

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Allcargo Shipping Company Private Limited

**Report on the Audit of the Standalone Ind AS Financial Statements****Opinion**

We have audited the accompanying Standalone Ind AS Financial Statements of Allcargo Shipping Company Private Limited ("the Company"), which comprise the Balance sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date which are designed to prepare the Consolidated Ind AS Financial Statements of Allcargo Logistics Limited as at 31 March 2019.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

We have determined that there are no key audit matters to communicate in our report.

**Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting





frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Ind AS Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: -

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

This report is issued solely for the purpose of inclusion in the Consolidated Ind AS Financial Statement of Allcargo Logistics Limited. This report may not be useful for any other purpose.

### 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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) 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".
  - (g) 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.

For Shaparia Mehta & Associates LLP  
Chartered Accountants  
(Firm's Registration No. 112350W/ W-100051)

  
Sanjiv Mehta  
Partner  
Membership No. 034950



Mumbai, May 17, 2019



**Annexure A to the Independent Auditor's Report**

The Annexure referred to in our Independent Auditor's Report to the members of Allcargo Shipping Company Private Limited (the "Company") on the Ind AS financial statements for the year ended March 31, 2019, we report that:

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The Company has regular programme of physical verification of fixed assets by which fixed assets are verified in as phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company does not have any immovable property accordingly, paragraph 3(i)(c) is not applicable.
- (ii) The company is a service company and does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (b) and iii (c) of the order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not given loans, guarantees, and security, or invested in other companies covered under section 185 and 186 during the period under audit. Consequently, provision of this clause of the order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public so as to require any compliance of the directives of Reserve Bank of India or the provisions of section 73 or 76 of the Companies Act, 2013. As explained to us, the Company has not received any order passed by the Company Law Board or the National Company Law Tribunal or any court or other forum.
- (vi) According to the information and explanation given to us, maintenance of cost records is not applicable to the Company.
- (vii) In respect of its statutory dues:
  - (a) In our opinion and according to the information and explanations given to us, the Company is normally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, TDS, GST, Profession tax, cess and any other applicable statutory dues to the appropriate authorities though there are slight delays in few cases. There is no outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, there are no disputed dues of income tax, GST which have not been deposited with the appropriate authority on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not defaulted in repayment of dues to its debenture holders, financial institutions and bankers. The Company did not have outstanding dues to government during the year.
- (ix) The Company has not raised any money by way of initial public offer or term loans accordingly, paragraph 3(ix) of the order is not applicable to the Company.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit nor have we been informed of such case by the management.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company is not a public Company and this the provisions of Section 197 read with Schedule V of the Act is not applicable to the Company. Accordingly, para 3(xi) of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company as defined under section 406 of the Companies Act, 2013. Accordingly, para 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties during the current audit year are in compliance with section 177 and 188 of Companies Act, 2013. The Company has complied with the requirement disclosing the details in the Ind AS Financial Statements and as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Hence, para 3(xiv) of the Order is not applicable to the Company.
- (xv) On the basis of information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, para (xv) of the Order is not applicable to the Company.





- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, para (xvi) of the Order is not applicable to the Company.

**For Shaparia Mehta & Associates LLP**  
**Chartered Accountants**  
**(Firm's Registration No. 112350W/ W-100051)**

  
**Sanjiv Mehta**  
**Partner**  
**Membership No. 034950**



Mumbai, May 17, 2019

**Annexure - B to the Independent Auditor's Report**

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

1. We have audited the internal financial controls over financial reporting of Allcargo Shipping Company Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended and as at on that date.

**Management's Responsibility for Internal Financial Controls**

2. 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.

**Auditor's Responsibility**

3. 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.

4. 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 Ind AS 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 with reference to Ind AS financial statements**

5. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting



principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

6. 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**

7. 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 as at March 31, 2019, 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 Shaparia Mehta & Associates LLP**  
**Chartered Accountants**  
**(Firm's Registration No. 112350W/ W-100051)**

**Sanjiv Mehta**  
**Partner**

**Membership No. 034950**



Mumbai, May 17, 2019

**Allcargo Shipping Co. Private Limited**  
**Balance sheet as at 31 March 2019**  
**(Amount in Indian Rupees)**

	Notes	31 March 2019	31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment (net)	3	207,738,900	457,152,159
Other intangible assets	4	570,229	1,380,324
Financial assets			
Other financial assets	5	395,283	100,000
Deferred tax assets (net)		-	-
Non-current tax assets (net)	15	12,107,113	23,955,525
Other non-current assets	6	25,682	-
<b>Total - Non-current assets</b>		<b>220,837,207</b>	<b>482,588,008</b>
<b>Current assets</b>			
Inventories	7	-	536,524
Financial assets			
Investments	8.1	110,122,284	48,540,272
loans	8.2	23,107	98,240
Trade receivables	8.3	58,166,868	35,075,342
Cash and cash equivalents	8.4	18,262,938	6,235,580
Other bank balances	8.5	3,520,000	38,787,496
Other financial assets	5	70,067,789	77,692,741
Other current assets	6	8,164,735	10,754,648
<b>Total - Current assets</b>		<b>268,327,721</b>	<b>217,720,844</b>
<b>Assets classified as held for sale</b>		<b>137,586,073</b>	<b>123,749,724</b>
		<b>405,913,794</b>	<b>341,470,569</b>
<b>Total Assets</b>		<b>626,751,001</b>	<b>824,058,577</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	9	100,000	100,000
Other equity		424,351,886	413,174,464
<b>Equity attributable to equity holders of the parent</b>		<b>424,451,886</b>	<b>413,274,464</b>
Non-controlling interests		-	-
<b>Total Equity</b>		<b>424,451,886</b>	<b>413,274,464</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	10	33,961,904	200,233,790
Other financial liabilities	11	7,746,034	-
Net employment defined benefit liabilities	12	1,277,031	1,811,520
Deferred tax liability (net)	15	22,953,882	19,186,226
<b>Total - Non-current liabilities</b>		<b>65,938,851</b>	<b>221,231,536</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	13	-	-
(a) total outstanding dues of Micro Enterprises & Small Enterprises		-	-
(b) Total outstanding dues of Creditors Other than Micro Enterprises & Small Enterprises		24,770,980	41,102,101
Other financial liabilities	11	105,213,836	108,403,809
Contract Liabilities		-	1,216,080
Net employment defined benefit liabilities	12	547,840	530,542
Other current liabilities	14	5,827,608	38,300,046
<b>Total - Current liabilities</b>		<b>136,360,264</b>	<b>189,552,577</b>
<b>Total equity and liabilities</b>		<b>626,751,001</b>	<b>824,058,577</b>

Significant accounting policies

1-2

1-2

The notes referred to above are an integral part of these financial statements

As per our report of even date attached

For Shaparia Mehta & Associates LLP  
ICAI firm registration No. 112350W/W100051  
Chartered Accountants

CA Sanjiv Mehta  
Partner  
Membership No. 034950

Date: 17th May 2019

For and on behalf of Board of directors of  
Allcargo Shipping Co. Private Limited  
CIN No: U45205MH2008PTC179478

Shashir Kiran Shetty  
Director  
DIN NO. 00012754

Adarsh Hegde  
Director  
DIN NO. 00035040



*Handwritten signature and initials.*



**Allcargo Shipping Co. Private Limited**  
**Statement of Profit and Loss for the year ended 31 March 2019**  
**(Amount in Indian Rupees)**

	Notes	31 March 2019	31 March 2018
<b>Continuing Operations</b>			
<b>Income</b>			
Revenue from operations	16	207,549,091	324,321,789
Other income	17	9,995,381	85,000,116
Finance income	18	2,952,292	1,846,739
<b>Total income</b>		<b>220,496,764</b>	<b>411,168,643</b>
<b>Expenses</b>			
Cost of services rendered	19	9,729,000	176,150,453
Employee benefits expense	20	18,071,953	28,404,668
Depreciation and amortisation expenses	21	86,408,859	114,988,820
Finance costs	22	25,274,449	19,852,404
Other expenses	23	54,076,124	121,477,910
<b>Total expenses</b>		<b>193,560,385</b>	<b>460,874,256</b>
<b>Profit before share of profit/(loss) of associates and joint ventures and tax from continuing operations</b>		<b>26,936,379</b>	<b>(49,705,612)</b>
Share of profits of associates and joint ventures		-	-
<b>Profit/(Loss) before tax</b>		<b>26,936,379</b>	<b>(49,705,612)</b>
<b>Tax expense:</b>			
Current tax		22,654,210	18,277,496
Adjustment of tax relating to earlier periods		2,623,974	655,512
Less: MAT credit entitlement		-	-
Deferred tax (credit)/charge		(9,646,270)	5,163,830
<b>Total tax expense</b>		<b>15,631,914</b>	<b>24,096,837</b>
<b>Profit/(Loss) for the year from Continuing Operation (i)</b>		<b>11,304,465</b>	<b>(73,802,449)</b>
<b>Profit/(Loss) for the year (A)</b>		<b>11,304,465</b>	<b>(73,802,449)</b>
<b>Other Comprehensive Income:</b>			
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Re-measurement gain/(losses) on defined benefit plans		(127,043)	246,171
Income tax effect		-	(9,839)
		(127,043)	236,332
<b>Other Comprehensive Income for the year, net of tax (B)</b>		<b>(127,043)</b>	<b>236,332</b>
<b>Total Comprehensive income for the year, net of tax (A) + (B)</b>		<b>11,177,422</b>	<b>(73,566,117)</b>
<b>Earnings per equity share (nominal value of Rs 10 each)</b>			
Basic and diluted	31	1,130.45	(7,380.24)
<b>Significant accounting policies</b>		1-2	1-2

The notes referred to above are an integral part of these financial statements

As per our report of even date attached

For Shaparia Mehta & Associates LLP  
ICA1 firm registration No. 112350W/W100051  
Chartered Accountants

CA Sanjiv Mehta  
Partner  
Membership No. 034950

Date: 17th May 2019



For and on behalf of Board of directors of  
Allcargo Shipping Co. Private Limited  
CIN No: U45205MH2008PTC179478

Shashi Kiran Shetty  
Director  
DIN NO. 00012754

Adarsh Hegde  
Director  
DIN NO. 00035040



*(Signature)*

*(Signature)*

**Allcargo Shipping Co. Pvt. Ltd.**  
**Statement of Cash Flows for the period ended 31 March 2019**  
**(Amount in Indian Rupees)**

Particulars	31 March 2019	31 March 2018
<b>Operating activities</b>		
Profit before tax from continuing operations	26,936,379	(49,705,612)
Profit before tax from discontinued operations	-	-
<b>Profit before tax</b>	26,936,379	(49,705,612)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation of property, plant and equipment	85,598,764	114,131,180
Amortisation of intangible assets	810,095	857,677
Compensated absences & Gratuity expense	-	529,965
Provision for Doubtful Receivables (Net)	(4,571,951)	(1,585,405)
Bad debts / advances written off	3,055,926	5,103,164
Sundry balances written back	(2,419,008)	(5,183,848)
Finance costs	25,274,448	19,852,404
Interest Income	(2,952,293)	(1,846,739)
Loss on disposal of property, plant and equipment	26,228,420	95,272,908
Fair valuation of investment	(7,493,873)	(2,089,358)
Unrealized foreign exchange (gain) / loss (net)	16,692,031	1,455,261
<b>Working capital adjustments:</b>		
Decrease / (increase) in trade receivables	(18,668,469)	(27,047,041)
Decrease / (increase) in long term and short term loans and advances	75,133	137,730
Decrease / (increase) in inventories	536,524	(2,495,291)
(Increase) in unbilled revenue	-	2,464,602
Decrease / (increase) in other current and non current assets	12,080,903	(53,783,489)
(Decrease) / Increase in trade payables, other current and non current liabilities	(49,548,375)	(26,074,419)
(Decrease) / Increase in provisions	-	-
<b>Cash generated from operating activities</b>	111,634,655	69,993,689
Income tax paid (including TDS) (net)	(15,848)	(9,336,946)
<b>Net cash flows from operating activities (A)</b>	111,618,807	60,656,705
<b>Investing activities</b>		
Advances received towards sale of vessel	-	11,800,000
Proceeds from sale of Vessel (Sushila)	123,749,725	-
Purchase of property, plant and equipment (including CWIP)	-	(45,931,783)
Fixed deposits placed	(3,520,000)	-
Purchase of current investments (net)	(54,088,139)	(18,119,880)
Interest income received	2,895,877	-
<b>Net cash flows from / (used in) investing activities (B)</b>	69,037,463	(52,251,663)
<b>Financing activities</b>		
Proceeds from long term borrowings	-	-
Repayment of long term borrowings	(186,454,614)	(97,601,535)
Funds earmarked and not considered as Cash & Cash Equivalent	38,787,496	60,469,905
Finance cost paid	(20,961,795)	(15,967,148)
<b>Net cash flows from / (used in) financing activities (C)</b>	(168,628,912)	(53,098,778)
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	12,027,358	(44,693,736)
Opening balance of cash and cash equivalents (refer note 10.4)	6,235,580	50,929,316
<b>Cash and cash equivalents at the end</b>	18,262,938	6,235,580

**Changes in liabilities arising from financing activities**

Particulars	01 April 2018	Cashflows	Foreign exchange management	Others*	31 March 2019
<b>Liabilities</b>					
Interest on borrowings	9,553,038	(20,961,795)	7,746,034	3,662,723	-
Borrowings	299,084,561	(186,454,614)	20,426,135	(99,094,178)	33,961,904
<b>Total liabilities from financing activities</b>	308,637,599	(207,416,409)	-	(95,431,455)	33,961,904
<b>Particulars</b>	<b>01 April 2017</b>	<b>Cashflows</b>	<b>Foreign exchange management</b>	<b>Others*</b>	<b>31 March 2018</b>
Interest on borrowings	6,060,115	(15,967,148)	376,747	19,083,323	9,553,038
Borrowings	395,820,786	(97,601,535)	1,078,513	(213,202)	299,084,561
<b>Total liabilities from financing activities</b>	401,880,901	(113,568,683)	1,455,260	18,870,121	308,637,599

Note: 1. Interest cost for the year Rs 25,274,448 ; non cash adjustment made of Rs 77,46,034 to Interest expense.  
2. Non cash adjustment made of Rs 7,746,034/- towards MTM loss.

As per our report of even date attached

For Shaparia Mehta & Associates LLP  
ICAI firm registration No. 112350W/W100051  
Chartered Accountants

CA. Sanjiv Mehta  
Partner  
Membership No. 034950

Date: 17th May 2019

For and on behalf of Board of directors of  
Allcargo Shipping Co. Private Limited  
CIN No. U45305MH2008PTC179478

Shashi Kiran Shetty  
Director  
DIN NO. 00012754

Adarsh Hegde  
Director  
DIN NO. 00035040



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**Allcargo Shipping Co. Private Limited**  
**Statement of Changes in Equity for the year ended 31 March 2019**  
(Amount in Indian Rupees)

**(A) Equity Share Capital:**

Equity shares of INR 1,00,000 each issued, subscribed and fully paid

	No.	Amount
At 1 April 2017	10,000.00	100,000.00
Issue of share capital	-	-
At 31 March 2018	10,000.00	100,000.00
Issue of share capital	-	-
At 31 March 2019	10,000.00	100,000.00

**(B) Other Equity:**

For the year ended 31 March 2019

Particulars	Reserves & Surplus						Total equity
	Equity Component of Corporate Guarantees	Equity Component of Preference Shares	Securities premium account	Tonnage tax reserve	Tonnage tax reserve Utilised	OCI	Balance in Statement of Profit and Loss
As at 1st April 2018	8,872,651	7,350,088	695,887,000	5,955,000	15,236,115	(5,147)	413,174,464
Net Profit/(loss) for the period	-	-	-	-	-	(127,043)	11,177,422
Remeasurement of Net Defined Benefit plans- FVTOCI	-	-	-	-	-	-	-
Total comprehensive income	8,872,651	7,350,088	695,887,000	5,955,000	15,236,115	(132,190)	424,351,886
As at 31 March 2019	8,872,651	7,350,088	695,887,000	5,955,000	15,236,115	(132,190)	424,351,886

For the year ended 31 March 2018

Particulars	Reserves & Surplus						Total equity
	Equity Component of Corporate guarantees	Equity Component of Preference Shares	Securities premium account	Tonnage tax reserve	Tonnage tax reserve Utilised	OCI	Balance in Statement of Profit and Loss
As at 1st April 2017	8,872,651	7,350,088	695,887,000	5,955,000	15,236,115	(241,479)	486,740,581
Net Profit/(loss) for the period	-	-	-	-	-	236,332	(73,566,117)
Remeasurement of Net Defined Benefit plans- FVTOCI	-	-	-	-	-	-	-
Total comprehensive income	8,872,651	7,350,088	695,887,000	5,955,000	15,236,115	(5,147)	413,174,464
As at 31 March 2018	8,872,651	7,350,088	695,887,000	5,955,000	15,236,115	(5,147)	413,174,464

As per our report of even date attached

For Shaparia Mehta & Associates LLP  
ICAI firm registration No. 112350W/W100051  
Chartered Accountants

**CA Sanjiv Mehta**  
Partner  
Membership No. 034950

Date: 17th May 2019

For and on behalf of Board of directors of  
Allcargo Shipping Co. Private Limited  
CIN No. U45205MH2008PTC179478

**Shashi Kiran Shetty**  
Director  
DIN NO. 00012754

**Adarsh Hegde**  
Director  
DIN NO. 00035040



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# Allcargo Shipping Company Private Limited

Notes to the financial statements for the year ended 31 March 2019

## 1. Significant accounting policies

### (a) Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the 'Ind AS') notified under the Companies (Indian Accounting Standards) (Amendment) Rules, 2015 under the provisions of the Companies Act, 2013 (the 'Act') and subsequent amendments thereof.

### (b) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for the certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) which have been measured at fair value or revalued amount. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### (c) Going concern

The company has applied during the year to NCLT for its merger with its parent Company Allcargo Logistics Ltd. The NCLT order dated 22nd April 2019, has asked the company to hold the meeting with various affected entities of the company and its holding company on 14th June 2019, for the purpose of considering and if thought fit, approving with or without modification(s) the proposed arrangement and amalgamation embodied in the scheme of amalgamation (Merger by absorption).

## 2. Summary of significant accounting policies

### a. Use of estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### b. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or





# Allcargo Shipping Company Private Limited

## Notes to the financial statements for the year ended 31 March 2019

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### c. Foreign currencies:

The Company's financial statements are presented in Indian Rupees, which is also the functional currency.

#### Transaction and balances

Transactions in foreign currencies are initially recorded at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

#### Forward exchange contracts entered into hedge foreign currency risk of an existing asset / liability

The premium or discount arising at the inception of forward exchange contracts is amortised and recognised as an expense / income over the life of the contract. Exchange difference on such contracts are recognised in the profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as an expense for the period.

### d. Fair value measurement

In determining the fair value of its financial instruments, the company uses assumptions that are based on market conditions and risks existing at each reporting date. The method used to determine the fair value includes Discounted Cash Flow analysis, available quoted market price and dealer quotes. All methods of assessing fair value result in general approximation of fair value and such value may never be actually realized. For all other financial instruments, the carrying amount approximates Fair Value due to the short maturity of those instruments.

### e. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The amount recognised as revenue is exclusive of service tax / sales tax / VAT.





# Allcargo Shipping Company Private Limited

Notes to the financial statements for the year ended 31 March 2019

## Vessel Operating Business

Freight and Charter Hire Earnings are recognized by reference to the stage of completion of the transaction as at the balance sheet date when the outcome of such a transaction involving the rendering of such services can be estimated reliably. Demurrage earnings are recognised on completed voyage basis.

## Others:

Reimbursement of cost is netted off with the relevant expenses incurred, since the same are incurred on behalf of the customers.

Interest income is recognised on time proportion basis.

Dividend income is recognised when the right to receive the payment is established by the balance sheet date.

## f. Contract balances

Contract balances include trade receivables, contract assets and contract liabilities.

### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables are separately disclosed in the financial statements.

### Contract assets

Contract asset includes the costs deferred relating to activities where the Company's performance obligation is yet to be completed. Additionally, a contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

### Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

## g. Taxes

### Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are recognised for all taxable temporary differences.





# Allcargo Shipping Company Private Limited

## Notes to the financial statements for the year ended 31 March 2019

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

### Minimum Alternate Tax (MAT)

MAT paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the *Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961*, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

### h. Property, plant and equipment

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition of tangible assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

The Company identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

### Depreciation

The Company provides depreciation on property, plant and equipment using the Straight Line Method, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The management has estimated the useful lives of all its tangible assets as per the useful life specified in Part 'C' of Schedule II to the Act.





# Allcargo Shipping Company Private Limited

Notes to the financial statements for the year ended 31 March 2019

The Company has used the following rates to provide depreciation on the tangible assets:

Category	Useful lives (in years)
Vessels*	25
Computers	3
Office equipments	5

\*25 years from original make.

Tangible assets held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

## i. Non current asset held for sale

An item of property plant and equipment is classified as non current asset held for sale at the time when the management is committed to sell/dispose off the asset as per an active programme to locate a buyer and a plan is initiated for the same. The asset must be actively marketed for sale at a price and the asset is expected to be sold/dispose off within one year from the date of classification.

Non current asset classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

## j. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets are amortised on a straight-line basis method basis the life estimated by the management:

Asset class	Useful life (in years)
Computer software	6



## k. Impairment of non-financial assets (tangible and intangible assets)

The Company assesses Property, plant and equipment and intangible assets with finite life at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. When the carrying amount of an



# Allcargo Shipping Company Private Limited

## Notes to the financial statements for the year ended 31 March 2019

asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

### **l. Borrowing costs**

Borrowing costs includes interest, amortisation of ancillary cost over the period of loans which are incurred in connection with arrangements of borrowings.

Borrowing costs that are attributable to the acquisition, construction of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed beyond reasonable time due to other than temporary interruption. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

### **m. Inventories**

Inventories of stores and spares are valued at cost or net realisable value whichever is lower. The cost is determined on first in first out basis and includes all charges incurred for bringing the inventories to their present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make sale.

### **n. Provisions and Contingent Liability**

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

### **o. Retirement and other employee benefits**

#### **• Short- term employee benefits**

Employee benefits payable wholly within twelve months of availing employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits such as salaries and wages, bonus and ex-gratia to be paid in exchange of employee services are recognized in the period in which the employee renders the related service.





# Allcargo Shipping Company Private Limited

Notes to the financial statements for the year ended 31 March 2019

## • Post-employment benefits

### Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards Provident Fund and Employees State Insurance Corporation ('ESIC'). The contribution of these is recognized as an expense in the Statement of Profit and Loss during the period in which employee renders the related service. There are no other obligations other than the contribution payable to the Provident Fund and Employee State Insurance Scheme.

### Defined benefit plan:

Gratuity liability is provided for on the basis of an actuarial valuation done as per projected unit credit method, carried out by an independent actuary at the end of the year. The Company's gratuity benefit scheme is a defined benefit plan.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. The Company presents the leave as a short-term provision in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as long-term provision.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

## p. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial asset, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

##### a. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and





# Allcargo Shipping Company Private Limited

## Notes to the financial statements for the year ended 31 March 2019

- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

### b. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred the financial assets and the transfer qualifies for derecognition under Ind AS 109.

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables.

The Company follows 'simplified approach for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income or expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. In balance sheet, ECL is presented as an allowance, i.e., as an integral part of





# Allcargo Shipping Company Private Limited

## Notes to the financial statements for the year ended 31 March 2019

the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### Financial liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### r. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated in the Cash flow statement.





# Allcargo Shipping Company Private Limited

Notes to the financial statements for the year ended 31 March 2019

## s. Earnings per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.



**Allcargo Shipping Co. Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2019**  
**(Amount in Indian Rupees)**

**3 Property, Plant and Equipment**

Description	Vessels	Office Equipment	Computers	Total
<b>Cost or Valuation</b>				
<b>Balance as at 01 April 2017</b>	911,984,540	1,755,443	1,210,238	914,950,221
Additions	25,399,547	-	-	25,399,547
Asset classified as held for sale	(288,926,791)	(1,152,825)	-	(290,079,616)
<b>Balance as at 31 March 2018</b>	<b>648,457,296</b>	<b>602,618</b>	<b>1,210,238</b>	<b>650,270,152</b>
Asset classified as held for sale	(289,661,170)	-	-	(289,661,170)
<b>Balance as at 31 March 2019</b>	<b>358,796,126</b>	<b>602,618</b>	<b>1,210,238</b>	<b>360,608,982</b>
<b>Depreciation and impairment</b>				
<b>Balance as at 01 April 2017</b>	163,025,484	419,441	722,421	164,167,346
Depreciation for the year	113,677,917	166,286	286,977	114,131,180
Asset classified as held for sale	(84,917,808)	(262,725)	-	(85,180,533)
<b>Balance as at 31 March 2018</b>	<b>191,785,593</b>	<b>323,002</b>	<b>1,009,398</b>	<b>193,117,993</b>
Depreciation for the year	85,376,449	42,329	179,987	85,598,765
Asset classified as held for sale	(125,846,676)	-	-	(125,846,676)
<b>Balance as at 31 March 2019</b>	<b>151,315,366</b>	<b>365,331</b>	<b>1,189,385</b>	<b>152,870,082</b>
<b>Net Block</b>				
<b>As at 31 March 2018</b>	<b>456,671,702</b>	<b>279,616</b>	<b>200,841</b>	<b>457,152,159</b>
<b>As at 31 March 2019</b>	<b>207,480,760</b>	<b>237,287</b>	<b>20,853</b>	<b>207,738,900</b>





**Allcargo Shipping Co. Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2019**  
(Amount in Indian Rupees)

**4 Other Intangible assets**

Description	Computer software	Total
<b>Gross Block</b>		
Additions	737,000	737,000
<b>Balance as at 31 March 2018</b>	<b>3,771,149</b>	<b>3,771,149</b>
<b>Balance as at 31 March 2019</b>	<b>3,771,149</b>	<b>3,771,149</b>
<b>Amortisation</b>	<b>857,677</b>	<b>857,677</b>
<b>Balance as at 31 March 2018</b>	<b>2,390,825</b>	<b>2,390,825</b>
<b>Amortisation</b>	<b>810,095</b>	<b>810,095</b>
<b>Balance as at 31 March 2019</b>	<b>3,200,920</b>	<b>3,200,920</b>
<b>Net book value</b>		
At 31 March 2018	1,380,324	1,380,324
At 31 March 2019	570,229	570,229



**5 Other Financial assets**

	Non-current portion		Current portion	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>To parties other than related parties</b>				
Security deposits				
Unsecured, considered good	395,283	100,000	-	4,991,000
Doubtful	0	-	-	-
	<u>395,283</u>	<u>100,000</u>	<u>-</u>	<u>4,991,000</u>
Less: Provision for doubtful deposits	-	-	-	-
	<u>395,283</u>	<u>100,000</u>	<u>-</u>	<u>4,991,000</u>
<b>Unsecured, considered good</b>				
Insurance claim receivable	-	-	70,011,373	70,011,373
Unrealised gain on MTM	-	-	-	1,108,601
Corporate Guarantee Fees	-	-	-	1,581,767
Interest accrued on fixed deposits	-	-	56,416	-
	<u>-</u>	<u>-</u>	<u>70,067,789</u>	<u>72,701,741</u>
<b>Total Other Financial assets</b>	<u>395,283</u>	<u>100,000</u>	<u>70,067,789</u>	<u>77,692,741</u>

**6 Other assets**

*Unsecured considered good, unless stated otherwise*

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Prepaid expenses	-	-	3,052,631	4,386,173
Advances for supply of services	-	-	1,556,969	2,734,200
Deferred Lease exps. (SD given)	25,682	-	-	-
CENVAT receivables	-	-	3,529,648	3,634,275
Others	-	-	25,487	-
	<u>25,682</u>	<u>-</u>	<u>8,164,735</u>	<u>10,754,648</u>

**7 Inventories**

*(valued at the lower of cost and net realisable value)*

	31 March 2019	31 March 2018
Bunker and lube oil	-	536,524
	<u>-</u>	<u>536,524</u>

**8.1 Investments**

	31 March 2019	31 March 2018
<b>Investments at fair value through P&amp;L (fully paid)</b>		
<b>quoted equity instruments (fully paid-up)</b>		
CY Nil Units (PY 4,898,779) of Baroda Pioneer Liquid Fund - Plan A Growth	-	9,745,303
CY Nil Units (PY 2,267,6988 ) of Kotak Floater Short Term - Growth	-	6,450,646
2553.6317 Units (PY 4988,720) of L & T Liquid Fund - Regular Growth	87,597,157	11,852,294
5970.566 (PY 5,833,3832) of Kotak Liquid Scheme Plan A Growth	22,525,127	20,492,030
	<u>110,122,284</u>	<u>48,540,272</u>

**8.2 Loans**

	31 March 2019	31 March 2018
<b>To parties other than related parties</b>		
Loans / advances to employees	23,107	76,121
<b>To related parties</b>		
Loans to associate / joint ventures	-	22,119
Loans receivable which have significant increase in credit risk	-	-
<b>Total Loans</b>	<u>23,107</u>	<u>98,240</u>

**8.3 Trade receivables**

	31 March 2019	31 March 2018
Trade receivables	12,707,262	24,029,250
Receivables from associates and joint ventures of holding company	54,130,422	24,288,861
Receivables from other related parties	-	-
<b>Total Gross Trade receivables</b>	<u>66,837,684</u>	<u>48,318,111</u>
<b>Trade receivables</b>		
Unsecured, considered good	53,414,989	32,323,815
Trade receivables which have significant increase in credit risk	13,422,695	15,994,296
	<u>66,837,684</u>	<u>48,318,111</u>
<b>Impairment allowance(allowance for bad and doubtful debts)</b>		
Trade receivables which have significant increase in credit risk	(8,670,816)	(13,242,768)
<b>Total Net Trade receivables</b>	<u>58,166,868</u>	<u>35,075,343</u>

No trade or other receivable are due from directors or other officers of the Holding Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.





8.4 Cash and cash equivalents

	31 March 2019	31 March 2018
<b>Cash and cash equivalents</b>		
Balances with banks		
- On current accounts	18,152,290	6,128,738
Cash on hand	110,648	106,842
	<u>18,262,938</u>	<u>6,235,580</u>
Cash at banks earns interest at floating rates based on daily bank deposit rates.		
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
	31 March 2019	31 March 2018
Balances with banks:		
On current accounts	18,152,290	6,128,738
Cash on hand	110,648	106,842
	<u>18,262,938</u>	<u>6,235,580</u>

8.5 Other bank balances

	31 March 2019	31 March 2018
<b>Other bank balances</b>	-	-
Funds in current account earmarked for repayment of Buyer's Credit Loan	-	38,787,496
- Deposit with original maturity of more than 12 months	3,520,000	-
	<u>3,520,000</u>	<u>38,787,496</u>
	<u>3,520,000</u>	<u>38,787,496</u>



9 Equity Share capital

<b>Authorised capital:</b>				
	<b>Equity shares</b>		<b>Preference shares</b>	
	<b>No of Shares</b>	<b>Amount</b>	<b>No of Shares</b>	<b>Amount</b>
At 01 April 2017	50,000	500,000	545,000	54,500,000
Increase / (decrease) during the year	-	-	-	-
At 31 March 2018	50,000	500,000	545,000	54,500,000
Increase / (decrease) during the year	-	-	-	-
At 31 March 2019	50,000	500,000	545,000	54,500,000
<b>Terms/ rights attached to equity shares</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 dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
<b>Issued equity capital:</b>				
	<b>Issued equity share capital</b>		<b>Issued equity share capital</b>	
	<b>No of Shares</b>	<b>Amount</b>	<b>No of Shares</b>	<b>Amount</b>
Issued, subscribed and fully paid-up:				
At 1 April 2017	10,000	100,000		
Changes during the period	-	-		
At 31 March 2018	10,000	100,000		
Changes during the period	-	-		
At 31 March 2019	10,000	100,000		
<b>(i) Details of shareholders holding more than 5% shares of a class of shares</b>				
	<b>As at 31 March 2019</b>		<b>As at 31 March 2018</b>	
<b>Name of shareholders</b>	<b>No of Shares</b>	<b>% holding in the class</b>	<b>No of Shares</b>	<b>% holding in the class</b>
Equity shares of Rs. 10 each fully paid - Allcargo Logistics Limited, Holding Company	9999	99.99%	9,999	99.99%
<b>(ii) Reconciliation of number of the equity shares and preference shares outstanding at the beginning and at the end of the year:</b>				
	<b>As at 31 March 2019</b>		<b>As at 31 March 2018</b>	
<b>Equity Shares</b>	<b>No of Shares</b>	<b>Amount</b>	<b>No of Shares</b>	<b>Amount</b>
At the beginning of the year	10,000	100,000	10,000	100,000
Issued during the period - Bonus shares	-	-	-	-
Outstanding at the end of the year	10,000	100,000	10,000	100,000
<b>(iii) Details of shares held by holding company, the ultimate holding company, their subsidiaries and associates:</b>				
<b>Particulars</b>	<b>Equity Shares in Voting Rights</b>	<b>Equity Shares with Differential Voting Rights</b>	<b>Compulsorily convertible Preference Shares</b>	
As at 31st March, 2019				
Allcargo Logistics Limited	9,999	-		
Holding Company				

9.1 Nature and purpose of reserves

**a) Securities premium**

Securities premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

**b) General reserve**

General reserve is used from time to time to transfer profit from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

**c) Retained earnings**

Retained earnings represents all accumulated net income netted by all dividends paid to shareholders.

**d) Remeasurements of gains / (losses) on defined benefit plans (OCI)**

It comprises of actuarial gains and losses, differences between the return on plan assets and interest income on plan assets and changes in the asset ceiling (outside of any changes recorded as net interest).

**e) Tonnage Tax Reserve**

Reserve created to exclude Profit or loss derived from the activities of a Tonnage Tax Company, from the qualifying the ships from the book profit of company for the purpose of sec 115JB of Income Tax act 1961.





Allcargo Shipping Co. Private Limited  
Notes to the financial statements as at and for the year ended 31 March 2019  
(Amount in Indian Rupees)

10 Borrowings	31 March 2019	31 March 2018
<b>Non-current borrowings</b>		
<b>Borrowings (secured)</b>		
Term loan from banks	26,303,459	-
Loan pertaining to asset held for sale	13,151,729	-
Loan pertaining other asset	13,151,730	-
Buyers' credit	-	193,406,605
<b>Other borrowings (unsecured)</b>		
Convertible preference shares	7,658,445	6,827,185
<b>Total non-current borrowings</b>	<b>33,961,904</b>	<b>200,233,790</b>
<b>Current maturities of non-current borrowings</b>		
<b>Borrowings (secured)</b>		
Term loan from banks	105,213,836	-
Loan pertaining to asset held for sale	52,606,918	-
Loan pertaining other asset	52,606,918	-
Buyers' credit	-	98,850,771
<b>Total non-current borrowings (Current Portion)</b>	<b>105,213,836</b>	<b>98,850,771</b>
<b>Buyers Credit</b>		
Term Loan is secured against Vessel AllcargoShobha & Allcargo Leela financed by the Bank and carry effective interest rate of 5.77% p.a. and are repayable within a period ranging from 3 years.		
<b>Current maturities of non-current borrowings</b>		
Term Loan is secured against Vessel Allcargo Shobha & Allcargo Leela is repayable on 20-jun-2020		

11 Other financial liabilities	Non-current portion		Current portion	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Other financial liabilities at amortised cost</b>				
Provision for MTM	7,746,034	-	-	-
Current maturity of non-current borrowings (Refer Note 10)	-	-	105,213,836	98,850,771
Interest accrued but not due on borrowings	-	-	-	9,553,038
<b>Total other financial liabilities at amortised cost</b>	<b>7,746,034</b>	<b>-</b>	<b>105,213,836</b>	<b>108,403,809</b>

12 Net employment defined benefit liabilities	Non-Current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Provision for gratuity	543,532	745,758	151,536	145,624
Provision for Compensated absences	733,499	1,065,762	396,304	384,918
	<b>1,277,031</b>	<b>1,811,520</b>	<b>547,840</b>	<b>530,542</b>

13 Trade payables	31 March 2019	31 March 2018
<b>Trade payables</b>		
(a) total outstanding dues of Micro Enterprises & Small Enterprises	-	-
(b) Total outstanding dues of Creditors Other than	24,631,056	40,737,039
Trade payables to related parties	139,925	365,062
	<b>24,770,981</b>	<b>41,102,101</b>

14 Other current liabilities	Non-current portion		Current portion	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Employee benefits payable	-	-	722,341	1,135,417
Statutory dues payable	-	-	1,015,911	1,935,804
Advances towards sale of vessel	-	-	-	11,800,000
Provision for expenses	-	-	4,089,356	23,169,422
Capital creditors	-	-	-	-
Others	-	-	-	259,402
	<b>-</b>	<b>-</b>	<b>5,827,608</b>	<b>38,300,045</b>



15 Income tax

15a. Non-current tax Assets (net)		31 March 2019	31 March 2018	
Particulars				
Advance tax recoverable (net of provision for tax)		12,107,113	23,955,525	
Others		-	-	
		<b>12,107,113</b>	<b>23,955,525</b>	
<b>The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:</b>				
<b>Statement of profit and loss:</b>		<b>31 March 2019</b>	<b>31 March 2018</b>	
<b>Profit or loss section</b>				
<b>Current income tax:</b>				
Current income tax charge		22,654,210	18,277,496	
Adjustments in respect of current income tax of previous year		2,623,974	655,512	
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences		(9,646,270)	5,163,830	
<b>Income tax expense reported in the statement of profit or loss</b>		<b>15,631,914</b>	<b>24,096,837</b>	
<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018:</b>				
		<b>31 March 2019</b>	<b>31 March 2018</b>	
Accounting profit before tax from continuing operations		26,936,379	(49,705,612)	
Profit/(loss) before tax from a discontinued operation		-	-	
<b>Accounting profit before income tax</b>		<b>26,936,379</b>	<b>(49,705,612)</b>	
At India's statutory income tax rate of 27.82% (31 March 2018: 33.063%)		7,493,701	(16,434,167)	
<b>Computed tax expenses</b>				
Utilisation of previously unrecognised tax losses on which deferred tax is not recognised		-	-	
Income not considered for tax purpose		(1,693,182)	(42,630,063)	
Expenses not allowed for tax purpose		7,599,942	74,812,188	
Excess Foreign tax credit written off		-	-	
Income Taxable under Presumptive Taxation		-	222,532	
Increase/ (Decrease) in Deferred Tax rate than last year		-	(6,057,479)	
Other Timing Difference		-	417,482	
Adjustments relating to taxes reversal of earlier years		2,623,974	655,512	
Other Adjustment		(392,520)	89,356	
MAT Credit utilization		-	13,021,476	
<b>Non-deductible expenses for tax purposes:</b>				
Other non-deductible expenses		-	-	
<b>At the effective income tax rate of 58.03% (31 March 2018:22.50%)</b>		<b>15,631,915</b>	<b>24,096,837</b>	
<b>Income tax expense reported in the statement of profit and loss</b>		<b>15,631,914</b>	<b>24,096,837</b>	
<b>Income tax attributable to a discontinued operation</b>		<b>-</b>	<b>-</b>	
		<b>15,631,914</b>	<b>24,096,837</b>	
<b>15b. Deferred tax:</b>				
Deferred tax relates to the following:				
	<b>Balance Sheet</b>		<b>Profit &amp; Loss</b>	
	<b>31 March 2019</b>	<b>31 March 2018</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
Expense allowable on payment basis	507,679	1,635,631	1,127,952	3,122,121
Other items giving rise to temporary difference	(863,687)	(867,836)	(4,149)	1,892,507
Accelerated depreciation for tax purpose	(20,834,311)	(30,801,145)	(9,966,834)	(80,592)
Fair valuation of Investment	(1,763,563)	(1,371,950)	391,613	(432,330)
Fair Valuation of Security Deposit	-	-	-	(9,448)
Restatement for buyers credit	-	(1,194,852)	(1,194,852)	266,143
Others	-	-	-	(9,839)
<b>Deferred tax expense/(income)</b>	<b>(22,953,882)</b>	<b>(32,600,152)</b>	<b>(9,646,270)</b>	<b>4,748,562</b>
<b>Deferred tax assets/(liabilities)</b>	<b>-</b>	<b>13,413,926</b>	<b>-</b>	<b>-</b>
<b>MAT Credit entitlement</b>	<b>(22,953,882)</b>	<b>(19,186,226)</b>	<b>(9,646,270)</b>	<b>4,748,562</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Reflected in the balance sheet as follows:</b>				
	<b>31 March 2019</b>	<b>31 March 2018</b>		
Continuing operations	22,953,882	32,600,152		
Discontinued operations	-	-		
<b>Deferred tax liabilities, net</b>	<b>22,953,882</b>	<b>32,600,152</b>		
<b>Reconciliation of deferred tax liabilities (net):</b>				
	<b>31 March 2019</b>	<b>31 March 2018</b>		
Opening balance as of 1 April	(32,600,152)	(37,358,551)		
Tax income/(expense) during the period recognised in profit or loss	9,646,270	4,748,562		
Tax income/(expense) during the period recognised in OCI	-	9,839		
<b>Closing balance as at 31 March</b>	<b>(22,953,882)</b>	<b>(32,600,152)</b>		
The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.				





**Allcargo Shipping Co. Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2019**  
**(Amount in Indian Rupees)**

<b>16</b>	<b>Revenue from operations</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>Sale of services</b>		
	Vessel operating income	155,086,590	277,844,226
		<u>155,086,590</u>	<u>277,844,226</u>
	<b>Other operating revenue</b>		
	Management fees	50,280,548	46,387,213
	Miscellaneous income	2,181,953	90,350
		<u>52,462,501</u>	<u>46,477,563</u>
	<b>Total revenue</b>	<b>207,549,091</b>	<b>324,321,789</b>

  

<b>17</b>	<b>Other Income</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>Other non-operating income</b>		
	Insurance claim	-	77,726,909
	Sundry balances written back	2,419,008	5,183,848
	Fair value gain on financial instruments through profit or loss	7,493,873	2,089,358
	Others	82,500	-
		<u>9,995,381</u>	<u>85,000,116</u>

  

<b>18</b>	<b>Finance income</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
	Interest income on		
	- fixed deposits with banks	193,856	-
	- Income tax refund	2,734,860	-
	Interest income on others	23,576	1,846,739
		<u>2,952,292</u>	<u>1,846,739</u>

  

<b>19</b>	<b>Cost of services rendered</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
	<b>Vessel operating expenses</b>		
	Fuel and oil	1,289,680	66,290,094
	Wages, bonus and other allowances of floating staff	1,297,664	28,688,424
	Spares consumed	757,292	14,291,090
	Insurance	4,543,853	8,708,586
	Crew victualling expenses	186,800	3,408,964
	Port charges	34,000	6,098,033
	Stevedoring charges	11,865	523,565
	Terminal Handling charges	60,000	23,377,767
	Charter hire expenses	-	639,349
	Brokerage and commission	-	316,825
	Repairs and maintenance - machinery	-	12,162,988
	Repairs- Others	-	1,880,062
	Container lease rental and Storage Charges	17,968	1,314,974
	Vessel Survey and Inspection	641,812	1,190,737
	Other vessel operating expenses	888,066	7,258,995
		<u>9,729,000</u>	<u>176,150,453</u>



**Allcargo Shipping Co. Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2019**  
**(Amount in Indian Rupees)**

<b>20 Employee benefits expense</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>
Salaries, wages and bonus	17,258,946	26,694,871
Contributions to provident and other funds	613,106	861,517
Staff welfare expenses	102,156	318,315
Compensated absences	-	137,487
Gratuity expense	97,745	392,478
	<b>18,071,953</b>	<b>28,404,668</b>

<b>21 Depreciation and amortisation</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>
Depreciation of property, plant and equipment	85,598,764	114,131,143
Amortisation of intangible assets	810,095	857,677
	<b>86,408,859</b>	<b>114,988,820</b>

<b>22 Finance costs</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Interest expense</b>		
Bank Term Loan	7,746,034	-
Buyers' credit (including processing fees)	11,408,757	17,015,942
Others	6,119,658	2,836,463
	<b>25,274,449</b>	<b>19,852,404</b>
	<b>25,274,449</b>	<b>19,852,404</b>

<b>23 Other expenses</b>		
	<b>31 March 2019</b>	<b>31 March 2018</b>
Rent	1,543,806	4,799,023
Legal and professional fees	3,774,984	7,041,291
Travelling expenses	830,899	2,213,889
Repairs of Vessel	175,579	-
Repairs - others	725,633	717,790
Business promotion	88,902	233,091
Communication charges	109,637	246,934
Rates and taxes	207,400	-
Office expenses	1,743,888	3,742,297
Electricity charges	-	108,613
Payment to auditors	430,650	487,695
Provision for doubtful debts	(4,571,951)	(1,585,405)
Bad debts/advances written off	3,055,926	5,103,164
Forex exchange gain/loss (net)	-	1,937,985
Brokerage & Commissions	930,789	-
Loss on sale of assets	26,228,420	95,272,908
Miscellaneous expenses	2,109,531	1,158,636
Fair value loss on financial instruments at fair value through profit or loss	16,692,031	-
	<b>54,076,124</b>	<b>121,477,910</b>

<b>Payments to the auditor:</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>As auditor</b>		
Audit fee	290,650	300,000
Tax audit fee	65,000	60,000
Limited review	75,000	75,000
<b>In other capacity:</b>		
Reimbursement of expenses	-	52,695
	<b>430,650</b>	<b>487,695</b>





**24 Net employment defined benefit liabilities**

**(a) Defined Contributions Plans**

For the Company an amount of Rs.613,106/- ( 31 March 2018: Rs 861,517) contributed to provident funds, ESIC and other funds (refer note 20) is recognised by as an expense and included in "Contribution to Provident & Other Funds" under "Employee benefits expense" in the Statement of Profit and Loss.

**(b) Defined Benefit Plans**

In accordance with local laws, the Company provide for gratuity, a defined benefit retirement plan covering eligible employees in India. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date.

The following table sets out the unfunded status of the retirement benefit plans and the amounts recognised in Financial statements: -

	<b>31-Mar-19</b>	<b>31-Mar-18</b>
<b>I Gratuity Actuarial Note</b>		
Defined Benefit Cost : P&L Charge/ (Credit)	224,788	392,478
Other Comprehensive (Income) / Loss	127,043	(246,171)
Defined Benefit Obligation	695,068	891,382
Fair Value of Plan Assets	-	-
Unrecognised Actuarial (Gains) / Losses	-	-
Effect of Asset Ceiling	-	-
Net Liability / (Asset) at the end of the year	695,068	891,382
Discount Rate at Year - end	6.85%	7.15%
<b>II Total Expense Recognised in Statement of Profit &amp; Loss Account</b>		
Service Cost		
a. Current service cost	166,260	319,486
b. Past service cost	-	-
c. (Gain) / Loss on settlements	-	-
d. Total service cost	166,260	319,486
Net Interest cost		
a. Interest expense on DBO	58,528	72,992
b. Interest (income) on plan asset	-	-
c. Interest (income) on reimbursement rights	-	-
d. Interest expense on effect of (asset ceiling)	-	-
e. Total net interest cost	58,528	72,992
Immediate Recognition of (Gains) / Losses - Other Long Term Benefits	-	-
Administrative expenses and taxes	-	-
Defined benefit cost included in P&L	224,788	392,478
<b>III Remeasurement Effects Recognised in Other Comprehensive Income (OCI)</b>		
a. Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO	(1,331)	(175,758)
b. Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	7,928	2,117
c. Actuarial (Gain) / Loss due to Experience on DBO	(133,640)	(72,503)
d. Return on Plan Assets (Greater) / Less than Discount rate	-	-
e. Return on reimbursement rights (excluding interest income)	-	-
f. Changes in asset ceiling / onerous liability (excluding interest income)	-	-
g. Total Actuarial (Gain) / Loss included in OCI	(127,043)	(246,144)
<b>IV Total Cost Recognised in Comprehensive Income</b>		
Cost Recognised in P&L	224,788	392,478
Remeasurement Effects Recognised in OCI	(127,043)	(246,171)
Total Cost Recognised in Comprehensive Income	97,745	146,307
<b>V Change in Defined Benefit Obligation</b>		
Defined Benefit Obligation as of Prior Year	891,382	1,021,122
Service Cost		
a. Current service cost	166,260	319,486
b. Past service cost	-	-
c. (Gain) / loss on settlements	-	-
Interest Cost	58,528	72,992
Benefit payments from plan assets	-	-
Benefit payments directly by employer	(231,820)	(276,047)
Settlements	-	-
Participant contributors	-	-
Acquisition / Divestiture	(62,239)	-
Actuarial (Gain) / Loss - Demographic	(1,331)	(175,785)
Actuarial (Gain) / Loss - Financial	7,928	2,117
Actuarial (Gain) / Loss - Experience	(133,640)	(72,503)
Effect of changes in foreign exchange rates	-	-
Defined Benefit Obligation as of Current Year	695,068	891,382



<b>VI</b>	<b>Change in Fair Value of Plan Assets</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	Fair Value of plan assets at end of prior year	-	-
	Expected Return on Plan Assets	-	-
	Employer contributions	-	-
	Participant contributions	-	-
	Benefit payments from plan assets	-	-
	Settlements	-	-
	Acquisition / Divestiture	-	-
	Actuarial Gain / (Loss) on Plan Assets	-	-
	Fair Value of plan assets at end of prior year	-	-
<b>VII</b>	<b>Net Defined Benefit Asset / (Liability)</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	Defined Benefit Obligation	695,068	891,382
	Fair Value of Plan Assets	-	-
	Surplus / (Deficit)	695,068	891,382
	Effect of Asset Ceiling	-	-
	<b>Net Defined Benefit Asset / (Liability)</b>	<b>695,068</b>	<b>891,382</b>
	Expected Company Contributions for the Next Year	-	-
<b>VIII</b>	<b>Reconciliation of Amounts in Balance Sheet</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	Net Defined Benefit (Asset) / Liability at prior year end	891,382	1,021,122
	Defined benefit cost included in P&L	224,788	392,478
	Total measurements included in OCI	(127,043)	(246,171)
	Other significant events/ One time IND AS 19 Adjustment	-	-
	Acquisition / Divestiture	(62,239)	-
	Amounts recognised due to plan	-	-
	Employer contributions	-	-
	Direct benefit payments by Employer	(231,820)	(276,047)
	Effect of changes in foreign exchange rates	-	-
	<b>Net Defined Benefit (Asset) / Liability at end of period</b>	<b>695,068</b>	<b>891,382</b>
<b>IX</b>	<b>Reconciliation of Statement of Other Comprehensive Income</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	Cumulative OCI - (Income) / Loss, beginning of period	7,132	253,303
	Total remeasurements included in OCI	(127,043)	(246,171)
	<b>Cumulative OCI - (Income) / Loss, end of period</b>	<b>(119,911)</b>	<b>7,132</b>
<b>X</b>	<b>Current / Non Current Liability</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	Current Liability	151,536	145,624
	Non Current Liability	543,532	745,758
	Non Current Asset	-	-
	<b>Total</b>	<b>695,068</b>	<b>891,382</b>
<b>XI</b>	<b>Expected Future Cashflows</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
	Year 1	151,536	145,624
	Year 2	127,387	141,660
	Year 3	107,082	129,934
	Year 4	90,007	115,083
	Year 5	78,547	103,009
	Years 6 to 10	239,996	358,933





<b>XII Components of Defined Benefit Cost for Next Year</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Service Cost		
a. Current service cost	116,759	166,260
b. Past service cost	-	-
c. (Gain) / loss on settlements	-	-
d. Total service cost	116,759	166,260
Net Interest cost		
a. Interest expense on DBO	42,422	58,528
b. Interest (income) on plan asset		
c. Interest (income) on reimbursement rights		
d. Interest expense on effect of (asset ceiling)		
e. Total net interest cost	42,422	58,528
Immediate Recognition of (Gains) / Losses - Other Long Term Benefits		
Administrative expenses and taxes		
Defined benefit cost included in P&L	159,181	224,788

<b>XIII</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
The weighted-average asset allocations at the year end were as follows		
Equities	0.00%	0.00%
Bonds	0.00%	0.00%
Gilts	0.00%	0.00%
Pooled Assets with an insurance company	0.00%	0.00%
Others	0.00%	0.00%
Total	0.00%	0.00%
Actual return on plan assets		-

<b>XIV Financial Assumptions</b>	<b>01-Apr-18 to 31-Mar-19</b>	<b>01-Apr-17 to 31-Mar-18</b>
Discount Rate	6.85%	7.15%
Salary Increase Rate	8.00%	8.00%

<b>XV Demographic Assumptions</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Withdrawal Rate	Service Based : Service <= 4 years : 45% p.a. Service > 4 years : 22% p.a.	Service Based : Service <= 4 years : 50% p.a. Service > 4 years : 18.18% p.a.
Retirement age	58 years	58 years

<b>XVI Valuation</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Number of Employees	11	16
Total Monthly Salary (INR)	698,197	839,992
Average Monthly Salary (INR)	63,472	52,500
Average Age (Years)	40.45	38.63
Average Past Services (Years)	4.59	4.30
Average Expected Future Working Life (Years)	3.58	3.95

<b>XVII Sensitivity Analysis :-</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Discount Rate		
a. Discount rate - 100 basic points	722,941	935,942
b. Discount rate + 100 basic points	669,360	850,856
Salary increase rate		
a. Rate - 100 basic points	669,397	850,810
b. Rate + 100 basic points	722,371	935,158
Attrition rate		
a. Rate - 100 basic points	697,302	896,327
b. Rate + 100 basic points	692,988	886,670

The mortality and attrition rate does not have significant impact on the Liability, hence not considered a significant actuarial assumption for the purpose of Sensitivity Analysis

#### (c) Compensated Absences

The following table sets out the compensated leave absences and the amounts recognised in Financial statements: -

<b>I Leave Encashment</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Defined Benefit Obligation	995,138	1,279,023
Discount rate at year end	6.85%	7.15%
<b>II Sick Leaves</b>	<b>31-Mar-19</b>	<b>31-Mar-18</b>
Defined Benefit Obligation	134665	171657
Discount rate at year end	6.85%	7.15%



**25 (I) Commitments and contingencies**

**a. Leases**

**Operating lease commitments - Company as lessee**

The Company has taken commercial properties on operating lease. The lease agreement provides for an option to the Company to renew the lease period at the end of non-cancellable period.

Lease expense recognised for the year are Rs. Nil (31 March 2018: Rs.47.99 lakhs). There are no exceptional / restrictive covenants in the lease agreements.

**Future rentals payable under operating leases as at 31 March are as follows:**

	31 March 2019	31 March 2018
Within one year	-	1,620,000
After one year but not more than five years	-	3,240,000
More than five years	-	-
	-	4,860,000

**b. Contingent liabilities**

The Company has reviewed all its pending litigations and proceedings and has adequately made provisions for all such cases where provisions are required and disclosed amounts as contingent liabilities in its financial statements if any, wherever the exposure is considered possible. The company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the company's results of operations or financial position.

**26 (I) a. Dues to Micro and small Suppliers**

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 02 October 2006, certain disclosures are required to be made relating to MSME. On the basis of the information and records available with the Company, the following disclosures are made for the amounts due to the Micro and Small Enterprises.

	31 March 2019	31 March 2018
Principal amount remaining unpaid to any supplier as at the period end.	-	-
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED.	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowances as a deductible expenditure under the MSMED Act, 2006	-	-

**b. Details on derivatives instruments and unhedged foreign currency exposures:-**

The company has no derivative instruments.

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	31st March, 2019		31st March, 2018
Currency	Amount (Rs.)	Currency	Amount (Rs.)
Trade and Other Creditors			
USD	97,879	USD	135,750
LKR	-	LKR	-
JPY	-	JPY	219,517
EUR	-	EUR	23,726
Buyers Credit	105,213,836	USD	292,257,376
Interest accrued but not due on borrowings	-	USD	9,553,038
Term Loan	131,517,295	USD	-





27 Related party transactions

The information about the Group's structure including the details of the subsidiaries and the Holding Company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

**Other related parties**

**I. Holding Company**

Allcargo Logistics Limited

**II. Fellow subsidiaries**

Combi Line India Agencies Pvt. Ltd.

**III. Associates of Holding Company**

AllCargo Logistics Lanka Private Limited

**IV. Key managerial personnel**

a. Mr. Shashi Kiran Shetty

b. Mr. Adarsh Hegde

c. Mrs. Arathi Shetty

**V. Entities over which KMP's are there relatives, exercises significant influence**

Sealand Cranes Pvt. Ltd.

**Summary of transactions with related parties:**

Nature of transaction	Holding Company		Fellow Subsidiaries		Associates of Holding Company		Entities over which KMP's are there relatives, exercises significant influence	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Vessel Operating Income</b>	-	-	-	-	-	-	-	-
a. Interest received or accrued on loan	-	-	-	-	-	-	-	-
b. Interest received or accrued on advances	-	-	-	-	-	-	-	-
c. Bareboat Charter Income	-	-	-	-	151,729,433	136,636,707	-	-
d. Technical Management Fees	-	-	-	-	50,280,548	46,387,213	-	-
	25,000	228,825	-	-	-	8,486,658	-	-
<b>Vessel Operation Expenses</b>								
<b>Other Expenses</b>								
a. Reimbursement Expense	-	-	-	-	-	-	-	-
b. Business Support charges	1,366,437	2,083,881	-	-	-	4,800,616	-	-
c. Charter Hire Charges	-	-	-	-	-	-	1,518,125	-
d. Rent Paid	-	-	-	-	-	-	-	-
<b>Loans</b>								
Opening balance	-	-	-	-	-	-	-	-
Add: Loans taken	-	-	-	-	-	-	-	-
Less: Loans repaid	-	-	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-	-
<b>Advances</b>								
Opening balance	-	-	-	-	-	-	-	-
Add: Advances taken	102,058	1,152,490	-	-	-	-	-	-
Less: Advances given back	2,500	1,152,490	-	-	-	-	-	-
Closing Balance	99,558	-	-	-	-	-	-	-
<b>Interest Receivable on Loan</b>								
Opening balance	-	-	-	-	-	-	-	-
Add:-Interest charged on Loan	-	-	-	-	-	-	-	-
Less:-Interest received	-	-	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-	-
<b>Interest Payable Advances</b>								
Opening balance	-	-	-	-	-	-	-	-
Add:-Interest charged on Advances	-	3,761	-	-	-	-	-	-
Less:-Interest paid	-	3,761	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-	-	-
<b>Outstanding Receivable</b>								
a. Trade receivables	-	-	-	-	54,130,422	24,288,861	-	-
b. Advance to supplier of goods	-	-	-	-	-	-	348,750	-
c. Security Deposit given	-	-	-	-	-	-	-	-
<b>Other advances</b>								
Advance from customer	-	-	-	22,119	-	-	-	-
<b>Outstanding Payable</b>								
a. Trade payables	40,368	365,062	-	-	6,956,368	6,541,308	-	-

**Terms and conditions of transactions with related parties**

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2019, the company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: INR Nil, 31-Mar 2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



**28 Fair value Hierarchy :-**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:  
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities  
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly  
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following tables provides the Quantitative disclosures of fair value measurement hierarchy of respective reporting periods :-

	Total	Fair Value		
		Quoted Price in active market (Level 1)	Significant Observable Inputs (Level 2)	Significant unobservable inputs (level 3)
31-Mar-19				
FVTPL Financial Investments				
Quoted Investments - Mutual Funds	110,122,284	110,122,284	-	-
Interest rate Forward Contract	443,226	-	443,226	-
<b>Total Financial Assets measured at Fair Value</b>	<b>110,565,510</b>	<b>110,122,284</b>	<b>443,226</b>	<b>-</b>

	Total	Fair Value		
		Quoted Price in active market (Level 1)	Significant Observable Inputs (Level 2)	Significant unobservable inputs (level 3)
31-Mar-18				
FVTPL Financial Investments				
Quoted Investments - Mutual Funds	48,540,272	48,540,272	-	-
Interest rate Forward Contract	1,108,601	-	1,108,601	-
<b>Total Financial Assets measured at Fair Value</b>	<b>49,648,873</b>	<b>48,540,272</b>	<b>1,108,601</b>	<b>-</b>

The management assessed that the cash and cash equivalents, trade receivables, trade payables, short-term borrowings, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**29 Financial risk management objectives and policies :-**

The Company is exposed to foreign currency risk, credit risk and liquidity risk and risk related to its receivables. The Company's senior management oversees the management of these risks.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities and the Company's foreign currency borrowings.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with floating interest rates.

The Company's policy is to keep maximum of its borrowings at fixed rates of interest. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2019, after taking into account the effect of interest rate swaps, 100% of the Company's borrowings are at a fixed rate of interest (31 March 2018: 100%).

**Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**Trade Receivables**

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date.

**Liquidity Risk**

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. Management monitors the company's net liquidity position through forecasts on the basis of expected cashflows.

**30 Capital management**

The Company monitors capital using a ratio of 'Adjusted Net Debt' to 'Adjusted Equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest bearing loans and borrowings less cash and cash equivalent and funds earmarked for Buyer's Credit. Adjusted equity comprises all components of equity classified as such.

	31 March 2019	31 March 2018
Total Liabilities	202,299,115	410,784,114
Less: cash and cash equivalents	(21,782,938)	(45,023,076)
<b>Adjusted Net debt</b>	<b>180,516,177</b>	<b>365,761,037</b>
Total Equity	424,451,886	413,274,464
<b>Adjusted Equity</b>	<b>424,451,886</b>	<b>413,274,464</b>
<b>Adjusted Net Debt to Adjusted Equity Ratio</b>	<b>0.43</b>	<b>0.89</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.





**Allcargo Shipping Co. Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2019**  
(Amount in Indian Rupees)

**31 Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.  
Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2019	31 March 2018
Profit attributable to equity holders:		
Continuing operations	11,304,465	(73,802,449)
Discontinued operation	-	-
<b>Profit attributable to equity holders for basic earnings:</b>	<b>11,304,465</b>	<b>(73,802,449)</b>
Weighted average number of Equity shares for basic EPS	10,000	10,000
<b>Basic and diluted EPS</b>	<b>1,130.45</b>	<b>(7,380.24)</b>

**32 Provident Fund ruling by Hon'ble Supreme Court**

Hon'ble Supreme Court (SC) has passed judgment on February 28, 2019, on the issue of whether certain allowances should be treated as wages for the purpose of Provident Fund (PF). The SC while delivering the said ruling has provided a set of principles that needs to be looked into while determining the scope of "Basic wages" for the purpose of making PF contributions. There are numerous interpretative issues relating to the above SC judgement. The Company is in the process of assessing the impact of the above Supreme Court ruling. The company will create a provision, if required, on receiving further clarity on the effective date and subject.

**33 IND AS 116 - Leases**

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases i.e., leases with a lease term of 12 months or less. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company will adopt the new standard on the required effective date using the modified retrospective method. The Company has established an implementation team to implement Ind AS 116 to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. The Company expects that the adoption will result in an increase in the Company's assets and liabilities. A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

**34 Previous year figures**

Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

For Shaparia Mehta & Associates LLP  
ICAI firm registration No. 112350W/W100051  
Chartered Accountants

CA Sanjiv Mehta  
Partner  
Membership No. 034950

Date: 17th May 2019

For and on behalf of Board of directors of  
Allcargo Shipping Co. Private Limited  
CIN No: U45205MH2008PTC179478

Shashi Kiran Shetty  
Director  
DIN NO. 00012754

Adarsh Hegde  
Director  
DIN NO. 00035040

