NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2019

1. **Corporate information**

Shreyas Shipping and Logistics Limited (the "Company" or "SSLL") is a public limited company incorporated in India on 16th August, 1988 under the Companies Act, 1956. The registered office of the Company is 4th Floor, Himalayas, Geetmala Complex, Shah Industrial Estate, Govandi – East Mumbai, Maharashtra, India - 400 088.

SSLL is India's first container feeder owning and operating company. The Company started its operations in 1993 primarily to fill the gap for feedering of containers between Indian ports and internationally renowned Asian transshipment ports. SSLL's shares are listed on both Bombay Stock Exchange and National Stock Exchange. At present, it is a leading player in coastal shipping sector.

2. **Applicability of new and revised Ind AS**

2.1 **Amendments to Ind AS that are notified and adopted by the Company**

a. The Company has adopted Ind AS 115, with the date of initial application of April 1, 2018 following the cumulative effective method – i.e. by recognising the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of equity as at April 1, 2018. Therefore, the comparative information has not been restated and continues to be reported under erstwhile Ind AS 18 'Revenue' and Ind AS 11 'Construction contracts'.

Ind AS 115 modifies the determination of how much revenue to recognise, and when, and introduces a single principle based five-step model to be applied to all the contracts with the customers. Ind AS 115 replaces the separate models for goods, services and construction contracts currently included in Ind AS 18 and Ind AS 11.

In case of the Company, the timing for recognition of revenue under Ind AS 115 coincides with the revenue recognised as per Ind AS 18 and accordingly, the adoption of Ind AS 115 has no material impact on the opening balance of equity as at April 1, 2018.

b. The application of Appendix B, (Foreign Currency Transactions and Advance Considerations) to Ind AS 21, "The Effects of Changes in Foreign Exchange Rates" with effect from April 1, 2018 does not have any impact, as the Company used to determine the exchange rate of the date on which advance consideration in foreign currency been received or paid for the purpose of initial recognition of related asset, expense or income.

2.2 **New Standards issued but not yet effective:**

a. **Ind AS 116 - Leases:**

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

i. Full retrospective – Retrospectively to each prior period presented applying Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

ii. Modified retrospective – Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as :

i. Its carrying amount as if the standard had been applied since the commencement date, but discounted at the lessee's incremental borrowing rate at the date of initial application, or

ii. An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

The management is assessing the impact of the aforesaid standard issued and amendments on the Company's financial information.

b. **Appendix C to Ind AS 12 – Uncertainty over Income Tax treatments**

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition :

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight, and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The management is assessing the impact of the aforesaid standard issued and amendments on the Company's financial information.

c. **Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement**

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity :

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not expect to have any material impact on account of this amendment. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

d. Amendment to Ind AS 12 – Income Taxes

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

3. Significant accounting policies

(a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its financial statements following the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 in respect of section 133 of the Companies Act 2013. Accordingly, the Company has prepared these Standalone Ind AS Financial Statements which comprise the Balance sheet as at March 31, 2019, Statement of Profit and Loss, Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2019 and significant accounting policies and other explanatory information (together hereinafter referred to as "Standalone Ind AS Financial Statements").

(b) Basis of preparation and presentation

The financial statements are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/settlement within a twelve month period from the balance sheet date.

(c) Revenue recognition

Revenue is recognised based on nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer rebates and other similar allowances.

(i) <u>Revenue from logistics service operations</u>

a) Ocean freight and charter hire income from transportation of cargo by inland and international waterways respectively is recognised following the proportionate completion method on time basis.

b) In case of end-to end logistics services under multimodal transport, the revenue is recognised following the proportionate completion method on time basis for each mode.

c) Other operating income in the nature of documentation charges and crane handling charges is recognised upon delivery of such services to the customers.

(ii) Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(iii) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Effective April 1, 2018, the Company has implemented Ind AS 115 "Revenue from Contracts with Customers", the impact of which is not material on the Ind AS Standalone Financial Statements and on the opening retained earnings as of April 1, 2018.

(d) Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses, if any. Historical cost comprises its purchase price net of any trade discounts and rebates, import duties and other taxes (other than those subsequently recoverable from tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the expected usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Class of assets	Useful lives in years
Dry-dock component of fleet	5 years*
Mobile handsets	3 years
Computers	6 years

*Estimated useful life of Dry-dock component of fleet has been revised from 2.5 years to 5 years w.e.f January 1, 2019 (Refer note 5).

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life for that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

(e) Intangible assets

Intangible assets purchased are carried at cost as of the date of acquisition less accumulated amortisation and accumulated impairment losses, if any. Intangible asset in the nature of computer software is amortised on a straight line basis over the estimated useful life of 6 years.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible assets is derecognized on disposal, or when no future economic benefits are expected to arise from continued use of the asset. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss.

(f) Foreign exchange transactions

The functional and presentation currency of the Company is Indian Rupee.

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary items denominated in a foreign currency are measured at historical cost and translated at exchange rate prevalent at the date of transaction.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for the exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

(g) Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All the other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

(h) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax:

The Company has opted for Tonnage Tax for shipping income. Current tax for the current period is the aggregate of Tonnage Tax on shipping income determined in accordance with the provisions of Section 115VT of the Income Tax Act, 1961 ("IT Act") and tax on non-shipping income determined based on taxable income and tax credits computed in accordance with the relevant provisions of IT Act.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets include Minimum Alternative 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. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Current and deferred tax is recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting of a business combination, the tax effect is included in the accounting for the business combination.

(i) Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

(j) Employee benefits

(i) Short-term employee benefits:

Benefits accruing to on-shore employees in respect of wages, salaries, compensated absences and estimated cost of bonus which are expected to be availed within twelve months immediately following the year end are reported as expenses during the year in which the employee performs the service that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method at the present value of the estimated future cash flow expected to be made by the Company in respect of services provided by employees up to the reporting date.

In respect of off-shore employees benefits accruing in the nature of salaries are reported as expenses during the year in which the employee performs the related service. The Company does not provide benefits in the nature of bonus or compensated absences to off-shore employees.

(ii) Retirement benefit costs and termination benefits

Defined contribution plans:

The eligible On-shore employees of the Company are entitled to receive benefits under the provident fund scheme which is in substance, defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

As per the Company's agreement with National Union Seafarers of India under Section 101 of the Merchant Shipping Act, 1958, the Company in respect of its off-shore employees, makes monthly contribution towards provident fund and annuity at a specified percentage of the covered employees' salary (currently 12% of basic salary and 10% basic salary respectively) under Seamen's Provident Fund Act and towards gratuity at 12% of basic salary to Seafarers Welfare Fund Society. Payment to these funds are regarded as contribution to defined contribution retirement benefits plans as the Company's liability is restricted to the contribution made to these funds and recognised as an expense when employees have rendered the services entitling them to the contribution.

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for the year ended March 31, 2019

Defined benefit plans:

The Company's liabilities towards gratuity to on-shore employees is determined using the projected unit credit method, with actuarial valuations being carried out on a yearly basis.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in other equity and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of termination benefit and when the entity recognises any related restructuring costs.

(k) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

(l) Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a lessor:

Rental income from operating leases is recognised on straight line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight line basis over the lease term.

Company as a lessee:

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease.

(m) **Government grant**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the profit or loss in the period in which they become receivable.

(n) **Accounting and reporting of information for Operating Segments**

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") in the Company to make decisions for performance assessment and resource allocation. As explained in note 32 below, "Sea Logistics" has been defined as the single reportable segment of the Company. The reporting of segment information is the same as provided to the CODM.

(o) **Cash and cash equivalents**

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

(p) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make sale.

Cost of inventories include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories of fuel oil, lube oil and victualling stock is determined on first-in-first-out basis. Store and spares is charged off to the Statement of Profit and Loss upon receipt on vessel.

(q) **Financial instruments**

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

(a) Non-derivative financial instruments:

i) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

ii) Financial assets carried at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iv) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

v) Investment in subsidiaries

The Company records the investments in subsidiaries at cost less impairment loss, if any.

vi) Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

vii) Financial liabilities at amortized cost

Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(b) Impairment:

i) Financial assets:

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

The Company assessed the expected credit losses associated with its assets carried at amortised cost and fair value through other comprehensive income based on the company's past history of recovery, credit worthiness of the counter party and existing market conditions.

ii) Non-financial assets:

Property, plant and equipment:

Property, plant and equipment with finite lives are evaluated for recoverability wherever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

(c) De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

A financial liability (or a part of a financial liability) is derecognised from the company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

(d) Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedged item and hedging relationship.

(e) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(f) <u>Fair value of financial instruments:</u>

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value and such value may never actually be realised.

(g) <u>Hedge accounting</u>

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency, as either cash flow hedge or fair value hedge. Hedges of foreign currency risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to hedged risk.

(i) <u>Fair value hedges</u>

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to hedged risk are recognized in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(ii) <u>Cash flow hedges</u>

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains or losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

4. Key sources of estimation uncertainty and critical accounting judgements:

The preparation of the financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the company's accounting policies and that have the most significant effect on the amount recognised in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

i. Revenue recognition:

The Company recognises unfinished voyage income and related expenses based management's estimates on the average number of days required to complete the voyage from the port of origin for the voyage to the port of destination given its operational performance during the year. The actual travel time per voyage may differ leading to differences in unfinished voyage income and expenses to be recognised for voyages in-transit at the end of the period.

ii. Useful lives and residual values of property, plant and equipment:

As described in 3(d) above, the management reviews the useful lives of property, plant and equipment at least once a year. Such lives for fleet are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs, historical planned and scheduled maintenance, the operating condition of the vessel etc. Accordingly, depreciable lives are reviewed annually using the best information available with the Management.

Residual values is estimated based on the steel scrap rate applied to the light weight of each vessel at the end of each financial year.

It is possible that the estimates made based on existing experience are different to the actual outcomes within the following financial periods and could cause a material adjustment to the carrying amount or depreciation charge on property, plant and equipment.

iii. Contingencies:

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in Note 34 but are not recognized. Company's assessment of exposure to contingencies could change as new developments occur or more information becomes available. The outcome of the contingencies could vary significantly and could materially impact the Company's results and financial position.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2019

iv. Expected credit losses:

The Company assesses its expected credit losses at each reporting date. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Key assumptions applied are experience (including comparisons of the relative age of accounts and consideration of actual write-off history), customer creditworthiness, changes in customer payment terms, the estimated debt recovery rates and future market conditions that could affect recovery. The actual level of debt collected may differ from the estimated levels of recovery.

v. Defined benefit plans:

The cost of defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations and mortality rates etc. 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 financial year end.

vi. Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

5. Property, plant and equipment

(₹ in lac)

Particulars	Fleet	Dry dock component of fleet	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
At cost / deemed cost							
Balance as at April 01, 2017	**25,621**	**1,668**	**62**	**13**	**11**	**23**	**27,398**
Additions	12,742	2,102	-	1	6	96	**14,947**
Disposals	(1,270)	(258)	-	-	-	(22)	**(1,550)**
Effect of foreign currency exchange differences	19	-	-	-	-	-	**19**
Balance as at March 31, 2018	**37,112**	**3,512**	**62**	**14**	**17**	**97**	**40,814**
Additions	4,913	1,752	1	-	3	18	**6,687**
Disposals	(2,729)	(257)	-	-	-	-	**(2,986)**
Effect of foreign currency exchange differences	663	-	-	-	-	-	**663**
Balance as at March 31, 2019	**39,959**	**5,007**	**63**	**14**	**20**	**115**	**45,178**
Accumulated depreciation and impairment							
Balance as at April 01, 2017	**851**	**195**	**9**	**7**	**3**	**6**	**1,071**
Depreciation expense	758	1,118	9	5	3	9	**1,902**
Elimination on disposal of assets	(330)	(258)	-	-	-	(9)	**(597)**
Balance as at March 31, 2018	**1,279**	**1,055**	**18**	**12**	**6**	**6**	**2,376**
Depreciation expense	702	1,360	9	1	3	12	**2,087**
Elimination on disposal of assets	(94)	(137)	-	-	-	-	**(231)**
Balance as at March 31, 2019	**1,887**	**2,278**	**27**	**13**	**9**	**18**	**4,232**
Carrying amount							
Balance as at March 31, 2018	35,833	2,457	44	2	11	91	**38,438**
Balance as at March 31, 2019	38,072	2,729	36	1	11	97	40,946

Footnotes :

(i) Certain property, plant and equipment have been pledged against borrowings, the details relating to which have been described in Note 15.

(ii) During the year, the estimated useful life of dry-dock component of fleet has been revised from 2.5 years to 5 years w.e.f January 1, 2019. The effect of these changes on actual and expected depreciation expense, in current and future years respectively is as follows:

(₹ in lac)

	For the year ended					
	March 31, 2019	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
(Decrease)/increase in depreciation expense	(195)	(745)	32	492	331	85

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2019

6 . Investments

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of shares	(₹ in lac)	No of shares	(₹ in lac)
(A) Non-current				
(i) Investment in equity instruments				
Unquoted				
(a) Investment in an associate (deemed cost)				
Avana Logistek Limited (formerly known as Shreyas Relay Systems Limited)	1,05,00,000	950	3,500,000	950
(b) Investment in a joint venture (at cost):				
Shreyas-Suzue Logistics (India) Private Limited	500,000	50	500,000	50
(c) Investment in other equity shares (At fair value through profit or loss)				
Orient Express Ship Management Ltd.	15,000	9	15,000	9
(ii) Investment in mutual funds: (At fair value through profit or loss)	-	1,524	-	2,064
TOTAL		2,533		3,073
(B) Current				
Investment in mutual funds (At fair value through profit or loss)		19		767
TOTAL		19		767
Aggregate carrying amount of unquoted investments		2552		3,840

7. Other financial assets

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
(A) Non-current		
Bank deposits with maturity of more than 12 months as of the balance sheet date including interest accrued thereon (restricted cash)		
- Lien against borrowings	593	508
- Margin money deposits against bank guarantees	-	50
- Others (pledged with customs authorities)	20	18
In deposit accounts (Original maturity more than 12 months as of the balance sheet date)	7	-
Security deposits	10	10
Interest rate swaps not designated in hedge accounting relationship	-	22
	630	**608**
(B) Current		
Claims receivable	3,155	-
Interest accrued on fixed deposits	6	58
Unbilled revenue	-	257
Other receivables (refer note 37)	218	267
	3,379	**582**

8. Other assets

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
(A) Non-current		
Capital advances	-	34
	-	**34**
(B) Current		
Advances to related parties (refer note 37)	451	155
Prepaid expenses	26	15
Unfinished voyage expenses*	136	54
Export credit entitlements	117	40
Advances to others - considered good	1,664	1,823
GST input tax credit (net of tax)	1,200	-
Others	54	42
	3,648	**2,129**

* Expenses paid in advance for unfinished voyages as at the balance sheet date

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

9. Inventories

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
Inventories (at lower of cost and net realisable value)		
Fuel oil	1,791	1,826
Lube oil	460	416
Victualling stock	27	29
	2,278	**2,271**

10. Trade receivables

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables		
a) Trade receivables considered good - Secured	-	-
b) Trade receivables considered good - Unsecured	14,900	14,075
c) Trade receivables which have significant increase in credit risk	-	-
d) Trade receivables - Credit impaired	112	35
	15,012	14,110
Less: Allowance for doubtful debts (expected credit loss allowance)	(112)	(35)
	14,900	**14,075**

Movement of allowance for expected credit loss

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	35	35
Allowance for doubtful receivables during the year	77	-
Balance at end of the year	**112**	**35**

The credit period on services rendered ranges from 30 to 60 days generally without security.

The Company does not generally hold any collateral over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

11. Cash and cash equivalents

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash in hand	10	10
Balances with banks		
In current accounts	870	347
In deposit accounts (Original maturity of less than 3 months)	-	366
	880	**723**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

12. Other bank balances

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
Unclaimed dividend accounts	31	30
In deposit accounts (Original maturity more than 3 months but due within 12 months of the balance sheet date)	109	17
	140	**47**

13. Equity share capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	(₹ in lac)	Number of shares	(₹ in lac)
Authorised share capital				
Equity shares of ₹ 10 each	2,40,00,000	2,400	2,40,00,000	2,400
Issued, subscribed and fully paidup share capital				
Equity shares of ₹ 10 each	2,19,57,533	2,196	2,19,57,533	2,196

13.1 Reconciliation of number of equity shares and share capital

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Number of shares	(₹ in lac)	Number of shares	(₹ in lac)
Issued, subscribed and fully paidup equity shares outstanding at the beginning of the year	2,19,57,533	2,196	2,19,57,533	2,196
Movements during the year	-	-	-	-
Issued, subscribed and fully paidup equity shares outstanding at the end of the year	**2,19,57,533**	**2,196**	**2,19,57,533**	**2,196**

13.2 Terms of/rights attached to equity shares

(a) The Company has only one class of equity shares having a par value of ₹ 10 each. Each shareholder of equity shares is entitled to one vote per share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.

(b) In the event of liquidation,the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their share holding.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2019

13.3 Share holders holding more than 5% share in the Company as setout below :

Particulars		As at March 31, 2019		As at March 31, 2018	
		Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares					
(a)	Transworld Holdings Limited (the Holding Company)	1,23,51,650	56.25%	1,23,51,650	56.25%
(b)	Sivaswamy Ramakrishnan Iyer	15,57,550	7.09%	-	-
(c)	Mithila V Mahesh	-	-	11,67,325	5.32%
(d)	Anisha Valli Ramakrishnan	-	-	11,67,325	5.32%

14. Other equity

(₹ in lac)

Particulars		As at March 31, 2019	As at March 31, 2018
(a)	Reserves and surplus:		
	Capital redemption reserve	1,300	1,300
	Securities premium reserve	3,823	3,823
	Tonnage tax reserve	1,057	1,550
	Tonnage tax utilisation reserve	7,123	6,000
	General reserve	1,717	1,717
	Retained earnings	17,812	15,526
(b)	Other comprehensive income		
	Cash flow hedging reserve	(1,463)	(864)
		31,369	**29,052**

Footnotes:

(a) **Capital redemption reserve:** The Companies Act provides that companies redeeming preference shares at face value or nominal value is required to transfer an equivalent amount into capital redemption reserve. This reserve can be used to issue fully paid-up bonus shares to the shareholders of the Company.

(b) **Securities premium reserve:** The amount received in excess of face value of equity shares is recognised in securities premium reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

(c) **Tonnage tax reserve:** The reserve is a statutory reserve as per requirements of section 115VT of the Income Tax Act, 1961 for the purpose of complying with the conditions of tonnage tax scheme.

(d) **Tonnage tax utilisation reserve:** The tonnage tax utilised reserve represents the utilisation of tonnage tax reserve created as per requirements of section 115VT of the Income Tax Act, 1961 for the purpose of purchase of vessel.

(e) **General reserve:** The Company created a general reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to general reserve before declaring dividends.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2019

The provision of the Companies Act 2013, do not mandate transfer of profits to general reserve. General reserve is a free reserve available for distribution subject to compliance with the Companies.(Declaration and Payment of Dividend) Rules, 2014.

(f) **Retained earnings:** Retained earnings comprise balances of accumulated (undistrubuted) profit and loss at each year end.

(g) **Cash flow hedging reserve:** Cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated hedging instruments entered into for cash flow hedges, which shall be reclassified to Statement of Profit and Loss only when the hedged transaction affects the profit or loss.

15. Borrowings

(₹ in lac)

	Particulars	As at March 31, 2019	As at March 31, 2018
(A)	**Non-current (at amortised cost)**		
	Secured - **(refer note (a) below)**		
	Term loans		
	Term loans from banks	22,373	21,600
	Less: current maturities of long-term borrowings	(5,113)	(4,263)
	Total non-current borrowings	**17,260**	**17,337**
(B)	**Current (at amortised cost)**		
	Working capital loans from banks (secured, refer note (b) below)	7,547	4,629
	Total current borrowings	**7,547**	**4,629**

a) Nature of security and terms of repayment for secured loan availed from banks

(₹ in lac)

Sr. No.	Particulars	Terms of repayment	Security	As at March 31, 2019	As at March 31, 2018
1	Term loan from bank	6 month LIBOR + 350 bps, foreign currency term loan repayable in equal quarterly installments till June,2022	First charge on vessel - SSL Mumbai	799	981
2	Term loan from bank	3 month LIBOR + 330 bps, foreign currency term loan repayable in equal quarterly installments till July, 2020	First charge on vessel - SSL Kochi and SSL Kutch)	1,641	2,562
3	Term loan from bank	6 month LIBOR + 425 bps, foreign currency term loan repayable in equal quarterly installments till December, 2021	First charge on vessel - SSL Gujarat and lien over mutual funds investments ₹ 1247 lac	1,262	1,579

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2019

(₹ in lac)

Sr. No.	Particulars	Terms of repayment	Security	As at March 31, 2019	As at March 31, 2018
4	Term loan from bank	6 month LIBOR + 350 bps, foreign currency term loan repayable in equal quarterly installments till January, 2023	First charge on vessel - SSL Bharat	2,065	2,423
5	Term loan from bank	3 month LIBOR + 320 bps, foreign currency term loan repayable in equal quarterly installments till March, 2021	First charge on vessel - SSL Visakhapatnam	548	770
6	Term loan from bank	6 month LIBOR + 325 bps, foreign currency term loan repayable in equal quarterly installments till February, 2022	First charge on vessel - SSL Delhi and lien over mutual funds investments ₹ 1247 lac	1,238	1,549
7	Term loan from bank	6 month LIBOR + 350 bps, foreign currency term loan repayable in equal quarterly installments till March, 2024	First charge on vessel - SSL Kolkata	1,428	1,603
8	Term loan from bank	3 month LIBOR + 290 bps, foreign currency term loan repayable in equal quarterly installments till September, 2024	First charge on vessel - SSL Sabarimalai	-	2,171
9	Term loan from bank	6 month LIBOR + 325 bps, foreign currency term loan repayable in equal quarterly installments till September, 2024	First charge on vessel - SSL Balaji and SSL Brahmaputra and collateral security vessel -SSL Chennai	5,041	5,543
10	Buyers'Credit Facility	12 month LIBOR + 67 bps, Buyer's credit facility for three years to be converted into FCTL repayable in equal quarterly installments from Oct, 2020 till July, 2023	First charge on vessel - SSL Ganga	1,927	1,796
11	Term loan from bank	Interest @ I- Base + 290 bps Rupees term loan repayable in equal quarterly installment till July 2020.	First charge on vessel - SSL Kochi and SSL Kutch.	326	549
12	Term loan from bank	6 month LIBOR + 325 bps, foreign currency term loan repayable in equal quarterly installments till May, 2021	First charge on vessel - SSL Krishna	4,007	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2019

(₹ in lac)

Sr. No.	Particulars	Terms of repayment	Security	As at March 31, 2019	As at March 31, 2018
13	Term loan from bank	Interest @ I-Base+290 bps, Rupees term Loan repayable in equal quarterly installments till September, 2024	First charge on vessel - SSL Sabarimalai	2,018	-
14	Term loan from bank	Rupee term loan repayable in equal monthly installments till October, 2022	Audi Q7	60	74
15	Term loan from bank	Rupee term loan repayable in equal monthly installments till December, 2021	Mahindra Marazzo M8	13	
				22,373	**21,600**

b) Working capital loans are secured by hypothecation of all current assets (present and future) of the Company.

c) Reconciliation of liabilities arising from financing activities.
The table below details changes in the Company's financing activities, including both cash and non-cash changes, Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Company's Statement of cash flows as cash flows from financing activities:

(₹ in lac)

Particulars	As at March 31, 2018	Financing cash flows - (net)	Foreign exchange rate difference	As at March 31, 2019
Term loans from banks	21,600	(801)	1,574	22,373
Working capital loans	4,629	2,918	-	7,547
	26,229	**2,117**	**1,574**	**29,920**

(₹ in lac)

Particulars	As at March 31, 2017	Financing cash flows - (net)	Foreign exchange rate difference	As at March 31, 2018
Term loans from banks	14,149	6,567	884	21,600
Working capital loans	3,448	1,181	-	4,629
	17,597	**7,748**	**884**	**26,229**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2019

16. Other financial liabilities

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
(A) Non-current		
a) Foreign currency forward contracts designated in hedge accounting relationship	4	-
	4	**-**
(B) Current		
a) Current maturities of term loans from banks (refer note 15)	5,113	4,263
b) Interest accrued but not due on borrowings	148	152
c) Unclaimed dividend	31	30
d) Payable for capital purchases	183	266
e) Employee related liabilities	417	489
	5,892	**5,200**

17. Provisions

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
(A) Non-current		
Employee benefits		
Provision for Gratuity (refer note : 29)	3	-
	3	-
(B) Current		
Provision for compensated absences	87	68
	87	68

18. Deferred tax liabilities

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities (net)	52	37
	52	**37**

(₹ in lac)

Deferred tax balances in relation to	As at March 31, 2017	Recognised/ (reversed) through profit or loss	As at March 31, 2018
Unrealised gain on mutual funds carried at fair value through profit or loss	12	25	37
	12	**25**	**37**

(₹ in lac)

Deferred tax balances in relation to	As at March 31, 2018	Recognised/ (reversed) through profit or loss	As at March 31, 2019
Unrealised gain/(loss) on mutual funds carried at fair value through profit or loss	37	15	52
	37	**15**	**52**

19. Trade payables

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
Due to micro enterprises and small enterprises (refer note 36)	117	9
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,090	5,180
	6,207	**5,189**

20. Other current liabilities

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Advances from customers	-	1
(b) Statutory liabilities	388	107
(c) Unfinished voyage income	618	380
	1,006	488

21. Revenue from operations

(₹ in lac)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sales of services		
(a) Ocean freight income	56,109	51,136
(b) Charter hire income	4,759	679
(c) Multimodal freight income	1,358	1,790
(d) Income from export credit entitlements	115	5
(e) Other operating income	138	449
	62,479	**54,059**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2019

22. Other income

(₹ in lac)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Interest income earned on financial assets that are not designated as at FVTPL		
	- Interest income on deposits with banks	52	44
(b)	Interest income on income tax refund	76	-
(c)	Dividend from mutual fund investments	45	169
(d)	Gain arising on mutual fund designated as at FVTPL	36	54
(e)	Net gain on disposal of mutual fund investments designated as at FVTPL	-	11
(f)	Liabilities no longer payable written back	-	30
(g)	Dividend from an associate company	52	-
(h)	Net gain on foreign currency transactions and translation	-	11
(i)	Gain arising on Interest rate swap not designated in hedge accounting relationship	15	22
(j)	Other miscellaneous income	6	18
		282	**359**

23. Employee benefits expense

(₹ in lac)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
Off-shore staff			
(a)	Salaries, wages and other allowances	6,202	5,326
(b)	Contribution to provident and other funds (refer note no. 29)	176	80
(c)	Staff welfare	46	49
On-shore staff			
(a)	Salaries and bonus	868	764
(b)	Contribution to provident fund and gratuity (refer note no. 29)	57	52
(c)	Staff welfare	29	46
		7,378	**6,317**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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24. Fuel, lube oil and fresh water

(₹ in lac)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Fuel oil	19,191	12,881
(b)	Gas oil	882	1,328
(c)	Lube oil	1,169	981
(d)	Fresh water	143	141
		21,385	**15,331**

25. Other operation cost

(₹ in lac)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Vessel management and agency fees	1,342	1,042
(b)	Insurance and protection club fee	714	546
(c)	Repairs and maintenance of fleet	512	456
(d)	Crew victualling	423	341
(e)	Other operating expenses	416	430
(f)	Transportation expenses	505	471
(g)	Brokerage / commission	36	
		3,948	**3,286**

26. Finance costs

(₹ in lac)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
Interest expenses on financial liabilities not classified as FVTPL:-			
(a)	Interest on bank loans	1,739	1,185
(b)	Other borrowing cost	154	92
		1,893	**1,277**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2019

27. Other expenses

(₹ in lac)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a)	Allowance for doubtful debts (expected credit loss)	77	-
(b)	Professional and consultancy fees	127	72
(c)	Rent	40	39
(d)	Advertisement and business promotion	72	52
(e)	Travelling and conveyance	62	77
(f)	Communication expenses	25	18
(g)	Auditors remuneration (refer footnote a)	45	43
(h)	Repairs and maintenance- other assets	15	12
(i)	Vehicle lease rent	11	15
(j)	Director's sitting fees	48	33
(k)	Loss on sale of mutual fund investments	9	-
(l)	Loss on sale/ discard of property plant and equipment	-	13
(m)	Insurance expenses	16	7
(n)	Rates and taxes	3	4
(o)	Net loss on foreign currency transactions and translation	66	-
(p)	Corporate social responsibility expenditure (refer footnote b)	23	20
(q)	Expenses of export credit entitlements	-	274
(r)	Hedge ineffectiveness of cash flow hedge	66	99
(s)	Other expenses	178	194
		883	**972**

Footnotes:

(₹ in lac)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a)	**Auditor's remuneration (excluding taxes):**		
	Audit fees	37	31
	In other capacity		
	- Tax audit fees	3	3
	- Fees for certification	2	9
	Out of pocket expenses	3	-
	Total	**45**	**43**

(₹ in lac)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(b) Details of Corporate Social Resposibility ('CSR') Expenditure		
(a) Gross amount required to be spent	91	60
(b) Amount spent during the year		
(i) On construction/ acquisition of any asset	-	-
(ii) On purpose other than stated above	23	20
(c) Amount yet to be spend		
(i) On construction/ acquisition of any asset		
(ii) On purpose other than stated above	68	40

28. Exceptional items

(₹ in lac)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Loss on vessel derecognition and related costs	(3,060)	(129)
(b) Insurance claim receivable	3,155	
	95	**(129)**

29. Employee benefit plan

29. 1 Defined contribution plan

The Company's contribution to defined contribution plans are as under:

(₹ in lac)

Nature of benefit	Deposited with	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) On-shore employees			
(i) Provident fund	Employee's Provident fund organisation	47	44
(b) Off-shore employees			
(i) Provident fund	The Commission Seamen's Provident Fund office	104	49
(ii) Annuity	The Commission Seamen's Provident Fund office	27	20
(iii) Gratuity	Seafarers Welfare Fund Society	45	11
Total		**223**	**124**

29.2. Defined benefit plans

a) Gratuity (funded)

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. The amount of gratuity shall be payable to an employee on the termination of his employment after he has rendered continued services for not less than 5 years, or on the superannuation or resignation. However, in case of death of the employee, the minimum period of 5 years shall not be required. The amount of gratuity payable on termination/retirement is the employee last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years' service completed.

The amount included in the balance sheet arising from the entity's obligation in respect of gratuity is as follows:

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	287	217
Fair value of plan assets	284	242
Amount not recognized due to asset limit	-	1
Net liability / (asset) arising from defined benefit obligation (Refer Note 17)	**3**	**(24)**

Amounts recognised in Statement of Profit and Loss in respect of this defined benefits plan are as follows:

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
Service cost		
Current service cost	12	9
Interest on net defined benefit liability/(assets)	(2)	(1)
Components of defined benefit costs recognised in profit or loss (Refer Note 23)	**10**	**8**
Remeasurement on the net defined benefit liability due to:		
Actual return on plan assets less interest on plan assets	(3)	(10)
Actuarial (Gains)/losses arising from changes in financial assumptions	3	(15)
Actuarial (Gains)/losses arising from experience assumptions	55	73
Adjustment to recognise the effect of asset ceiling	(1)	1
Components of defined benefit costs recognised in other comprehensive income	**54**	**49**

The current service cost and the net interest expense for the year are included in the "Employee benefits expense" line item in the Statement of Profit and Loss.

The remeasurement of the net defined liability is included in other comprehensive income.

Movements in the present value of the defined benefit obligations are as follows:

(₹ in lac)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening defined benefit obligations	217	151
Current service cost	12	9
Interest Cost	10	6
Actuarial (gains)/losses arising from changes in financial assumptions	2	(15)
Actuarial (Gains)/losses arising from experience assumptions	55	73
Benefits paid	-	(7)
Liabilities assumed / (settled)	(9)	-
Closing defined benefit obligation	**287**	**217**

Movements in the fair value of the plan assets are as follows:

(₹ in lac)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening fair value of plan assets	242	146
Contribution from the employer	40	86
Interest income	12	7
Remeasurement gains/(losses)	-	-
Actual return on plan assets less interest on plan assets	2	10
Benefits paid	-	(7)
Assets acquired / (settled)	(12)	-
Closing fair value of plan assets	**284**	**242**

The fair value of major categories of plan assets are as follows:

(₹ in lac)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Insurer managed funds (managed by LIC of India)	284	242
	284	**242**

The principal assumptions used for the purposes of the actuarial valuations were as follows:

(₹ in lac)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate(s)	6.90%	7.45%
Expected rate(s) of salary increase	5.00%	5.00%

In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to date mortality tables, the base being the Indian assured lives mortality (2006-08) estimate.

The Company expects to contribute ₹ 10 lac (for the year ended March 31, 2018: ₹ Nil) to its gratuity plan for the next year.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity analysis of significant actuarial assumptions:

Particulars	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 50 bps)	(3)	3	(3)	3
Salary growth rate (-/+ 50 bps)	3	(3)	3	(3)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(b) Compensated absences (unfunded)

As per the Company's policy accumulated leave may be availed by an employee during the period of his service and may be encashed on separation (i.e. due to death, retirement, separation or resignation). Compensated absences which are not expected to be encashed or availed within twelve months of the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the Balance Sheet date.

(₹ in lac)

Particulars	As at 31-Mar-19	As at 31-Mar-18
Present value of funded defined benefit obligation (₹)	87	68
Discount Rate (p.a.)	6.90%	7.45%
Salary escalation rate (p.a.)	5.00%	5.00%

(c) **Defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.**

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently the plan assets are managed by Life Insurance Corporation of India as part of their Group Gratuity Scheme.
Interest risk	A decrease in the government bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

In respect of the plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2019 by Mr. Arpan N. Thanawala, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation and the related current service costs and past service cost, are measured using the projected unit credit method.

30. Earnings per share

(₹ in lac)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit after taxes for the year attributable to equity shareholders (₹ in lac)	3,365	8,091
Weighted average number of equity shares outstanding during the year	2,19,57,533	2,19,57,533
Earnings per equity share of ₹ 10/- each - Basic and diluted	15.33	36.85

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31. Lease

Operating lease arrangements

The Company has entered into cancellable operating lease arrangements for its office premises and the lease rental mentioned in below table is charged to the Statement of Profit and Loss.

(₹ in lac)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Office lease rent	40	39
	40	39

The Company has entered into cancellable operating lease arrangements for vehicles and the lease rental mentioned in below table is charged to the Statement of Profit and Loss.

(₹ in lac)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Vehicles lease rent	11	15
	11	15

32. Segment information

The Company has determined 'Sea logistics' as its single reportable segment based on the information reviewed by the Company's Chief Operating Decision Makers (CODM).

The information relating to revenue from customers and location of its non-current assets of its single reportable segment is as under:

a) Revenue from operations:

(₹ in lac)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Within India	49,452	47,264
Outside India	13,027	6,795
	62,479	54,059

b) Non-current assets:

All non-current assets other than financial instruments and deferred tax assets of the Company are located in India.

c) Information about major customers

Revenue from operations include revenues of ₹ 28,331 lac (previous year: ₹ 27,052 lacs) from the single largest customer of the Company. No other single customer contributed 10% or more to the Company's revenue for the current and previous year.

33. Financial instruments

33.1 Capital management

The Company's objective for capital management is to maximize shareholder value, safeguard business continuity and maintain an optimal capital structure to reduce the cost of capital. The Company maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company consists of total equity. The Company is not subject to any externally imposed capital requirements.

Gearing ratio:

The gearing ratio at end of the reporting period was as follows:

(₹ in lac)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Non current borrowings	15	17,260	17,337
Current maturities of long term debts	15	5,113	4,263
Current borrowings	15	7,547	4,629
		29,920	**26,229**
Less: cash and cash equivalents	11	880	723
Less: bank balances other than cash and cash equivalents (other than restricted cash)	12	140	47
Net debt		**28,900**	**25,459**
Total equity		**33,565**	**31,248**
Gearing ratio (Net debt/Total equity)		**0.86**	**0.81**

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33.2 Categories of financial instruments

The following table presents the carrying value and fair value of each category of financial assets and liabilities:

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets (other than investments in subsidiary and associate)		
Financial assets measured at amortised cost		
Cash and cash equivalents	880	723
Bank balances other than cash and cash equivalents	140	47
Trade receivables	14,900	14,075
Other financial assets	4,009	1,168
Total financial assets measured at amortised cost	**19,929**	**16,013**
Financial assets measured at FVTPL		
Investment in equity shares	9	9
Interest rate swaps not designated in hedge accounting relationship	-	22
Investment in mutual funds	1,543	2,831
Total financial assets measured at FVTPL	**1,552**	**2,862**
Total financial assets	**21,481**	**18,875**
Financial liabilites		
Financial liabilities measure at amortised cost		
Non current borrowings (including current maturities)	22,373	21,600
Current borrowings	7,547	4,629
Trade payables	6,207	5,189
Other financial liabilities (excludes current maturities of long term debts)	779	937
Total financial liabilities measured at amortised cost	**36,906**	**32,355**
Financial liabilities measured at FVTOCI		
Foreign currency forward contracts designated in hedge accounting relationship	4	-
Total financial liabilities measured at FVTOCI	**4**	**-**
Total financial liabilities	**36,910**	**32,355**

Fair values of the financial assets and financial liabilities

(₹ in lac)

Financial assets / financial liabilities	Fair value hierarchy	Fair value as at		Valuation technique(s) and key input(s)
		March 31, 2019	March 31, 2018	
(A) Financial assets and liabilities measured at fair value on recurring basis				
Investment in mutual funds	Level 1	1,543	2,831	Closing NAV of the mutual fund schemes
Interest rate swaps not designated in hedge accounting relationship	Level 2	-	22	Refer note (a) below
Foreign currency forward contracts designated in hedge accounting relationship	Level 2	4	-	
Investment in equity shares	Level 3	9	9	Net asset value method
(B) Financial assets and liabilities measured at amortised cost for which fair values are disclosed				
Non current borrowings (including current maturities)	Level 3	73	74	Refer note (b) below

Footnotes

(a) Discounted cash flow: Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk on various counter parties.

(b) Generally accepted pricing model based on discounted cash flow analysis with most significant input being the discounting rate that reflects the credit risk of counterparties.

(c) The management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements, other than as detailed in table above, approximate their fair values.

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The following table presents the changes in investment in unlisted equity shares (level 3 item)

(₹ in lac)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Balance at the beginning of the year	9	9
Loss recognised in the statement of profit and loss	-	-
Balance at the end of the year	**9**	**9**

33.3 Details of financial assets pledged as collateral

Carrying amount of financial assets provided as a collateral for obtaining borrowing and other facilities from the bankers are as follows:

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets		
Investments	1,247	2,520
Trade receivables	14,900	14,075
Cash and cash equivalents	880	723
Bank balances other than above	140	47
Other financial assets	3,379	582
Total	**20,546**	**17,947**

33.4 Financial risk management objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

33.5 Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are freight rate movements, commodity price risk (fuel), foreign currency exchange risk and interest rate risk.

The Company has entered into an INR - USD cross currency swap for its borrowing during the year and accounted ₹ 4 lac as mark to market as on March 31, 2019 in Other Comprehensive Income.

33.6 Foreign currency risk management

The Company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The carrying amounts of the

Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets		
Receivables		
USD	3,979	4,172
Financial liabilities		
Payables		
DHS	130	88
EURO	68	1,293
SGD	93	43
USD	1,118	698
YEN	37	59
SLR	49	794
DKK	-	26
PKR	-	5
FCNR Loan - USD	27,644	25,427

33.7 Foreign currency sensitivity analysis

The Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables. As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between INR and following currencies, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below. A positive number below indicates an increase in profits or equity where INR strengthens 5% against the relavant currency. For a 5% weakening of INR against the relavant currency , there would be a comparable impact on profit or equity, and the balances below would be negative.

(₹ in lac)

Currency	Weakening of INR by 5%	Strengthening of INR by 5%
As at March 31, 2019		
Receivables		
USD	199	(199)
Payables		
USD	(1,438)	1,438
DHS	(7)	7
EURO	(3)	3
SGD	(5)	5
YEN	(2)	2
SLR	(2)	2
	(1,258)	**1,258**

(₹ in lac)

Currency	Weakening of INR by 5%	Strengthening of INR by 5%
As at March 31, 2018		
Receivables		
USD	209	(209)
Payables		
USD	(1,306)	1,306
DHS	(4)	4
EURO	(65)	65
SGD	(2)	2
YEN	(3)	3
SLR	(40)	40
DKK	(1)	1
PKR*	(0)	0
	(1,212)	**1,212**

* Amount represent less than ₹ 0.5 lac

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

The Company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The Company resorts to cash flow hedge to manage its foreign exchange risk.

i) Foreign currency borrowings are designated as hedging instruments in cash flow hedges of forecast sales in US Dollar. These forecast transactions are highly probable. The balance of foreign currency borrowings varies with changes in foreign exchange rates.

   Carrying amount of foreign currency borrowings designated as hedging instruments is ₹ 12,896 lac as at March 31, 2019 (as at March 31, 2018: ₹ 12,620 lac) with maturity upto March 2025. Net unrealised gain of ₹ 732 Lac (Negative) (as at March 31, 2018 : ₹ 112 lac (negative)) relating to effectiveness of cash flow hedges of expected future sales is included in OCI and the hedge ineffectiveness of ₹ 66 lac (for the year ended March 31, 2018 : ₹ 99 lac) is recognised in the Consolidated Statement of Profit and Loss.

ii) Out of the cumulative loss accumulated in Other comprehensive income relating to cash flow hedges, which have been discontinued upon termination of the underlying FCNR facility/principle only swap contract designated as hedging instruments, the loss of ₹ 250 lac (for the year ended March 31, 2018- ₹ 58 lac) corresponding to the cash flows expected for the year has been reclassified to the Statement of Profit and Loss.

33.8 Interest rate risk management

The Company is exposed to interest rate risk because of borrowing of funds at floating interest rates.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

(₹ in lac)

	As at March 31, 2019	As at March 31, 2018
Fixed rate borrowings	73	74
Floating rate borrowings	29,847	26,155
Total borrowings	**29,920**	**26,229**

Interest rate swap contract entered into by the company in respect of its floating rate borrowing with carrying amount of ₹ 1,603 lac as on March 31, 2018 for for conversion into fixed rate borrowing has been terminated during the year.

Interest rate sensitivity analysis

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31,2019 would decrease/increase by ₹ 149 lac (for the year ended March 31, 2018 : ₹ 123 lac).

33.9 Other price risks

The Company is exposed to price risk arising from investments in mutual funds. Company's equity investments are held for strategic rather than trading purpose.

The sensitivity analysis below have been determined based on the exposure to mutual fund price risk at the end of the reporting period.

If the Net Asset Value of mutual fund scheme has been 5% higher / lower, profit for the year ended March 31, 2019 would increase / decrease by ₹ 77 lac (for the year ended March 31, 2018 : increase / decrease by ₹ 142 lac) as a result of the changes in the fair values of mutual fund investments.

33.10 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk arises from cash and cash equivalents, deposits with banks as well as customers including receivables. Credit risk management considers available reasonable and supportive forward-looking information including indicators like external credit rating (as far as available), macro-economic information (such as regulatory changes, government directives, market interest rate).

Credit exposure is managed by counterparty limits for investment of surplus funds which is reviewed by the Management. Investments in liquid plan/schemes are with reputed fund houses having high rating. For banks, only high rated banks are considered for placement of deposits.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Of the trade receivables balance as at March 31, 2019 : ₹ 9,303 lac (as at March 31, 2018: ₹ 8,317 lac is due from Avana Logistek Limited (formerly known as Shreyas Relay Systems Limited). There are no other customers who represent more than 10% of total balance of trade receivables.

33.11 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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33.12 Liquidity and interest rate tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

(₹ in lac)

Particulars	Carrying amount	Less than 1 year	1-5 years	More than 5 years	Total
As at March 31, 2019					
Trade payables	6,207	6,207	-	-	6,207
Borrowings (including current maturities of borrowings)	29,920	15,189	15,996	2,251	33,436
Other financial liabilities	779	779	-	-	779
Total	**36,906**	**22,175**	**15,996**	**2,251**	**40,422**
As at March 31, 2018					
Trade payables	5,189	5,189	-	-	5,189
Borrowings (including current maturities of borrowings)	26,229	10,268	17,004	2,667	29,939
Other financial liabilities	937	937	-	-	937
Total	**32,355**	**16,394**	**17,004**	**2,667**	**36,065**

The following table details the Company's expected maturity for its non-derivative financial assets. The information included in the table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(₹ in lac)

Particulars	Carrying Amount	Less than 1 year	1-5 years	More than 5 years	Total
As at March 31, 2019:					
Cash and cash equivalents	880	880	-	-	880
Bank balances other than cash and cash equivalents and restricted cash	140	140	-	-	140
Trade receivables	14,900	14,900	-	-	14,900
Other financial assets	4,009	3,379	505	125	4,009
Investment in equity shares	9	-	-	9	9
Investment in mutual funds	1,543	19	1,524	-	1,543
Total	**21,481**	**19,318**	**2,029**	**134**	**21,481**

(₹ in lac)

Particulars	Carrying Amount	Less than 1 year	1-5 years	More than 5 years	Total
As at March 31, 2018:					
Cash and cash equivalents	723	723	-	-	723
Bank balances other than cash and cash equivalents and restricted cash	47	47	-	-	47
Trade receivables	14,075	14,075	-	-	14,075
Other financial assets	1,168	582	576	10	1,168
Investment in equity shares	9	-	-	9	9
Investment in mutual funds	2,831	767	2,064		2,831
Total	**18,854**	**16,194**	**2,640**	**19**	**18,853**

33.13 Financing facilities

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
- amount used	7,891	4,973
- amount unused	309	1,627

34. Contingent liabilities and commitments

(₹ in lac)

Particulars	As at March 31, 2019	As at March 31, 2018
A. Contingent Liabilities		
(a) Claims against the Company not acknowledged as debt:		
- Differential custom duty on conversion of fleet from foreign run to coastal run @	53	53
(b) Bank guarantees	344	344
	397	**397**
B. Commitments	**160**	**-**

Management is generally unable to reasonably estimate a range of possible loss for proceedings or disputes other than those included in the estimate above, including where:

(i) parties are yet to raise claims on account of damages to the cargo, and

(ii) there is uncertainty as to the outcome of pending appeals or motions or settlement proceedings;

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The Company's management does not believe, based on currently available information, that the outcomes of the above matters will have a material adverse effect on the Company's financial position, though the outcomes could be material to the Company's operating results for any particular period, depending, in part, upon the operating results for such year. It is not practicable for the Company to estimate the timings of cash flows, if any, in respect of the above.

35. Disclosure made in terms of schedule V of SEBI (Listing obligation and Disclosure Requirement) 2015

The Company has not given any loan or advance in the nature of loan to subsidiary, associates or firm/companies in which directors are interested in view of Regulation 34(3) of SEBI (Listing obligations and disclosure requirement) Regulation, 2015.

36 i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management.

ii) Disclosure under Micro, Small and Medium Enterprise Development Act, 2006:

		As at March 31, 2019	As at March 31, 2018
(a)	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;	Principal- ₹ 117 lac	Principal- ₹ 9 lac
(b)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil
(c)	The 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 year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	Nil	Nil
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and		
(e)	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 disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

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37 A. Names of the related parties and nature of relationship

Nature of relationship	Name of the related parties
Holding company	Transworld Holdings Limited, Mauritius
Associate company	Avana Logistek Limited. (Formerly known as Shreyas Relay Systems Limited)
Joint venture company	Shreyas-Suzue Logistics (India) Private limited
Fellow subsidiary companies*	Avana Global FZCO (Formerly known as Balaji Shipping Line FZCO) Transworld Feeders FZCO BSL Freight Solution Private Limited Transworld Shipping and Logistics LLC
Key management personnel*	Mr. S. Ramakrishnan (Chairman) Mr. V.Ramnarayan (Executive Director) (till March 29, 2018) Mr. L.B. Culas (Director) Mr. Satish Kumar Pillania (Director) (w.e.f. May 25, 2018) Mr. Mannil Venugopalan (Director) Mr. Ritesh Ramakrishnan (Director) Mr. Amitabha Ghosh (Director) (till May 7, 2018) Mr. Utpal Suhas Gokhale (w.e.f. February 7, 2019) Capt. Manmohan Saggi (Director) Mr. S. Ragothaman (Director) Mr. D.T. Joseph (Director) Mr. Deepak Shetty(Director) Mrs. Maya Sinha (Director) Captain Vivek Kumar Singh (Managing Director) Rajesh Desai (Chief Financial Officer) Namrata Malushte (Company Secretary) (till May 7, 2018) Asha Prakash (Company Secretary) (w.e.f. May 7, 2018)
Relatives of key management personnel*	Geeta Ramakrishnan Anisha Ramakrishnan S. Mahesh Mala Mahesh Murali Mahesh Mithila Mahesh Brinda Ramnarayan Manita Vivek Kumar Singh Rajan Ramanarayan Rajiv Ramanarayan Ratnaprabha Desai Mr. V. Ramnarayan (Executive Director) (w.e.f. March 29, 2018)
Other related parties*	Sivaswamy Holdings Private Limited Orient Express Ship Management Limited TW Ship Management Limited Relay Shipping Agency Limited Encore Perian Logistics Business Services Private Limited Transworld Shipping & logistics WLL Transworld Shipping Agencies Private Limited BLPL Singapore Pte. Limited Transworld Feeders Lanka (Pvt) Limited Lanka Orient Express Lines Limited SRS Freight Management Limited

* Related parties with whom transactions have taken place during the current/previous year

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2019

Related Party Transactions

37 B. Transactions with related parties

(₹ in lac)

Particulars	Holding company *	" Associate Company/ Joint Venture* "	Fellow subsidiaries*	Other related parties*	Key Management personnel*	Relatives of Key Management personnel*	Total
Ocean freight income	-	28,331	2,610	21	-	-	30,962
	-	*27,052*	*2,831*	*31*	*-*	*-*	*29,914*
Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited)	-	28,331	-	-	-	-	28,331
	-	*27,052*	*-*	*-*	*-*	*-*	*27,052*
Avana Global FZCO (Formerly known as Balaji Shipping Line FZCO)	-		1,372	-	-	-	1,372
	-		*2,251*	*-*	*-*	*-*	*2,251*
BLPL Singapore Pte. Limited	-	-	-	21	-	-	21
	-	*-*	*-*	*31*	*-*	*-*	*31*
Transworld Feeders FZCO	-	-	1,238	-	-	-	1,238
	-	*-*	*580*	*-*	*-*	*-*	*580*
Charter hire and ocean freight charges	-	-	1,247	-	-	-	1,247
	-	*-*	*864*	*-*	*-*	*-*	*864*
Transworld Feeders FZCO	-	-	1,247	-	-	-	1,247
	-	*-*	*864*	*-*	*-*	*-*	*864*
Dividend received on equity shares	-	53	-	-	-	-	53
	-	*53*	*-*	*-*	*-*	*-*	*53*
Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited)	-	53	-	-	-	-	53
	-	*53*	*-*	*-*	*-*	*-*	*53*
Vessel management and agency fees paid	-	-	63	1,207	-	-	1,270
	-	*-*	*50*	*918*	*-*	*-*	*968*
Orient Express Ship Management Limited	-	-	-	-	-	-	-
	-	*-*	*-*	*-*	*-*	*-*	*-*
TW Ship Management Limited	-	-	-	764	-	-	764
	-	*-*	*-*	*681*	*-*	*-*	*681*
Transworld Feeders Lanka (Pvt) Limited	-	-	-	51	-	-	51
	-	*-*	*-*	*-*	*-*	*-*	*-*
Lanka Orient Express Lines Limited	-	-	-	120	-	-	120
	-	*-*	*-*	*1*	*-*	*-*	*1*
Transworld Shipping Agencies Private Limited	-	-	-	272	-	-	272
	-	*-*	*-*	*224*	*-*	*-*	*224*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2019

37 B. Transactions with related parties (Contd.)

(₹ in lac)

Particulars	Holding company *	" Associate Company/ Joint Venture* "	Fellow subsidiaries*	Other related parties*	Key Management personnel*	Relatives of Key Management personnel*	Total
Transworld Shipping and Logistics LLC	-	-	63		-	-	63
	-	*-*	*50*		*-*	*-*	*50*
Transworld Shipping & Logistics WLL	-	-	-	-	-	-	-
	-	*-*	*-*	*12*	*-*	*-*	*12*
Investment in Joint venture company	-	-	-	-	-	-	-
	-	*50*	*-*	*-*	*-*	*-*	*50*
Shreyas-Suzue Logistics (India) Private limited	-	-	-	-	-	-	-
	-	*50*			*-*	*-*	*50*
Vehicle lease rent paid	-	-	-	-	-	11	11
	-	*-*	*-*	*-*	*-*	*12*	*12*
Mrs Manita vivek Kumar Singh	-	-	-	-	-	11	11
	-	*-*	*-*	*-*	*-*	*11*	*11*
Mrs Ratnaprabha Desai	-	-	-	-	-	-	-
	-	*-*	*-*	*-*	*-*	*1*	*1*
Transportation charges	-	292	-	-	-	-	292
	-	*96*	*-*	*-*	*-*	*-*	*96*
Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited)	-	292	-	-	-	-	292
	-	*96*	*-*	*-*	*-*	*-*	*96*
Rent	-	-	-	37	-	-	37
	-	*-*	*-*	*37*	*-*	*-*	*37*
Sivaswamy Holdings Private Limited	-	-	-	37	-	-	37
	-	*-*	*-*	*37*	*-*	*-*	*37*
Remuneration to key management personnel	-	-	-	-	448	-	448
	-	*-*	*-*	*-*	*430*	*-*	*430*
Mr. S. Ramakrishnan	-	-	-	-	266	-	266
	-	*-*	*-*	*-*	*296*	*-*	*296*
Capt Vivek Kumar Singh	-	-	-	-	108	-	108
	-	*-*	*-*	*-*	*73*	*-*	*73*
Mr Rajesh Desai	-	-	-	-	54	-	54
	-	*-*	*-*	*-*	*35*	*-*	*35*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2019

37 B. Transactions with related parties (Contd.)

(₹ in lac)

Particulars	Holding company *	" Associate Company/ Joint Venture* "	Fellow subsidiaries*	Other related parties*	Key Management personnel*	Relatives of Key Management personnel*	Total
Mrs Asha Prakash	-	-	-	-	17	-	17
	-	*-*	*-*	*-*	*-*	*-*	*-*
Mrs. Namrata Malushte	-	-	-	-	3	-	3
	-	*-*	*-*	*-*	*26*	*-*	*26*
Director sitting fees	-	-	-	-	48	-	48
	-	*-*	*-*	*-*	*33*	*-*	*33*
Mr. Ritesh S.Ramakrishnan	-	-	-	-	4	-	4
	-	*-*	*-*	*-*	*5*	*-*	*5*
Mr. Deepak Shetty	-	-	-	-	7	-	7
	-	*-*	*-*	*-*	*1*	*-*	*1*
Mr. L.B. Culas	-	-	-	-	3	-	3
	-	*-*	*-*	*-*	*1*	*-*	*1*
Mr. Amitabha Ghosh	-	-	-	-	2	-	2
	-	*-*	*-*	*-*	*5*	*-*	*5*
Capt. Manmohan Saggi	-	-	-	-	6	-	6
	-	*-*	*-*	*-*	*5*	*-*	*5*
Ms. Maya Sinha	-	-	-	-	7	-	7
	-	*-*	*-*	*-*	*4*	*-*	*4*
Mr. S. Ragothaman	-	-	-	-	7	-	7
	-	*-*	*-*	*-*	*4*	*-*	*4*
Mr. Satish Pillania	-	-	-	-	3	-	3
	-	*-*	*-*	*-*	*-*	*-*	*-*
Mr. D.T. Joseph	-	-	-	-	6	-	6
	-	*-*	*-*	*-*	*5*	*-*	*5*
Mr. Mannil Venugopalan	-	-	-	-	3	-	3
	-	*-*	*-*	*-*	*3*	*-*	*3*
Dividend to equity shareholders	185	-	-	-	26	15	226
	124	*-*	*-*	*-*	*4*	*42*	*170*
Transworld Holdings Limited., Mauritius	185	-	-	-	-	-	185
	124	*-*	*-*	*-*	*-*	*-*	*124*

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2019

37 B. Transactions with related parties (Contd.)

(₹ in lac)

Particulars	Holding company *	" Associate Company/ Joint Venture* "	Fellow subsidiaries*	Other related parties*	Key Management personnel*	Relatives of Key Management personnel*	Total
Mr. S. Ramakrishnan	-	-	-	-	23	-	23
	-	*-*	*-*	*-*	*1*	*-*	*1*
Mrs. Geeta Ramakrishnan	-	-	-	-	-	3	3
	-	*-*	*-*	*-*	*-*	*1*	*1*
Mr. Ritesh S.Ramakrishnan	-	-	-	-	3	-	3
	-	*-*	*-*	*-*	*2*	*-*	*2*
Ms. Anisha Ramakrishnan	-	-	-	-	-	11	11
	-	*-*	*-*	*-*	*-*	*12*	*12*
Mrs. Mala Mahesh	-	-	-	-	-	-	-
	-	*-*	*-*	*-*	*-*	*11*	*11*
Mr. Murali Mahesh	-	-	-	-	-	-	-
	-	*-*	*-*	*-*	*-*	*2*	*2*
Ms. Mithila Mahesh	-	-	-	-	-	-	-
	-	*-*	*-*	*-*	*-*	*12*	*12*
Mr. S. Mahesh	-	-	-	-	-	-	-
	-	*-*	*-*	*-*	*-*	*1*	*1*
Mr. V. Ramnarayan	-	-	-	-	-	-	-
	-	*-*	*-*	*-*	*1*	*-*	*1*
Mrs. Brinda Ramnarayan	-	-	-	-	-	-	-
	-	*-*	*-*	*-*	*-*	*1*	*1*
Mr Rajan Ramnarayan	-	-	-	-	-	-	-
	-	*-*	*-*	*-*	*-*	*1*	*1*
Mr Rajiv Ramnarayan	-	-	-	-	-	-	-
	-	*-*	*-*	*-*	*-*	*1*	*1*

NOTE:

1) Figures have been adjusted for exchange rate variations
2) Reimbursement of expenses/Income incurred/earned by/to Group Companies is not included in the table above.
3) Managerial remuneration excludes provision for gratuity and compensated absences since these are provided on the basis of actuarial valuation for the company as a whole.
4) Figures in Italics represent amount for the previous year

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2019

37.C. Closing balances of related parties

(₹ in lac)

Name of the company	As at March 31, 2019	As at March 31, 2018
Trade receivables		
Associates company:		
Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited)	9,303	8,317
Fellow subsidiaries:		
Avana Global FZCO (Formerly known as Balaji Shipping Lines FZCO)	390	881
Transworld Feeders FZCO	143	263
Other related parties:		
Lanka Orient Express Lines Limited	101	-
Transworld Shipping & Logistics WLL	-	1
SRS Freight Management Limited	1	1
Other assets		
Joint venture:		
Shreyas-Suzue Logistics (India) Private Limited	-	11
Other related parties:		
Transworld Shipping Agencies Private Limited	449	141
Relay Shipping Agency Limited	2	3
Other financial assests		
Fellow subsidiaries:		
Transworld Feeders FZCO	-	138
Joint venture:		
Shreyas-Suzue Logistics (India) Private Limited	18	-
Trade payables		
Fellow subsidiaries:		
Transworld Shipping and Logistics LLC	40	45
Transworld Feeders FZCO	-	97
Other related parties:		
TW Ship Management Limited	81	7
Lanka Orient Express Lines Limited	-	79
Transworld Feeders Lanka (Pvt) Limited	48	-
Orient Express Ship Management Limited	1	-

38. Income tax expense / (benefits)

(₹ in lac)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
Profit or loss section:			
(i)	Current tax		
	In respect of the current year	124	88
	In respect of previous year	(72)	-
		52	**88**
(ii)	Deferred tax		
	In respect of the current year	15	25
		15	25
Total tax expense		**67**	**113**

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarised below:

	Particulars	As at March 31, 2019	As at March 31, 2018
a)	Profit before tax (₹ in lacs) (a)	3,432	8,203
b)	Corporate tax rate (b)	34.94%	34.32%
c)	Tax on accounting profit (₹ in lacs) (c = a x b)	1,199	2,816
d)	Tax impact of exempt income (dividend on mutual funds and an associate) (₹ in lacs)	34	58
f)	Impact of difference in rate of tax as per Tonnage Tax Scheme (₹ in lacs)	(1,166)	(2,761)
g)	Income tax recognised during the year (₹ in lacs) (d)	67	113
h)	Effective tax rate (d/ a)	2%	1%

39. Disclosure in connection with revenue from contract with customers

The Company has adopted Ind AS 115 - 'Revenue from Contracts with Customers', and also appropriately evaluated its revenue recognition policies, w.e.f. April 1, 2018.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2019

39.1. Reconciliation with Segment revenue

(₹ in lac)

Revenue disaggregation as per Statement of Profit and loss	Year ended 31-Mar-19	Timing of revenue recognition
Ocean freight income	56,109	Services transferred over time
Charter hire income	4,759	Services at a point in time
Multimodal freight income	1,358	Services transferred over time
Income from export credit entitlements	115	Services at a point in time
Other operating income	138	Services at a point in time
Total revenue from contract with customers	62,479	

39.2.

(₹ in lac)

Contract balances	31-Mar-19
Contract liability (Advance from customer and unfinished voyage income)	618

39.3. Revenue of ₹ 381 lac recognised during the year ended March 31, 2019 out of Advance from customer and unfinished voyage income as on March 31, 2018.

39.4. Reconciliation of revenue as per Statement of Profit and loss and contracted price

Particulars	31-Mar-19
Revenue as per contracted price	63,552
Adjustments :	
Rebates	(455)
Unfinished Voyage income	(618)
Revenue recognised as per Statement of Profit and loss	**62,479**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2019

40. The Board, in its meeting on May 28, 2019 proposed a dividend of ₹ 1.20 per equity share. The proposal is subject to the approval of shareholders at the ensuing Annual General meeting.

For and on behalf of the Board

S Ramakrishnan Executive Chairman (DIN: 00057637)	**Maya Sinha** Director (DIN: 03056226)
Asha Prakash Company Secretary (Mem. No. A27234) Mumbai, May 28, 2019	**Rajesh Desai** Chief Financial Officer