under the Companies Act, 2013 under Sagarmala initiative by Ministry of Shipping with authorized share capital of INR 1,000 crore and subscribed share capital of INR 90 crore. Sagarmala Development Company Limited (SDCL) is one of the institutions to provide equity support to project level SPVs for residual projects and a platform for central, state governments and local authorities to work in tandem in order to achieve the objectives of Sagarmala programme.

On October 13th 2017, the paid up share capital of the Company was increased to INR 215 crore.

As it is the first year since the incorporation, your company earned a revenue of INR 2,45,55,225/- and in total suffered a loss of INR 30,47,899/-.

The Sagarmala Programme is an ambitious programme to advance India's economic development by harnessing the potential of its coastline and rivers. This will help to overcome the challenges confronting the country's logistics sector, and could help make it competitive with other leading emerging economies.

The Government of India conceptualized Sagarmala to address the challenges and capture the opportunity of port-led development comprehensively and holistically. The Sagarmala Programme aims to reduce logistics cost for both domestic and EXIM cargo with minimal infrastructure investment.

ACKNOWLEDGEMENT

I would like to express my gratitude to the Government of India for its support to your Company. I wish to thank the Hon'ble Union Minister of Shipping Shri Nitin Gadkari for leading the growth of India's maritime sector and for providing his kind support to your company. I would also like to thank the Hon'ble Ministers of State for Shipping, Shri Pon Radhakrishnan and Shri Mansukh L. Mandaviya for their encouragement to your company.

My sincere thanks are also due to the other officials of the Administrative Ministry, other Ministries and Department of the Government of India. I also wish to express my deep sense of gratitude towards all the shareholders, stakeholders, my colleagues on the Board of Directors for their support.

Gopal Krishna
Chairman & Director

ABOUT SDCL

The Sagarmala Development Company Limited (SDCL) has been incorporated (on 31st August 2016) under the Companies Act, 2013, after obtaining approval of the Union Cabinet on 20th July 2016. SDCL has been set up under the administrative control of Ministry of Shipping with an initial Authorized Share Capital of INR 1,000 Crore and a Subscribed Share Capital of INR 90 Crore. SDCL will provide equity support for the project Special Purpose Vehicles (SPVs) set up by the Ports / State / Central Ministries and funding window and /or implement only those residual projects which cannot be funded by any other means / mode.

OBJECTIVES OF SDCL

- Develop & formulate projects emanating from the National Perspective Plan (NPP).
- Assist project SPVs set up by Central Line Ministries / State Governments/State Maritime Boards/Ports etc. for projects in alignment with Sagarmala objectives.
- Provide funding window for residual projects that cannot be funded by any other means/mode.
- Prepare the Detailed Master Plans for the Coastal Economic Zones (CEZs) identified as part of the National Perspective Plan.
- Raise funds from multi-lateral and bilateral agencies as debt/equity (as long term capital), as per the project requirements.

NOTICE

NOTICE IS HEREBY GIVEN THAT 1ST ANNUAL GENERAL MEETING OF THE MEMBERS OF SAGARMALA DEVELOPMENT COMPANY LIMITED WILL BE HELD ON THURSDAY, 28TH DAY OF DECEMBER, 2017 AT 5:00 P.M IN ROOM NO. 401, TRANSPORT BHAWAN, PARLIAMENT STREET, NEW DELHI- 110001 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts of the Company for the financial period ended on 31st March, 2017 together with the reports of Directors and Auditors thereon.
2. To authorize the Board of Directors to fix the remuneration of Statutory Auditors appointed by the C&AG for Financial Year 2017-18 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the appointment of M/s Sharad Jain Associates, Chartered Accountants (Firm Registration No. 015201N), as Statutory Auditors of the Company for the financial year 2017-18 in terms of the order of Comptroller & Auditor General of India vide its letter No./CA. V/ COY/ CENTRAL GOVERNMENT, SDCL (1)/905, dated: 10/08/2017, from the conclusion of 1st Annual General Meeting until the conclusion of the 2nd Annual General Meeting be and is hereby adopted and the Board of Directors is authorized to fix the remuneration of Statutory Auditors".

SPECIAL BUSINESS

3. To amend the Articles of Association of the Company to bring them in consonance with the provisions of Companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 (1) and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), Article 34 be and is hereby altered by replacing it with the following new Article 34.

34. Directors shall not be required to hold any qualification shares. The Directors shall not be liable to retire by rotation at the Annual General Meeting of the Company.

RESOLVED FURTHER THAT the Board of Directors, be and are hereby authorized to perform all the acts, deeds and things, execute documents and do all the filings with the Registrar of Companies or other Statutory Authorities, as may be necessary or incidental to give effect to the above resolution and to take all such steps for giving any such direction as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise for the purpose of giving effect to this resolution."

By order of the Board

For Sagarmala Development Company Limited

Sd/-

Rabindra Kumar Agarwal

(Managing Director)

DIN: 00365865

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIM/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. MEMBERS ARE REQUESTED TO NOTIFY IMMEDIATELY ANY CHANGE IN THEIR ADDRESSES TO THE COMPANY AT ITS REGISTERED OFFICE.
3. MEMBERS/PROXIES ATTENDING THE MEETING ARE REQUESTED TO BRING THE ATTENDANCE SLIP DULY FILLED IN AND THEIR COPY OF ANNUAL REPORT FOR REFERENCE AT THE MEETING. PROXIES SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
4. EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013, IS ANNEXED TO THE NOTICE CONVENING THE ANNUAL GENERAL MEETING

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

ITEM NO.3

The Board of Directors of the Company in its meeting held on 20th December 2017 has decided to amend the Articles of Association of the Company by replacing the existing Article 34 with new Article 34 as provided in the draft Special Resolution for your approval.

As per the provisions of Section 152(6) of the Companies Act, 2013 and present Article 34 of the Articles of Association of the Company, at every Annual General Meeting, one-third of the Directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office.

The Ministry of Corporate Affairs has issued a Notification No. 1/2/2014-CL-V dated: 5/06/2015 which exempts the Government Companies to comply with the provisions of Section 152(6) of the Companies Act, 2013.

The board considered that the company is governed by the Articles of Association of the Company therefore, the Company will have to comply with these provisions at every Annual General Meeting and will not be able to avail the benefit of the exemption notification. Therefore, the Board decided to amend the Article 34 of the Articles of Association of the Company to bring it in consonance with the provisions of section 152(6) of the Companies Act 2013 read with the exemption notification.

The Articles of Association of the Company can be amended by passing a special resolution in the shareholders' meeting, therefore, the board recommends the resolution as set out in Item No. 4 for your approval by way of special resolution.

None of the Directors, Managers, key managerial persons and their relatives in any way concerned or interested in the said resolution.

By order of the Board

For Sagarmala Development Company Limited

Sd/-

Rabindra Kumar Agarwal

(Managing Director)

DIN: 00365865

Date: 20-12-2017

Place: New Delhi

THE DIRECTORS' REPORT

To

The Members

Sagarmala Development Company Limited,
First Floor, PTI Building, New Delhi.

Your Directors take pleasure in presenting the first Directors' Report of your Company for the financial period ended on March 31st, 2017:

1. FINANCIAL STATEMENTS & RESULTS

The Company's performance from the date of incorporation to the period ended March 31st, 2017 is tabulated below:

Particulars	2016-17 (in Rupees)
Total Revenue	2,45,55,225.00
Total Expenses	2,87,43,751.00
Net Profit/(Loss) before Tax	(41,88,526.00)
Provision for Taxation	56,46,317.00
Deferred tax Expense	(67,86,944.00)
Profit/(Loss) for the Period	(30,47,899.00)
EPS	(0.03)

*This year being the first year of operations, comparative figures from previous year are not available.

BACKGROUND & OBJECTIVES

India is richly endowed with natural maritime advantages over a coastline of 7,500 km across 13 states and union territories. The country has a strategic location on key international trade routes with 14,500 km of navigable and potentially navigable waterways. Maritime logistics has always been an important component of the Indian economy, accounting for 90% of EXIM trade by volume and 72% by value.

The Sagarmala Programme is an ambitious, massive and flagship programme of Government of India to advance India's economic development by harnessing the potential of its coastline and rivers. This will help to overcome the challenges confronting the country's logistics sector, and could help make it competitive with other leading emerging economies. The logistics system in India falls short of international standards in terms of cost, efficiency, sustainability and safety. Poor logistics drive up the cost of doing business and of goods and services in the Indian economy. For example, coal transportation alone might make up 30-35% of the total cost of power produced for power plants in the hinterland, over

THE DIRECTORS' REPORT

1,000 km from the coal mines. Long and variable lead times force shippers to hold higher inventories to compensate for uncertainty in transit times. The environmental footprint of the existing logistics system is extremely high given the heavy reliance on carbon-intensive transportation modes such as roads. Safety is another major concern, with around 175,000 estimated total deaths annually on roads and railways in India.

While the development of logistics infrastructure has progressed substantially in India over the past decade, the sector suffers from several structural challenges.

- 1) Skewed railways tariff structure for goods results in a preference for road transport even over longer lead distances.
- 2) Existing infrastructure bottlenecks do not allow for adopting the most efficient modes and routes. For example, the lack of adequate road and rail connectivity to ports results in underutilized port capacity; the lack of multimodal logistics facilities hinders smooth intermodal transfer; industrial clusters in hinterland states face delays and cargo evacuation times to ports vary significantly.
- 3) Manual & cumbersome processes and regulations (e.g. manual creation of transit passes) add to delays in transportation.
- 4) The variable quality of road infrastructure and choke points result in average road speeds of 20 km per hour. Trucks move only 200 to 250 km in a day, increasing lead times.
- 5) Industrial planning is not linked to port infrastructure. The siting and master planning of industrial clusters and zones (often with high EXIM content) has not been done keeping in mind proximity to ports. For example, export containers in India travel 4 to 5 times the distance between production centres and ports compared to that in China.

The Government of India conceptualized Sagarmala to address the challenges and capture the opportunity of port-led development comprehensively and holistically. Sagarmala is a national program aimed at accelerating India's economic development by harnessing the potential of its coastline and rivers. Sagarmala was first articulated in 2003 by then Prime Minister Shri Atal Bihari Vajpayee, and announced by the Prime Minister Shri Narendra Modi in 2014. It was approved by the Union Cabinet in March 2015. Under Sagarmala, a National Perspective Plan (NPP) was prepared by the Ministry of Shipping (MoS) and launched by the Prime Minister in the country's first ever Maritime India Summit 2016.

THE SAGARMALA VISION

The Sagarmala Programme aims to reduce logistics cost for both domestic and EXIM cargo with minimal infrastructure investment. Studies under Sagarmala have identified opportunities to reduce overall logistics costs that could improve the overall efficiency of the economy and increase the competitiveness of India's exports.

Based on these studies, Sagarmala can aspire to reduce logistics costs for EXIM and domestic cargo, overall saving INR 35,000 to 40,000 cr per annum. Some of this will be direct cost savings, while others will come from cuts in inventory-handling costs due to the time (and reduced variability) for transportation of goods, particularly containers. These cost savings apply to current industrial capacities as well as future coast-proximate capacities for energy, material, marine and discrete industries that could come up through port-linked industrialization.

Four main strategies have been identified for achieving the overall vision of logistics cost reduction.

- i) Reducing cost of domestic cargo through optimizing modal mix
- ii) Optimizing time/cost of EXIM container movement
- iii) Lowering logistics cost of bulk commodities by locating future industrial capacities near the coast
- iv) Improving export competitiveness by developing port proximate discrete manufacturing clusters

Your Company Sagarmala Development Company Limited (SDCL) was incorporated on 31st August, 2016 under the Companies Act, 2013 under Sagarmala initiative by Ministry of Shipping with authorized share capital of INR 1000 crore and subscribed share capital of INR 90 crore.

THE DIRECTORS' REPORT

SDCL has the following key objectives:

- a) Develop and formulate projects emanating from the National Perspective Plan (NPP) and assist the SPVs set up by Central Line Ministries / State Governments / State Maritime Boards / Ports etc. for project implementation.
 - I. Align its projects with other initiatives of the Government of India such as the Industrial Corridor and other initiatives of the Government of India in order to achieve synergy and assist in implementation of projects wherever possible.
 - II. Set up port based Special Economic Zones/Free Trade Warehousing Zones and offering efficient and seamless evacuation of cargo for both EXIM and domestic sectors and hence providing better integrated connectivity and streamlining interdepartmental coordination in ports in India to promote seamless and efficient interface for trade in order to fully integrate the coastline of India and enable ports to become drivers of port-led economic development
- b) Provide funding window for residual projects that cannot be funded by any other means/mode; Residual projects would include important / pilot / path breaking projects with high Economic Internal Rate of Return (EIRR) but low Financial Internal Rate of Return (FIRR).
- c) Prepare the Detailed Master Plans for the Coastal Economic Zones (CEZs) identified within a period of two years.
- d) Manage the Community Development Fund (CDF) for providing grants to coastal community development projects considered under Sagarmala.
- e) Prepare a coherent development strategy for optimum development of the port sector in India, conceptualize, promote, finance, procure financing for, implement and expedite projects which promote port-led industrialization/ urbanization/ development and create economic activity hubs along the coast with the participation of coastal communities.

2. PROJECTS DESIGNATED FOR INVESTMENT BY THE COMPANY

Ministry of Shipping, Government of India had identified projects for equity funding by the company before it incorporation and made investments in these projects from the Sagarmala fund. These investment have made through ports acting as assignees for SDCL. Post incorporation of the company, the shares held by the respective ports were to be transferred to SDCL. The details of these investments designated to be undertaken by the Company are annexed as **Annexure A**.

3. PERFORMANCE & OPERATIONS

The scope of activities for SDCL are as follows:

1. SDCL shall enable port-led development by providing equity support for projects being undertaken by Central Line Ministries/ State Governments/ State Maritime Boards / Ports etc. An indicative list of the types of projects to which SDCL could provide equity support is provided below:
 - i. Port Connectivity projects such as last mile road connectivity to the ports, truck parking terminals to decongest roads leading to ports etc.
 - ii. Port Modernization projects such as dredging projects to enhance the vessel handling capacity of the ports, mechanization of berths to enable ports to handle cargo effectively and efficiently and other infrastructure projects which enhance the cargo handling capability and capacity of ports and for which the port needs equity support etc.
 - iii. Port-led Infrastructure and Industrial Development projects such as port based smart cities, port-based industrial parks, coastal tourism related projects (including Lighthouse tourism development) and other port-led development projects leading to direct and indirect development of Indian economy.
 - iv. Community Development projects requiring infrastructure development for imparting skill and livelihood

THE DIRECTORS' REPORT

generation programmes to enhance the employment opportunity of the coastal communities, projects to transform the ports into green ports through maximum usage of renewable energy etc.

- v. Project development and structuring activities (preparation of feasibility reports / DPR etc.) of related projects;
2. SDCL will identify port-led development projects and assist the project SPVs in project development and structuring activities, bidding out projects for private sector participation, putting in place suitable risk management measures for strategic projects cutting across the States/Regions, obtaining requisite approvals like Viability Gap Funding (VGF), environment clearance and other statutory clearance from competent authority and finalizing commercial arrangements like off-take agreements/Substitution Agreements etc.
3. The mandate of the company is to develop and formulate projects emanating from the National Perspective Plan (NPP) and provide funding window to residual projects that cannot be funded through any other means/mode and assist Projects SPVs set up by the Central Ministries/State Governments/Ports/ State Maritime Boards etc. with the underlying objective of promoting port-led development. In order to fulfill these responsibilities, Sagarmala Development Company Limited was incorporated as a Central Public Sector Enterprise (CPSE) under the Ministry of Shipping on 31st August 2016.

A list of projects for that have been under consideration of SDCL for equity funding are:

Sr. No.	Project Name	Estimated Cost (INR Cr)	Proposed SDCL funding (INR Cr)
1	Port Rail Connectivity to Krishnapatnam Port: Venkatachalam – Obulavaripalle rail link connectivity (Phase II)	1,850	125
2	Connection of Western DFC to Hazira	300	30
3	Barithengarh - Ratnagiri Chord Line Project for Rail connectivity to Haridaspur Paradip main line	720	195
4	CONCOR MMLP Project at Paradip	120	40
5	Dry Port cum Multi-modal Terminal at Jolarpet	200	25

4. THE AMOUNT, IF ANY, WHICH IT RECOMMENDS SHOULD BE PAID BY WAY OF DIVIDEND

The Company has not proposed any dividend for the financial period 2016-17 and consequently no amount has been transferred to reserve.

5. REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

THE DIRECTORS' REPORT

During the period under report, your Company did not have any subsidiary, associate or Joint Venture Company.

6. DETAILS OF DEPOSITS COVERED UNDER CHAPTER V OF THE ACT

The Company did not accept any public deposits within the purview of provisions of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the period.

- a. Accepted during the year - NIL
- b. Remained unpaid or unclaimed as at the end of the year - NIL
- c. Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved- NIL
 - i. at the beginning of the year; NIL
 - ii. maximum during the year; NIL
 - iii. at the end of the year; NIL
 - iv. the details of deposits which are not in compliance with the requirements of Chapter V of the Act. Not Applicable

Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Companies Act, 2013 or the details of deposits which are not in compliance with the Chapter V of the Companies Act, 2013 is not applicable.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

A. CONSERVATION OF ENERGY

- (i) **The steps taken or impact on conservation of energy;**
The operations of the Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy.
- (ii) **The steps taken by the company for utilising alternate sources of energy;**
Not applicable in view of the nature of activities carried on by the Company.
- (iii) **The capital investment on energy conservation equipments;**
Not applicable in view of the nature of activities carried out by the Company

B. TECHNOLOGY ABSORPTION

- (i) **The efforts made towards technology absorption;**
The Company has not undertaken any manufacturing activity requiring substantial amount of power and therefore the consumption of the same during the year is nominal.
- (ii) **The benefits derived like product improvement, cost reduction, product development or import substitution;**
NA
- (iii) **in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- NA**
 - (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) **The expenditure incurred on Research and Development.** NIL

THE DIRECTORS' REPORT

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

S. NO	PARTICULARS	AMOUNT (In Rupees)
1.	Actual Foreign Exchange Earnings	NIL
2.	Actual Foreign Exchange Outgo	NIL

8. EXTRACT OF ANNUAL RETURN AS PROVIDED UNDER SECTION 92 (3) IN FORM NO. MGT-9

Pursuant to provisions of Section 134(4) (a) of the Companies Act, 2013, Extract of Annual Return for the financial period ended 31st March 2017 made under the provisions of Section 92(3) of the Companies Act, 2013 is annexed as "Annexure B" and forms part of this report.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Section 186 of the Companies Act 2013 is not applicable to the Company vide notification no. GSR 463 (E) dated 05th June 2015.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

There has been no change in the constitution of Board during the period ended 31st March, 2017. The following Directors and KMPs are holding the office as on 31st March, 2017.

S.NO.	Name	DIN/PAN	Designation
1.	Shri. Rajive Kumar	06620110	Chairman & Director
2.	Shri. Rabindra Kumar Agarwal	00365865	Managing Director
3.	Dr. Alok Srivastava	02399467	Director

However Shri. Rajive Kumar had resigned from the Company with effect from 27.06.2017 due to his repatriation from the post of Secretary, Ministry of Shipping, Government of India.

Thereafter, Ministry of Shipping had appointed Shri. Ravikant as the new Secretary (Shipping) to fill up the vacant position of Shri. Rajive Kumar. As per the Articles of Association of the Company, the Secretary (Shipping) is the ex officio Chairman of the Board and shall act as a non-executive Chairman.

Shri. Ravikant having DIN: 03092250 assumed office as the new Chairman & Director of your Company with effect from 27.06.2017.

Sh. Ravikant, IAS (BH:84), Secretary, Ministry of Shipping was also relieved from the post of Secretary, Ministry of Shipping with effect from 17/10/2017 and accordingly ceased to be the Director and Chairman of the Company.

On 01st November 2017, Shri Gopal Krishna, IAS (WB:83) (DIN: 01957931) has assumed the charge of Secretary, Ministry of Shipping and as per the Articles of Association of the Company and by virtue of being appointed as the Secretary, Ministry of Shipping, he has also assumed the office of Director and Chairman of the Company.

THE DIRECTORS' REPORT

The present constitution of the Board of Directors of the Company as on the date of this report is provided below.

S.NO.	Name	DIN/PAN	Designation
1.	Shri. Gopal Krishna	01957931	Chairman & Director
2.	Shri. Rabindra Kumar Agarwal	00365865	Managing Director
3.	Dr. Alok Srivastava	02399467	Director

11. NUMBER OF MEETINGS OF THE BOARD

Three Board Meetings were held during the financial period ended March 31st, 2017. The maximum gap between any two Board Meetings was less than one Hundred and Twenty days.

The details of the Board meetings are as under:

S.NO.	Date of Meeting	Total No. of Directors as on Date of meeting	No. of Directors who Attended Meeting
1.	21 st September, 2016	Three	Three
2.	28 th October, 2016	Three	Three
3.	23 rd February, 2017	Three	Two

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3)(c) of the Companies Act, 2013, your Directors hereby confirm that:-

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year on 31.03.2017 and of the profit and loss of the company for that year;
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts on a going concern basis;
- The Directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively - **Not applicable as Company is not a listed Company.**
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

13. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

Pursuant to the provisions of Section 149(4) of the Companies Act, 2013 read with Rule 4(1)(i) of Companies (Appointment and Qualification of Directors) Rules 2014, public companies having paid up share capital of INR 10 crore or more should have at least two Directors as independent Directors in their Board.

As per the exemption notification G.S.R 463(E) dated 05th June, 2015 the Independent Directors are required to be appointed by the concerned Ministry or Department of the Central Government which is administratively in charge of the Company, or, as the case may be, who in the opinion of the Ministry is a person of integrity and possesses relevant expertise and experience.

THE DIRECTORS' REPORT

The process of appointment of independent Directors has been initiated by the Ministry of Shipping, however, the Independent Directors have yet not been appointed on the Board of the Company.

Since there is no Independent Director on the Board as of now, no statement on declaration could be given.

14. IN CASE OF A COMPANY COVERED UNDER SUB-SECTION (1) OF SECTION 178, COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178

The constitution of Nomination & Remuneration Committee requires at least half of the Directors to be Independent Directors, therefore, it could not be established for the want of the same. Once the process of appointment of Independent Directors is completed the requirement of the committee shall be complied.

Also sub section (2),(3) and (4) of section 178 are not applicable to Government Company except with regard to appointment of 'senior management' and other employees vide Notification dated 05th June, 2015.

15. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE

(I) BY THE STATUTORY AUDITOR IN HIS REPORT;

The Comptroller and Auditor General of India has appointed M/s Sharad Jain Associates., Chartered Accountants, having Registration No.(DE2176) as Statutory Auditors of the Company for the financial year 2016-2017. The Statutory Auditors' Report on accounts, has some observations on compliance and the explanations/ comments on the observations by the Board of Directors are provided below.

OBSERVATIONS

The Company has not complied with the provisions of Section 203(1) of the Act regarding appointment of whole-time managerial personnel and Company Secretary, Section 139(7) of the Act regarding appointment of first auditors of Company by C&AG within 60 days from the date of registration, Section 149(4) of the Act regarding appointment of Independent Directors and Section 177 of the Act regarding constitution of Audit Committee. Since the discrepancies are technical in nature, we are unable to quantify the qualifications.

Explanations/ Comments by the Board of Directors:

1. The Company has not complied with the provisions of Section 203(1) of the Act regarding appointment of whole-time managerial personnel and Company Secretary,

The Board of Directors of the Company have created the post of Whole Time Company Secretary to be appointed under Section 203(1) of the Companies Act, 2013 and the necessary steps are being taken by the company.

2. The Company has not complied with the provisions of Section 139(7) of the Act regarding appointment of first auditors of Company by CAG within 60 days from the date of registration.

As per the provisions of Section 139 (7), for a Government Company owned by the Central Government, the First Auditor shall be appointed by the Comptroller and Auditor General of India within 60 days from the date of registration of the Company.

The agenda of the Second Board Meeting of financial year 2016-17 of the company held on 28th October 2016 containing the necessary resolution for sending the request letter to C&AG for recommendation of appointment of Statutory Auditors of the Company was passed and the Managing Director of the Company was authorized to sign the application. Thereafter, the request was processed and the recommendation of appointment of Sharad Jain Associates, Chartered Accountants, was received by the Company on 15th March 2017.

3. The Company has not complied with the provisions of Section 149(4) of the Act regarding appointment of Independent Directors

THE DIRECTORS' REPORT

As per the exemption notification G.S.R 463(E) dated 05th June, 2015-in Section 149, in sub-section (6), in clause (a), for the word "Board", the words "Ministry or Department of the Central Government which is administratively in charge of the Company, or, as the case may be, the State Government" shall be substituted. And hence the Independent Directors are required to be appointed by the concerned Ministry or Department of the Central Government which is administratively in charge of the Company, or, as the case may be, the State Government who in the opinion of the Ministry is a person of integrity and possesses relevant expertise and experience.

The process of appointment of Independent Directors has been initiated by the Ministry of Shipping, however, the appointment of the Independent Directors on the Board of the Company is yet to be made.

4. The Company has not complied with the provisions of Section 177 of the Act regarding constitution of Audit Committee

As per sub-section (2) of Section 177 the constitution of Audit Committee requires minimum three Directors with majority of the Directors as Independent Directors. Since there are no independent directors on the Board of the Company till date, therefore, the Audit Committee could not be constituted for the want of the same. Once the process of appointment of Independent Directors is completed the requirement of the committee shall be complied with.

(III) BY THE COMPANY SECRETARY IN PRACTICE IN HER SECRETARIAL AUDIT REPORT;

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Priyanka Saxena & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit in Form MR 3 for the Financial period ended March 31, 2017 is annexed as "Annexure C" to the Report.

The explanations and comments in reply to the observations given in the Secretarial Audit Report are same as provided here in above in Point 16 (I).

(III) BY THE COMPTROLLER & AUDITOR GENERAL OF INDIA

The Report of the C&AG is self-explanatory and there are no qualified, reserved, adverse, or disclaimer remarks given by the C&AG in his report.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 IN THE PRESCRIBED FORM AOC-2

The Company has not entered into any related party transactions as referred to in section 188(1) of the Companies Act, 2013.

17. THE AMOUNTS, IF ANY, WHICH IT PROPOSES TO CARRY TO ANY RESERVES

No amount is proposed to be transferred to any reserve.

18. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There have been no material changes and commitments, affecting the financial position of the Company which occurred during between the end of the financial year to which the financial statements relate and the date of this report.

19. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

THE DIRECTORS' REPORT

20. A STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE

The business has its own typical risks and the Company takes full cognizance of the fact that these risks can have a serious impact on the operations of the Company as well as its profitability. In order to ensure that the impact of risks is minimal, the Company lays utmost importance on scanning the external environment regularly.

21. COMPOSITION OF AUDIT COMMITTEE AND REASON FOR NOT ACCEPTING ANY RECOMMENDATION OF THE AUDIT COMMITTEE, IF ANY

The constitution of Audit Committee requires majority of the Directors to be Independent Directors, it could not be established for the want of the same. Once the process of appointment of Independent Directors is completed the requirement of the committee shall be complied.

Also vide exemption notification dated 05th June, 2015 clause (i) of sub-section (4) of section 177 stands substituted for the Government Company, which allows only recommendation for remuneration of auditors of the Company by the audit Committee instead of recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

Hence this clause is not applicable as question for not accepting any recommendation of the audit Committee does not arise.

22. DETAILS OF POLICY RELATING TO THE REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES FORMULATED BY THE BOARD ON RECOMMENDATION OF NOMINATION AND REMUNERATION COMMITTEE.

Not Applicable, as sub-section (2), (3) and (4) of section 178 are not applicable to Government Company except with regard to appointment of 'senior management' and other employees vide exemption notification dated 05th June, 2015.

23. THE DETAILS ABOUT THE POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR;

Being the first financial year, the Company is not falling under any criteria as mentioned in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. Hence provision of Corporate Social Responsibility is not applicable to the Company.

24. IN CASE OF A LISTED COMPANY AND EVERY OTHER PUBLIC COMPANY HAVING SUCH PAID-UP SHARE CAPITAL AS MAY BE PRESCRIBED, A STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS;

Clause (p) of sub-section (3) of section 134 shall not be applicable to the Company vide Exemption Notification dated 05th June, 2015. Hence the evaluation has to be done by the Ministry in charge as per its own valuation methodology. The Board is not required to do any evaluation.

25. THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

Not Applicable, as the Company has not received any orders passed by the regulators or courts or tribunals during the year impacting the going concern status and the Company's operations in future.

26. THE DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company has adequate internal control system, which is commensurate with the size, scale and complexity of its operations.

THE DIRECTORS' REPORT

27. ACKNOWLEDGEMENT

The Board wishes to place on record its sincere appreciation for the continued assistance and support extended to the Company by its customers, vendors, bankers, Government authorities and other associates.

Your Directors acknowledge and appreciate the commitments and dedication of the team at all levels, which are so crucial for the growth of the business of the Company.

Your Directors are also grateful for your continued encouragement and support.

By Order of the Board
For Sagarmala Development Company Limited

Place: New Delhi

Date: 20-12-2017

Sd/-

Gopal Krishna
(Chairman)
DIN: 01957931

ANNEXURE A

S. No.	PortName/Authorised Agency	Project Name	Total Project Cost (INR Crore)	Amount Released (INR Crore)	Status
1.	Haldia Dock Complex (Kolkata Port Trust)	Construction of RoB cum Flyover at Ranichak level crossing at Kolkata Port	208.00	50	Status: Under Implementation. Amount sanctioned and released: INR 50 Cr Date of Award :18 th May 2016 Tendered Value : INR 157.26 Cr (including INR 29.46 Cr towards land value) Date of Completion: Nov 2018 Physical Progress: 42% Financial Progress: 35% Implementing Agency: Calcutta Haldia Port Road Company Ltd. (CHPRCL) – a SPV of NHAI and KoPT. Status: Completed
2.	Visakhapatnam Port	Port connectivity to NH – 5 (Phase II)	99.00	20	Amount Sanctioned and released: Rs 20 Cr Date of Award : 30 th Mar 2016 Tendered Value: INR 76.9 Cr. Date of Completion: Oct 2017 Physical Progress of work : 100% Financial Progress of work : 100% Implementing Agency: Vizag Port Road Company Ltd. (VPRCL) – a SPV of NHAI and VPT.

THE DIRECTORS' REPORT

ANNEXURE-B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial period ended on 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: U74999DL2016GOI305194
- ii) Registration Date: 31/08/2016
- iii) Name of the Company: SAGARMALA DEVELOPMENT COMPANY LIMITED
- iv) Category / Sub-Category of the Company: Public Limited Company/ Company Limited by Shares/ Union Government Company
- v) Address of the Registered office and contact details: 1st Floor, PTI Building, Parliament Street New Delhi-110001, Contact No.-011-23714715
- vi) Whether listed company Yes / No: No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S.No.	Name and Description of main products/ services	NIC Code of the product/ Service	% to total turnover of the Company
1.	Interest received on FDR's	64990	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – NIL

S.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable section
-	--	--	--	--	--

THE DIRECTORS' REPORT

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	NIL	9,00,00,000	9,00,00,000	100%	NIL	9,00,00,000	9,00,00,000	100%	NIL
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Body Corp.	-								-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	NIL	9,00,00,000	9,00,00,000	100%	NIL	9,00,00,000	9,00,00,000	100%	NIL
(2) Foreign									
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	NIL	9,00,00,000	9,00,00,000	100%	NIL	9,00,00,000	9,00,00,000	100%	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-

THE DIRECTORS' REPORT

c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
a) Bodies Corp.-									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual share holders holding nominal share capital upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual share-holders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	NIL	9,00,00,000	9,00,00,000	100%	NIL	9,00,00,000	9,00,00,000	100%	NIL

THE DIRECTORS' REPORT

(ii) Shareholding of Promoters

S.No	Shareholders name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	President Of India C/o Secretary Ministry of Shipping, Government of India	9,00,00,000	100%	NIL	9,00,00,000	100%	NIL	-
Total		9,00,00,000	100%	NIL	9,00,00,000	100%	NIL	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change) : No Change

S.No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

THE DIRECTORS' REPORT

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL

S.No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year (or on the date of separation, if separated during the year)	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel: NIL

S.No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year	-	-	-	-

THE DIRECTORS' REPORT

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	0.00	0.00	0.00	0.00
Change in Indebtedness during the financial year	-	-	-	-
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	0.00	0.00	0.00	0.00
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	0.00	0.00	0.00	0.00

THE DIRECTORS' REPORT

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Wholetime Directors and/or Manager: NIL

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

B. Remuneration to other directors: NIL

S. No.	Particulars of Remuneration	Name of Directors			Total Amount
	1. Independent Directors Fee for attending board / committee meetings Commission Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
	2. Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

THE DIRECTORS' REPORT

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

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961	-	-	-	-
2	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	-	-	-	-
3	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	-	-	-	-
	Stock Option	-	-	-	-
	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By Order of the Board
For Sagarmala Development Company Limited

Place: New Delhi
Date: 20.12.2017

Sd/-
Gopal Krishna
(Chairman)
DIN: 01957931



SECRETARIAL AUDIT REPORT

ANNEXURE-C

Form No. MR-3

FOR THE FINANCIAL PERIOD ENDED ON 31ST MARCH 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Sagarmala Development Company Limited
1st Floor, PTI Building, Parliament Street,
New Delhi-110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sagarmala Development Company Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Sagarmala Development Company Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on **31st March, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Sagarmala Development Company Limited** ("the Company") for the financial period ended on **31st March, 2017** according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable)**
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable)**
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable)**
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable)**
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not applicable)**
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable)**
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable)**
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable)**
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable)**

SECRETARIAL AUDIT REPORT

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable**) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (**Not applicable**)
- (vi) Other laws applicable to the Company listed below:
 - a) Income Tax Act, 1961
 - b) Etc. (*)

(*) Note: As the Company is a government company and promoted by Ministry of Shipping with the objective of achieving rapid capacity expansion, modernization of sea-ports along India's coastline, development of inland and coastal navigation with the aim of promoting "port-led development" various Acts and Rules relating to Shipping and ports applicable on it and on which we are unable to comment on its compliance.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards on Meetings issued by The Institute of Company Secretaries of India.
- (ii) During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations under the Companies Act, 2013 (the Act) and the rules made thereunder:
 - a) *As per the requirement of Section 149(4) of the Companies Act, 2013, minimum two Independent directors were required to be appointed in the Company but no such appointments were made during the period under review.*
As per explanation received from management, such appointments are required to be made by the Ministry or Department of Central Government which is administratively in charge of the Company and the process of appointment of Independent Directors has been initiated by the Ministry.
 - b) *As per the requirement of Section 203 (Appointment of Key Managerial Personnel) of the Companies Act, 2013, appointment of Key Managerial Personnel (KMP) is required to be made in the Company but no such appointments were made during the period under review.*
As per explanation received from management, the process of appointment of KMP has been initiated by the Company.
 - c) *As per the requirement of Section 177 (Constitution of Audit committee) and Section 178 (Constitution of Nomination and Remuneration committee) of the Companies Act, 2013, no such committees were constituted during the period under review.*
As per explanation received from management, as the Company is not having the required number of Independent Directors, therefore, the Company was not able to form the required Committees such as Audit Committee, Nomination and Remuneration Committee and will be constituted once the independent directors are appointed by the Ministry.
 - d) *The Company did not appoint First Auditor within time prescribed under section 139(7) of Companies Act, 2013. However, the First Auditors were appointed by Comptroller and Auditor-General of India on 15th March, 2017.*

SECRETARIAL AUDIT REPORT

WE FURTHER REPORT THAT

The Board of Directors of the Company is not constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors due to the reasons stated above. No changes in the composition of the Board of Directors took place during the period under review.

In all of the cases adequate notices is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : New Delhi
Date : 29/11/2017

For Priyanka Saxena & Associates
Company Secretaries

Sd/-
Priyanka Saxena
Proprietor
CP.No. 10439

Note : This report is to be read with our letter which is annexed as 'ANNEXURE A' and forms an integral part of this report.

SECRETARIAL AUDIT REPORT

'ANNEXURE A'

To
The Members
Sagarmala Development Company Limited
1st Floor, PTI Building, Parliament Street,
New Delhi-110001

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : New Delhi
Date : 29/11/2017

For Priyanka Saxena & Associates
Company Secretaries

Sd/-
Priyanka Saxena
Proprietor
CP. No. 10439

INDEPENDENT AUDITORS' REPORT

SHARAD JAIN ASSOCIATES
CHARTERED ACCOUNTANTS

213, HANS BHAWAN,
1, BAHADUR SHAH ZAFAR MARG,
DELHI-110002
TEL. NO.- 23379477, 23379588

TO THE MEMBERS OF SAGARMALA DEVELOPMENT COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Sagarmala Development Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with 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 accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 the 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 qualified audit opinion on the financial statements.

INDEPENDENT AUDITORS' REPORT

Basis for Qualified Opinion

The Company has failed to adhere to provisions of Section 203(1) of the Act regarding appointment of whole-time managerial personnel and Company Secretary, Section 139(7) of the Act regarding appointment of first auditors of Company by CAG within 60 days from the date of registration, Section 149(4) of the Act regarding appointment of Independent Directors and Section 177 of the Act regarding constitution of Audit Committee. Since the discrepancies are technical in nature, we are unable to quantify the qualifications.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, 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 March 31, 2017, its loss and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 reports on the accounts of the branch offices of the Company, which are required to be audited under Section 143(8) of the Act by branch auditors, are not applicable to the company.
 - (d) 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.
 - (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) In our opinion, the aforesaid financial statements have been prepared on a going concern basis and there is no matter which may have an adverse effect on the functioning of the Company.
 - (g) Being a Government Company, section 164(2) pertaining to disqualification of directors is not applicable to the Company.
 - (h) There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected there with.
 - (i) 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 B".
 - (j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

INDEPENDENT AUDITORS' REPORT

- (iv) The company, as detailed in Note 3.19 to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the company.

3. With respect to Directions issued by CAG of India under section 143(5) of the Companies Act 2013, refer to our separate report in "Annexure C".
4. Amendments/ additions/ disclosures are added in Financial Statements and Independent Auditor's Report based on recommendations of CAG Audit Team as provided in Note 3.21 to the Financial Statements and Qualified Opinion and point 3 to 'Report on Other Legal and Regulatory Requirements' in Independent Auditor's Report.

**For Sharad Jain Associates
Chartered Accountants
(F. Regn. No.015201N)**

**Sd/-
(Rajat Jain)
Partner
M.No.516618**

**Place: New Delhi
Date: 13.10.2017**

INDEPENDENT AUDITORS' REPORT

Annexure A to the Auditors' Report

As required by the Companies (Auditor's Report) Order, 2016 issued by Central Government of India in terms of sub-section (11) of section 143 of Companies Act 2013 we further report that:-

- (i) The Company does not have any fixed asset as it is in the initial stage of set up. Accordingly, the provisions of clauses 3(i)(a), 3(i)(b) and 3(i)(c) of the Order are not applicable.
- (ii) The company has not maintained any inventory during the period. Accordingly, the provisions of clauses 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, 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. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has not dealt with any loans, investments, guarantees and security under section 185 & 186 of the Companies Act, 2013 during the period of audit. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) According to the records, the company is regular in depositing undisputed statutory dues including Income Tax and other statutory dues applicable over the company. However Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Duty of Customs, duty of Excise, Value added Tax and Cess are not applicable. Further there are no arrears of outstanding statutory dues as at the last date of the reporting period concerned for a period of more than six months from the date they became due.
(b) According to the information and explanations given to us, there are no amounts payable in respect of income tax or sales tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute, therefore reporting of amounts involved and forum where dispute is pending is not applicable.
- (viii) The company has no loan or borrowings during the period of audit. Hence the default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders is not applicable; therefore the reporting under the clause is not applicable.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) or taken any term loans during the period of audit. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) There is no fraud by the company or any fraud on the Company by its officers or employees noticed or reported during the period of audit, therefore the reporting under the clause is not applicable.
- (xi) No managerial remuneration is paid or payable by the Company during the period. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- (xii) The company is not a Nidhi Company. Accordingly, the provisions of clause 3(xi) of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all the transactions with the related parties are in compliance with sections 177 & 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not

INDEPENDENT AUDITORS' REPORT

- entered into any non-cash transactions with directors or persons connected with him during the period. Accordingly, the provisions of clause 3(xv) of the Order are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

Place: New Delhi
Date: 13.10.2017

For Sharad Jain Associates
Chartered Accountants
(F. Regn. No.015201N)

Sd/-
(Rajat Jain)
Partner
M.No.516618

INDEPENDENT AUDITORS' REPORT

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls 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 Sagarmala Development Company Limited ("the Company") for the period from 31.08.2016 to 31.03.2017 in conjunction with our audit of the financial statements of the Company for the period 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 ('ICAI'). 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.

Auditors' 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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

INDEPENDENT AUDITORS' REPORT

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, 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 for the period from 31.08.2016 to 31.03.2017, 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 Sharad Jain Associates
Chartered Accountants
(F. Regn. No.015201N)

Place: New Delhi
Date: 13.10.2017

Sd/-
(Rajat Jain)
Partner
M.No.516618

INDEPENDENT AUDITORS' REPORT

Annexure - C to the Auditors' Report

Report on Directions under section 143(5) of the Companies Act, 2013 issued by CAG

With respect to Directions issued by CAG of India under section 143(5) of the Companies Act 2013, we report as under:

- (i) The Company did not hold any freehold or leasehold land during the year.
- (ii) There are no cases of waiver, write-off of debts, loans, interest, etc. by the Company.
- (iii) The company does not have any inventory and as per information & explanation given to us, the Company has not received any gift/grant(s) from the Govt. or other authorities.

For Sharad Jain Associates
Chartered Accountants
(F. Regn. No.015201N)

Place: New Delhi
Date: 13.10.2017

Sd/-
(Rajat Jain)
Partner
M. No. 516618

FINANCIAL STATEMENTS

SAGARMALA DEVELOPMENT COMPANY LIMITED

Balance Sheet as at 31st March, 2017

Amount in (₹)

Particulars		Note No.	Figures as at the end of current reporting period
I.	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	3.01	900,000,000
	(b) Reserves and surplus	3.02	(3,047,899)
2	Share application money pending allotment		-
3	Non-current liabilities		
	(a) Long-term borrowings		-
	(b) Deferred tax liabilities (Net)		-
	(c) Other Long term liabilities		-
	(d) Long-term provisions		-
4	Current liabilities		
	(a) Short-term borrowings		-
	(b) Trade payables		-
	(c) Other current liabilities	3.03	27,843,594
	(d) Short-term provisions	3.04	6,546,317
	TOTAL		931,342,012
II.	ASSETS		
1	Non-current assets		
	(a) Fixed assets		
	(i) Tangible assets		-
	(ii) Intangible assets		-
	(iii) Capital work-in-progress		-
	(iv) Intangible assets under development		-
	(b) Non-current investments		-
	(c) Deferred tax assets (net)	3.05	6,786,944
	(d) Long-term loans and advances		-
	(e) Other non-current assets		-
2	Current assets		
	(a) Current investments		-
	(b) Inventories		-
	(c) Trade receivables		-
	(d) Cash and Bank Balance	3.06	916,233,012
	(e) Short-term loans and advances	3.07	5,117,176
	(f) Other current assets	3.08	3,204,880
	TOTAL		931,342,012
	Notes to Financial Statements	1 - 3	

As per our separate report of even date attached
For Sharad Jain Associates
Chartered Accountants
FRN: 015201N

Sd/-
(CA RAJAT JAIN)
Partner (M.No.516618)

Place : DELHI
Date : 13.10.2017

For and on Behalf of the Board of Directors
SAGARMALA DEVELOPMENT COMPANY LIMITED

Sd/- Sd/-
(Rabindra Kumar Agarwal) (Dr. Alok Srivastava)
Managing Director Director
Din No.00365865 Din No.02399467

FINANCIAL STATEMENTS

SAGARMALA DEVELOPMENT COMPANY LIMITED

Statement of Profit and loss for the period 31st August 2016 to 31st March 2017

(Amount in ₹)

Particulars	Note No.	Figures for the current reporting period
I. Revenue from operations		-
II. Other income	3.09	24,555,225
III. Total Revenue (I + II)		24,555,225
IV. Expenses:		
Employee benefit expense		-
Finance costs		-
Depreciation and amortization expense		-
Other expenses	3.10	28,743,751
Total expenses		28,743,751
V. Profit before exceptional and extraordinary items and tax (III-IV)		(4,188,526)
VI. Exceptional items (Prior Period expenses)		-
VII. Profit before extraordinary items and tax (V - VI)		(4,188,526)
VIII. Extraordinary Items		-
IX. Profit before tax (VII- VIII)		(4,188,526)
X Tax expense:		
(1) Current tax	3.16	5,646,317
(2) Deferred tax	3.05	(6,786,944)
XI Profit (Loss) for the period from continuing operations (IX-X)		(3,047,899)
XII Profit/(loss) from discontinuing operations		-
XIII Tax expense of discontinuing operations		-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-
XV Profit (Loss) for the period (XI + XIV)		(3,047,899)
XVI Earnings per equity share:	3.18	
(1) Basic		(0.03)
(2) Diluted		(0.03)
Notes to financial Statements	1 - 3	

As per our separate report of even date attached
 For Sharad Jain Associates
 Chartered Accountants
 FRN: 015201N
 Sd/-
 (CA RAJAT JAIN)
 Partner (M.No.516618)
 Place : DELHI
 Date : 13.10.2017

For and on Behalf of the Board of Directors
 SAGARMALA DEVELOPMENT COMPANY LIMITED
 Sd/- Sd/-
 (Rabindra Kumar Agarwal) (Dr. Alok Srivastava)
 Managing Director Director
 Din No.00365865 Din No.02399467
 Place : DELHI Place : DELHI
 Date : 13.10.2017 Date : 13.10.2017

FINANCIAL STATEMENTS

SAGARMALA DEVELOPMENT COMPANY LIMITED

Cash Flow Statement for the period 31st August 2016 to 31st March 2017

(Amount in ₹)

		Particulars	Figures for the current reporting period
A.		CASH FLOW FROM OPERATING ACTIVITIES	
		PROFIT BEFORE TAXATION	(4,188,526)
	1	INTEREST INCOME	(24,555,225)
	2	PROVISION FOR STAMP DUTY PAYABLE	900,000
		OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(27,843,751)
		ADJUSTMENT FOR INCREASE/DECREASE IN:	
	3	INCREASE IN OTHER CURRENT LIABILITIES	27,843,594
		CASH GENERATED FROM OPERATING ACTIVITIES	(157)
		Less: Payment of Tax	5,117,176
		NET CASH USED/FLOW FROM OPERATING ACTIVITIES	(5,117,333)
B		CASH USED/ FLOW FROM INVESTING ACTIVITIES	
	1	INTEREST RECEIVED	21,350,344
	2	INCREASE IN OTHER BANK BALANCES	(7,139,507)
		NET CASH USED/FLOW FROM INVESTING ACTIVITIES	14,210,838
C		CASH USED/FLOW FROM FINANCING ACTIVITIES	
	1	PROCEEDS FROM ISSUE OF SHARE CAPITAL	900,000,000
		NET CASH USED/FLOW FROM FINANCING ACTIVITIES	900,000,000
		NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	909,093,505
		ADD CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	-
		CASH AND CASH EQUIVALENTS AT CLOSING OF PERIOD	909,093,505
		* Reconciliation of cash and cash equivalents	
		CASH IN HAND	-
		BALANCE WITH BANKS	
		- IN CURRENT ACCOUNT - SYNDICATE BANK	8,230,628
		- DEPOSITS WITH ORIGINAL MATURITY OF LESS THAN 3 MONTHS	900,862,877
			909,093,505

As per our separate report of even date attached
 For Sharad Jain Associates
 Chartered Accountants
 FRN: 015201N
 Sd/-
 (CA RAJAT JAIN)
 Partner (M.No.516618)
 Place : DELHI
 Date : 13.10.2017

For and on Behalf of the Board of Directors
 SAGARMALA DEVELOPMENT COMPANY LIMITED
 Sd/- Sd/-
 (Rabindra Kumar Agarwal) (Dr. Alok Srivastava)
 Managing Director Director
 Din No.00365865 Din No.02399467
 Place : DELHI Place : DELHI
 Date : 13.10.2017 Date : 13.10.2017

FINANCIAL STATEMENTS

Note No.

1 Corporate Information

The Company was incorporated on 31-08-2016 at New Delhi as a Government Company. The accounts have been prepared for the period from 31-08-2016 to 31-03-2017. The Company is incorporated to provide funding window to residual projects which cannot be funded through any other means/mode and assist Project SPVs set up by the Central Ministries/State Governments/Ports/State Maritime Boards etc. with the underlying objective of promoting port-led development.

Under the Sagarmala programme, Ministry of Shipping, Government of India, had identified projects for equity participation by the company. Since these projects were undertaken before the incorporation of the company, equity participation was undertaken through respective Ports acting as assignees on behalf of the company. Proportionate shares held by the assignees are to be transferred to the company in due course. The company has not made any investment in the identified projects during the year under consideration.

The list of projects and amount invested by Ministry of Shipping through ports is presented in table below:

S. No.	Assignee Name	Project Name	Total Project Cost (Rs. Crore)	Investment (Rs. Crore)	Implementing Agency
1	Kolkata Port Trust	Construction of RoB cum Flyover at Ranichak level crossing at Kolkata Port	208	50	Calcutta Haldia Port Road Company Ltd. (CHPRCL)
2	Visakhapatnam Port Trust	Port connectivity to NH - 5 (Phase II)	99	20	Vizag Port Road Company Ltd. (VPRCL)

2 Significant Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with generally accepted accounting principles and applicable accounting standards in India. The financial statements adhere to the relevant presentation requirement of the Companies Act, 2013.

2.2 Income recognition

Revenues from service agreements are recognized when the contract period begins pursuant to the terms of the agreement, typically when the services have been delivered to or made available to and accepted by the customer.

Interest income is recognised on a time proportion basis taking into account the outstanding amount and the applicable rate. Other income is recognised when no significant uncertainty as to its determination or realisation exists.

2.3 Depreciation and Amortization

Depreciation on tangible fixed assets, is provided on the basis of expected useful life after considering residuary value of 5% as per Schedule II of the Companies Act, 2013. Depreciation on additions during the period is provided on a proportionate basis. Intangible assets are amortized over their respective estimate useful lives on a straight line basis, commencing from the date the assets is available to the company for its use. However no depreciation has been charged during the period as there were no fixed Assets.

2.4 Fixed Assets

Tangible Fixed assets are stated at the cost of acquisition, which includes taxes, duties, freight, insurance and other incidental expenses incurred for bringing the assets to the working condition required for their intended use, less depreciation and impairment. In case of import of capital assets, the effect of foreign exchange fluctuation has been adjusted to assets in accordance

FINANCIAL STATEMENTS

with AS-11. Intangible assets are recorded at the consideration paid for acquisition of such assets and at cost less accumulated amortization and impairment. There were no fixed assets during the period.

2.5 Investment

Investments are either classified as current or non current based on management's intention at the time of purchase. Current investment are carried at the lower of cost and fair value of each investment individually Long term investment are carried at cost less provision recorded to recognize any decline, other than temporary, in the carrying value of each investment. There were no investments during the period either current or non current.

2.6 Foreign Currency Transactions

Foreign exchange transactions are generally recorded during the year at the exchange rates prevailing on the dates of the transactions. Gain or loss out of fluctuations in rate between transactions date and settlement date in respect of revenue are recognized in the profit and loss account. There were no foreign transactions during the period.

2.7 Borrowing Costs

Borrowing cost attributable to acquisition, construction or production of qualifying assets is capitalized as part of the cost of that asset till the asset is ready for use. Other borrowing costs are recognized as an expense in the period in which these are incurred.

2.8 Impairment of Assets

The company assesses on balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and loss account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

2.9 Cash & Cash equivalents

Cash & cash equivalents comprise cash and cash deposit with bank. The Company considered all highly liquid investment with remaining maturity at the date of purchase of three months or less and that are readily convertible to known amount of cash to be cash equivalents.

2.10 Employee Benefits

Provident Fund: The Company's contribution to Provident Fund is charged to the Profit and Loss Account.

Gratuity: The actuarial valuation of the liability towards Gratuity payable to employees is made on the assumptions with respect to the variable elements affecting the computations, including future salary increases.

Other Benefits: Other short term benefits are accounted for on payment basis.

Since there were no permanent employees in the Company during the audited period, no employee benefits expenses have been incurred by the company.

2.11 Tax on Income

Income Tax are accrued in the same period that the related revenue and expenses arise. The provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provision are recorded when it is estimated that a liability due to dis allowances or other matter is probable. Minimum alternate tax (MAT) paid in advance with the tax laws, which give rise to future economic benefit in the form of tax credit against future income tax liability, is recognized as assets in the balance sheet if there is convincing evidence that the company will pay normal tax after the tax holiday period and the resultant assets can be measured reliably.

FINANCIAL STATEMENTS

The difference that result between the profit considered for the income tax and the profit as per financial statement are identified, and thereafter a deferred tax liability is recorded for the timing difference, namely the difference that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference. The tax effect is calculated on the accumulated timing difference at the end of the accounting period based on enacted or substantively enacted regulations. Deferred tax assets is situation where unabsorbed depreciation and carry forward business loss exists and are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets will be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business losses, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date.

2.12 Provisions and Contingent Liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the obligation. A disclosure for a contingent liability is made when there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

FINANCIAL STATEMENTS

Notes:

SAGARMALA DEVELOPMENT COMPANY LIMITED

Notes to The Financial Statements For the period 31st August 2016 to 31st March 2017

Amount in (₹)

3.01 SHARE CAPITAL

Share Capital	As at 31 March 2017	
	Number	Amount
Authorised		
Equity Shares of ₹ 10/- each	1,000,000,000	10,000,000,000
Issued		
Equity Shares of ₹ Rs.10/- each	90,000,000	900,000,000
Subscribed & Paid up		
Equity Shares of ₹ 10/- each fully paid up (Government of India)	90,000,000	900,000,000
Total	90,000,000	900,000,000

a) Reconciliation of shares Outstanding at the beginning and the end of reporting period

Particulars	Current period	
	Equity Share	
	Number	Amount
Shares outstanding at the beginning of the period	-	-
Shares Issued during the period	90,000,000	900,000,000
Shares bought back during the period	-	-
Shares outstanding at the end of the period	90,000,000	900,000,000

b) The company has only one class of equity shares having par value of Rs. 10 per share. Each Holder of Equity Shares is Entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

c) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31 March 2017	
	No. of Shares held	% of Holding
President of India	90,000,000	100%

As per the records of the company, including its register of shareholders/members and all other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

3.02 RESERVE AND SURPLUS

Particulars	As at March 31,2017
Free Reserves:-	
Surplus/(Deficit) in Statement of Profit & Loss	-
Opening Balance	(3,047,899)
Less: Net Loss after tax transferred from Statement of profit and Loss	(3,047,899)
Balance in profit and loss account	(3,047,899)
Total	(3,047,899)

FINANCIAL STATEMENTS

3.03 OTHER CURRENT LIABILITIES

Particulars	As at March 31,2017
Other Payable -	
- Statutory Dues Payable-TDS Payables	23,516
- For Expenses	27,820,078
Total	27,843,594

3.04 SHORT TERM PROVISIONS

Particulars	As at March 31,2017
Provision for Stamp Duty Payable	900,000
Provision for Income Tax Payable	5,646,317
Total	6,546,317

3.05 DEFERRED TAX ASSETS (NET)

Particulars	As at March 31,2017
Deferred tax liabilities	
Impact of difference between tax dep. And dep. Charged for financial reporting	-
Deferred tax Assets	-
Timing difference on allowability of preliminary expenditure incurred	6,786,944
Others	-
	6,786,944
Total	6,786,944

3.06 CASH AND BANK BALANCE

Particulars	As at March 31,2017
A)Cash and Cash Equivalents:	
Cash in hand	-
Balance with banks	
- In Current account - Syndicate Bank	8,230,628
- Deposits with original maturity of less than 3 months	900,862,877
Total (A)	909,093,505
B) Other Bank Balance	
- Fixed Deposit With Bank with maturity less than twelve months	7,139,507
Total (B)	7,139,507
	916,233,012

Cash and Bank Balances includes deposits maintained by the Company with Banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.

3.07 SHORT TERM LOAN AND ADVANCES

Particulars	As at March 31,2017
Advance Tax	1,769,215
TDS Recoverable	3,347,961
Total	5,117,176

FINANCIAL STATEMENTS

3.08 OTHER CURRENT ASSETS

Particulars	As at March 31,2017
Interest Accured on FDR	3,204,880
Total	3,204,880

3.09 OTHER INCOME

Particulars	For the period 31st August 2016 to 31st March 2017
Interest Received on FDR's	24,555,225
Total	24,555,225

3.10 OTHER EXPENSES

Particulars	For the period 31st August 2016 to 31st March 2017
Audit Fee	28,750
Bank Charges	157
Institutional Support Services	270,434
Legal Fees & Taxes	17,400
Preliminary Expenses W/off	28,402,010
Secretarial Audit Fee	25,000
Total	28,743,751

3.11 Payment Made to Auditors

Particulars	For the Year Ended 31st March 2017
Statutory Audit	25,000
Others	-
Service Tax	3,750
Reimbursements	-
Total	28,750

3.12 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31,2017 (₹)
(i) Contingent liabilities	-
(ii) Commitments	-
	-

3.13 Earnings in foreign currency (accrual basis)

Particulars	As at March 31,2017 (₹)
Export of services at FOB value	-
Total	-

3.14 Expenditure incurred in Foreign Exchange

Particulars	As at March 31,2017 (₹)
Travelling Expenses	-
Total	-

FINANCIAL STATEMENTS

3.15 In the opinion of the board of directors, all the current assets, loans and advances have value of realisation in the ordinary course of business at least equal to the amount at which they stated except those are expressly stated and that all the known liabilities relating to the period under the review has been provided for.

3.16 Disclosure for provision for income Tax

	Current Year
Current Tax Payable	5,535,830
Less: Mat Credit	-
Net Current Tax Liability	5,535,830
Add: Interest U/S 234C	110,487
Total Provision for Income Tax	5,646,317

3.17 Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006:

- There are no amounts outstanding to Micro, Small and Medium Enterprises as at March 31, 2017 and no amount were over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.
- No interest was paid during the year in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and no amount was paid to the supplier beyond the appointed date.
- No interest is payable at the end of the year other than interest under the Micro, Small and Medium Enterprises Development Act, 2006.
- No amount of interest was accrued and unpaid at the end of the accounting year.

3.18 Earning per Share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average no. of equity shares outstanding during the reporting year. Diluted earning per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on conversion of all dilutive potential equity shares Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date.

Particular	Current Year
Net profit attributable to Equity Shareholders (₹)	(3,047,899)
Weighted average no. of equity shares used in computing Basic Earning per Share	90,000,000
Add: Potential number of equity Shares that could arise as per Share subscription agreement	Nil
Weighted average no. of equity shares used in computing Diluted Earning per Share	90,000,000
Nominal Value of Equity Share (₹)	10
Basic Earning Per Share (₹)	(0.03)
Diluted Earning Per Share (₹)	(0.03)

FINANCIAL STATEMENTS

3.19 Related Party Transactions

As per Accounting standard 18, notified in the companies (Accounting Standards) Rules 2006, the disclosures regarding related parties are given below:

Nil

3.20 Details of Transaction made in cash and specified bank notes during the period 08.11.2016 to 30.12.2016 is given below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11. 2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12. 2016	-	-	-

3.21 The following amendments/ additions/ disclosures were carried out in the Financial Statements based on the recommendations of CAG Audit team.

- Figures in the Financial Statements have been rounded off.
- Appropriate Designation of Directors has been mentioned and the dates below the signatures of the directors has been separately shown.
- Note No. 3.01 (c) has been amended to clarify the percentage of shareholding.
- Reconciliation has been added in Cash Flow Statement and a footnote has been added in Note No. 3.06.
- The amount of Deferred tax has been shown in brackets in the Profit and Loss Account.
- The details of Projects and amount invested by Ministry of Shipping through ports has been inserted in Note No. 1.
- The disclosure with respect to Micro, Small and Medium Enterprises with amended wording has been made in Note 3.17.

As per our separate report of even date attached
 For Sharad Jain Associates
 Chartered Accountants
 FRN: 015201N

Sd/-
 (CA RAJAT JAIN)
 Partner (M.No.516618)

Sd/-
 (Rabindra Kumar Agarwal)
 Managing Director
 Din No.00365865

For and on Behalf of the Board of Directors
 SAGARMALA DEVELOPMENT COMPANY LIMITED

Sd/-
 (Dr. Alok Srivastava)
 Director
 Din No.02399467

C & AG COMMENTS

भारतीय लेखापरीक्षा तथा लेखा विभाग
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा
तथा पदेन सदस्य, लेखापरीक्षा बोर्ड-1, मुंबई



INDIAN AUDIT & ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF
COMMERCIAL AUDIT & EX-OFFICIO MEMBER,
AUDIT BOARD-I, MUMBAI

गोपनीय/शीघ्र डाक

संख्या: पीडीसीए/सीए-11/एसडीसीएल/लेखा/2016-17/182

16 नवंबर 2017

प्रबंध निदेशक,
सागरमाला डिवेलपमेंट कंपनी लिमिटेड,
ट्रान्सपोर्ट भवन, 1 संसद मार्ग,
नई दिल्ली - 110001

विषय: 31 मार्च 2017 को समाप्त वर्ष हेतु सागरमाला डिवेलपमेंट कंपनी लिमिटेड (SDCL) के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(ख) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

31 मार्च 2017 को समाप्त वर्ष हेतु सागरमाला डिवेलपमेंट कंपनी लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143(6)(ख) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक के द्वारा दी गई टिप्पणियाँ इस पत्र के साथ संलग्न हैं। टिप्पणियों को मुद्रित वार्षिक प्रतिवेदन के विषयसूची में उचित संकेत सहित सांविधिक लेखापरीक्षक के प्रतिवेदन के आगे रखा जाये।

वार्षिक सामान्य बैठक के समापन के पश्चात, वित्तीय विवरण, सांविधिक लेखापरीक्षक का प्रतिवेदन तथा भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियों को अपनाते हुए वार्षिक सामान्य बैठक की कार्यवाही की एक प्रतिलिपि इस कार्यालय को अविलंब अग्रेषित की जाए। मुद्रित वार्षिक रिपोर्ट की दस प्रतियाँ भी इस कार्यालय को भेजी जायें।

कृपया इस पत्र एवं संलग्नकों की प्राप्ति की सूचना दें।

भवदीया,

(रूप राशि)

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा तथा
पदेन सदस्य, लेखापरीक्षा बोर्ड-1, मुंबई

संलग्नक: यथोपरि।

सातवीं मंजिल, आर.टी.आई. बिल्डिंग, प्लॉट नं. सी-2, जी.एन. ब्लॉक, एशियन हार्ट इन्स्टिट्यूट के पीछे, बान्द्रा-कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई-400 051
Seventh Floor, R.T.I. Building, Plot No. C-2, G.N. Block, Behind Asian Heart Institute, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
प्रशासन : 26520873 • प्रतिवेदन : 26502843 • फ़ैक्स : 26527165 • ई-मेल : mabMumbai1@cag.gov.in
Admin : 26520873 • Report : 26502843 • Fax : 26527165 • E-mail : mabMumbai1@cag.gov.in

C & AG COMMENTS

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SAGARMALA DEVELOPMENT COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of Financial Statements of Sagarmala Development Company Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(7) of the Act are responsible for expressing opinion on the Financial Statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 13 October 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a Supplementary Audit under Section 143(6)(a) of the Act of the Financial Statements of Sagarmala Development Company Limited for the year ended 31 March 2017. This Supplementary Audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. In view of the revisions made in the financial statements by the management, as a result of my audit observation highlighted during supplementary audit as indicated in the Note No. 3.21 of the financial statements, I have no further comments to offer upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller and Auditor General of India

(Roop Rashi)
Principal Director of Commercial Audit and
Ex-officio Member, Audit Board-I, Mumbai.

Place: Mumbai
Date: 16 November 2017



PROXY FORM

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U74999DL2016GOI305194

NAME OF THE COMPANY: SAGARMALA DEVELOPMENT COMPANY LIMITED

REGISTERED OFFICE: 1ST FLOOR, PTI BUILDING, PARLIAMENT STREET, NEW DELHI - 110001.

Name of the members (s):.....

Registered address:.....

E-Mail Id:.....

Folio No/Client Id:.....

DP ID:.....

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:

Address:.....

E-mail Id:.....

Signature:, or failing him.

2. Name:

Address:.....

E-mail Id:.....

Signature:, or failing him.

3. Name:

Address:.....

E-mail Id:.....

Signature:, or failing him.

as my proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 1st Annual General Meeting of the Company, to be held on Thursday, the 28th day of December, 2017 at 5.00 P.M in Room No. 401, Transport Bhawan, Parliament Street, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Financial Statements together and Reports thereon for the financial period ended 31st March, 2017.

PROXY FORM

2. To authorize the Board of Directors to fix the remuneration of Statutory Auditors appointed by the C&AG for Financial Year 2017-18.
3. To amend Articles of Association of the Company.

Signed this.....day of.....2017

Signature of shareholder

Affix Revenue
Stamp

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

ATTENDANCE SLIP

1st Annual General Meeting: 28th December, 2017 at 5.00 P.M in Room No. 401, Transport Bhawan, Parliament Street, New Delhi-110001.

Reg. Folio No.: No. of Shares Held:

Full Name of member(s):

Full Name of Proxy/ Authorised Representative:

I certify that I am a member/proxy/authorized representative for the member of the Company. I/ we hereby record my presence at the 1st Annual General Meeting of the Company held on Thursday, the 28th day of December, 2017 at 5.00 P.M in Room No. 401, Transport Bhawan, Parliament Street, New Delhi-110001.

.....

Name of the member/ Proxy/ Authorised Representative

(In BLOCK LETTERS)

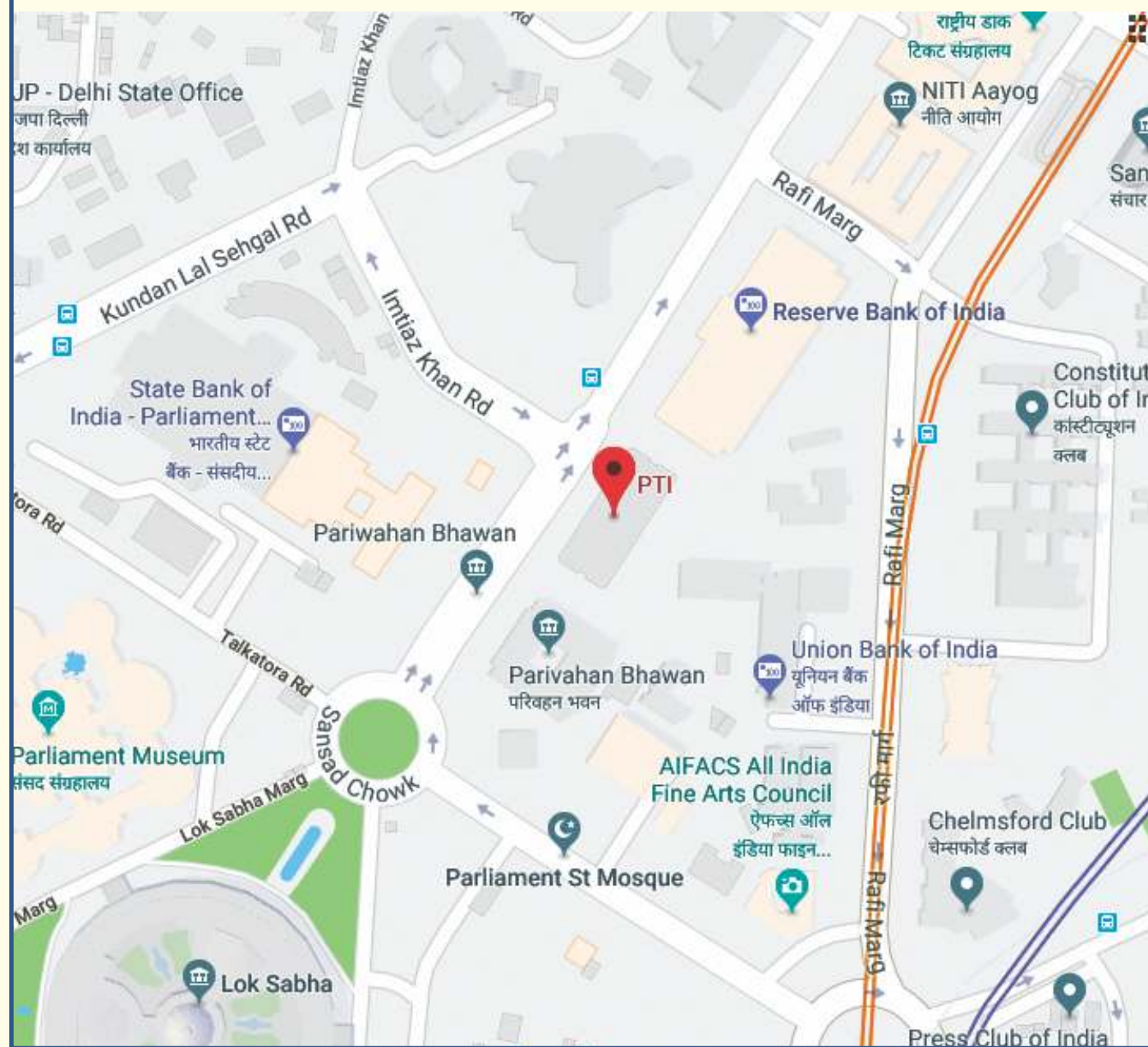
.....

Signature of member/ Proxy/ Authorised Representative

Note: Please fill in this attendance slip and hand it over at the venue.

* Strike out whichever is not applicable.

Land Mark: Transport Bhawan





Sagarmala Development Company Limited

(A Government of India Enterprise)

Registered Office: First Floor, PTI Building, Parliament Street

New Delhi – 110001, Phone Number: 011 - 23714715

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