

**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, 2017, 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with 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, 2017, and its losses (including other Comprehensive Income), the changes in equity and its cash flows for the year ended on that date.

### Other Matters

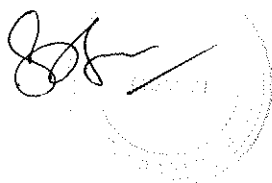
#### Incoming auditor to audit comparative information for adjustments to transition to Ind AS

The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 01, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2016 and March 31, 2015 dated May 02, 2016 and May 02, 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

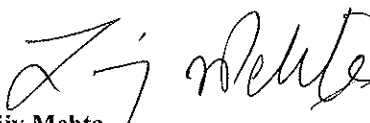
### Report on Other Legal and Regulatory Requirements

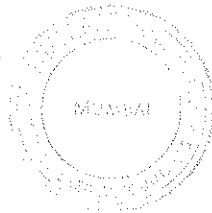
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 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 thereunder;
  - e) on the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 has disclosed the impact of pending litigation on its financial position in its financial statements: refer note 27(I)(b)(i) to the Financial Statements;
  - 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;
  - iv. the company has provided requisite disclosures in its Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407 (E) dated November 08, 2016 of the Ministry of Finance, during the period from November 08, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosure are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

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

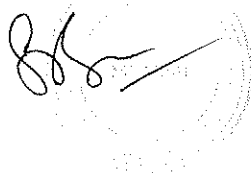
  
Sanjiv Mehta  
Partner  
Membership No.- 034950  
Place of Signature: Mumbai  
Date:



**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, 2017, 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 a 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 is not applicable to the Company.



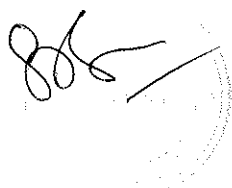
## vii. In respect of its statutory dues:

- a. In our opinion and according to the information and explanations given to us, the Company is normally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, TDS, Service tax, and any other applicable statutory dues to the appropriate authorities. There is no outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no disputed dues of service tax 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, 2017 on account of dispute is given below:

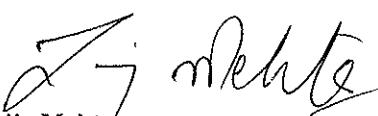
Name of Statute	Amount in INR	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	3,88,117	2011-12	CIT, Appeals

- 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 financial institutions, 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:



**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")**

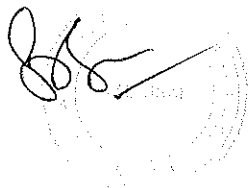
1. We have audited the internal financial controls over financial reporting of Allcargo Shipping Co. Private Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended and as at on that date.

**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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

  
**Sanjiv Mehta**  
**Partner**

**Membership No.- 034950**

**Place of Signature: Mumbai**

**Date:**



**Allcargo Shipping Company Private Limited**  
**Balance sheet as at 31 March 2017**  
**(Amount in Indian Rupees)**

	Notes	31 March 2017	31 March 2016	01 April 2015
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment (net)	3	750,782,876	941,559,009	435,769,876
Other intangible assets	4	1,501,001	2,268,656	2,884,149
Financial assets				
Other financial assets	5	5,861,735	4,272,651	600,000
Non-current tax assets (net)	16	31,990,228	40,328,334	23,683,696
Other non-current assets	6	391,226	1,315,108	-
<b>Total - Non-current assets</b>		<b>790,527,066</b>	<b>989,743,757</b>	<b>462,937,720</b>
<b>Current assets</b>				
Inventories	7	7,114,745	20,877,993	28,835,219
Financial assets				
Investments	8.1	28,331,033	30,169,396	108,503,454
Short term loans	8.2	235,971	180,378	310,925
Trade receivables	8.3	11,546,060	36,951,876	84,094,104
Cash and cash equivalents	8.4	50,929,316	130,669,468	10,232,315
Other bank balances	8.4	99,257,401	-	-
Other financial assets	8.5	2,090,884	2,600,000	-
Other current assets	6	29,581,561	29,812,957	166,341,749
<b>Total - Current assets</b>		<b>229,086,971</b>	<b>251,262,068</b>	<b>398,317,765</b>
<b>Assets classified as held for sale</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>		<b>1,019,614,037</b>	<b>1,241,005,826</b>	<b>861,255,485</b>

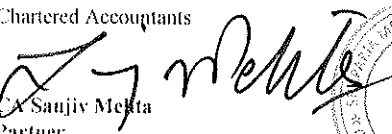
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity share capital	9	100,000	100,000	100,000
Other equity	10	486,740,581	666,128,854	690,363,470
<b>Equity attributable to equity holders of the parent</b>		<b>486,840,581</b>	<b>666,228,854</b>	<b>690,463,470</b>
Non-controlling interests		-	-	-
<b>Total Equity</b>		<b>486,840,581</b>	<b>666,228,854</b>	<b>690,463,470</b>
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	11	297,282,323	400,537,935	4,836,682
Net employment defined benefit liabilities	13	1,970,759	1,540,298	1,007,687
Deferred tax liability (net)	16	14,012,559	10,247,890	3,368,194
<b>Total - Non-current liabilities</b>		<b>313,265,641</b>	<b>412,326,123</b>	<b>9,212,563</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	11	-	1,132	187,041
Trade payables	14	49,294,606	24,244,218	30,138,328
Other financial liabilities	12	104,598,578	107,778,994	-
Net employment defined benefit liabilities	13	1,103,697	1,106,657	1,640,136
Other current liabilities	15	64,510,934	29,319,848	129,613,947
<b>Total - Current liabilities</b>		<b>219,507,816</b>	<b>162,450,848</b>	<b>161,579,452</b>
<b>Total equity and liabilities</b>		<b>1,019,614,037</b>	<b>1,241,005,826</b>	<b>861,255,485</b>

Significant accounting policies  
Notes to the financial statements

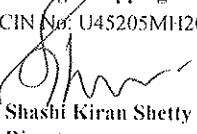
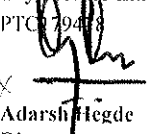
The notes referred to above are an integral part of these financial statements

As per our report of even date attached

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

  
Sanjiv Mehta  
Partner  
Membership No. 34950

For and on behalf of Board of directors of  
Allcargo Shipping Company Private Limited  
CIN No. U45205MH2008PTC029478

   
Shashi Kiran Shetty      Adarsh Hegde  
Director                      Director  
DIN NO. 00012754      DIN NO. 00035040

Date: 17th May, 2017

**Allcargo Shipping Company Private Limited**  
**Statement of Profit and Loss for the year ended 31 March 2017**  
**(Amount in Indian Rupees)**

	Notes	31 March 2017	31 March 2016
<b>Continuing Operations</b>			
<b>Income</b>			
Revenue from operations	17	526,668,966	1,047,657,688
Other income	18	87,253,901	8,877,760
Finance income	19	2,182,913	1,763
<b>Total income</b>		<b>616,105,779</b>	<b>1,056,537,212</b>
<b>Expenses</b>			
Cost of services rendered	20	389,337,546	808,635,742
Employee benefits expense	21	42,738,588	41,917,313
Depreciation and amortisation expenses	22	239,355,899	159,081,806
Finance costs	23	15,676,549	13,778,643
Other expenses	24	84,206,013	44,180,480
<b>Total expenses</b>		<b>771,314,595</b>	<b>1,067,593,984</b>
<b>Profit before share of profit of associates and joint ventures and tax from continuing operations</b>		<b>(155,208,816)</b>	<b>(11,056,772)</b>
Share of profits of associates and joint ventures		-	-
<b>Profit before tax</b>		<b>(155,208,816)</b>	<b>(11,056,772)</b>
<b>Tax expense:</b>			
Current tax		19,919,793	14,769,975
Adjustment of tax relating to earlier periods		122,393	53,390
Less: MAT credit entitlement		(8,905,140)	(13,974,120)
Deferred tax credit/(charge)		13,105,422	20,896,759
<b>Total tax expense</b>		<b>24,242,468</b>	<b>21,746,004</b>
<b>Profit for the year from Continuing Operation (i)</b>		<b>(179,451,284)</b>	<b>(32,802,776)</b>
<b>Profit for the year (A)</b>		<b>(179,451,284)</b>	<b>(32,802,776)</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		94,130	(347,433)
Income tax effect		(31,119)	42,943
		63,011	(304,490)
<b>Other Comprehensive Income for the year, net of tax (B)</b>		<b>63,011</b>	<b>(304,490)</b>
<b>Total Comprehensive income for the year, net of tax (A) + (B)</b>		<b>(179,388,273)</b>	<b>(33,107,266)</b>
<b>Profit attributable to:</b>			
- Equity holders of the parent		(179,451,284)	(32,802,776)
- Non-controlling interests		-	-
<b>Total comprehensive income attributable to:</b>			
- Equity holders of the parent		(179,388,273)	(33,107,266)
- Non-controlling interests		-	-
<b>Earnings per equity share (nominal value of Rs 10 each)</b>			
Basic and diluted	35	(17,945.13)	(3,280.28)

Significant accounting policies

Notes to the financial statements

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: 17th May, 2017



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

Shashi Kiran Shetty  
Director  
DIN NO. 00012754

Adarsh Hegde  
Director  
DIN NO. 00035040

**(A) Equity Share Capital:**

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

No.	Amount
At 1 April 2015	100,000.00
Issue of share capital (Note 10)	-
At 31 March 2016	100,000.00
Issue of share capital (Note 10)	-
At 31 March 2017	100,000.00

**(B) Other Equity:**

For the year ended 31 March 2017

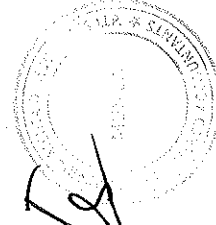
Particulars	Reserves & Surplus							Total equity
	Equity Component of Corporate guarantees (Note 10)	Equity Component of Preference Shares (Note 10)	Securities premium account (Note 10)	Tonnage tax reserve (Note 10)	Utilised Tonnage tax reserve (Note 10)	Exchange translation reserve (Note 10)	Foreign currency monetary item translation difference account (Note 10)	
As at 31st March 2016	8,872,651	7,350,088	695,887,000	5,955,000	15,236,115	-	-	666,128,854
Net Profit for the period	-	-	-	-	-	-	-	-179,451,284
Re-measurement of Net Defined Benefit plans- FVTOCI	-	-	-	-	-	-	-	63,011
Total comprehensive income	8,872,651	7,350,088	695,887,000	5,955,000	15,236,115	-	-	486,740,581
As at 31 March 2017	8,872,651	7,350,088	695,887,000	5,955,000	15,236,115	-	-	486,740,581

For the year ended 31 March 2016

Particulars	Reserves & Surplus						Total equity	
	Equity Component of Corporate guarantees (Note 10)	Equity Component of Preference Shares (Note 10)	Securities premium account (Note 10)	Tonnage tax reserve (Note 10)	Utilised Tonnage tax reserve (Note 10)	Exchange translation reserve (Note 10)		Foreign currency monetary item translation difference account (Note 10)
As at 1st April 2015	-	7,350,088	695,887,000	5,955,000	15,236,115	-	-34,064,733	690,363,470
Net Profit for the period	-	-	-	-	-	-	-32,802,776	-32,802,776
Additions during the year	8,872,651	-	-	-	-	-	8,872,651	8,872,651
Re-measurement of Net Defined Benefit plans- FVTOCI	-	-	-	-	-	-	-304,490	-304,490
Total comprehensive income	8,872,651	7,350,088	695,887,000	5,955,000	15,236,115	-	-67,172,000	666,128,854
As at 31 March 2016	8,872,651	7,350,088	695,887,000	5,955,000	15,236,115	-	-67,172,000	666,128,854

As per our report of even date attached

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



*(Signature)*  
Sanjiv Mehta  
Partner  
Membership No. 34950

Date: 17th May, 2017

For and on behalf of Board of directors of  
Alicargo Shipping Company Private Limited  
CIN No. U45205MH2008PTC179478

*(Signature)*  
Shashi Kiran Shetty  
Director  
DIN NO. 00012754

*(Signature)*  
Adarsh Hegde  
Director  
DIN NO. 00035040

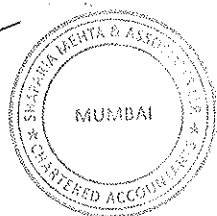
Subsidiary Company Name  
Statement of Cash Flows for the period ended 31 March 2017  
(Amount in Indian Rupees)

Particulars	31 March 2017	31 March 2016
<b>Operating activities</b>		
Profit before tax from continuing operations	(155,208,816)	(11,056,772)
Profit before tax from discontinued operations	-	-
<b>Profit before tax</b>	(155,208,816)	(11,056,772)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation of property, plant and equipment	238,588,244	158,316,313
Amortisation of intangible assets	767,655	765,493
Compensated absences & Gratuity expense	1,275,318	1,694,017
Provision for Doubtful Receivables (Net)	9,574,886	6,188,064
Bad debts / advances written off	5,134,411	-
Sundry balances written back	(1,180,280)	(6,389,820)
Finance costs	15,676,549	13,778,643
Interest Income	(2,182,913)	(1,763)
Gain on disposal of property, plant and equipment	(79,140,316)	-
Profit on sale of investments (net)	(193,049)	(2,487,940)
Fair valuation of investment	(1,838,588)	-
forex gain/loss adjustment	(7,361,691)	(413,431)
<b>Working capital adjustments:</b>		
Decrease / (increase) in trade receivables	10,696,519	40,954,164
Decrease / (increase) in long term and short term loans and advances	(55,593)	130,548
Decrease / (increase) in inventories	13,763,248	7,957,225
(Increase) in unbilled revenue	470,298	5,522,127
Decrease / (increase) in other current and non current assets	(4,045,255)	131,006,665
(Decrease)/ Increase in trade payables, other current and non current liabilities	41,626,569	(99,798,390)
(Decrease)/ Increase in provisions	(753,687)	(2,042,318)
<b>Cash generated from operating activities</b>	85,613,509	244,122,824
Income tax paid (including TDS) (net)	(10,252,740)	(31,468,003)
<b>Net cash flows from operating activities (A)</b>	75,360,768	212,654,820
<b>Investing activities</b>		
Proceeds from sale of property, plant and equipment	100,789,023	3,237
Purchase of property, plant and equipment (including CWIP)	(48,350,474)	(645,339,080)
Proceeds from sale of current investments	3,870,001	118,321,998
Purchase of current investments	-	(37,500,000)
Interest income received	-	1,763
<b>Net cash flows from / (used in) investing activities (B)</b>	56,308,549	(564,512,082)
<b>Financing activities</b>		
Proceeds from long term borrowings	-	472,562,413
Repayment of long term borrowings	(102,303,467)	-
Proceeds from short term borrowings	7,160,253	20,295,768
Repayment of short term borrowings	(7,161,384)	(20,481,677)
Funds earmarked and not considered as Cash & Cash Equivalent	(99,257,401)	-
Finance costs	(9,847,470)	(82,089)
<b>Net cash flows from / (used in) financing activities (C)</b>	(211,409,470)	472,294,415
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	(422,818,939)	944,588,830
Opening balance of cash and cash equivalents (refer note 10.4)	(79,740,152)	120,437,153
<b>Cash and cash equivalents at the end</b>	130,669,468	10,232,315
	50,929,316	130,669,468

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



For and on behalf of Board of directors of  
Allcargo Shipping Company Private Limited  
CIN No: U45205MH2008

Shashir Kiran Shetty  
Director  
DIN NO. 00012754

Adarsh Hegde  
Director  
DIN NO. 00035040

Date: 17th May, 2017

# Allcargo Shipping Company Private Limited

## Notes to the financial statements for the year ended 31 March 2017

### 1. Significant accounting policies

#### (a) Statement of compliance

In accordance with the notification issued by Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous periods have been restated to Ind AS. In accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards", the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016.

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.

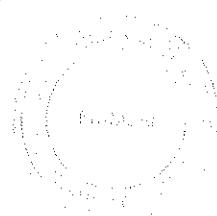
A liability is current when:

- 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 Company Private Limited

## Notes to the financial statements for the year ended 31 March 2017

### 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 to 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

# Allcargo Shipping Company Private Limited

## Notes to the financial statements for the year ended 31 March 2017

with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

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

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

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

The Company has elected to continue with the carrying value for all its Property, plant and equipment as recognized in its Indian GAAP Financial Statements as deemed cost at the transition date, viz., 01 April, 2015.

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

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

### Depreciation

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

# Allcargo Shipping Company Private Limited

## Notes to the financial statements for the year ended 31 March 2017

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

<i>Category</i>	<i>Useful lives (in years)</i>
<i>Vessels*</i>	25
<i>Computers</i>	3
<i>Office equipments</i>	5

\*25 years from original make.

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

### **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:

<b>Asset class</b>	<b>Useful life</b>
	<i>(in years)</i>
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.



# Allcargo Shipping Company Private Limited

Notes to the financial statements for the year ended 31 March 2017

## 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.

## k. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

## l. 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.

## m. 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.

## n. 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



# Allcargo Shipping Company Private Limited

Notes to the financial statements for the year ended 31 March 2017

## Defined contribution plans:

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

## Defined benefit plan:

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

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

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

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

## o. 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:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into

# Allcargo Shipping Company Private Limited

## Notes to the financial statements for the year ended 31 March 2017

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.

### **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.

# Allcargo Shipping Company Private Limited

## Notes to the financial statements for the year ended 31 March 2017

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.

#### p. 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.

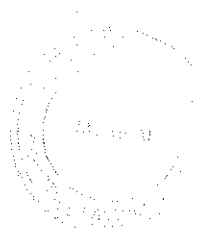
#### q. Cash flow statement

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.

#### r. Earnings per equity share

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

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

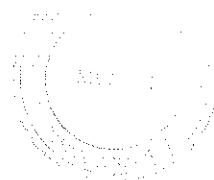


**Allcargo Shipping Company Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2017**  
**(Amount in Indian Rupees)**

**3 Property, Plant and Equipment**

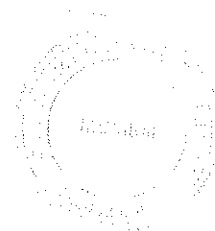
Description	Vessels	Office Equipment	Computers	Total
<b>Cost or Valuation</b>				
<b>Balance as at 01 April 2015</b>	434,893,746	219,464	656,665	435,769,876
Additions	662,370,691	1,339,753	398,239	664,108,683
Disposals	-	(5,064)	-	(5,064)
Discontinued operations	-	-	-	-
Exchange differences	-	-	-	-
<b>Balance as at 31 March 2016</b>	<b>1,097,264,437</b>	<b>1,554,153</b>	<b>1,054,904</b>	<b>1,099,873,495</b>
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>914,950,222</b>
<b>Depreciation and impairment</b>				
Depreciation for the year	157,741,003	241,967	333,343	158,316,313
Disposals	-	(1,827)	-	(1,827)
Discontinued operations	-	-	-	-
Exchange differences	-	-	-	-
<b>Balance as at 31 March 2016</b>	<b>157,741,003</b>	<b>240,140</b>	<b>333,343</b>	<b>158,314,486</b>
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>
<b>Net Block</b>				
As at 01 April 2015	434,893,746	219,464	656,665	435,769,876
As at 31 March 2016	939,523,434	1,314,013	721,561	941,559,009
As at 31 March 2017	<b>748,959,057</b>	<b>1,336,002</b>	<b>487,817</b>	<b>750,782,876</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.
- 2) During the year, the Company has revised it's estimated life of the vessels based on the Ship Survey Status report. On account of the change in estimate, depreciation has increased by Rs. 7.97 crores thereby increasing the loss to that extent.



## 4 Intangible assets

Description	Computer software	Total
<b>Gross Block</b>		
Balance as at 01 April 2015	2,884,149	2,884,149
Additions	150,000	150,000
Disposals	-	-
Discontinued operations	-	-
Exchange differences	-	-
<b>Balance as at 31 March 2016</b>	<b>3,034,149</b>	<b>3,034,149</b>
Additions	-	-
Disposals	-	-
Exchange differences	-	-
<b>Balance as at 31 March 2017</b>	<b>3,034,149</b>	<b>3,034,149</b>
<b>Amortisation</b>		
Amortisation	765,493	765,493
Accumulated amortisation on disposals	-	-
Discontinued operations	-	-
Exchange differences	-	-
<b>Balance as at 31 March 2016</b>	<b>765,493</b>	<b>765,493</b>
Amortisation	767,655	767,655
Accumulated amortisation on disposals	-	-
Exchange differences	-	-
<b>Balance as at 31 March 2017</b>	<b>1,533,148</b>	<b>1,533,148</b>
<b>Net book value</b>		
At 01 April 2015	2,884,149	2,884,149
At 31 March 2016	2,268,656	2,268,656
At 31 March 2017	1,501,001	1,501,001



Allcargo Shipping Company Private Limited  
Notes to the financial statements as at and for the year ended 31 March 2017  
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5 Other Financial assets

	31 March 2017	Non-current portion 31 March 2016	01 April 2015	31 March 2017	Current portion 31 March 2016	01 April 2015
<b>To parties other than related parties</b>						
Security deposits						
Unsecured, considered good	4,279,968	600,000	600,000	-	-	-
Doubtful	-	-	-	-	-	-
	4,279,968	600,000	600,000	-	-	-
Less: Provision for doubtful deposits	-	-	-	-	-	-
	4,279,968	600,000	600,000	-	-	-
<b>Unsecured, considered good</b>						
Corporate Guarantee Fees	1,581,767	3,672,651	-	2,090,884	2,600,000	-
	1,581,767	3,672,651	-	2,090,884	2,600,000	-
<b>Total Other long-term financial assets</b>	<b>5,861,735</b>	<b>4,272,651</b>	<b>600,000</b>	<b>2,090,884</b>	<b>2,600,000</b>	<b>-</b>

6 Other assets

*Unsecured considered good, unless stated otherwise*

	31 March 2017	Non-current 31 March 2016	01 April 2015	31 March 2017	Current 31 March 2016	01 April 2015
Capital advances	-	1,315,108	-	-	-	-
Prepaid expenses	391,226	-	-	8,727,012	10,869,072	9,227,658
Unbilled revenue	-	-	-	2,464,602	2,934,900	8,457,027
Advances for supply of services	-	-	-	16,114,748	11,563,610	125,891,774
CENVAT receivables	-	-	-	2,275,198	4,445,374	22,763,382
Others	-	-	-	-	-	1,907
	391,226	1,315,108	-	29,581,561	29,812,957	166,341,749

7 Inventories

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

	31 March 2017	31 March 2016	01 April 2015
Stores and spares	3,582,637	9,788,282	10,056,137
Bunker and lube oil	3,532,108	11,089,712	18,779,082
	7,114,745	20,877,993	28,835,219

8.1 Current investments

	31 March 2017	31 March 2016	01 April 2015
<b>Investments at fair value through P&amp;L (fully paid)</b>			
Unquoted equity instruments (fully paid-up)			
4,898,779 Units (PY 2,848.011) of Baroda Pioneer Liquid Fund - Plan A Growth	9,128,182	4,947,304	21,969,179
5,833,3832 (PY 8212.6135) of Kotak Liquid Scheme Plan A Growth	19,202,851	25,222,092	86,534,274
	28,331,033	30,169,396	108,503,454

8.2 Short term loans

	31 March 2017	31 March 2016	01 April 2015
<b>To parties other than related parties</b>			
Loans / advances to employees	235,971	180,378	290,925
<b>To related parties</b>			
Loans to associate / joint ventures	-	-	20,000
<b>Total Loans</b>	<b>235,971</b>	<b>180,378</b>	<b>310,925</b>

8.3 Trade receivables

	31 March 2017	31 March 2016	01 April 2015
Trade receivables			
Receivables from associates and joint ventures	22,733,159	39,407,219	84,094,104
Receivables from other related parties	3,641,074	2,797,944	-
<b>Total trade receivables</b>	<b>26,374,233</b>	<b>42,205,163</b>	<b>84,094,104</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	13,676,438	7,022,213	7,207,854
Allowance for doubtful debts	(13,676,438)	(5,253,287)	-
	-	1,768,926	7,207,854
<b>Other receivables</b>			
Secured, considered good	-	-	-
Unsecured, considered good	12,697,795	35,182,950	76,886,249
Doubtful	-	-	-
Allowance for doubtful debts	(1,151,735)	-	-
	11,546,060	35,182,950	76,886,249
<b>Total Trade receivables</b>	<b>11,546,060</b>	<b>36,951,876</b>	<b>84,094,104</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 bank balances

	31 March 2017	31 March 2016	01 April 2015
<b>Cash and cash equivalents</b>			
<b>Balances with banks</b>			
- On current accounts	50,449,503	129,774,425	8,928,819
Cash on hand	479,813	895,044	1,303,496
	<u>50,929,316</u>	<u>130,669,468</u>	<u>10,232,315</u>
<b>Other bank balances</b>			
Funds in current account earmarked for repayment of Buyer's Credit Loan	99,257,401	-	-
	<u>99,257,401</u>	<u>-</u>	<u>-</u>
	<u>150,186,717</u>	<u>130,669,468</u>	<u>10,232,315</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 2017	31 March 2016	01 April 2015
Balances with banks:			
On current accounts	50,449,503	129,774,425	8,928,819
Cash on hand	479,813	895,044	1,303,496
	<u>50,929,316</u>	<u>130,669,468</u>	<u>10,232,315</u>

8.5 Other Financial assets

	31 March 2017	31 March 2016	01 April 2015
<b>Current portion of other long-term financial assets (refer note 7.3)</b>			
To parties other than related parties	2,090,884	2,600,000	-
To related parties	-	-	-
<b>Total Other Financial assets</b>	<u>2,090,884</u>	<u>2,600,000</u>	<u>-</u>

9 Share capital

**Authorised capital:**

	Equity shares		Preference shares	
	No of Shares	Amount	No of Shares	Amount
At 01 April 2015	50,000	500,000	545,000	54,500,000
Increase / (decrease) during the year	-	-	-	-
At 31 March 2016	50,000	500,000	545,000	54,500,000
Increase / (decrease) during the year	-	-	-	-
At 31 March 2017	<u>50,000</u>	<u>500,000</u>	<u>545,000</u>	<u>54,500,000</u>

**Terms/ rights attached to equity shares**

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.

**Terms/ rights attached to preference shares**

1% & 10% Non cumulative redeemable preference shares of Rs 100 each shall be redeemed at the end of the 10th year from the date of allotment of preference shares at par or at a premium, either wholly or partly in one or more tranche at the option of that Company as may be determined by the Board of Directors of that Company from time to time. The preference shareholder shall be entitled to the dividend on the said preference shares @ 1% and 13% per annum respectively as and when declared by that Company in accordance with the provisions of the Companies Act, 2013.

**Issued equity capital:**

	Issued equity share capital	
	No of Shares	Amount
Issued, subscribed and fully paid-up:		
At 1 April 2015	10,000	100,000
Changes during the period	-	-
At 31 March 2016	10,000	100,000
Changes during the period	-	-
At 31 March 2017	<u>10,000</u>	<u>100,000</u>

(i) Details of shareholders holding more than 5% shares of a class of shares

Name of shareholders	As at 31 March 2017		As at 31 March 2016	
	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	9,999.00	99.99%	9,999.00	99.99%

(ii) Reconciliation of number of the equity shares and preference shares outstanding at the beginning and at the end of the year:

	As at 31 March 2017		As at 31 March 2016	
	No of Shares	Amount	No in lakhs	Amount
Equity Shares				
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>

(iii) Details of shares held by holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	Equity Shares in Voting Rights	Equity Shares with Differential Voting Rights	Compulsorily convertible Preference Shares	Optionally convertible Preference Shares	Redeemable Preference Shares
As at 31st March, 2017	Number of Shares				
Allcargo Logistics Limited Holding Company	9,999				107,630



10 Other equity

	Amount in Rs
<b>Share premium</b>	
At 01 April 2015	695,887,000
Amount utilised towards the issue of fully paid bonus shares	-
At 31 March 2016	695,887,000
Amount utilised towards the issue of fully paid bonus shares	-
At 31 March 2017	695,887,000
<b>Equity Component of Corporate guarantees</b>	
At 1 April 2015	-
Additions during the year	8,872,651
At 31 March 2016	8,872,651
Additions during the year	-
At 31 March 2017	8,872,651
<b>Equity Component of Preference Shares</b>	
At 1 April 2015	-
Additions during the year	7,350,088
At 31 March 2016	7,350,088
Additions during the year	-
At 31 March 2017	7,350,088
<b>Tonnage tax reserve</b>	
At 1 April 2015	-
Changes during the period	5,955,000
At 31 March 2016	5,955,000
Changes during the period	-
At 31 March 2017	5,955,000
<b>Tonnage tax reserve (utilised)</b>	
At 1 April 2015	-
Changes during the period	15,236,115
At 31 March 2016	15,236,115
Changes during the period	-
At 31 March 2017	15,236,115
<b>Surplus in Statement of profit &amp; loss account</b>	
At 1 April 2015	-
Add: Profit during the year	(34,064,733)
Add: Remeasurement of Net Defined Benefit plans	(32,802,776)
Less : Appropriations	(304,490)
Cash dividends	-
Tax on dividend	-
Transfer to tonnage tax reserve	-
At 31 March 2016	-
Add: Profit during the year	(67,172,000)
Add: OCI	(179,451,284)
Less : Appropriations	63,011
Cash dividends	-
Tax on dividend	-
Transfer to tonnage tax reserve	-
Total appropriations	-
Net Surplus in the statement of profit & loss account	(246,560,273)
<b>Total reserves and surplus</b>	486,740,581

11 Borrowings

	31 March 2017	31 March 2016	01 April 2015
<b>Non-current borrowings</b>			
<i>Borrowings (secured)</i>			
Buyers' credit	291,196,166	395,112,368	-
<i>Other borrowings (unsecured)</i>			
Convertible preference shares	6,086,157	5,425,567	4,836,682
<b>Total non-current borrowings</b>	297,282,323	400,537,935	4,836,682
<b>Current maturities of long term borrowings</b>			
<i>Borrowings (secured)</i>			
Buyers' credit	98,538,463	100,809,425	-
<b>Total non-current borrowings (Current Portion)</b>	98,538,463	100,809,425	-
<b>Current borrowings</b>			
<i>Other borrowings (unsecured)</i>			
Loan from Related Parties	-	1,132	187,041
<b>Buyers Credit</b>	-	1,132	187,041
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 22nd June, 2017			
Buyers' credit 2 is secured against Vessel Leela is repayable on 26th June, 2017			

12 Other financial liabilities

	Non-current portion			Current portion		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
<b>Other financial liabilities at amortised cost</b>						
Current maturity of long term loans (Refer Note 11)				98,538,463	100,809,425	-
Interest accrued but not due on borrowings				6,060,115	6,969,569	-
<b>Total other financial liabilities at amortised cost</b>				104,598,578	107,778,994	-

**13 Net employment defined benefit**

	Long-term			Short-term		
	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
Provision for gratuity	1,006,438	847,647	1,007,687	14,684	9,712	19,328
Provision for Compensated absences	964,321	692,651	-	1,089,013	1,096,945	1,620,808
	<u>1,970,759</u>	<u>1,540,298</u>	<u>1,007,687</u>	<u>1,103,697</u>	<u>1,106,657</u>	<u>1,640,136</u>

**14 Trade payables**

	31 March 2017	31 March 2016	01 April 2015
Trade payables	49,272,699	24,222,310	30,100,369
Trade payables to related parties	21,907	21,907	37,958
	<u>49,294,606</u>	<u>24,244,218</u>	<u>30,138,328</u>

**15 Other liabilities**

	Non-current portion			Current portion		
	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
Employee benefits payable	-	-	-	2,952,478	6,085,113	6,034,166
Statutory dues payable	-	-	-	2,138,811	2,314,899	2,282,389
Income billed in advance	-	-	-	1,342,950	-	2,933,000
Advances received from customers	-	-	-	3,757,822	2,933,233	-
Provision for expenses	-	-	-	33,837,346	17,414,763	117,737,415
Capital creditors	-	-	-	19,795,236	-	-
Others	-	-	-	686,290	571,840	626,978
	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,510,934</u>	<u>29,319,848</u>	<u>129,613,947</u>



16 Income tax

16a. Non-current tax Assets (net)			
Particulars	31 March 2017	31 March 2016	31 April 2015
Advance tax recoverable (net of provision for tax)	31,990,228	40,328,334	23,683,696
Others	-	-	-
	31,990,228	40,328,334	23,683,696
16b. Current tax Assets (net)			
Particulars	31 March 2017	31 March 2016	31 April 2015
Advance tax recoverable (net of provision for tax)	-	-	-
Others	-	-	-
	-	-	-
16c. Current tax liabilities (net)			
Particulars	31 March 2017	31 March 2016	31 April 2015
Provision for tax (net of advance tax)	-	-	-
Others	-	-	-
	-	-	-
The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are:			
Statement of profit and loss:			
Profit or loss section		31 March 2017	31 March 2016
Current income tax:			
Current income tax charge		19,919,793	14,769,975
Adjustments in respect of current income tax of previous year		122,393	53,390
MAT credit entitlement		(8,905,140)	(13,974,120)
Deferred tax:			
Relating to origination and reversal of temporary differences		13,105,422	20,896,759
Income tax expense reported in the statement of profit or loss		24,242,468	21,746,004
OCI section			
Deferred tax related to items recognised in OCI during in the year:		31 March 2017	31 March 2016
Net loss/(gain) on remeasurements of defined benefit plans		-	-
		-	-
Income tax expense charged to OCI		-	-
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2016 and 31 March 2017:			
		31 March 2017	31 March 2016
Accounting profit before tax from continuing operations		(155,208,816)	(11,056,772)
Profit/(loss) before tax from a discontinued operation		-	-
Accounting profit before income tax		(155,208,816)	(11,056,772)
At India's statutory income tax rate of 33.063% (31 March 2016: 30.9%)		(51,312,035)	(3,416,543)
Computed tax expenses			
Utilisation of previously unrecognised tax losses on which deferred tax is not recognised		(7,645,531)	(1,687,902)
(Income)/ Loss not considered for tax purpose		81,191,189	23,758,800
Expenses not allowed for tax purpose		-	-
Additional allowance for tax purpose		-	-
Income Taxable under Presumptive Taxation		552,970	795,855
Increase/ (Decrease) in Deferred Tax rate than last year		1,693,189	(220,349)
Other Timing Difference		(327,577)	2,463,297
Adjustments relating to taxes reversal of earlier years		122,393	53,390
Other Adjustment		(32,131)	(544)
Non-deductible expenses for tax purposes:		-	-
Other non-deductible expenses		-	-
At the effective income tax rate of 22.50% (31 March 2016: 16.75%)		24,242,468	21,746,004
Income tax expense reported in the statement of profit and loss		24,242,468	21,746,004
Income tax attributable to a discontinued operation		-	-
		24,242,468	21,746,004
16d. Deferred tax:			
Deferred tax relates to the following:			
	Balance Sheet		
	31 March 2017	31 March 2016	31 March 2015
Expense allowable on payment basis	(1,486,490)	(5,073,526)	-
Other items giving rise to temporary difference	(2,760,343)	(3,587,516)	(1,959,419)
Accelerated depreciation for tax purpose	(30,720,553)	(12,652,758)	-
Fair valuation of Investment	(939,620)	(397,483)	(1,408,774)
Fair Valuation of Security Deposit	9,448	-	-
Restatement for buyers credit	(1,460,995)	(2,510,727)	-
Others	-	-	-
Deferred tax expense/(income)			
Deferred tax assets/(liabilities)	(37,358,551)	(24,222,011)	(3,368,193)
MAT Credit entitlement	23,345,993	13,974,120.00	-
Net deferred tax assets/(liabilities)	(14,012,558)	(10,247,891)	(3,368,193)
Reflected in the balance sheet as follows:			
		31 March 2017	31 March 2016
Continuing operations		37,358,551	24,222,010
Discontinued operations		-	-
Deferred tax liabilities, net		37,358,551	24,222,010
Reconciliation of deferred tax liabilities (net):			
		31 March 2017	31 March 2016
Opening balance as of 1 April		(24,222,011)	(3,368,193)
Tax income/(expense) during the period recognised in profit or loss		(13,105,422)	(20,896,758)
Tax income/(expense) during the period recognised in OCI		(31,119)	42,941
Discontinued operation		-	-
Deferred taxes acquired in business combinations		-	-
Closing balance as at 31 March		(37,358,551)	(24,222,011)
The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax			

**Allcargo Shipping Company Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2017**  
**(Amount in Indian Rupees)**

**17 Revenue from operations**

	31 March 2017	31 March 2016
<b>Sale of services</b>		
Vessel operating income	474,011,360	1,009,481,163
	<u>474,011,360</u>	<u>1,009,481,163</u>
<b>Other operating revenue</b>		
Management fees	48,292,200	36,721,317
Miscellaneous income	4,365,406	1,455,209
	<u>52,657,606</u>	<u>38,176,525</u>
<b>Total revenue</b>	<u>526,668,966</u>	<u>1,047,657,688</u>

**18 Other income**

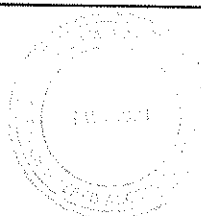
	31 March 2017	31 March 2016
<b>Other non-operating income</b>		
Net gain on disposal of property, plant and equipment	79,140,316	-
Net gain on account of foreign exchange fluctuations	4,901,667	-
Net gain on account of sale of investment (net)	193,049	1,382,986
Sundry balances written back	1,180,280	6,389,820
Fair value gain on financial instruments through profit or loss	1,838,588	1,104,954
	<u>87,253,901</u>	<u>8,877,760</u>

**19 Finance income**

	31 March 2017	31 March 2016
Interest income on others	2,182,913	1,763
	<u>2,182,913</u>	<u>1,763</u>

**20 Cost of services rendered**

	31 March 2017	31 March 2016
<b>Vessel operating expenses</b>		
Fuel and oil	109,345,327	226,960,231
Wages, bonus and other allowances of floating staff	73,217,087	82,234,579
Spares consumed	56,424,771	30,307,766
Insurance	13,696,238	12,226,159
Crew victualling expenses	8,104,504	12,505,004
Port charges	10,706,622	39,786,846
Stevedoring charges	12,208,324	24,597,574
Terminal Handling charges	52,941,566	80,510,246
Charter hire expenses	18,329,717	204,456,807
Brokerage and commission	-	2,098,962
Container lease rental and Storage Charges	6,465,437	37,283,892
Handling and Transportation charges	7,926,152	3,890,058
Vessel Survey and Inspection	2,900,698	3,530,605
Other vessel operating expenses	17,071,102	48,247,012
	<u>389,337,546</u>	<u>808,635,742</u>



**Allcargo Shipping Company Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2017**  
**(Amount in Indian Rupees)**

**21 Employee benefits expense**

	31 March 2017	31 March 2016
Salaries, wages and bonus	38,965,816	37,350,432
Contributions to provident and other funds	1,822,949	1,995,346
Staff welfare expenses	580,375	1,224,951
Compensated absences	1,005,785	940,550
Gratuity expense	363,663	406,034
	<u>42,738,588</u>	<u>41,917,313</u>

**22 Depreciation and amortisation**

	31 March 2017	31 March 2016
Depreciation of property, plant and equipment	238,588,244	158,316,313
Amortisation of intangible assets	767,655	765,493
	<u>239,355,899</u>	<u>159,081,806</u>

**23 Finance costs**

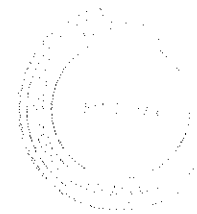
	31 March 2017	31 March 2016
<b>Interest expense</b>		
Buyers' credit	8,933,020	6,969,569
Others	3,265,587	3,270,974
	<u>12,198,607</u>	<u>10,240,543</u>
<b>Other borrowing costs</b>		
Processing fees	3,477,943	3,538,100
	<u>3,477,943</u>	<u>3,538,100</u>
	<u>15,676,549</u>	<u>13,778,643</u>

**24 Other expenses**

	31 March 2017	31 March 2016
Rent	4,984,504	5,255,591
Legal and professional fees	2,490,425	4,144,058
Travelling expenses	4,130,824	7,929,009
Repairs to building and others	696,150	1,037,283
Repairs - others	49,499,370	7,517,231
Business promotion	642,014	1,854,324
Communication charges	605,274	583,333
Rates and taxes	1,000	1,042,959
Office expenses	3,846,485	5,990,818
Electricity charges	428,659	391,449
Payment to auditors (Refer note no 25)	510,000	354,000
Provision for doubtful debts	9,574,886	6,188,064
Bad debts/advances written off	5,134,411	-
Forex exchange gain/loss (net)	-	871,687
Donations	-	500,000
Miscellaneous expenses	1,662,011	520,674
	<u>84,206,013</u>	<u>44,180,480</u>

Allcargo Shipping Company Private Limited  
Notes to the financial statements as at and for the year ended 31 March 2017  
(Amount in Indian Rupees)

25	Payments to the auditor:	31 March 2017	31 March 2016
	<b>As auditor</b>		
	Audit fee	375,000	200,000
	Tax audit fee	60,000	50,000
	Limited review	75,000	25,000
	<b>In other capacity:</b>		
	Reimbursement of expenses	-	79,000
		<b>510,000.00</b>	<b>354,000.00</b>



**26 Net employment defined benefit liabilities**

<b>(a) Defined Contributions Plans</b>		
For the Company an amount of Rs. 1,822,949 ( 31 March 2016: Rs 1,995,346) 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>(b) Defined Benefit Plans</b>		
In accordance with local laws, the Company provide for gratuity, a defined benefit retirement plan covering eligible employees in India. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date.		
The following table sets out the unfunded status of the retirement benefit plans and the amounts recognised in Financial statements: -		
<b>I Gratuity Actuarial Note</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Defined Benefit Cost : P&L Charge/ (Credit)	363,663	406,034
Accumulated Other Comprehensive (Income) / Loss	253,303	347,433
Defined Benefit Obligation	1,021,122	857,359
Fair Value of Plan Assets	-	-
Unrecognised Actuarial (Gains) / Losses	-	-
Effect of Asset Ceiling	-	-
Net Liability / (Asset) at the end of the year	1,021,122	857,359
Discount Rate at Year - end	7.20%	7.48%
<b>II Total Expense Recognised in Statement of Profit &amp; Loss Account</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Service Cost		
a. Current service cost	299,896	360,911
b. Past service cost	-	-
c. (Gain) / Loss on settlements	-	-
d. Total service cost	299,896	360,911
<b>Net Interest cost</b>		
a. Interest expense on DBO	63,767	45,123
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	63,767	45,123
Immediate Recognition of (Gains) / Losses - Other Long Term Benefits	-	-
<b>Administrative expenses and taxes</b>	-	-
Defined benefit cost included in P&L	363,663	406,034
<b>III Remeasurement Effects Recognised in Other Comprehensive Income (OCI)</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
a. Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO	-	26,458
b. Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	43,379	304
c. Actuarial (Gain) / Loss due to Experience on DBO	(137,510)	320,671
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	(94,130)	347,433
<b>III Total Cost Recognised in Comprehensive Income</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Cost Recognised in P&L	363,663	406,034
Remeasurement Effects Recognised in OCI	(94,130)	347,433
<b>Total Cost Recognised in Comprehensive Income</b>	<b>269,533</b>	<b>753,467</b>
<b>IV Change in Defined Benefit Obligation</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
Defined Benefit Obligation as of Prior Year	857,359	1,027,015
Service Cost		
a. Current service cost	299,896	360,911
b. Past service cost	-	-
c. (Gain) / loss on settlements	-	-
Interest Cost	63,767	45,123
<b>Benefit payments from plan assets</b>	-	-
Benefit payments directly by employer	(105,770)	(923,123)
<b>Settlements</b>	-	-
Participant contributors	-	-
Acquisition / Divestiture	-	-
Actuarial (Gain) / Loss - Demographic	-	26,458
<b>Actuarial (Gain) / Loss - Financial</b>	<b>43,379</b>	<b>304</b>
Actuarial (Gain) / Loss - Experience	(137,510)	320,671
Effect of changes in foreign exchange rates	-	-
Defined Benefit Obligation as of Current Year	1,021,122	857,359

**Allcargo Shipping Company Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2017**

<b>V</b>	<b>Change in Fair Value of Plan Assets</b>	<b>31-Mar-17</b>	<b>31-Mar-16</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-17</b>	<b>31-Mar-16</b>
	Defined Benefit Obligation	1,021,122	857,359
	Fair Value of Plan Assets	-	-
	Surplus / (Deficit)	1,021,122	857,359
	Effect of Asset Ceiling	-	-
	Net Defined Benefit Asset / (Liability)	1,021,122	857,359
Expected Company Contributions for the Next Year			
		-	-
<b>VII</b>	<b>Reconciliation of Amounts in Balance Sheet</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
	Net Defined Benefit (Asset) / Liability at prior year end	857,359	1,027,015
	Defined benefit cost included in P&L	363,663	406,034
	Total measurements included in OCI	(94,130)	347,433
	Other significant events/ One time IND AS 19 Adjustment	-	-
	Acquisition / Divestiture	-	-
	Amounts recognised due to plan	-	-
	Employer contributions	-	-
	Direct benefit payments by Employer	(105,770)	(923,123)
	Effect of changes in foreign exchange rates	-	-
	Net Defined Benefit (Asset) / Liability at end of period	1,021,122	857,359
<b>VIII</b>	<b>Reconciliation of Statement of Other Comprehensive Income</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
	Cumulative OCI - (Income) / Loss, beginning of period	347,433	-
	Total remeasurements included in OCI	(94,130)	347,433
	Cumulative OCI - (Income) / Loss, end of period	253,303	347,433
<b>IX</b>	<b>Current / Non Current Liability</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
	Current Liability	14,684	9,712
	Non Current Liability	1,006,438	847,647
	Non Current Asset	-	-
	Total	1,021,122	857,359
<b>X</b>	<b>Expected Future Cashflows</b>	<b>31-Mar-17</b>	
	Year 1	14,684	
	Year 2	17,604	
	Year 3	19,793	
	Year 4	23,667	
	Year 5	26,450	
	Years 6 to 10	161,935	



Notes to the financial statements as at and for the year ended 31 March 2017			
<b>XI</b>	<b>Components of Defined Benefit Cost for Next Year</b>	<b>31-Mar-17</b>	
	Service Cost		
	a. Current service Cost	319,486	
	b. Past service cost	-	
	c. (Gain) / loss on settlements	-	
	d. Total service cost	319,486	
	Net Interest cost		
	a. Interest expense on DBO	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	72,992	
	Immediate Recognition of (Gains) / Losses - Other Long Term Benefits	-	
	Administrative expenses and taxes	-	
	Defined benefit cost included in P&L	392,478	
<b>XII</b>		<b>31-Mar-17</b>	<b>31-Mar-16</b>
	The weighted-average asset allocations at the year end were as follows	-	-
	Equities	0.00%	0.00%
	Bonds	0.00%	0.00%
	Gilts	0.00%	0.00%
	Pooled Assets with an insurance company	0.00%	0.00%
	Others	0.00%	0.00%
	Total	0.00%	0.00%
	Actual return on plan assets	-	-
<b>XIII</b>	<b>Financial Assumptions</b>	<b>01-Apr-16 to 31-Mar-17</b>	<b>01-Apr-15 to 31-Mar-16</b>
	Discount Rate	7.20%	7.48%
	Salary Increase Rate	8.00%	8.00%
<b>XIV</b>	<b>Demographic Assumptions</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
	Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
	Withdrawal Rate	Service Based : Service < = 4 years : 25% p.a. Service > 4 years : 2% 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-17</b>	<b>31-Mar-16</b>
	Number of Employees	25	26
	Total Monthly Salary (INR)	1,202,118	1,323,294
	Average Monthly Salary (INR)	48,085	50,896
	Average Age (Years)	36.28	35.96
	Average Past Services (Years)	2.79	2.33
	Average Expected Future Working Life (Years)	11.09	10.28
<b>XVI</b>	<b>Sensitivity Analysis :-</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
	Discount Rate		
	a. Discount rate - 100 basic points	1,196,556	999,706
	b. Discount rate + 100 basic points	876,196	739,965
	Salary increase rate		
	a. Rate - 100 basic points	875,964	739,489
	b. Rate + 100 basic points	1,717,303	987,958
	Attrition rate		
	a. Rate - 100 basic points	1,043,587	877,358
	b. Rate + 100 basic points	1,000,563	838,571
	<b>(c) Compensated Absences</b>		
	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-17</b>	<b>31-Mar-16</b>
	Defined Benefit Obligation	1,819,254	1,534,381
	Discount rate at year end	7.20%	7.48%
<b>II</b>	<b>Sick Leaves</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
	Defined Benefit Obligation	234,080	255,215
	Discount rate at year end	7.20%	7.48%

**27 (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. 33.68 lakhs (31 March 2016: Rs. Nil; 01 April 2015: Rs. Nil). 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 2017	31 March 2016	01 April 2015
Within one year	4,491,000	-	-
After one year but not more than five years	4,491,000	-	-
More than five years	-	-	-
	<b>8,982,000</b>	<b>-</b>	<b>-</b>

**b. Contingent liabilities**

**(i) Disputed liabilities in appeal**

- Income Tax (A.Y 12-13)

	31 March 2017	31 March 2016	01 April 2015
	388,110	388,110	388,110
	<b>388,110</b>	<b>388,110</b>	<b>388,110</b>

The company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.

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

	31 March 2017	31 March 2016	01 April 2015
Principal amount remaining unpaid to any supplier as at the period	-	-	-
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	35,272,354	19,035,654	112,388,508
- Bare Boat Charter Income	143,750,083	108,461,048	-
- Technical Management Fees	48,292,200	36,721,317	-

**Other income**

- Miscellaneous Income	4,356,606	-	-
- Profit on Sale of Fixed Asset	109,847,796	-	-
- Corporate guarantee Fees	-	-	-
- Dividend income	-	-	-

	<b>341,519,038</b>	<b>164,218,018</b>	<b>112,388,508</b>
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**Allcargo Shipping Company Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2017**  
**(Amount in Indian Rupees)**

	31 March 2017	31 March 2016	01 April 2015
<b>c. Expenditure in Foreign Currency</b>			
Professional and consultation fees	-	474,528	1,391,915
<b>Others:</b>			
(a) Operating expenses			
- Vessel Operations	46,002,599	130,264,565	76,293,432
(b) Business Promotion expenses	-	-	60,000
(b) Communication Expenses	2,104,430	3,476,540	2,571,767
(c) Travel Expenses	-	44,771,867	557,872
(d) Insurance expenses	8,731,091	9,585,920	7,323,560
	<u>56,838,120</u>	<u>188,573,420</u>	<u>88,198,546</u>
<b>d. Value of Imports on CIF basis</b>	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>01 April 2015</b>
Capital Goods	65,116,076	623,441,430	-
Stores and spare parts	32,083,085	3,947,708	-
	<u>97,199,160</u>	<u>627,389,138</u>	<u>-</u>
<b>e. Details of consumption of imported and indigenous items :-</b>	<b>31 March 2017</b>	<b>31 March 2016</b>	
	<b>Value</b>	<b>% of Total Consumption</b>	<b>Value</b>
Imported Spares	32,083,085	57	3,947,708
Indegenous Spares	24,341,687	43	5,979,255
	<u>56,424,771</u>	<u>100</u>	<u>9,926,963</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, 2017</b>	<b>31st March, 2016</b>	
	<b>Currency</b>	<b>Amount</b>	<b>Currency</b>
Trade and Other Creditors			<b>Amount</b>
	USD	133,958	USD
	LKR	40,000	LKR
		<u>173,958</u>	<u>4,892</u>
Advance to Suppliers			
	USD	202,077	USD
	JPY	-	JPY
		<u>202,077</u>	<u>2,090</u>
			<u>754,128</u>
Advance from Customers			
	USD	56,886	USD
		<u>56,886</u>	<u>43,647</u>
			<u>43,647</u>



**28 Related party transactions**

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

**Other related parties**

**I. Holding Company**

Allcargo Logistics Limited

**II. Fellow subsidiaries**

Hindustan Cargo Ltd

Acex Logistics Limited

Contech Transport Services Pvt. Ltd.

Comptech Solutions Pvt.Ltd.

Amfin Consulting Pvt.Ltd.

Ecu Line (India) Private Limited

South Asia Terminals Pvt.Ltd.

Southern Terminals & Trading Pvt. Ltd.

AGL Warehousing Pvt. Ltd.

Allcargo Logistic Park Pvt.Ltd.

Ecu International (Asia) Pvt. Ltd.

Transindia Logistics park Pvt Ltd

Combine Indian Agencie Pvt.Ltd.

Ecu-Line Algerie sarl

Ecu Worldwide (Argentina) SA (formerly known as Ecu Logistics SA)

Ecu Worldwide (Belgium) (formerly known as Ecu-Line N.V).

Ecu-Logistics N.V.

FMA-Line Holding N. V.

Ecu-Tech BVBA

Ecuhold N.V.

Ecu International N.V.

Ecu Worldwide (Poland) Sp zoo (formerly known as Ecu-Line Polska SP. Z.o.o.)

Ecu-Line Doha W.L.L.

Ecu Worldwide Romania SRL (formerly known as Ecu-Line Romania SRL)

Ecu - Worldwide (Singapore) Pte. Ltd (formerly known as Ecu-Line Singapore Pte. Ltd.)

Ecu Worldwide (South Africa) Pty Ltd (formerly known as Ecu-Line South Africa (Pty.) Ltd.)

Ecu-Line Spain S.L.

Mediterranean Cargo Center S.L. (MCC)

ECU Worldwide Lanka (Private) Ltd. (formerly known as Ecu Line Lanka (Pvt) Ltd.)

Société Ecu-Line Tunisie Sarl

Ecu Worldwide Turkey Taşımacılık Ltd Şirketi (formerly known as Ecu Uluslarası Tas. Ve Ticaret Ltd. Sti.)

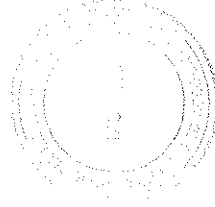
China Consolidated Company Ltd.

Star Express Company Ltd

Ecu Worldwide (UK) Ltd (formerly known as Ecu-Line UK Ltd)

DEOLIX S.A.

CLD Compania Logistica de Distribucion SA.



**Allcargo Shipping Company Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2017**  
**(Amount in Indian Rupees)**

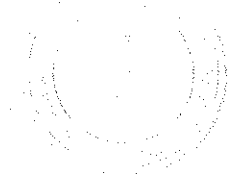
Guldary S.A.	
Administradora House Line C.A.	
Ecu Worldwide (Mauritius) Ltd.(formerly known as Ecu-Line Mauritius Ltd.)	
Asia Line Ltd	
Consolidadora Ecu- Line C.A	
Ecu Shipping Logistics (K) Ltd.	
Ecu-Line Middle East LLC	
Ecu Worldwide (Malaysia) SDN. BHD. (formerly known as Ecu-Line Malaysia Sdn. Bhd.)	
Ecu Global Services n.v.	
HCL Logistics N.V. (earlier Ecu Air NV)	
AGL N.V.	
Allcargo Belgium N.V.	
Ecu Worldwide Logistics do Brazil Ltda (formerly known as Ecu Logistics do Brasil Ltda.)	
Ecu-Line Bulgaria EOOD	
Ecu Worldwide (Chile) S.A (formerly known as Ecu-Line Chile S.A)	
Flamingo Line Chile S.A.	
Ecu Worldwide (Guangzhou) Ltd.(formerly known as Ecu-Line Guangzhou Ltd)	
China Consolidation Services Shipping Ltd	
ECU WORLDWIDE (CZ) s.r.o. (formerly known as Ecu-Line (CZ) s.r.o).	
Ecu - Worldwide - (Ecuador) S.A.(formerly known as Ecu-Line del Ecuador S.A.)	
Flamingo Line del Ecuador SA	
Ecu World Wide Egypt Ltd (formerly known as Ecu Line Egypt Ltd.)	
Ecu Worldwide (El Salvador) S.P. Z.o.o S.A. de CV (formerly known as Flamingo Line El Salvador SA de CV)	
ECU WORLDWIDE (Germany) GmbH (formerly known as Ecu-Line Germany GmbH)	
ELWA Ghana Limited	
Flamingo Line de Guatemala S.A.	
Ecu Worldwide (Hong Kong) Ltd.(formerly known as Ecu-Line Hong Kong Ltd.)	
Ecu International Far East Ltd.	
Contech Transport Services (Pvt) Limited	
PT Ecu Worldwide Indonesia (formerly known as PT EKA Consol Utama Line)	
Ecu Worldwide Italy S.r.l. (formerly known as Ecu-Line Italia srl.)	
Eurocentre Milan srl.	
Ecu Worldwide (Cote d'Ivoire) sarl (formerly known as Ecu-Line Côte d'Ivoire Sarl)	
Jordan Gulf for Freight Services Agencies Co.LLC	
Ecu-Line Malta Ltd.	
CELM Logistics SA de CV	
Ecu Worldwide Mexico (formerly known as Ecu Logistics de Mexico SA de CV)	
Ecu Worldwide Morocco (formerly known as Ecu-Line Maroc S.A.)	
Ecu Worldwide (Netherlands) B.V.(Ecu-Line Rotterdam BV)	
Rotterdam Freight Station BV	
Ecu-Line de Panama SA	
Ecu-Line Paraguay SA	
Ecu Worldwide (Philippines) Inc.(formerly known as Ecu-Line Philippines Inc.)	
Eculine Worldwide Logistics Co. Ltd. (Incorporated on 28.01.2016)	
Ecu Worldwide (Uganda) Limited (incorporated on 15.12.2015)	
Eurocentre FZCO	
Ecu-Line Hungary Kft.	



**Allcargo Shipping Company Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2017**  
**(Amount in Indian Rupees)**

Ecu Worldwide (Kenya) Ltd (formerly known as Ecu-Line Kenya Ltd.)  
Ecu-Line Abu Dhabi LLC  
CCS Shipping Ltd.  
CCS China Consolidation Services Company Ltd.  
Flamingo Line Del Peru SA  
Ecu-Line Zimbabwe (Pvt) Ltd.  
Ecu-Line Peru SA  
Ecu-Line Saudi Arabia LLC  
Ecu Worldwide (Japan) Ltd.(formerly known as Ecu-Line Japan Ltd.)  
S.H.E. Maritime Services Ltd.  
Ecu Worldwide Australia Pty Ltd (formerly known as Ecu-Line Australia Pty Ltd.)  
Ecu Worldwide New Zealand Ltd (formerly known as Ecu-Line NZ Ltd.)  
Ecu Worldwide (Thailand) Co. Ltd.(formerly known as Ecu-Line (Thailand) Co. Ltd.)  
Ecu Worldwide (Cyprus) Ltd.(formerly known as Ecu-Line Mediterranean Ltd.)  
Ecu Worldwide China (Shanghai) Ltd (formerly known as China Consolidation Services Ltd.)  
Ecu-Line Switzerland GmbH  
Ecu-Line Canada Inc  
Cargo Freight Stations, SA  
Ocean House Ltd.  
Ecu Worldwide (Colombia) S.A.S.(formerly known as Ecu-Line de Colombia S.A.S.)  
Centro Brasileiro de Amazonagem E Distribuicao Ltda (Bracenter)  
European Customs Broker N.V.  
Ecu Worldwide Vietnam Co., Ltd.(formerly known as Ecu-Line Vietnam Co.Ltd)  
Econocaribe Consolidators, Inc  
OTI cargo Inc  
Port International Inc  
Econoline Storage Corp  
ECI Customs Brokerage, Inc  
Integrity Enterprises Pty Ltd  
PRISM Global, LLC  
FCL Marine Agencies B.V.  
PRISM Global Ltd.  
FMA-LINE France S.A.S.  
Ecu Worldwide Costa Rica S.A.(formerly known as Conecli International S.A)  
Allcargo Logistics LLC  
FMA-LINE Nigeria Ltd.(incorporated on 27.07.2015)  
FMA Line Agencies Do Brasil Ltda.

**III. Fellow associates**  
AllCargo Logistics Lanka Private Limited



**Alcargos Shipping Company Private Limited**

## Notes to the financial statements as at and for the year ended 31 March 2017

(Amount in Indian Rupees)

Summary of transactions with related parties:					
	Holding Company		Fellow Subsidiaries		
	31 March 2017	31 March 2016	01 April 2015	31 March 2016	01 April 2015
Vessel Operating Income	3,000,000	64,308,500	9,616,852	-	-
a. Interest received or accrued on loan	-	5,957	-	-	-
b. Interest received or accrued on advances	-	75,916	1,907	-	-
Vessel Operation expenses	204,400	231,122	2,221,756	-	-
Reimbursement Expense	5,374,550	2,552,268	726,912	-	-
Rent Paid	-	5,075,040	5,075,040	-	-
<u>Loans</u>					
Opening balance	-	-	-	-	-
Add: Loans taken	-	10,000,000	5,230,954	-	-
Less: Loans Repaid Back	-	10,000,000	5,230,854	-	-
Closing Balance	-	-	-	-	-
<u>Advances</u>					
Opening balance	1,132	187,042	1,865,087	-	-
Add: Advances taken	7,159,542	10,231,034	11,073,000	-	-
Less: Advances repayment	7,160,674	10,416,944	12,751,045	-	-
Closing Balance	-	1,132	187,042	-	-
Interest Receivable on Loan	-	-	-	-	-
Opening balance	-	-	-	-	-
Add:-Interest charged on Loan	-	5,370	12,898	-	-
Less:-Interest paid	-	5,370	12,898	-	-
Closing Balance	-	-	-	-	-
<u>Interest Payable Advances</u>					
Opening balance	-	-	274,862	-	-
Add:-Interest charged on Advances	5,787	69,908	99,807	-	-
Less:-Interest paid	5,787	69,908	374,669	-	-
Closing Balance	-	-	-	-	-
<u>Outstanding Receivable</u>					
Trade receivables- Advance to supplier of goods	-	-	7,796,219	-	-
Others Advances	-	-	-	22,119	22,119
<u>Outstanding Payable</u>					
Trade payables	-	-	16,051	-	-

## Terms and conditions of transactions with related parties

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

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. . There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 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.

**29 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>31-Mar-17</b>				
FVTPL Financial Investments				
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>-</b>	<b>28,331,033</b>	<b>-</b>
Financial Liabilities measured at Fair Value				
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>31-Mar-16</b>				
FVTPL Financial Investments				
Unquoted Investments - Mutual Funds	30,169,396		30,169,396	-
<b>Total Financial Assets measured at Fair Value</b>	<b>30,169,396</b>		<b>30,169,396</b>	<b>-</b>

	Total	Fair Value		
		Quoted Price in active market (Level 1)	Significant Observable Inputs (Level 2)	Significant unobservable inputs (level 3)
<b>1-Apr-15</b>				
FVTPL Financial Investments				
Unquoted Investments - Mutual Funds	108,503,454		108,503,454	-
<b>Total Financial Assets measured at Fair Value</b>	<b>108,503,454</b>		<b>108,503,454</b>	<b>-</b>

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

Financial assets as at 31 March 2017 are Rs. 16,99,21,368/- (31 March 2016: Rs. 17,46,74,373/- crore, 31 March 2015: Rs. 9,52,37,344/-) which includes trade receivables, short term loans, cash and cash equivalents, other bank balances and other financial assets.

Financial liabilities as at 31 March 2017 are Rs. 15,38,93,185/- (31 March 2016: Rs. 13,20,23,212/-, 31 March 2015: Rs. 3,01,38,328/-) 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.

**30 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**

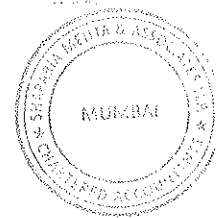
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits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





**31 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 2017	31 March 2016	01 April 2015
Total Liabilities	532,773,456	574,776,971	170,792,015
Less: cash and cash equivalents	(150,186,717)	(130,669,468)	(10,232,315)
<b>Adjusted Net debt</b>	<b>732,254,779</b>	<b>729,698,657</b>	<b>211,162,658</b>
Total Equity	486,840,581	666,228,854	690,463,470
<b>Adjusted Equity</b>	<b>973,581,162</b>	<b>1,332,357,708</b>	<b>1,380,826,940</b>
<b>Adjusted Net Debt to Adjusted Equity Ratio</b>	<b>0.75</b>	<b>0.55</b>	<b>0.15</b>

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

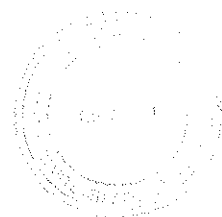
No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.

**32 First-time adoption of Ind AS**

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.



**Allcargo Shipping Company Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2017**  
**(Amount in Indian Rupees)**

**33 Reconciliation of equity as at 1 April 2015 (date of transition to Ind AS)**

	Foot Note	I GAAP	Adjustments	Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment (net)	1	452,580,272	(16,810,397)	435,769,876
Other intangible assets		2,884,149	-	2,884,149
Financial assets		-	-	-
Other financial assets		600,000	-	600,000
Non-current tax assets (net)		23,683,696	-	23,683,696
Other non-current assets		-	-	-
<b>Total - Non-current assets</b>		<b>479,748,117</b>	<b>(16,810,397)</b>	<b>462,937,720</b>
<b>Current assets</b>				
Inventories		28,835,219	-	28,835,219
Financial assets		-	-	-
Investments	2	104,242,575	4,260,879	108,503,454
Loans		310,925	-	310,925
Trade receivables	3	76,886,249	7,207,854	84,094,104
Cash and cash equivalents		10,232,315	-	10,232,315
Other bank balances		-	-	-
Other financial assets/ Derivative instruments (Current+Short term)		-	-	-
Other current assets	4	158,838,325	7,503,424	166,341,749
<b>Total - Current assets</b>		<b>379,345,607</b>	<b>18,972,157</b>	<b>398,317,765</b>
<b>Total Assets</b>		<b>859,093,724</b>	<b>2,161,761</b>	<b>861,255,485</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity share capital	5	10,863,000	(10,763,000)	100,000
Other equity	1 to 9	686,487,935	3,875,535	683,013,382
<b>Equity attributable to equity holders of the parent</b>		<b>697,350,935</b>	<b>(6,887,465)</b>	<b>690,463,470</b>
Non-controlling interests		-	-	-
<b>Total Equity</b>		<b>697,350,935</b>	<b>(6,887,465)</b>	<b>690,463,470</b>
<b>Non-current liabilities</b>				
Financial liabilities		-	-	-
Borrowings	5	-	4,836,682	4,836,682
Net employment defined benefit liabilities		1,007,687	-	1,007,687
Deferred tax liability (net)	9	-	3,368,194	3,368,194
Other liabilities		-	-	-
<b>Total - Non-current liabilities</b>		<b>1,007,687</b>	<b>8,204,876</b>	<b>9,212,563</b>
<b>Current liabilities</b>				
Financial liabilities		-	-	-
Borrowings		187,041	-	187,041
Trade payables		30,138,328	-	30,138,328
Short-term provisions		-	-	-
Net employment defined benefit liabilities		1,640,136	-	1,640,136
Other liabilities	4	128,769,597	844,350	129,613,947
<b>Total - Current liabilities</b>		<b>160,735,102</b>	<b>844,350</b>	<b>161,579,452</b>
<b>Total equity and liabilities</b>		<b>859,093,724</b>	<b>2,161,761</b>	<b>861,255,485</b>

**Reconciliation of equity as at 31 March 2016**

	Foot Note	I GAAP	Adjustments	Ind AS
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment (net)	1 & 7	960,176,110	(18,617,101)	941,559,009
Other intangible assets		2,268,656	-	2,268,656
Financial assets		-	-	-
Other financial assets	6	600,000	3,672,651	4,272,651
Non-current tax assets (net)		40,328,334	-	40,328,334
Other non-current assets		1,315,108	-	1,315,108
<b>Total - Non-current assets</b>		<b>1,004,688,207</b>	<b>(14,944,450)</b>	<b>989,743,757</b>

**Allcargo Shipping Company Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2017**  
**(Amount in Indian Rupees)**

<b>Current assets</b>				
Inventories		20,877,993	-	20,877,993
Financial assets		-	-	-
Investments	2	28,883,042	1,286,354	30,169,396
Loans		180,378	-	180,378
Trade receivables	3	32,385,006	4,566,870	36,951,876
Cash and cash equivalents		130,669,468	-	130,669,468
Other bank balances		-	-	-
Other financial assets/ Derivative instruments (Current+Short term)	6	-	2,600,000	2,600,000
Other current assets	4	30,868,527	(1,055,570)	29,812,957
<b>Total - Current assets</b>		<b>243,864,414</b>	<b>7,397,654</b>	<b>251,262,068</b>
<b>Total Assets</b>		<b>1,248,552,621</b>	<b>(7,546,796)</b>	<b>1,241,005,826</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Equity share capital	5	10,863,000	(10,763,000)	100,000
Other equity	1 to 9	671,782,138	(5,653,283)	666,128,855
<b>Equity attributable to equity holders of the parent</b>		<b>682,645,138</b>	<b>(16,416,283)</b>	<b>666,228,855</b>
Non-controlling interests		-	-	-
<b>Total Equity</b>		<b>682,645,138</b>	<b>(16,416,283)</b>	<b>666,228,855</b>
<b>Non-current liabilities</b>				
Financial liabilities		-	-	-
Borrowings	5 & 7	403,237,699	(2,699,764)	400,537,935
Provisions		-	-	-
Net employment defined benefit liabilities		1,540,298	-	1,540,298
Deferred tax liability (net)	9	(1,321,362)	11,569,252	10,247,890
Other liabilities		-	-	-
<b>Total - Non-current liabilities</b>		<b>403,456,635</b>	<b>8,869,488</b>	<b>412,326,123</b>
<b>Current liabilities</b>				
Financial liabilities		-	-	-
Borrowings		1,132	-	1,132
Trade payables		24,244,218	-	24,244,218
Other payables		-	-	-
Other financial liabilities		107,778,994	-	107,778,994
Short-term provisions		-	-	-
Net employment defined benefit liabilities		1,106,657	-	1,106,657
Other liabilities		29,319,848	-	29,319,848
<b>Total - Current liabilities</b>		<b>162,450,848</b>	<b>-</b>	<b>162,450,848</b>
<b>Total equity and liabilities</b>		<b>1,248,552,621</b>	<b>(7,546,796)</b>	<b>1,241,005,826</b>

**Reconciliation of profit or loss for the year ended 31 March 2016**

	<b>Foot Note</b>	<b>I GAAP</b>	<b>Adjustments</b>	<b>Ind AS</b>
<b>Continuing operations</b>				
<b>Income</b>				
Revenue from operations	4	1,056,244,361	(8,586,673)	1,047,657,688
Other income	2	11,438,854	(2,561,094)	8,877,760
Finance income		1,763	-	1,763
<b>Total income</b>		<b>1,067,684,979</b>	<b>(11,147,767)</b>	<b>1,056,537,212</b>
<b>Expenses</b>				
Cost of services rendered	4	809,507,771	(872,029)	808,635,742
Employee benefits expense	8	42,264,746	(347,433)	41,917,313
Depreciation and amortisation expenses	1&7	168,525,102	(9,443,296)	159,081,806
Finance costs	6&7	7,051,658	6,726,985	13,778,643
Other expenses	3	41,539,496	2,640,984	44,180,480
<b>Total expenses</b>		<b>1,068,888,773</b>	<b>(1,294,789)</b>	<b>1,067,593,984</b>
<b>Profit/(loss) before share of (profit)/loss of an associate and a joint venture and tax from continuing operations</b>		<b>(1,203,794)</b>	<b>(9,852,978)</b>	<b>(11,056,772)</b>
Share of (profit)/loss of an associate and a joint venture		-	-	-
<b>Profit before tax from continuing operations</b>		<b>(1,203,794)</b>	<b>(9,852,978)</b>	<b>(11,056,772)</b>



**Allcargo Shipping Company Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2017**  
**(Amount in Indian Rupees)**

<b>Tax expenses:</b>			
Current tax	14,769,975	-	14,769,975
Adjustment of tax relating to earlier periods	53,390	-	53,390
Less: MAT credit entitlement	(13,974,120)	-	(13,974,120)
Deferred tax credit/(charge)	9 12,652,758	8,244,001	20,896,759
<b>Total tax expense</b>	<b>13,502,003</b>	<b>8,244,001</b>	<b>21,746,004</b>
<b>Profit for the year from continuing operations</b>	<b>(14,705,797)</b>	<b>(18,096,979)</b>	<b>(32,802,776)</b>
<b>Discontinued operations</b>			
Profit/(loss) before tax for the year from discontinued operations	-	-	-
Tax Income/ (expense) of discontinued operations	-	-	-
<b>Profit/ (loss) for the year from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit for the year (A)</b>	<b>(14,705,797)</b>	<b>(18,096,979)</b>	<b>(32,802,776)</b>
<b>Other Comprehensive Income:</b>			
<b>Items that will be reclassified subsequently to profit or loss:</b>			
Foreign Fluctuation	-	-	-
Income tax effect	-	-	-
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Re-measurement gain/(losses) on defined benefit plans	8 -	(347,433)	(347,433)
Income tax effect	9 -	42,943	42,943
<b>Other Comprehensive Income for the year, net of tax (B)</b>	<b>-</b>	<b>(304,490)</b>	<b>(304,490)</b>
<b>Total Comprehensive income for the year, net of tax (A) + (B)</b>	<b>(14,705,797)</b>	<b>(18,401,469)</b>	<b>(33,107,266)</b>

**Footnotes to the reconciliation of equity as at 01 April 2015 (date of transition) and 31 March 2016 and profit/loss for the year ended 31 March 2016:**

**1. Property, plant and equipments (PPE):-**

The cumulative effect of the depreciation adjustments on account of IND AS has resulted in reduction in net block of PPE to the extent of Rs 16,810,397 (with corresponding effect resulting in decrease in opening retained earnings) as on date of transition and decrease in Depreciation by Rs 94,43, 296 (corresponding increase in net block) as on 31 March 2016 respectively.

**2. Financial asstes: Current Investments:-**

The Company has opted to follow fair value accounting (as per the requirements of Ind As 109 "Financial instruments") for Mutual funds investments.

**3. Trade receivables :-**

Under Indian GAAP, the Company has created provision for impairment of receivables based on management estimates. As per the managment practice any trade receivables which remained outstanding for more than 6 months needs to be provided at 100% of receivable amount. In case of disputed trade receivables 100% provision of the same has been done.

**4. Deferred revenue :-**

Under Indian GAAP, the time charter shipments were accounted on accrual basis and Voyage charter shipments were accounted under Completed service contract method. Post application of Ind As 18 "Revenue" the Company has adopted Percentage of Completion method (POCM) for all types of charter revenue accounting. Correspondingly, the Company has also adjusted operating cost on POCM basis.

**5. Non-convertible preference shares :-**

The Company has issued Redeemable non-convertible preference shares. The preference shares carry fixed rate of dividend which will be declared as per the descretion of management. Under Indian GAAP, the preference shares were classified as equity.

Under Ind AS 32 "Compounded financial instruments", such non-convertible preference shares are separated into liability as well as equity components based on the terms and tenure of redemption of preference shares.

**6. Unamortised notional Corporate guarantee charges :-**

As per Ind AS 109 "Financial instruments" indirect benefit due to Corporate Guarantee (CG) extended by the holding Company is treated as additional equity contribution. Accordingly, Company has fair valued equity component of Corporate guarantee provided by its holding company and accounted it under equity for Rs 8,872,651 with corresponding effect under "unamortised Corporate Guarantee charges" grouped under "Other financial assets". The same is required to be amortised over the tenure of loan. For the financial year ended 31 March 2016 the Company has provided Rs 2,600,000 as notional CG expenses grouped

**7. Unamortised prepaid borrowing costs :-**

Processing fees paid on borrowings for aquisition of non-monetary assets (Vessels) has been capitalised in Gross block of acquired Vessels. As per Ind AS 23 processing fees ("Borrowing costs") paid up-front has been amortised over the period of loan repayment as per Effective Interest Method.

**8. Remeasurement of defined obligation plan**

Remeasurement of defined obligation plan through statement of Profit and loss.

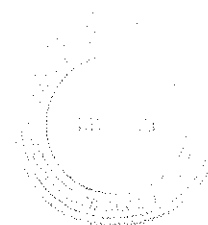


**Allcargo Shipping Company Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2017**  
**(Amount in Indian Rupees)**

**9. Deferred tax :-**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.



**Allcargo Shipping Company Private Limited**  
**Notes to the financial statements as at and for the year ended 31 March 2017**  
(Amount in Indian Rupees)

**34 Details of Cash transaction during demonetization period of 08-11-2016 to 30-12-2016 :**

Particulars	SBNs	Other denomination notes	Total
Opening Cash in hand as on 08-11-2016	143,500	4,047	147,547
(+) Permitted Receipts	-	85,709	85,709
(-) Permitted Payments	-	78,283	78,283
(-) Amount Deposited in Bank	143,500	134	143,634
Closing Cash in hand as on 30-12-2016	-	11,339	11,339

\* Specified Bank Notes(old currency note of 500 & 1000)

\*\*Other than Specified Bank Notes (100/50/20/10/5/1/ coins & New currency note of 2000 & 500)

**35 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 2017	31 March 2016
Profit attributable to equity holders:		
Continuing operations	(179,451,284)	(32,802,776)
Discontinued operation	-	-
<b>Profit attributable to equity holders for basic earnings:</b>	<b>(179,451,284)</b>	<b>(32,802,776)</b>
Weighted average number of Equity shares for basic EPS	10,000	10,000
<b>Basic and diluted EPS</b>	<b>(17,945.13)</b>	<b>(3,280.28)</b>

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: 17th May, 2017

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

Shashi Kiran Shetty  
Director  
DIN NO. 00012754

Adarsh Hegde  
Director  
DIN NO. 00035040

*(Handwritten signature)*