

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF ALLCARGO SHIPPING COMPANY PRIVATE LIMITED.****Report on the Indian Accounting Standards (Ind AS) Financial Statements**

We have audited the accompanying Ind AS financial statements of Allcargo Shipping Co. Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of profit and loss (including Other comprehensive income), the Statement of cash flow, the Statement of changes in equity for the year then ended, and a summary of the Significant accounting policies and Other explanatory information (herein after referred to as "Ind AS financial statements").

**Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position and financial performance (including other comprehensive income), cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules 2015 (as amended) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

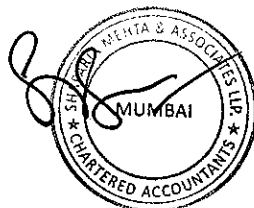
**Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the



appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

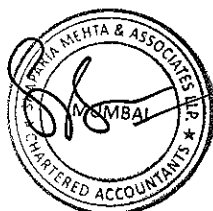
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its losses (including other Comprehensive Income), the changes in equity and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued there under;
  - e) on the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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"; and
  - 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 materially impact its financial position;



- ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, as required under applicable law or accounting standard;
- 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)**



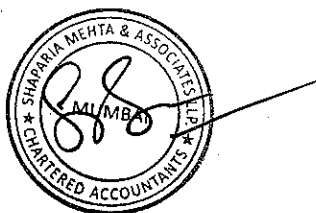
**Sanjiv Mehta**  
**Partner**  
**Membership No.- 034950**  
**Place of Signature: Mumbai**  
**Date: 17 May 2018**



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

The Annexure referred to in our Independent Auditor's Report to the members of Allcargo Shipping Co. Private Limited (the "Company") on the financial statements for the year ended March 31, 2018, 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 inventory has been physically verified by the management during the year. In our opinion the frequency of verification is reasonable. We are informed that no material discrepancies were noticed on such verification.
- 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. 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 in not applicable to the Company.

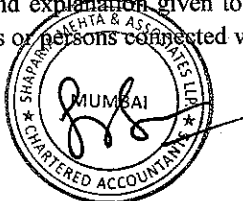


vii. In respect of its statutory dues:

- 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, service tax, GST and any other applicable statutory dues to the appropriate authorities. There are 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, service tax, GST or any other statutory liability which have not been deposited on account of any dispute.  
Details of dues of income tax which have not been deposited as on March 31, 2018 on account of dispute is given below:

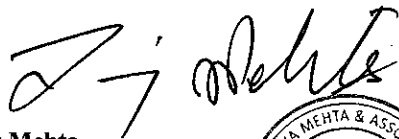
Name of Statute	Amount in INR	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	3,88,117	2011-12	CIT, Appeals

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank during the period under audit. The Company neither borrowed any loans or borrowing during the current financial year nor have any outstanding loans or borrowings outstanding at year end from any government or debenture holder.
- 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.
- xi. In our opinion and according to the information and explanations given to us, the company has not paid or provided any managerial remuneration. Hence, reporting requirements under this clause are not applicable.
- xii. The Company is not a Nidhi Company as defined under section 406 of the Companies Act, 2013. Accordingly, reporting under this clause of the order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with the related parties during the current audit period are in compliance with section 177 and 188 of Companies Act, 2013. The Company has complied with the requirement disclosing the details in the Financial Statements etc., 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, reporting requirements under this clause (xiv) are not applicable.
- 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, clause (xv) of the order is not applicable.



- 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.

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



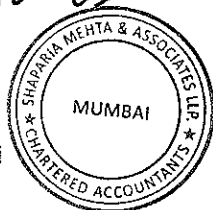
Sanjiv Mehta

Partner

Membership No.- 034950

Place of Signature: Mumbai

Date: 17 May 2018



**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")**

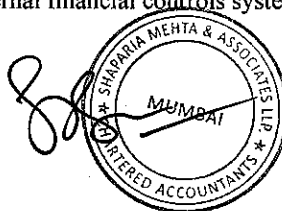
1. We have audited the internal financial controls over financial reporting of Allcargo Shipping Co. Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended and as at on that date.

**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 over Financial Reporting**

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, 2018, 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)**

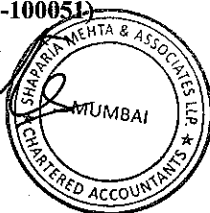
**Sanjiv Mehta**

**Partner**

**Membership No.- 034950**

**Place of Signature: Mumbai**

**Date: 17 May 2018**





**Alcarg Shipping Co. Private Limited**  
**Balance sheet as at 31 March 2018**  
**(Amount in Indian Rupees)**

	Notes	31 March 2018	31 March 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment (net)	3	457,152,159	750,782,875
Other intangible assets	4	1,380,324	1,501,001
Financial assets			
Other financial assets	5	100,000	5,861,735
Deferred tax assets (net)			-
Non-current tax assets (net)	16	23,955,525	31,990,228
Other non-current assets	6	-	391,226
<b>Total - Non-current assets</b>		<b>482,588,008</b>	<b>790,527,065</b>
<b>Current assets</b>			
Inventories	7	536,524	7,114,745
Financial assets			
Investments	8.1	48,540,272	28,331,033
Short term loans	8.2	98,240	235,971
Trade receivables	8.3	35,075,342	11,546,060
Cash and cash equivalents	8.4	6,235,580	50,929,317
Other bank balances	8.5	38,787,496	99,257,401
Other financial assets	8.6	77,692,741	2,090,884
Other current assets	6	10,754,648	29,581,561
<b>Total - Current assets</b>		<b>217,720,844</b>	<b>229,086,971</b>
<b>Assets classified as held for sale</b>		<b>123,749,724</b>	<b>-</b>
<b>Total Assets</b>		<b>824,058,577</b>	<b>1,019,614,036</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	9	100,000	100,000
Other equity		413,174,464	486,740,581
<b>Equity attributable to equity holders of the parent</b>		<b>413,274,464</b>	<b>486,840,581</b>
Non-controlling interests		-	-
<b>Total Equity</b>		<b>413,274,464</b>	<b>486,840,581</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	10	200,233,790	297,282,323
Net employment defined benefit liabilities	12	1,811,520	1,970,759
Deferred tax liability (net)	15	19,186,226	14,012,558
<b>Total - Non-current liabilities</b>		<b>221,231,536</b>	<b>313,265,640</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	10	-	-
Trade payables	13	41,102,101	49,294,606
Other financial liabilities	11	109,619,889	105,941,529
Net employment defined benefit liabilities	12	530,542	1,103,697
Other current liabilities	14	38,300,046	63,167,983
<b>Total - Current liabilities</b>		<b>189,552,578</b>	<b>219,507,816</b>
<b>Total equity and liabilities</b>		<b>824,058,577</b>	<b>1,019,614,036</b>
<b>Significant accounting policies</b>			
Notes to the financial statements		1 2-32	1 2-32

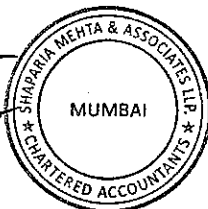
The notes referred to above are an integral part of these financial statements

As per our report of even date attached

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

CA Sanjiv Mehta  
Partner  
Membership No. 34950

Date: **17 MAY 2018**



For and on behalf of Board of directors of  
Alcarg Shipping Co. Private Limited  
CIN No. U45205MH2008PTC174478

Shashi Kiran Shetty  
Director  
DIN NO. 00012754

Adarsh Hegde  
Director  
DIN NO. 00035040

**Allcargo Shipping Co. Private Limited**  
**Statement of Profit and Loss for the year ended 31 March 2018**  
**(Amount in Indian Rupees)**

	Notes	31 March 2018	31 March 2017
<b>Continuing Operations</b>			
<b>Income</b>			
Revenue from operations	16	324,321,789	526,668,966
Other income	17	85,000,116	87,253,901
Finance income	18	1,846,739	2,182,913
<b>Total income</b>		<b>411,168,643</b>	<b>616,105,779</b>
<b>Expenses</b>			
Cost of services rendered	19	176,150,453	389,337,546
Employee benefits expense	20	28,404,668	42,738,588
Depreciation and amortisation expenses	21	114,988,820	239,355,899
Finance costs	22	19,852,404	15,676,549
Other expenses	23	121,477,910	84,206,013
<b>Total expenses</b>		<b>460,874,256</b>	<b>771,314,595</b>
<b>Profit before share of profit/(loss) of associates and joint ventures and tax from continuing operations</b>		<b>(49,705,612)</b>	<b>(155,208,816)</b>
Share of profits of associates and joint ventures			-
<b>Profit/(Loss) before tax</b>		<b>(49,705,612)</b>	<b>(155,208,816)</b>
<b>Tax expense:</b>			
Current tax		18,277,496	19,919,793
Adjustment of tax relating to earlier periods		655,512	122,393
Less: MAT credit entitlement			(8,905,140)
Deferred tax credit/(charge)		5,163,830	13,105,422
<b>Total tax expense</b>		<b>24,096,837</b>	<b>24,242,468</b>
<b>Profit/(Loss) for the year from Continuing Operation (i)</b>		<b>(73,802,449)</b>	<b>(179,451,284)</b>
<b>Profit/(Loss) for the year (A)</b>		<b>(73,802,449)</b>	<b>(179,451,284)</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		246,171	94,130
Income tax effect		(9,839)	(31,119)
		236,332	63,011
<b>Other Comprehensive Income for the year, net of tax (B)</b>		<b>236,332</b>	<b>63,011</b>
<b>Total Comprehensive income for the year, net of tax (A) + (B)</b>		<b>(73,566,117)</b>	<b>(179,388,273)</b>
<b>Earnings per equity share (nominal value of Rs 10 each)</b>			
Basic and diluted	35	(7,380.24)	(17,945.13)
<b>Significant accounting policies</b>			
Notes to the financial statements		1	1
		2-32	2-32

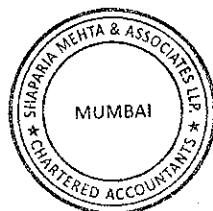
The notes referred to above are an integral part of these financial statements

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. 34950

Date: **17 MAY 2018**



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

**Allcargo Shipping Co. Private Limited**  
**Statement of Changes in Equity for the year ended 31 March 2018**  
(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 2016	10,000.00	100,000.00
Issue of share capital	-	-
At 31 March 2017	10,000.00	100,000.00
Issue of share capital	-	-
At 31 March 2018	10,000.00	100,000.00

**(B) Other Equity:**

For the year ended 31 March 2018

Particulars	Equity Component of Corporate guarantees	Equity Component of Preference Shares	Securities premium account	Reserves & Surplus			Total equity
				Tonnage tax reserve	Tonnage tax reserve Utilised	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	(246,318,794)	486,740,581
Net Profit/(loss) for the period	-	-	-	-	-	(73,802,449)	(73,802,449)
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	(320,121,243)	413,174,464
As at 31 March 2018	8,872,651	7,350,088	695,887,000	5,955,000	15,236,115	(320,121,243)	413,174,464

For the year ended 31 March 2017

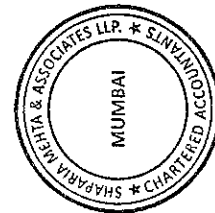
Particulars	Equity Component of Corporate guarantees	Equity Component of Preference Shares	Securities premium account	Reserves & Surplus			Total equity
				Tonnage tax reserve	Tonnage tax reserve Utilised	Balance in Statement of Profit and Loss	
As at 1st April 2016	8,872,651	7,350,088	695,887,000	5,955,000	15,236,115	(66,867,510)	666,128,854
Net Profit/(loss) for the period	-	-	-	-	-	(179,451,284)	(179,388,273)
Additions during the year	-	-	-	-	-	-	-
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	(246,318,794)	486,740,581
As at 31 March 2017	8,872,651	7,350,088	695,887,000	5,955,000	15,236,115	(246,318,794)	486,740,581

As per our report of even date attached

For Shaparia Melita & Associates LLP  
ICAI firm registration No. 112350W/100051  
Chartered Accountants

CA Sanjiv Mehta  
Partner  
Membership No. 34950

Date: 17 MAY 2018



For and on behalf of Board of directors of  
Allcargo Shipping Co. Private Limited  
CIN No. U45204MH2008PTC179478

Shashu Kiran Shetty  
Director  
DIN NO. 00012754

Adarsh Hegde  
Director  
DIN NO. 00035040

**Allcargo Shipping Co. Pvt. Ltd.**  
Statement of Cash Flows for the period ended 31 March 2018  
(Amount in Indian Rupees)

Particulars	31 March 2018	31 March 2017
<b>Operating activities</b>		
Profit before tax from continuing operations	(49,705,612)	(155,208,816)
Profit before tax from discontinued operations	-	-
<b>Profit before tax</b>	(49,705,612)	(155,208,816)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation of property, plant and equipment	114,131,180	238,588,244
Amortisation of intangible assets	857,677	767,655
Compensated absences & Gratuity expense	529,965	1,275,318
Provision for Doubtful Receivables (Net)	(1,585,405)	9,574,886
Bad debts / advances written off	5,103,164	5,134,411
Sundry balances written back	(5,183,848)	(1,180,280)
Finance costs	19,852,404	15,676,549
Interest Income	(1,846,739)	(2,182,913)
Gain/(loss) on disposal of property, plant and equipment	95,272,908	(79,140,316)
Profit on sale of investments (net)	-	(193,049)
Fair valuation of investment	(2,089,358)	(1,838,588)
forex gain/loss adjustment	1,455,261	(7,361,691)
<b>Working capital adjustments:</b>		
Decrease / (increase) in trade receivables	(27,047,041)	10,696,519
Decrease / (increase) in long term and short term loans and advances	137,730	(55,593)
Decrease / (increase) in inventories	(2,495,291)	13,763,248
(Increase) in unbilled revenue	2,464,602	470,298
Decrease / (increase) in other current and non current assets	(53,783,489)	(4,045,255)
(Decrease)/ Increase in trade payables, other current and non current liabilities	(26,074,419)	40,872,882
(Decrease)/ Increase in provisions	-	-
<b>Cash generated from operating activities</b>	69,993,689	85,613,509
Income tax paid (including TDS) (net)	(9,336,946)	(10,252,740)
<b>Net cash flows from operating activities (A)</b>	60,656,705	75,360,768
<b>Investing activities</b>		
Advances received for sale of vessel	11,800,000	-
Proceeds from sale of property, plant and equipment	-	100,789,023
Purchase of property, plant and equipment (including CWIP)	(45,931,783)	(48,350,474)
Proceeds from sale of current investments	-	3,870,001
Purchase of current investments	(18,119,880)	-
Interest received	-	-
<b>Net cash flows from / (used in) investing activities (B)</b>	(52,251,663)	56,308,549
<b>Financing activities</b>		
Proceeds from long term borrowings	-	-
Proceeds from long term borrowings other than buyer's credit	-	-
Repayment of long term borrowings	(97,601,535)	(102,303,467)
Proceeds from short term borrowings	-	7,160,253
Repayment of short term borrowings	-	(7,161,384)
Funds earmarked and not considered as Cash & Cash Equivalent	60,469,905	(99,257,401)
Finance costs	(15,967,148)	(9,847,470)
Payment of dividend	-	-
Dividend distribution tax	-	-
Gains on realisation / settlement of derivatives	-	-
<b>Net cash flows from / (used in) financing activities (C)</b>	(53,098,778)	(211,409,470)
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	(44,693,736)	(79,740,152)
Opening balance of cash and cash equivalents (refer note 10.4)	50,929,316	130,669,468
<b>Cash and cash equivalents at the end</b>	6,235,580	50,929,316

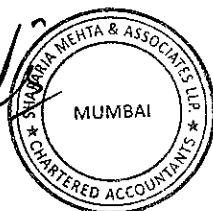
Changes in liabilities arising from financing activities					
Particulars	1-Apr-17	Cashflows	Foreign exchange management	Others*	31 March 2018
<b>Assets</b>					
Funds earmarked and not considered as Cash & Cash Equivalent (Net)	99,257,401	60,469,905	-	(0)	38,787,496
Corporate Guarantee and MTM	3,672,651	-	-	(982,283)	2,690,368
<b>Liabilities</b>					
Liabilities					
Interest on borrowings	6,060,115	(15,967,148)	376,747	19,083,323	9,553,038
Borrowings payable	395,820,786	(97,601,535)	1,078,513	(213,202)	299,084,561
<b>Total liabilities from financing activities</b>	302,623,500	(53,098,778)	-	19,852,405	267,159,735

Note: 1. Interest cost for the year Rs.19,852,404.32 on cash adjustment made of Rs 1,933,643.44 to Interest expense and Rs. 1,164,563.4 to Accrued income  
2. Non cash adjustment made of Rs 20,90,884 towards Corporate Guarantee  
3. Non cash adjustment made of Rs (11,08,601) towards MTM gain  
4. Non cash adjustment of Rs. 10,78,513 towards IND AS adjustment of forex fluctuation; Rs.124,283 towards IND AS adjustment on Buyers credit; Rs. 741,028 towards IND AS adjustment on convertible preference shares

As per our report of even date attached

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

CA Shaparia Mehta  
Partner  
Membership No. 34950



For and on behalf of Board of directors of  
Allcargo Shipping Co. Private Limited  
CIN No. U45203MH2008PTC179478

Shash Kiran Shetty  
Director  
DIN NO. 00012754

Adarsh Hegde  
Director  
DIN NO.00035040

17 MAY 2018

# Allcargo Shipping Co. Private Limited

Notes to the financial statements for the year ended 31 March 2018

## 1. Significant accounting policies

### (a) Statement of compliance

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules 2015 read with Section 133 of the Companies Act, 2013.

### (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.

## 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.

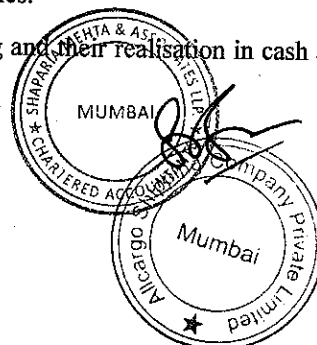
A liability is current when:

- 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
- 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.



# Allcargo Shipping Co. Private Limited

Notes to the financial statements for the year ended 31 March 2018

## 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.

### 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.

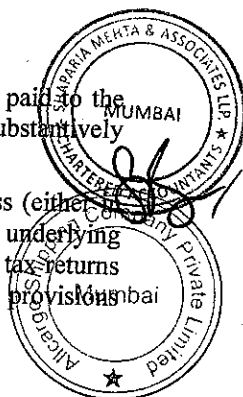
Dividend income is recognised when the right to receive the payment is established by the balance sheet date.

## f. 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.



# Allcargo Shipping Co. Private Limited

Notes to the financial statements for the year ended 31 March 2018

## 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.

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.

## g. 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.

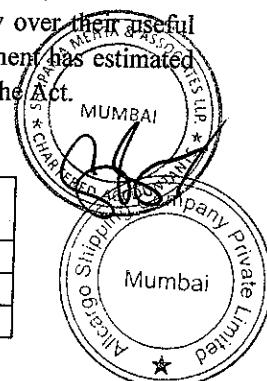
## Depreciation

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.

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.



# Allcargo Shipping Co. Private Limited

## Notes to the financial statements for the year ended 31 March 2018

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.

### h. 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

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

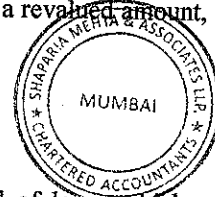
The Company assesses Property, plant and equipment and intangible assets with finite life at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable 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 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.

### j. 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.





# Allcargo Shipping Co. Private Limited

Notes to the financial statements for the year ended 31 March 2018

## k. 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.

## l. 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.

## m. 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.

### • Post-employment benefits

#### Defined contribution plans:

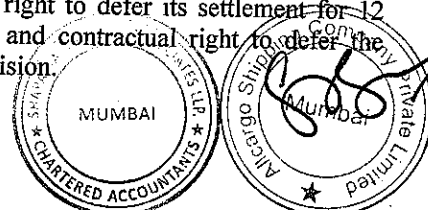
A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards Provident Fund and Employees State Insurance Corporation ('ESIC'). 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 legal and contractual right to defer the 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.



# Allcargo Shipping Co. Private Limited

## Notes to the financial statements for the year ended 31 March 2018

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.

### n. 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
- 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 AS103 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.

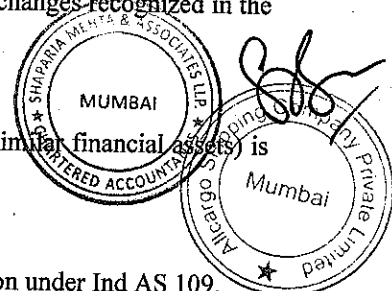
If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain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



# Allcargo Shipping Co. Private Limited

## Notes to the financial statements for the year ended 31 March 2018

### 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/ 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 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:

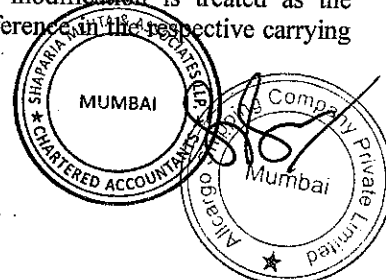
#### Loans and borrowings

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.



# Allcargo Shipping Co. Private Limited

Notes to the financial statements for the year ended 31 March 2018

**o. 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.

**p. 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.

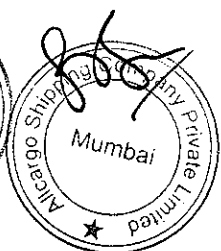
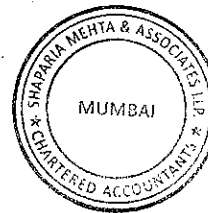
**q. Earnings per equity share**

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.

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

Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
Net Profit after Tax attributable to Equity Share Holders	(73,802,449)	(179,451,284)
Weighted Average Number of Equity Shares for Basic and Diluted EPS	10,000	10,000
Basic and Diluted EPS	(7,380.24)	(17945.13)

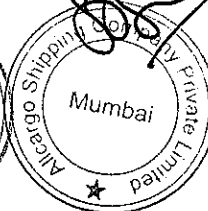
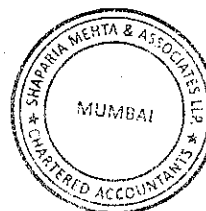


**Allcargo Shipping Co. Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2018**  
**(Amount in Indian Rupees)**

**3 Property, Plant and Equipment**

Description	Vessels	Office Equipment	Computers	Total
<b>Cost or Valuation</b>				
<b>Balance as at 01 April 2016</b>	1,097,264,437	1,554,153	1,054,904	1,099,873,494
Additions	69,086,078	206,290	168,450	69,460,818
Disposals	(254,365,975)	(5,000)	(13,116)	(254,384,091)
Discontinued operations	-	-	-	-
Exchange differences	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>911,984,540</b>	<b>1,755,443</b>	<b>1,210,238</b>	<b>914,950,221</b>
Additions	25,399,547	-	-	25,399,547
Disposals	-	-	-	-
Asset classified as held for sale	(288,926,791)	(1,152,825)	-	(290,079,616)
Discontinued operations	-	-	-	-
Exchange differences	-	-	-	-
<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>
<b>Depreciation and impairment</b>				
<b>Balance as at 01 April 2016</b>	157,741,003	240,140	333,343	158,314,486
Depreciation for the year	238,001,749	184,301	402,194	238,588,244
Disposals	(232,717,268)	(5,000)	(13,116)	(232,735,384)
Discontinued operations	-	-	-	-
Exchange differences	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>163,025,484</b>	<b>419,441</b>	<b>722,421</b>	<b>164,167,346</b>
Depreciation for the year	113,677,917	166,286	286,977	114,131,180
Disposals	-	-	-	-
Asset classified as held for sale	(84,917,808)	(262,725)	-	(85,180,533)
Discontinued operations	-	-	-	-
Exchange differences	-	-	-	-
<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>
<b>Net Block</b>				
<b>As at 31 March 2016</b>	939,523,434	1,314,013	721,561	941,559,009
<b>As at 31 March 2017</b>	748,959,056	1,336,002	487,817	750,782,875
<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>

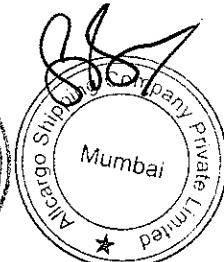
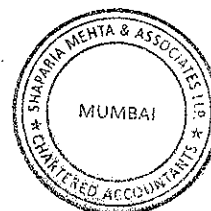
- 1) Component accounting has become mandatory with effect from 1 April, 2015 as required under Schedule II of the Companies Act, 2013. The Company has assessed significant components and its useful life of each principle assets. The useful life of significant components except dry docking of vessel are not materially different from that of principle asset. Hence there is no impact due to component accounting other than that of dry docking of vessels.



**Allcargo Shipping Co. Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2018**  
(Amount in Indian Rupees)

**4 Other Intangible assets**

Description	Computer software	Total
<b>Gross Block</b>		
Balance as at 01 April 2016	3,034,149	3,034,149
Additions		
Disposals	-	-
Discontinued operations		
Exchange differences	-	-
<b>Balance as at 31 March 2017</b>	<b>3,034,149</b>	<b>3,034,149</b>
Additions	737,000	737,000
Disposals	-	-
Exchange differences	-	-
<b>Balance as at 31 March 2018</b>	<b>3,771,149</b>	<b>3,771,149</b>
<b>Amortisation</b>		
Balance as at 01 April 2016	765,493	765,493
Amortisation	767,655	767,655
Accumulated amortisation on disposals	-	-
Discontinued operations	-	-
Exchange differences	-	-
<b>Balance as at 31 March 2017</b>	<b>1,533,148</b>	<b>1,533,148</b>
Amortisation	857,677	857,677
Accumulated amortisation on disposals	-	-
Exchange differences	-	-
<b>Balance as at 31 March 2018</b>	<b>2,390,825</b>	<b>2,390,825</b>
<b>Net book value</b>		
At 01 April 2016	2,268,656	2,268,656
At 31 March 2017	1,501,001	1,501,001
At 31 March 2018	1,380,324	1,380,324



**Allcargo Shipping Co. Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2018**  
(Amount in Indian Rupees) :-

**5 Other Financial assets**

	Non-current portion		Current portion	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
<b>To parties other than related parties</b>				
Security deposits				
Unsecured, considered good	100,000	4,279,968	4,991,000	-
Doubtful				
	100,000	4,279,968	4,991,000	-
Less: Provision for doubtful deposits				
	100,000	4,279,968	4,991,000	-
<b>Unsecured, considered good</b>				
Insurance claim receivable			70,011,373	-
Unrealised gain on MTM			1,108,601	-
Corporate Guarantee Fees		1,581,767	1,581,767	2,090,884
	-	1,581,767	72,701,741	2,090,884
<b>Total Other long-term financial assets</b>	<b>100,000</b>	<b>5,861,735</b>	<b>77,692,741</b>	<b>2,090,884</b>

**6 Other assets**

*Unsecured considered good, unless stated otherwise*

	Non-current		Current	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Capital advances		-		-
Prepaid expenses	-	391,226	4,386,173	8,727,012
Accrued Income		-	-	2,464,602
Advances for supply of services		-	2,734,200	16,114,748
CENVAT receivables		-	3,634,275	2,275,198
Others		-		-
	-	391,226	10,754,648	29,581,561

**7 Inventories**

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

	31 March 2018	31 March 2017
Stores and spares	-	3,582,637
Bunker and lube oil	536,524	3,532,108
	<b>536,524</b>	<b>7,114,745</b>

**8.1 Investments**

	31 March 2018	31 March 2017
<b>Investments at fair value through P&amp;L (fully paid)</b>		
Unquoted equity instruments (fully paid-up)		
4,898,779 Units (PY 4,898,779) of Baroda Pioneer Liquid Fund - Plan A Growth	9,745,303	9,128,182
2,267,698 Units (PY Nil) of Kotak Floater Short Term - Growth	6,450,646	-
4988,720 Units (PY Nil) of L & T Liquid Fund - Regular Growth	11,852,294	-
5,833,3832 (PY 5,833,3832) of Kotak Liquid Scheme Plan A Growth	20,492,030	19,202,851
	<b>48,540,272</b>	<b>28,331,033</b>

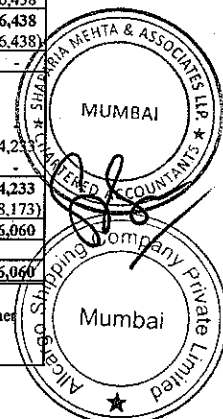
**8.2 Short term loans**

	31 March 2018	31 March 2017
<b>To parties other than related parties</b>		
Loans / advances to employees	76,121	235,971
<b>To related parties</b>		
Loans to associate / joint ventures	22,119	-
<b>Total Loans</b>	<b>98,240</b>	<b>235,971</b>

**8.3 Trade receivables**

	31 March 2018	31 March 2017
Trade receivables	24,029,250	7,904,986
Receivables from associates and joint ventures of holding company	24,288,861	-
Receivables from other related parties		3,641,074
<b>Total trade receivables</b>	<b>48,318,111</b>	<b>11,546,060</b>
<b>Break-up for more than 6 months overdue:</b>		
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>		
Secured, considered good		-
Unsecured, considered good		-
Doubtful	15,994,296	13,676,438
	15,994,296	13,676,438
Allowance for doubtful debts	(13,242,768)	(13,676,438)
	<b>2,751,528</b>	-
<b>Other receivables</b>		
Secured, considered good		-
Unsecured, considered good	32,323,815	26,374,233
Doubtful		-
	<b>32,323,815</b>	<b>26,374,233</b>
Allowance for doubtful debts		(14,828,173)
	<b>32,323,815</b>	<b>11,546,060</b>
<b>Total Trade receivables</b>	<b>35,075,343</b>	<b>11,546,060</b>

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 2018	31 March 2017
<b>Cash and cash equivalents</b>		
Balances with banks		
- On current accounts	6,128,738	50,449,503
Cash on hand	106,842	479,814
	<u>6,235,580</u>	<u>50,929,317</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 2018	31 March 2017
Balances with banks:		
On current accounts	6,128,738	50,449,503
Cash on hand	106,842	479,814
	<u>6,235,580</u>	<u>50,929,317</u>

**8.5 Other bank balances**

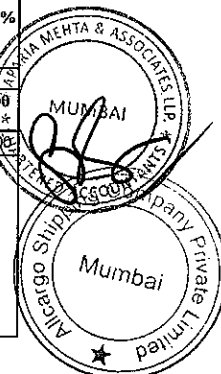
	31 March 2018	31 March 2017
<b>Other bank balances</b>		
Funds in current account earmarked for repayment of Buyer's Credit Loan	38,787,496	99,257,401
	<u>38,787,496</u>	<u>99,257,401</u>
	<u>45,023,076</u>	<u>150,186,718</u>

**8.6 Other Financial assets**

	31 March 2018	31 March 2017
<b>Current portion of other long-term financial assets (refer note 5)</b>		
To parties other than related parties	77,692,741	2,090,884
To related parties	-	-
<b>Total Other Financial assets</b>	<u>77,692,741</u>	<u>2,090,884</u>

**9 Equity Share capital**

<b>Authorised capital:</b>				
	<b>Equity shares</b>		<b>Preference shares</b>	
	No of Shares	Amount	No of Shares	Amount
At 01 April 2016	50,000	500,000	545,000	54,500,000
Increase / (decrease) during the year	-	-	-	-
At 31 March 2017	50,000	500,000	545,000	54,500,000
Increase / (decrease) during the year	-	-	-	-
At 31 March 2018	<u>50,000</u>	<u>500,000</u>	<u>545,000</u>	<u>54,500,000</u>
<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>				
	No of Shares	Amount	No of Shares	Amount
Issued, subscribed and fully paid-up:				
At 1 April 2016	10,000	100,000		
Changes during the period	-	-		
At 31 March 2017	10,000	100,000		
Changes during the period	-	-		
At 31 March 2018	<u>10,000</u>	<u>100,000</u>		
<b>(i) Details of shareholders holding more than 5% shares of a class of shares</b>				
	<b>As at 31 March 2018</b>		<b>As at 31 March 2017</b>	
Name of shareholders	No of Shares	% holding in the class	No of Shares	% holding in the class
Equity shares of Rs. 10 each fully paid				
- Allcargo Logistics Limited, Holding Company	9999	99.99%	9,999.00	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 2018</b>		<b>As at 31 March 2017</b>	
Equity Shares	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	10,000.00	100,000.00	10,000.00	100,000.00
Issued during the period - Bonus shares	-	-	-	-
Outstanding at the end of the year	<u>10,000.00</u>	<u>100,000.00</u>	<u>10,000.00</u>	<u>100,000.00</u>
<b>(iii) Details of shares held by holding company, the ultimate holding company, their subsidiaries and associates:</b>				
Particulars	Equity Shares in Voting Rights	Equity Shares with Differential Voting Rights	Compulsorily convertible Preference Shares	
As at 31st March, 2018				
Allcargo Logistics Limited	9,999.00			
Holding Company				





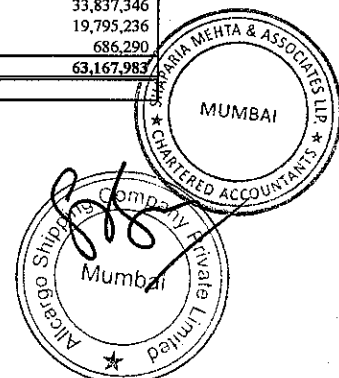
10 Borrowings	31 March 2018	31 March 2017
<b>Non-current borrowings</b>		
<i>Borrowings (secured)</i>		
Buyers' credit	193,406,605	291,196,166
<i>Other borrowings (unsecured)</i>		
Convertible preference shares	6,827,185	6,086,157
<b>Total non-current borrowings</b>	<b>200,233,790</b>	<b>297,282,323</b>
<b>Current maturities of long term borrowings</b>		
<i>Borrowings (secured)</i>		
Buyers' credit	98,850,771	98,538,463
<b>Total non-current borrowings (Current Portion)</b>	<b>98,850,771</b>	<b>98,538,463</b>
<b>Current borrowings</b>		
<i>Other borrowings (unsecured)</i>		
Loan from Related Parties	-	-
<b>Buyers Credit</b>		
Buyers' credit 1 is secured against Vessel Shobha financed by the Bank and carry effective interest rate of 2.84% p.a. and are repayable within a period ranging from 3-5 years.		
Buyers' credit 2 is secured against Vessel Leela financed by the Bank and carry effective interest rate of 2.86% p.a. and are repayable within a period ranging from 3-5 years.		
<b>Current maturities of long term borrowings</b>		
Buyers' credit 1 is secured against Vessel Shobha is repayable on 7 June, 2018		
Buyers' credit 2 is secured against Vessel Leela is repayable on 8 June, 2018		

11 Other financial liabilities	Non-current portion		Current portion	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
<b>Other financial liabilities at amortised cost</b>				
Income billed in advance	-	-	1,216,080	1,342,950
Current maturity of long term loans (Refer Note 11)	-	-	98,850,771	98,538,463
Interest accrued but not due on borrowings	-	-	9,553,038	6,060,115
<b>Total other financial liabilities at amortised cost</b>	<b>-</b>	<b>-</b>	<b>109,619,889</b>	<b>105,941,529</b>

12 Net employment defined benefit liabilities	Long-term		Short-term	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Provision for gratuity	745,758	1,006,438	145,624	14,684
Provision for Compensated absences	1,065,762	964,321	384,918	1,089,013
	<b>1,811,520</b>	<b>1,970,759</b>	<b>530,542</b>	<b>1,103,697</b>

13 Trade payables	31 March 2018	31 March 2017
Trade payables	40,737,039	49,294,606
Trade payables to related parties	365,062	-
	<b>41,102,101</b>	<b>49,294,606</b>

14 Other current liabilities	Non-current portion		Current portion	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Employee benefits payable	-	-	1,135,417	2,952,478
Statutory dues payable	-	-	1,935,804	2,138,811
Advances towards sale of vessel	-	-	11,800,000	3,757,822
Provision for expenses	-	-	23,169,422	33,837,346
Capital creditors	-	-	-	19,795,236
Others	-	-	259,402	686,290
	<b>-</b>	<b>-</b>	<b>38,300,045</b>	<b>63,167,983</b>



**Allcargo Shipping Co. Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2018**  
**(Amount in Indian Rupees)**

**15 Income tax**

**16a. Non-current tax Assets (net)**

Particulars	31 March 2018	31 March 2017
Advance tax recoverable (net of provision for tax)	23,955,525	31,990,228
Others	-	-
	<b>23,955,525</b>	<b>31,990,228</b>

**16b. Current tax Assets (net)**

Particulars	31 March 2018	31 March 2017
Advance tax recoverable (net of provision for tax)	-	-
Others	-	-
	<b>-</b>	<b>-</b>

**16c. Current tax liabilities (net)**

Particulars	31 March 2018	31 March 2017
Provision for tax (net of advance tax)	-	-
Others	-	-
	<b>-</b>	<b>-</b>

**The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:**

Statement of profit and loss:	31 March 2018	31 March 2017
<b>Profit or loss section</b>		
<b>Current income tax:</b>		
Current income tax charge	18,277,496	19,919,793
Adjustments in respect of current income tax of previous year	655,512	122,393
MAT credit entitlement	-	(8,905,140)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	5,163,830	13,105,422
<b>Income tax expense reported in the statement of profit or loss</b>	<b>24,096,837</b>	<b>24,242,468</b>

OCI section	31 March 2018	31 March 2017
Deferred tax related to items recognised in OCI during the year:	-	-
Net loss/(gain) on remeasurements of defined benefit plans	-	-
<b>Income tax expense charged to OCI</b>	<b>-</b>	<b>-</b>

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2017 and 31 March 2018:**

	31 March 2018	31 March 2017
Accounting profit before tax from continuing operations	(49,705,612)	(155,208,816)
Profit/(loss) before tax from a discontinued operation	-	-
<b>Accounting profit before income tax</b>	<b>(49,705,612)</b>	<b>(155,208,816)</b>
At India's statutory income tax rate of 33.063% (31 March 2016: 30.9%)	(16,434,167)	(51,312,035)
<b>Computed tax expenses</b>		
Utilisation of previously unrecognised tax losses on which deferred tax is not recognised	-	(7,645,531)
Income not considered for tax purpose	(42,630,063)	81,191,189
Expenses not allowed for tax purpose	74,812,188	-
Excess Foreign tax credit written off	-	-
Income Taxable under Presumptive Taxation	222,532	552,970
Increase/ (Decrease) in Deferred Tax rate than last year	(6,057,479)	1,693,189
Other Timing Difference	417,482	(327,577)
Adjustments relating to taxes reversal of earlier years	655,512	122,393
Other Adjustment	89,356	(32,131)
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 22.50% (31 March 2016: 16.75%)</b>	<b>24,096,837.36</b>	<b>24,242,468</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>24,096,837.00</b>	<b>24,242,468</b>
Income tax attributable to a discontinued operation	-	-
	<b>24,096,837.00</b>	<b>24,242,468</b>

**16d. Deferred tax:**

Deferred tax relates to the following:

	Balance Sheet		Profit & Loss	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Expense allowable on payment basis	1,635,631	(1,486,490)	3,122,121	(3,587,036)
Other items giving rise to temporary difference	(867,836)	(2,760,343)	1,892,507	(827,173)
Accelerated depreciation for tax purpose	(30,801,145)	(30,720,553)	(80,592)	18,067,795
Fair valuation of Investment	(1,371,950)	(939,620)	(432,330)	542,136
Fair Valuation of Security Deposit	-	9,448	(9,448)	(9,448)
Restatement for buyers credit	(1,194,852)	(1,460,995)	266,143	(1,049,732)
Others	-	-	(9,839)	(31,119)
<b>Deferred tax expense/(income)</b>				<b>13,105,422</b>
<b>Deferred tax assets/(liabilities)</b>	<b>(32,600,152)</b>	<b>(37,358,551)</b>	<b>4,748,562</b>	<b>-</b>
MAT Credit entitlement	13,413,926	23,345,993	-	-
<b>Net deferred tax assets/(liabilities)</b>	<b>(19,186,226)</b>	<b>(14,012,558)</b>	<b>4,748,562</b>	<b>13,105,422</b>

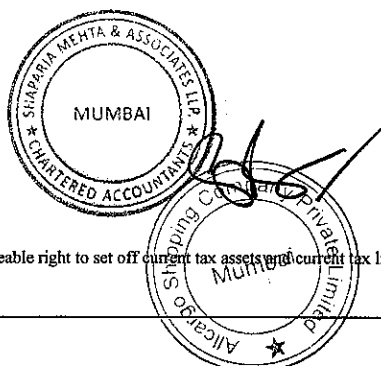
**Reflected in the balance sheet as follows:**

	31 March 2018	31 March 2017
Continuing operations	32,600,152	37,358,551
Discontinued operations	-	-
<b>Deferred tax liabilities, net</b>	<b>32,600,151.78</b>	<b>37,358,551</b>

**Reconciliation of deferred tax liabilities (net):**

	31 March 2018	31 March 2017
Opening balance as of 1 April	(37,358,551)	(24,222,011)
Tax income/(expense) during the period recognised in profit or loss	4,748,562	(13,105,422)
Tax income/(expense) during the period recognised in OCI	9,839	(31,119)
Discontinued operation	-	-
Deferred taxes acquired in business combinations	-	-
<b>Closing balance as at 31 March</b>	<b>(32,600,152)</b>	<b>(37,358,551)</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets against 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 2018**  
**(Amount in Indian Rupees)**

**16 Revenue from operations**

	31 March 2018	31 March 2017
<b>Sale of services</b>		
Vessel operating income	277,844,226	474,011,360
	<u>277,844,226</u>	<u>474,011,360</u>
<b>Other operating revenue</b>		
Management fees	46,387,213	48,292,200
Miscellaneous income	90,350	4,365,406
	<u>46,477,563</u>	<u>52,657,606</u>
<b>Total revenue</b>	<u>324,321,789</u>	<u>526,668,966</u>

**17 Other income**

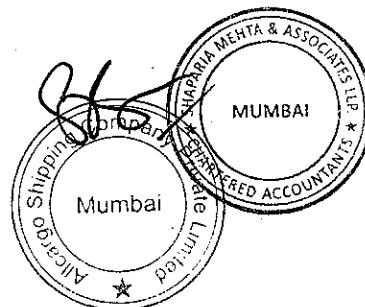
	31 March 2018	31 March 2017
<b>Other non-operating income</b>		
Net gain on disposal of property, plant and equipment	-	79,140,316
Net gain on account of foreign exchange fluctuations	-	4,901,667
Net gain on account of sale of investment (net)	-	193,049
Insurance claim	77,726,909	-
Sundry balances written back	5,183,848	1,180,280
Fair value gain on financial instruments through profit or loss	2,089,358	1,838,588
	<u>85,000,116</u>	<u>87,253,901</u>

**18 Finance income**

	31 March 2018	31 March 2017
Interest income on others	1,846,739	2,182,913
	<u>1,846,739</u>	<u>2,182,913</u>

**19 Cost of services rendered**

	31 March 2018	31 March 2017
<b>Vessel operating expenses</b>		
Fuel and oil	66,290,094	109,345,327
Wages, bonus and other allowances of floating staff	28,688,424	73,217,087
Spares consumed	14,291,090	56,424,771
Insurance	8,708,586	13,696,238
Crew victualling expenses	3,408,964	8,104,504
Port charges	6,098,033	10,706,622
Stevedoring charges	523,565	12,208,324
Terminal Handling charges	23,377,767	52,941,566
Charter hire expenses	639,349	18,329,717
Brokerage and commission	316,825	-
Repairs and maintenance - machinery	12,162,988	-
Repairs- Others	1,880,062	-
Container lease rental and Storage Charges	1,314,974	6,465,437
Handling and Transportation charges	-	7,926,152
Vessel Survey and Inspection	1,190,737	2,900,698
Other vessel operating expenses	7,258,995	17,071,102
	<u>176,150,453</u>	<u>389,337,546</u>



**Allcargo Shipping Co. Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2018**  
**(Amount in Indian Rupees)**

**20 Employee benefits expense**

	31 March 2018	31 March 2017
Salaries, wages and bonus	26,694,871	38,965,816
Contributions to provident and other funds	861,517	1,822,949
Staff welfare expenses	318,315	580,375
Compensated absences	137,487	1,005,785
Gratuity expense	392,478	363,663
	<u>28,404,668</u>	<u>42,738,588</u>

**21 Depreciation and amortisation**

	31 March 2018	31 March 2017
Depreciation of property, plant and equipment	114,131,143	238,588,244
Amortisation of intangible assets	857,677	767,655
	<u>114,988,820</u>	<u>239,355,899</u>

**22 Finance costs**

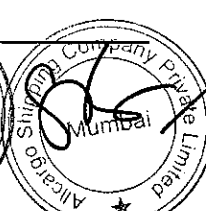
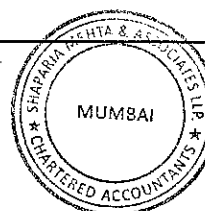
	31 March 2018	31 March 2017
<b>Interest expense</b>		
Buyers' credit (including processing fees)	17,015,942	12,410,962
Others	2,836,463	3,265,587
	<u>19,852,404</u>	<u>15,676,549</u>
	<u>19,852,404</u>	<u>15,676,549</u>

**23 Other expenses**

	31 March 2018	31 March 2017
Rent	4,799,023	4,984,504
Legal and professional fees	7,041,291	2,565,425
Travelling expenses	2,213,889	4,130,824
Repairs to building and others		696,150
Repairs - others	717,790	49,499,370
Business promotion	233,091	642,014
Communication charges	246,934	605,274
Rates and taxes		1,000
Office expenses	3,742,297	3,846,485
Electricity charges	108,613	428,659
Payment to auditors	487,695	435,000
Provision for doubtful debts	(1,585,405)	9,574,886
Bad debts/advances written off	5,103,164	5,134,411
Forex exchange gain/loss (net)	1,937,985	-
Loss on sale of assets	95,272,908	-
Miscellaneous expenses	1,158,636	1,662,011
	<u>121,477,910</u>	<u>84,206,013</u>

**Payments to the auditor:**

	31 March 2018	31 March 2017
<b>As auditor</b>		
Audit fee	300,000	300,000
Tax audit fee	60,000	60,000
Limited review	75,000	75,000
<b>In other capacity:</b>		
Reimbursement of expenses	52,695	-
	<u>487,695</u>	<u>435,000</u>



**24 Net employment defined benefit liabilities**

**(a) Defined Contributions Plans**

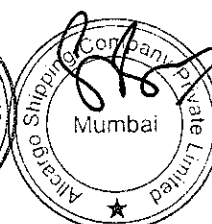
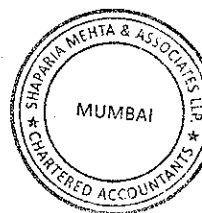
For the Company an amount of Rs.861,517/- (31 March 2017: Rs 1,822,949) contributed to provident funds, ESIC and other funds (refer note 21) is recognised by as an expense and included in "Contribution to Provident & Other Funds" under "Employee benefits expense" in the Statement of Profit and Loss.

**(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.

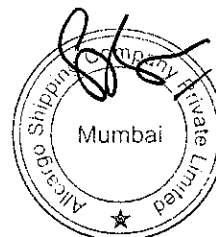
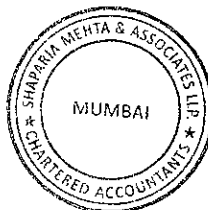
The following table sets out the unfunded status of the retirement benefit plans and the amounts recognised in Financial statements: -

		31-Mar-18	31-Mar-17
<b>I Gratuity Actuarial Note</b>			
Defined Benefit Cost : P&L Charge/ (Credit)		392,478	363,663
Accumulated Other Comprehensive (Income) / Loss		7,132	253,303
Defined Benefit Obligation		891,382	1,021,122
Fair Value of Plan Assets		-	-
Unrecognised Actuarial (Gains) / Losses		-	-
Effect of Asset Ceiling		-	-
Net Liability / (Asset) at the end of the year		891,382	1,021,122
Discount Rate at Year - end		7.15%	7.20%
<b>II Total Expense Recognised in Statement of Profit &amp; Loss Account</b>			
Service Cost			
a. Current service cost		319,486	299,896
b. Past service cost		-	-
(Gain) / Loss on settlements		-	-
d. Total service cost		319,486	299,896
Net Interest cost			
a. Interest expense on DBO		72,992	63,767
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		72,992	63,767
Immediate Recognition of (Gains) / Losses - Other Long Term Benefits		-	-
Administrative expenses and taxes		-	-
Defined benefit cost included in P&L		392,478	363,663
<b>III Remeasurement Effects Recognised in Other Comprehensive Income (OCI)</b>			
a. Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO		(175,758)	-
b. Actuarial (Gain) / Loss due to Financial Assumption changes in DBO		2,117	43,379
c. Actuarial (Gain) / Loss due to Experience on DBO		(72,503)	(137,510)
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		(246,171)	(94,130)
<b>III Total Cost Recognised in Comprehensive Income</b>			
Cost Recognised in P&L		392,478	363,663
Remeasurement Effects Recognised in OCI		(246,171)	(94,130)
Total Cost Recognised in Comprehensive Income		146,307	269,533
<b>IV Change in Defined Benefit Obligation</b>			
Defined Benefit Obligation as of Prior Year		1,021,122	857,359
Service Cost			
a. Current service cost		319,486	299,896
b. Past service cost		-	-
c. (Gain) / loss on settlements		-	-
Interest Cost		72,992	63,767
Benefit payments from plan assets		-	-
Benefit payments directly by employer		(276,047)	(105,770)
Settlements		-	-
Participant contributors		-	-
Acquisition / Divestiture		-	-
Actuarial (Gain) / Loss - Demographic		(175,758)	-
Actuarial (Gain) / Loss - Financial		2,117	43,379
Actuarial (Gain) / Loss - Experience		(72,503)	(137,510)
Effect of changes in foreign exchange rates		-	-
Defined Benefit Obligation as of Current Year		891,382	1,021,122



**Allcargo Shipping Co. Private Limited**  
Notes to the financial statements as at and for the year ended 31 March 2018

<b>V</b>	<b>Change in Fair Value of Plan Assets</b>	<b>31-Mar-18</b>	<b>31-Mar-17</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>VI</b>	<b>Net Defined Benefit Asset / (Liability)</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	Defined Benefit Obligation	891,382	1,021,122
	Fair Value of Plan Assets	-	-
	Surplus / (Deficit)	891,382	1,021,122
	Effect of Asset Ceiling	-	-
	Net Defined Benefit Asset / (Liability)	891,382	1,021,122
	Expected Company Contributions for the Next Year	-	-
<b>VII</b>	<b>Reconciliation of Amounts in Balance Sheet</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	Net Defined Benefit (Asset) / Liability at prior year end	1,021,122	857,359
	Defined benefit cost included in P&L	392,478	363,663
	Total measurements included in OCI	(246,171)	(94,130)
	Other significant events/ One time IND AS 19 Adjustment	-	-
	Acquisition / Divestiture	-	-
	Amounts recognised due to plan	-	-
	Employer contributions	-	-
	Direct benefit payments by Employer	(276,047)	(105,770)
	Effect of changes in foreign exchange rates	-	-
	Net Defined Benefit (Asset) / Liability at end of period	891,382	1,021,122
<b>VIII</b>	<b>Reconciliation of Statement of Other Comprehensive Income</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	Cumulative OCI - (Income) / Loss, beginning of period	253,303	347,433
	Total remeasurements included in OCI	(246,171)	(94,130)
	Cumulative OCI - (Income) / Loss, end of period	7,132	253,303
<b>IX</b>	<b>Current / Non Current Liability</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	Current Liability	145,624	14,684
	Non Current Liability	745,758	1,006,438
	Non Current Asset	-	-
	Total	891,382	1,021,122
<b>X</b>	<b>Expected Future Cashflows</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	Year 1	145,624	14,684
	Year 2	141,660	17,604
	Year 3	129,934	19,793
	Year 4	115,083	23,667
	Year 5	103,009	26,450
	Years 6 to 10	358,933	161,935



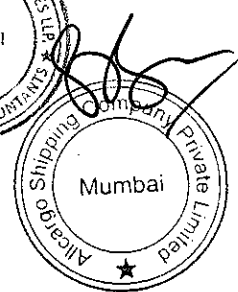
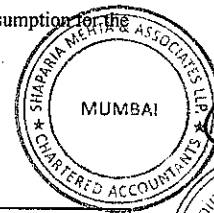
<b>XI</b>	<b>Components of Defined Benefit Cost for Next Year</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	Service Cost		
	a. Current service Cost	166,260	319,486
	b. Past service cost	-	-
	c. (Gain) / loss on settlements	-	-
	d. Total service cost	166,260	319,486
	Net Interest cost		
	a. Interest expense 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>XII</b>	<b>The weighted-average asset allocations at the year end were as follows</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	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>XIII</b>	<b>Financial Assumptions</b>	<b>01-Apr-17 to 31-Mar-18</b>	<b>01-Apr-16 to 31-Mar-17</b>
	Discount Rate	7.15%	7.20%
	Salary Increase Rate	8.00%	8.00%
<b>XIV</b>	<b>Demographic Assumptions</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
	Withdrawal Rate	Service Based : Service <= 4 years : 50% p.a. Service > 4 years : 18.18% p.a.	Service Based : Service <= 4 years : 25% p.a. Service > 4 years : 2% p.a.
	Retirement age	58 years	58 years
<b>XV</b>	<b>Valuation</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	Number of Employees	16	25
	Total Monthly Salary (INR)	839,992	1,202,118
	Average Monthly Salary (INR)	52,500	48,085
	Average Age (Years)	38.63	36.28
	Average Past Services (Years)	4.30	2.79
	Average Expected Future Working Life (Years)	3.95	11.09
<b>XVI</b>	<b>Sensitivity Analysis :-</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	Discount Rate		
	a. Discount rate - 100 basic points	935,942	1,196,556
	b. Discount rate + 100 basic points	850,856	876,196
	Salary increase rate		
	a. Rate - 100 basic points	850,810	875,964
	b. Rate + 100 basic points	935,158	1,717,303
	Attrition rate		
	a. Rate - 100 basic points		1,043,587
	b. Rate + 100 basic points		1,000,563

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</b>	<b>Leave Encashment</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	Defined Benefit Obligation	1,279,023	1,819,254
	Discount rate at year end	7.15%	7.20%
<b>II</b>	<b>Sick Leaves</b>	<b>31-Mar-18</b>	<b>31-Mar-17</b>
	Defined Benefit Obligation	171,657	234,080
	Discount rate at year end	7.15%	7.20%



**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. 47.99 akhs (31 March 2017: Rs.49.84 lakhs). There are no exceptional / restrictive covenants in the lease agreements.

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

	31 March 2018	31 March 2017
Within one year	1,620,000	4,491,000
After one year but not more than five years	3,240,000	4,491,000
More than five years	-	-
	<b>4,860,000</b>	<b>8,982,000</b>

**b. Contingent liabilities**

**(i) Disputed liabilities in appeal**

- Income Tax (A.Y 12-13)

	31 March 2018	31 March 2017
	0	388,110
	-	<b>388,110</b>

Based on the Order u/s 250 of Income tax Act dated 22 April 2018, the Commissioner of Income tax has passed an order allowing the appeal made by the assessee and hence, there is no further need for contingent liability mentioned in the last financial year.

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 consolidated results of operations or financial position.

**27 (II) 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 2018	31 March 2017
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. Earnings in Foreign Currency**

**Revenue from operations**

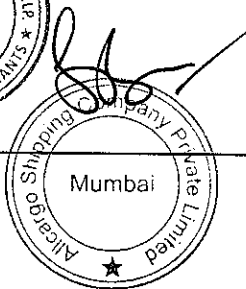
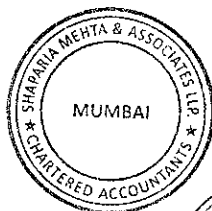
- Charter & Operational Revenue
- Bare Boat Charter Income
- Technical Management Fees
- Demurrage

	31 March 2018	31 March 2017
	13,650,187	35,272,354
	136,636,707	143,750,083
	46,387,212	48,292,200
	200,437	-

**Other income**

- Miscellaneous Income
- Profit on Sale of Fixed Asset
- Corporate guarantee Fees
- Dividend income

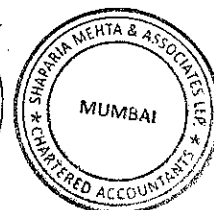
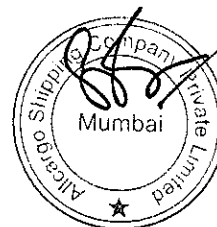
	31 March 2018	31 March 2017
	-	4,356,606
	-	109,847,796
	-	-
	<b>196,874,543</b>	<b>341,519,038</b>





**Allcargo Shipping Co. Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2018**  
**(Amount in Indian Rupees)**

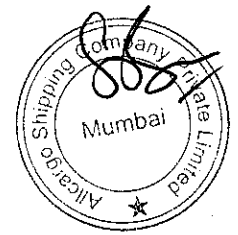
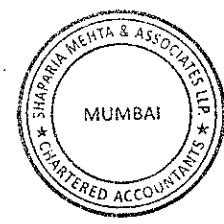
		31 March 2018	31 March 2017	
<b>c. Expenditure in Foreign Currency</b>				
Professional and consultation fees				
<b>Others:</b>				
(a) Operating expenses				
- Vessel Operations		14,068,904	46,002,599	
(b) Interest on bank loan		17,914,208	8,933,020	
(c) Communication Expenses		710,843	2,104,430	
(d) Insurance expenses		7,063,376	8,731,091	
		<u>39,757,331</u>	<u>65,771,140</u>	
		<b>31 March 2018</b>	<b>31 March 2017</b>	
<b>d. Value of Imports on CIF basis</b>				
Capital Goods		25,399,547	65,116,076	
Stores and spare parts		4,083,729	32,083,085	
		<u>29,483,276</u>	<u>97,199,160</u>	
<b>e. Details of consumption of imported and indigenous items :-</b>				
	<b>31 March 2018</b>		<b>31 March 2017</b>	
	<b>Value</b>	<b>% of Total Consumption</b>	<b>Value</b>	<b>% of Total Consumption</b>
Imported Spares	4,083,729	29	32,083,085	57
Indegeneous Spares	10,207,361	71	24,341,687	43
	<u>14,291,090</u>	<u>100</u>	<u>56,424,771</u>	<u>100</u>
<b>f. Details on derivatives instruments and unhedged foreign currency exposures:-</b>				
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:				
	<b>31st March, 2018</b>		<b>31st March, 2017</b>	
	<b>Currency</b>	<b>Amount (Rs.)</b>	<b>Currency</b>	<b>Amount (Rs.)</b>
Trade and Other Creditors				
	USD	135,750	USD	133,958
	LKR	-	LKR	40,000
	JPY	219,517		
	EUR	23,726		
Buyers Credit	USD	292,257,376	USD	389,734,629
Interest accrued but not due on borrowings	USD	9,553,038	USD	6,060,115
		<u>378,993</u>		<u>173,958</u>



**26 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.

Nature of transaction	Holding Company		Fellow Subsidiaries		Associates of Holding Company	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
<b>Other related parties</b>						
<b>I. Holding Company</b>						
Allcargo Logistics Limited	-	3,000,000	-	-	-	-
<b>II. Fellow subsidiaries</b>						
Contol Line India Agencies Pvt. Ltd.	-	-	-	-	-	-
<b>III. Associates of Holding Company</b>						
Allcargo Logistics Lanka Private Limited	-	-	-	-	136,636,707	143,750,083
<b>IV. Key managerial personnel</b>						
a. Mr. Shashi Kiran Shetty	-	-	-	-	46,387,213	48,292,200
b. Mr. Adarsh Hegde	-	-	-	-	-	-
c. Mrs. Arathi Shetty	-	-	-	-	-	-
<b>Summary of transactions with related parties:</b>						
<b>Vessel Operating Income</b>						
a. Interest received or accrued on loan	-	-	-	-	-	-
b. Interest received or accrued on advances	-	-	-	-	-	-
c. Bareboat Charter Income	-	-	-	-	-	-
d. Technical Management Fees	-	-	-	-	-	-
<b>Vessel Operation Expenses</b>						
a. Reimbursement Expense	228,925	204,400	-	-	8,486,658	-
b. Business Support charges	940,241	5,374,550	-	-	-	-
c. Charter Hire Charges	2,083,881	-	-	-	4,800,616	-
d. Rent Paid	-	-	-	-	-	3,689,778
<b>Loans</b>						
Opening balance	-	-	-	-	-	-
Add: Loans taken	-	-	-	-	-	-
Less: Loans repaid	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
<b>Advances</b>						
Opening balance	-	1,132	-	-	-	-
Add: Advances taken	1,152,490	7,159,542	-	-	-	-
Less: Advances given back	1,152,490	7,160,674	-	-	-	-
Closing Balance	-	-	-	-	-	-
<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	5,787	-	-	-	-
Less-Interest paid	3,761	5,787	-	-	-	-
Closing Balance	-	-	-	-	-	-
<b>Outstanding Receivable</b>						
a. Trade receivables	-	-	-	-	24,288,801	-
b. Advance to supplier of goods	-	-	-	-	-	-
<b>Other advances</b>						
Advance from customer	-	-	22,119	22,119	-	-
<b>Outstanding Payable</b>						
a. Trade payables	365,062	-	-	-	6,541,308	4,705,157
<b>Terms and conditions of transactions with related parties</b>						
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 2017, the company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2016: INR Nil, 1 April 2015: 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.						



**27 Fair value Hierarchy :-**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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)
<b>FVTPL Financial Investments</b>	<b>31-Mar-17</b>			
Unquoted Investments - Mutual Funds	28,331,033	28,331,033	-	-
<b>Total Financial Assets measured at Fair Value</b>	<b>28,331,033</b>	<b>28,331,033</b>	-	-
<b>Financial Liabilities measured at Fair Value</b>				
Interest rate Forward Contract	1,663,256	-	1,663,256	-

	Total	Fair Value		
		Quoted Price in active market (Level 1)	Significant Observable Inputs (Level 2)	Significant unobservable inputs (level 3)
<b>FVTPL Financial Investments</b>	<b>31-Mar-18</b>			
Unquoted 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>Financial Liabilities measured at Fair Value</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.

Financial assets as at 31 March 2018 are Rs.86,869,432/- (31 March 2017: Rs. 16,99,21,368/- crore, 31 March 2016: Rs. 17,46,74,373/-) which includes trade receivables, short term loans, cash and cash equivalents, other bank balances and other financial assets.

Financial liabilities as at 31 March 2018 are Rs.148,397,309/- (31 March 2017: Rs. 15,38,93,185/-, 31 March 2016: Rs. 13,20,23,212/-) which includes trade payables, other payables and other financial liabilities.

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.

**28 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.

**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.

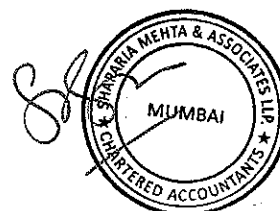
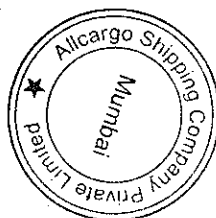
**29 Capital management**

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 2018	31 March 2017
<b>Total Liabilities</b>	410,784,114	532,773,456
<b>Less: cash and cash equivalents</b>	(45,023,076)	(150,186,718)
<b>Adjusted Net debt</b>	<b>365,761,037</b>	<b>382,586,738</b>
<b>Total Equity</b>	413,274,464	486,840,581
<b>Adjusted Equity</b>	<b>413,274,464</b>	<b>486,840,581</b>
<b>Adjusted Net Debt to Adjusted Equity Ratio</b>	0.89	0.79

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 2018 and 31 March 2017.



**Allcargo Shipping Co. Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2018**  
(Amount in Indian Rupees)

**30 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 2018	31 March 2017
Profit attributable to equity holders:		
Continuing operations	(73,802,449)	(179,451,284)
Discontinued operation	-	-
<b>Profit attributable to equity holders for basic earnings:</b>	<b>(73,802,449)</b>	<b>(179,451,284)</b>
Weighted average number of Equity shares for basic EPS	10,000	10,000
<b>Basic and diluted EPS</b>	<b>(7,380.24)</b>	<b>(17,945.13)</b>

**31 Events occurring after balance sheet date**

MV Sushila has been sold on April 12, 2018 and delivered to buyer on April 16, 2018, for Rs. 1,232 lakhs together with reimbursement for bunker cost. Total book value of assets sold together with bunker cost is Rs. 2,185 lakhs.

Accordingly, the Company has recognized loss on sale of assets of Rs. 953 lakhs in the current year.

**32 Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring services to a customer.

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

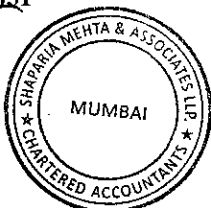
The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for financial reporting period beginning on or after 1 April 2018. The core principle of the new standard is for Companies to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company plans to adopt the new standard on the required effective

The Company is in the business of breakbulk cargo movement on Indian coast. The Company has also provided two vessels on bareboat charter agreement.

The Company is in process of finalising the impact assessment of the new revenue recognition standard on the accounting policies and contracts and hence cannot reasonably estimate the exact financial impact of implementing the new standard as at date.

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

CA Sanjiv Mehta  
Partner  
Membership No. 34950



For and on behalf of Board of directors of  
Allcargo Shipping Co. Private Limited  
CIN No. U45005MH2008PTC179478

Shashi Kiran Shetty  
Director  
DIN NO. 00012754

Adarsh Hegde  
Director  
DIN NO. 00035040

Date: **17 MAY 2018**