

ORISSA BENGAL CARRIER LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1 Corporate Information:

Orissa Bengal Carrier Limited a limited company domiciled in India and incorporate under the provisions of the Companies Act,1956. The company has engaged in Transportation activities.

2 Significant Accounting Policies

(A) Basis of Preparation of Financial Statements:

- a. The financial statements of the Company are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on an accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013, further amended by Companies Accounting Standards (Amendment) Rules 2016, read with Rule 7 of the Companies (Accounts) Rules,2014.
- b. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year unless otherwise specified.

(B) Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current Vs. non-current classification.

An asset is classified 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 business;

expected to be realised within twelve months after the reporting period; or

cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets are classified as non-current.

A liability is current when it is:

expected to be settled in normal operating cycle;

held primarily for the purpose of business;

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.

All other liabilities are classified 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 or cash equivalents. The company has identified twelve months as its operating cycle.

(C) Use of Estimates:

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the date of these interim financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Difference between the actual results and estimates are recognised in the period in which the results are known/materialized.

(D) Revenue Recognition

- a. Revenue/ Income and Cost/ Expenditure are generally accounted for on accrual as they are earned or incurred except in case of significant uncertainties;
- b. Claims received and deduction is accounted for at the time of claim received or deduction made.
- c. Deduction & Claim and Repairs & Maintenance Account have been shown the net balance.

(E) Fixed Assets

- a. Fixed assets are stated at cost of acquisition or construction less accumulated depreciation/ amortization and accumulated impairment, if any.
- b. Cost includes purchase price, taxes and duties, labor cost and directly attributable overhead expenditure for self constructed assets incurred up to the date the asset is ready for its intended use. Borrowing cost incurred for qualifying assets is capitalized up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset

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(F) Depreciation

a. Useful lives/ depreciation rates

Depreciation is being provided on a pro-rata basis on Written-Down Value Method on the basis of systematic allocation of the depreciable amount of the assets over its useful life as stated in Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets.

b. Depreciation on assets sold, discarded or scrapped, is provided upto the date on which the said asset is sold, discarded or scrapped.

(G) Borrowing Costs :-

Interest and other cost in connection with the borrowing of the fund to the extent related/attribution to the acquisition or construction of fixed assets are capitalized only with respect qualifying fixed assets i.e. those which take substantial period of time to get ready for its intended use. All other borrowing cost charge to profit & loss account.

(H) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Where it is not probable that an outflow of resources embodying economic benefits will be required or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability and commitments, unless the probability of outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain events, are also disclosed as contingent liabilities and commitments unless the probability of outflow of resources embodying economic benefits is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

(I) Retirement & other benefit

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Contributory Pension Fund. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefits Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The company has recognized the gratuity payable to the employees as per the Payment of Gratuity Act, 1972 as defined benefit plans. The liability in respect of these benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

(J) Cash Flow Statement

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferral or accrual of past or future cash receipts or payment. The cash flows from regular operating, investing and financing activities of the company are segregated.

(K) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

(L) Inventories

The assessee is running the business of Transportation & not having any closing stock of any nature, therefore, the Accounting Standard "Valuation of Inventories" (AS-2), are not applicable to the company.

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(M) Tax on Income

Income-tax expense comprises current tax and deferred tax charge or credit.

- a. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.
- b. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realization.
- c. Minimum Alternate Tax (MAT) credit entitlement is recognized in accordance with the guidance note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act 1961" issued by the ICAI. MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

(N) Segment Reporting

The Company has no other reportable segment as defined under "Segment Reporting" (AS - 17). Hence disclosure of segment wise information is not applicable.

(O) Investments

Long term investments are stated at cost less other than temporary diminution in value, if any. Current investments are stated at lower of cost and fair value.

(P) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Net exchange gain or loss resulting in respect of foreign exchange transactions settled during the period is recognised in the Profit and Loss Account.

(Q) Earning Per Share

The Company reports basic and diluted Earnings per Shares (EPS) in accordance with Accounting Standard 20- "Earnings Per Shares" issued by the Institute Of Chartered Accountants of India.

The earning consideration is ascertaining the Company's earning per share (EPS) comprise the net profit after tax. The number of shares used in computing basis EPS is the weighted number of shares outstanding during the year/period. The diluted EPS is calculated on the basis as basis EPS, after adjusting the effects of potential diluted equity shares.

(R) Impairment of Assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

(S) Related Party disclosure

All related party transactions that were entered into by the Company during the financial year/period were on arms length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with promoters, directors, key managerial personnel or related parties which may have a potential conflict with the interest of the company at large.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note No	Particulars	As at 31.03.2018		As at 31.03.2017	
		Number	Amount	Number	Amount
3	Share Capital				
	<u>Authorised Capital</u>				
	Equity Shares of Rs. 10/- each	24,000,000	240,000,000	2,000,000	20,000,000
	<u>Issued, Subscribed & Fully Paid-up Capital</u>				
	Equity Shares of 10/- each	15,518,790	155,187,900	1,724,310	17,243,100
	Total	15,518,790	155,187,900	1,724,310	17,243,100

3.1 Reconciliation of number and amount of equity share out standing at the beginning and at the end of the reporting period :

Particulars	As at 31.03.2018		As at 31.03.2017	
	Equity Shares Fully Paid Up		Equity Shares Fully Paid Up	
	Number	Amount	Number	Amount
Shares Outstanding at the begning of the year	1,724,310	17,243,100	1,724,310	17,243,100
Add:- Bonus Shares Issued during the year	13,794,480	137,944,800	-	-
Less:- Shares bought back during the year	-	-	-	-
Shares Outstanding at the end of the year/period	15,518,790	155,187,900	1,724,310	17,243,100

3.2 Shareholders holding more than 5% of the equity shares of the company:

Name of Shareholders	As at 31.03.2018		As at 31.03.2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ratan Kumar Agrawal	2,930,400	18.88%	325,600	0
Shakuntala Agrawal	2,965,500	19.11%	329,500	0
RSR Infrastructure Private Limited	1,800,000	11.60%	200,000	0
Manoj Kumar Agrawal	2,428,200	15.65%	269,800	0
Sonal Agrawal	2,701,800	17.41%	300,200	0

3.3 The Company has only one class of equity shares. The holders of equity shares are entitled to one vote per share.

3.4 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 dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.5 During the year 1,37,94,480 Equity shares of ` 10/- each are allotted, in the ratio of 8 equity share to holder of 1 equity share, as fully paid up Bonus Shares by capitalisation of Securities Premium & General Reserve. Number of bonus hares allotted to existing shareholders for consideration other than cash in last 5 years

Date of issue of Fully paid up Bonus Shares	Number of Bonus Shares Issued
10-Feb-18	13,794,480

4 Reserve & Surplus

	As at 31.03.2018	As at 31.03.2017
<u>Securities Premium Reserve</u>		
Opening Balance	123,660,440	123,660,440
Less:- On issue of Bonus shares	123,660,440	-
Closing Balance	-	123,660,440
<u>Surplus:-</u>		
Opening Balance	144,370,058	105,092,213
Add:- Net Profit/ (Net Loss) for the year	63,808,499	39,277,845
	208,178,557	144,370,058
Less: On issue of Bonus Shares	14,284,360	-
Closing Balance	193,894,197	144,370,058
Total	193,894,197	268,030,498

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note No	Particulars	As at 31.03.2018		As at 31.03.2017	
		Amount	Amount	Amount	Amount
5	<u>Long Term Borrowings:</u>				
	<u>Secured Loan</u>				
	<u>From Bank</u>				
	<u>Term loans:</u>				
a.	Axis Bank Limited (Vehicle Loan)		64,895,125		68,511,088
	Less: Current Maturity of Long Term Debt		<u>19,535,653</u>		<u>19,382,574</u>
			<u>45,359,472</u>		<u>49,128,514</u>
b.	HDFC Bank Limited (Vehicle Loan)		96,537,124		58,831,592
	Less: Current Maturity of Long Term Debt		<u>28,838,097</u>		<u>17,060,561</u>
			<u>67,699,027</u>		<u>41,771,031</u>
c.	ICICI Bank Limited (Vehicle Loan)		6,437,042		9,996,111
	Less: Current Maturity of Long Term Debt		<u>3,951,342</u>		<u>3,559,077</u>
			<u>2,485,700</u>		<u>6,437,034</u>
	<u>From Others</u>				
	Term Loan from Key Man Insurance Policy		-		1,487,666
	Less: Current Maturity of Long Term Debt		<u>-</u>		<u>-</u>
			<u>-</u>		<u>1,487,666</u>
	<u>Unsecured Loan</u>				
	From Directors		10,445,710		7,692,759
	From Others		44,000,000		54,633,060
	Total		<u>169,989,909</u>		<u>161,150,064</u>
	(A) Vehicle loans are secured by hypothecation of the vehicles financed through the loan arrangements. Such loans are repayable in equal monthly installments over a period of 3 to 5 years and carry interest rate ranging between 8.39% to 11.50% p.a. The secured term loans were guaranteed by the directors of the Company. There is no default, continuing or otherwise, as at the balance sheet date, in repayment of any above loans.				
	(B) Loan against key man insurance policy Rs. Nil (Previous Year 1487666/-) are repayable at the time of policy matured and carry interest rate of 9.00% p.a.				
	(C) There is no fixed repayment schedule for the repayment of above said unsecured loans.				
	(D) As clarified by the management all above unsecured loans are treated as long term and bear interest rate of 12% p.a. (refer note no. -27).				
6	<u>Deferred Tax Liabilities</u>				
	As per Accounting Standard 22 on accounting for taxes on income, provisions for deferred tax liability has been calculated. The breakup of Net Deferred Tax Liability at the year/period ended as under:				
	<u>Particulars</u>				
	<u>Deferred Tax Liability-</u>				
	Due to Depreciation		6,380,209		5,173,593
	<u>Deferred Tax Assets-</u>				
	Due to unabsorbed Depreciation		-		-
			<u>6,380,209</u>		<u>5,173,593</u>

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note No	Particulars	As at 31.03.2018		As at 31.03.2017	
		Amount	Amount	Amount	Amount
7	<u>Short Term Borrowings:</u>				
	<u>Secured Loan</u>				
	Working Capital Loan From HDFC Bank		110,411,113		79,642,032
	<u>Unsecured Loan</u>				
	Other Loans and Advances		-		-
	Total		<u>110,411,113</u>		<u>79,642,032</u>
	(A) Working Capital Loan is secured against hypothecation of Book Debts, advances to suppliers and mortgage of Immovable Properties of the company along with personal guarantee of Directors & Relatives.				
	(B) There is no default, continuing or otherwise, as at the balance sheet date, in repayment of any above loans.				
8	<u>Trade Payable:</u>				
	Sundry Creditors		325,730,473		170,571,052
	Total		<u>325,730,473</u>		<u>170,571,052</u>
9	<u>Other Current Liabilities:</u>				
	<u>Current Maturity of Long term debt</u>				
	<u>Loan from Banks & Financial Institution</u>				
	Axis Bank Limited (Vehicle Loan)		19,535,653		19,382,574
	HDFC Bank Limited (Vehicle Loan)		28,838,097		17,060,561
	ICICI Bank Limited (Vehicle Loan)		3,951,342		3,559,077
	Advance from customers		120,000		15,745
	Total		<u>52,445,092</u>		<u>40,017,957</u>
10	<u>Short Term Provisions:</u>				
	Provisions (Expenses Payable)		3,987,627		3,884,924
	Creditor for Expenses *		44,192,800		16,000,939
	Statutory liabilities		768,467		579,275
	Gratuity Payable		5,130,941		
	Total		<u>54,079,835</u>		<u>20,465,138</u>
	* Creditors for expenses stated above includes due to:				
	Related Parties (refer note no.-27)		722,160.00		-

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

11 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Additions During the Year	(Adjustment) During the Year	Total As at 31.03.2018	As at 01.04.2017	During the Year	(Adjustment) During the Year	Total As at 31.03.2018	Balance As at 31.03.2018	Balance As at 31.03.2017
Land	686,018	-	-	686,018	-	-	-	-	686,018	686,018
Office Building	13,659,888	-	-	13,659,888	2,136,111	560,972	-	2,697,083	10,962,805	11,523,777
Furniture & Fixture	1,043,646	137,445	-	1,181,091	756,766	90,523	-	847,289	333,802	286,880
Vehicles (Four Wheeler)	9,791,612	1,233,530	582,925	10,442,217	4,707,190	1,770,693	553,779	5,924,104	4,518,113	5,084,422
Vehicles (Two Wheeler)	2,416,636	392,992	-	2,809,628	1,625,235	261,494	-	1,886,729	922,899	791,401
Office Equipment	868,996	210,719	-	1,079,715	628,856	157,804	-	786,660	293,055	240,140
Earth Moving Machine	1,960,809	-	-	1,960,809	1,862,769	-	-	1,862,769	98,040	98,040
Computers	1,223,647	313,218	-	1,536,865	1,022,802	205,912	-	1,228,714	308,151	200,845
Truck & Trailors	227,560,183	62,851,073	29,851,361	260,559,895	112,190,812	43,397,988	25,708,946	129,879,854	130,680,041	115,369,371
TOTAL (A)	259,211,435	65,138,977	30,434,286	293,916,126	124,930,541	46,445,386	26,262,725	145,113,202	148,802,924	134,280,894
CAPITAL WORK IN PROGRESS										
Truck	5,053,374	12,370,380	5,053,374	12,370,380	-	-	-	-	12,370,380	5,053,374
TOTAL (B)	5,053,374	12,370,380	5,053,374	12,370,380	-	-	-	-	12,370,380	5,053,374
TOTAL (A+B)	264,264,809	77,509,357	35,487,660	306,286,506	124,930,541	46,445,386	26,262,725	145,113,202	161,173,304	139,334,268
PREVIOUS YEAR	224,569,167	78,472,432	38,776,790	264,264,809	121,412,868	32,619,559	29,101,886	124,930,541	139,334,268	

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note No	Particulars	As at 31.03.2018		As at 31.03.2017	
		Amount	Amount	Amount	Amount
12	<u>Long Term Loans & Advances:</u>				
	<u>Unsecured, considered good:</u>				
	Security Deposits		22,671,936		24,415,235
	Loan & Advances to Related Parties		-		-
	Advances for capital goods		-		806,356
	Total		22,671,936		25,221,591
13	<u>Other non-current assets</u>				
	<u>Preliminary Expenses :-</u>				
	IPO Related Expenses		3,247,255		-
	Total		3,247,255		-
14	<u>Trade Receivables:</u>				
	<u>More than six month</u>				
	Unsecured considered good		28,663,619		65,867,958
	Considered Doubtful		22,808,905		16,251,890
			51,472,524		82,119,848
	Less: Provision for doubtful Receivables		22,808,905		16,251,890
			28,663,619		65,867,958
	<u>Less than six month</u>				
	Unsecured considered good		792,022,278		467,831,681
	Total		820,685,897		533,699,639
15	<u>Cash and cash equivalents:</u>				
	Cash in hand		3,465,180		3,436,672
	Balance with Bank				
	In current accounts		80,208		3,978,451
	In Fixed Deposits		14,907,606		14,000,000
	Total		18,452,994		21,415,123
16	<u>Short-term loans and advances:</u>				
	<u>Unsecured, considered good:</u>				
	Balances with Government authorities (Net of Tax)		33,594,838		38,679,014
	Prepaid Expense		3,324,248		2,406,056
	Loans and advances (Recoverable in cash or kind)		4,886,192		1,434,046
	Loans and advances to employees		2,000		30,000
	Total		41,807,278		42,549,116
17	<u>Other Current Assets:</u>				
	Interest accrued on bank deposits		80,064		73,697
	Interest Receivable on Security deposits		-		-
	Total		80,064		73,697

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note No	Particulars	As at 31.03.2018		As at 31.03.2017	
		Amount	Amount	Amount	Amount
18	<u>Revenue from operations:</u>				
	<u>Gross Income from Transportation Business</u>				
	Transportation Receipts		3,843,897,776		2,128,505,675
	Total		<u>3,843,897,776</u>		<u>2,128,505,675</u>
19	<u>Other Income:</u>				
	Deduction & Claim		2,930,072		-
	Profit on Sale of Fixed Assets		7,686,413		9,621,286
	Key Man Insurance Received		2,275,000		
	Rent Received		18,000		
	Discount & Incentive Received		7,820,029		
	Interest from Bank FDR	938,404		934,862	
	Interest on IT Refund	871,792		-	
	Interest from Deposits	513,190	2,323,386	581,428	1,516,290
	Total		<u>23,052,900</u>		<u>11,137,576</u>
20	<u>Gross Transportation Expenses</u>				
	Lorry Hire Charges paid		3,462,028,276		1,856,739,281
	Loading & Unloading & Handling Charges		2,402,777		951,307
	Truck Trip Expenses		134,696,453		90,506,408
	<u>Direct Expenses</u>				
	<u>For Truck, Trailor</u>				
	Repairs & Maintenance (Truck & Trailor)	14,140,810		10,975,744	
	RTO & Insurance Charges	7,033,726	21,174,536	5,121,431	16,097,175
	Total		<u>3,620,302,042</u>		<u>1,964,294,171</u>
21	<u>Employee benefit expense:</u>				
	Salaries & Wages		20,164,476		19,773,497
	Employee Provident Fund & ESIC		1,615,384		887,331
	Staff Rent		1,611,607		1,050,556
	Staff Welfare		677,884		593,842
	Bonus		1,348,700		1,705,950
	Director's Remuneration		2,820,000		2,820,000
	Gratuity		5,130,941		-
	Total		<u>33,368,992</u>		<u>26,831,176</u>

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Note No	Particulars	As at 31.03.2018		As at 31.03.2017	
		Amount	Amount	Amount	Amount
22	<u>Financial costs:</u>				
	Interest on Loan		6,563,158		7,069,002
	Interest on Hire Charges		12,967,599		8,371,357
	Interest on Cash Credit		11,143,115		8,097,503
	Other Interest		713,174		151,782
	Bank Guarantee Fees, Charges & Commission		1,487,112		1,549,486
	Total		<u>32,874,158</u>		<u>25,239,130</u>
23	<u>Depreciation & Amortisation Expenses</u>				
	Depreciation		46,445,386		32,619,559
	Total		<u>46,445,386</u>		<u>32,619,559</u>
24	<u>Other Expenses:</u>				
	<u>Administration & Selling Expenses :-</u>				
	Payments to Auditor:				
	For statutory audit	177,000		76,700	
	For tax audit	59,000		9,440	
	For other services	-	236,000	2,360	88,500
	Repairs & Maintenance (Others)		837,811		828,617
	Postage, Telegram		532,607		386,275
	Telephone Expenses		1,100,441		1,435,696
	Traveling, Conveyance & Vehicle Expenses		2,758,499		2,701,699
	Printing & Stationery		2,196,841		891,510
	Office & Miscellaneous Expenses		1,724,130		1,546,655
	Legal, Professional & Consultancy Charges		598,682		200,642
	Internal Audit Fees		118,000		36,000
	Advertisement & Publicity		445,350		195,690
	Fixed Assets Written off		-		26,121
	Provision of Bad Debts Customer Receivables (written off)		22,808,905		16,251,890
	Cash Theft		-		503,000
	Donation		133,745		22,342
	Electricity		803,667		801,598
	Office & Godown Rent		3,556,353		2,756,235
	Deduction & Claim		-		3,621,409
	Total		<u>37,851,031</u>		<u>32,293,879</u>

ORISSA BENGAL CARRIER LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

25 Foreign Currency Transaction

The Company has not earned or spent any foreign exchange during the current year.

26 Earning per Share:

The numerator and denominator used to calculate Basic and Diluted Earnings Per Share:

Particulars	31.03.2018	31.03.2017
Profit attributable to Equity Shareholders considered for Basic EPS (Amount in Rs.)	63,808,499	39,277,845
Add: Dilutive effect on profit (Amount in Rs.)	-	-
Profit attributable to Equity Shareholders for computing Diluted EPS (Amount in Rs.)	63,808,499	39,277,845
Weighted average number of Equity Shares outstanding considered for Basic EPS	3,613,965	1,724,310
Add: Dilutive effect of Options outstanding - Number of equity shares	-	-
<u>Weighted average number of Equity Shares considered for computing Diluted EPS</u>	3,613,965	1,724,310
Nominal Value of Equity Shares	10	10
Basic Earnings Per Share	18	23
Diluted Earnings Per Share (‘)	18	23

There are no extraordinary items and discontinuing operations.

27 Related Party Disclosures

Disclosure as required under related party disclosure (AS-18) issued by The Institute of Chartered Accountants of India are as below:

List of Related Parties:

Name of Related Party	Description of Relationship
Ratan Kumar Agrawal	KMP, Director
Shakuntala Devi Agrawal	KMP, Director
Manoj Kumar Agrawal	KMP, Director
Subhash Mittal	KMP, Director
Akshay Agrawal	Relatives of KMP
Banarshi Devi Agrawal	Relatives of KMP
Ravi Agrawal	Relatives of KMP
Sonal Agrawal	Relatives of KMP
Ashok Kumar Agrawal	Relatives of KMP
Ashok Kumar Agrawal	Relatives of KMP
Ravi Agrawal HUF	Relatives of KMP
Ashok Kumar & Sons	Relatives of KMP
Rishi Kumar & Sons	Relatives of KMP
Ravi Agrawal HUF	Relatives of KMP
Ashok Kumar & Sons	Relatives of KMP
Manoj Agrawal & Sons	Relatives of KMP

Transactions carried out with key management personnel, their relatives and their enterprises where transactions have taken place, in ordinary course of business:

The transactions with related parties for the year are summarised below:

<u>Nature of transaction</u>	Key Management Personnel (KMP) Year ended 31St March 2018	Key Management Personnel (KMP) Year ended 31St March 2017	Relatives of KMP Year ended 31St March 2018	Year ended 31St March 2017
Interest expense on loans taken	947,723.00	7,692,759.00	-	72,891.00
Unsecured loan taken (net of Interest paid/payable)	1,900,000.00	1,600,000.00	-	-
Repayment of loans taken	-	-	-	1,339,802.00
Rental expense	840,000.00	630,000.00	378,000.00	270,000.00
Remuneration/Salary	3,520,000.00	3,470,000.00	2,520,000.00	2,340,000.00
Sale of Fixed Assets	-	-	2,650,000.00	-
Purchases of Spare parts	-	-	7,144,734.00	4,201,247.00
Freight Paid	-	-	3,084,788.00	271,422.00
Freight received	-	-	2,031,414.00	1,179,530.00

Balances (payable to) / receivable from related parties are summarised below:

<u>Nature of transaction</u>	Key Management Personnel (KMP) Year ended 31St March 2018	Key Management Personnel (KMP) Year ended 31St March 2017	Relatives of KMP Year ended 31St March 2018	Year ended 31St March 2017
Loan payable	10,445,710.00	7,692,759.00	-	-
Rent payable	457,680.00	-	-	-
Remuneration/ Salary Payable	-	-	264,480.00	-
Balance payable	-	-	455,266.00	-

Note: Related party relationship is as identified by the Company and relied upon by the Auditor.

ORISSA BENGAL CARRIER LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

28 The Company has not received information from Creditors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures as required under the Companies Act, 1956 relating to amounts unpaid as at the year end together with interest paid / payable have not been given.

29 In the opinion of Board of the directors of the company, current assets, loans and advances have value at equal to the amount at which they are stated in the Balance Sheet.

30 Defined Benefit Plan (Employee Gratuity)-The present value of obligation is determined based on actuarial valuation is as under-

Actuarial Assumptions	2017-18	
Discount Rate	7.75% p.a.	
Salary Growth Rate	5.00% p.a.	

Present value of Obligation at the beginning of the year	4326560.00	Not provided in earlier years
Current Service cost	486628.00	
Interest Cost	337501.00	
Past Service Cost	220255.00	
Benefit Paid	0.00	
Actuarial (Gain)/loss	- 240,003.00	
Present value of the Obligation at the end of period	5130941.00	

The company has debited profit & loss account by Rs.51,30,941 (Rs.43,26,560 up to 31/03/2017) being the liability for employee retirement benefit(gratuity) till 31/03/2018, however the employer has not deposited the amount to any approved gratuity fund.The management decided to pay the gratuity liability at the earliest.

31 CONTINGENT LIABILITIES & COMMITMENTS

Particulars	As at 31.03.2018	As at 31.03.2017
I. Contingent Liabilities not provided for in respect of:Guarantees, Undertakings & Letter of Credit		
a) Guarantees issued by the Company's Bankers on behalf of the Company	40478274	46170600
b) Letter of credit opened by banks	Nil	Nil
c) Corporate guarantees/undertakings issued on behalf of third parties	Nil	Nil
II. Statutory Demands		
d) Disputed Excise Duty and Other demands	Nil	Nil
e) Income Tax demands where the cases are pending at various stages of appeal with the authorities	14,42,120/-*	14,42,120/-*
III. Others		
f) Claims against the company, not acknowledge as debt	Nil	Nil
g) Uncalled liability towards partly paid up shares	Nil	Nil
IV. Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	Nil	Nil

* Disputed income tax demand for A.Y. 2013-14 for Rs. 14,42,120 (Previous Year Rs.14,42,120/-) , the said demand is adjusted by IT department against tax refund of AY 2015-16 but the said adjustment is shown as advances in note no. 16. Appeal against this order is pending before CIT (Appeal).

32 In the opinion of the Board, Current Assets,Loans & Advances have value on realisation in the ordinary course of business at least equal to the amount as which they are stated in the Balance Sheet.

33 Balance in the accounts of Sundry creditors,Sundry debtors,Advances and Security deposits has not been confirmed by the respective parties and are subject to confirmation by them.

34 The Company has made an initial offer of 55,64,000 equity shares of Rs. 10/- each for a consideration of Rs. 30/- per equity shares including a share premium of Rs. 20/- per equity shares.The issue opening date was 22nd March'2018 and close date was 26th March'2018,which was allotted by the company on 02nd April 2018.

35 Previous year figures have been re-grouped to make them comparable with current period figures wherever found necessary.

As per our report of even date attached

For and on behalf of the Board.

For,AGRAWAL & PANSARI
Firm Registration No.-003350C.
Chartered Accountants

(RATAN KUMAR AGRAWAL)
Managing Director
DIN: 01608318

(SHAKUNTALA DEVI AGRAWAL)
Director
DIN: 01608584

CA Sanskar Agrawal
Partner
(M.No.- 429385)
PLACE : RAIPUR
DATE : 28/05/2018

Chief Finance Officer
(Akshay Agrawal)

(Pooja Jain)
Company Secretary
M.No. 52045