



**KONKAN STORAGE SYSTEMS (KOCHI)
PRIVATE LIMITED**



KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Board of Directors

Chairman

Anish M. Chandaria

Directors

Raj K. Chandaria
Kanwaljit S. Nagpal
Jaideep D. Khimasia

Auditors

P. D. Kunte & Co.,
Chartered Accountants, Mumbai

Bankers

Axis Bank

Registered Office

23, 5th 'A' Main Road,
Obalappa Gardens,
K. R. Road,
Bangalore – 560 082.

Liquid Logistics Terminal

Plot No.64, 65, 66, A2 Area,
South End Reclamation Matsyapuri,
Willingdon Island, Cochin – 682 029,
Kerala.

KONKAN STORAGE SYSTEMS (KOCHI) PVT. LTD.

Regd. Office: 23, 5th 'A' Main Road, Obalappa Gardens K. R. Road, Bangalore – 560 082

DIRECTORS' REPORT

To the Members of the Company

The Directors have pleasure in presenting the 11th Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 2017.

Financial Performance

(Rs. in Lacs)

	Current year (2016-17)	Previous Year (2015-16)
Income from operations	666.40	454.59
Profit before Interest, Tax, Depreciation & Amortisation	324.83	208.49
Finance Cost	0.29	0.41
Depreciation & amortisation	146.09	144.74
Profit Before Tax	178.45	63.34
Tax	(16.75)	2.11
Profit After Tax	195.20	65.44
Balance of Profit & Loss at the end of the year	(431.08)	(626.28)

OVERVIEW OF PERFORMANCE

During the year under review, the Income was Rs. 666.40 Lacs as against Rs. 454.59 Lacs in the previous year. The company made a net profit of Rs.195.20 Lacs as against Rs. 65.44 Lacs in the previous year.

OUTLOOK FOR THE COMPANY

With the Diesel and Petrol pricing now being market driven, private players in the petroleum industry have become active once again leading to improvement in business outlook.

DIVIDEND

Your Directors do not recommend Dividend for the year under review.

PREFERENCE SHARES

During the year under review, 9,50,000 7% Non-Cumulative Redeemable Preference Shares of Rs.100/- each, fully paid up were issued by the Company to its fellow subsidiary Company Sea Lord Containers Limited on Private placement basis.

FIXED DEPOSITS

No fixed deposit has been accepted by the Company.

DIRECTORS

Pursuant to section 152 of the Companies Act, 2013, Mr. Kanwaljit S. Nagpal, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

Mr. Dineshchandra J. Khimasia resigned from the Directorship of the Company w.e.f. 4th May, 2017 on account of his ill health. The Board placed on record their sincere appreciation for his long association with the Company.

Mr. Jaideep D. Khimasia was appointed as an Additional Director w.e.f. 11th May, 2017 subject to approval of members at the ensuing Annual General Meeting. Mr. Jaideep D. Khimasia is qualified as a B. E Production from Bharati Vidyapeeth, University of Poona and has over 25 years of management experience in fields related to Project Management with contributions in various quality assurance and process improvement initiatives of various Multi-National Corporations. Your Directors recommend the appointment of Mr. Jaideep D. Khimasia as an additional director.

AUDITORS

As per the provisions of sections 139, 141 of the Companies Act, 2013 and rules made thereunder, the Company had, in its Annual General Meeting held on 25th July, 2014, approved the appointment of M/s. P. D. Kunte & Co., Chartered Accountants, Mumbai, (ICAI Firm Registration No. 105479W) to hold office till the conclusion of the fifth consecutive Annual General Meeting, subject to ratification by the members at every Annual General Meeting. In compliance with the same, the Directors do hereby place for ratification, the re-appointment of M/s. P. D. Kunte & Co., Chartered Accountants, Mumbai, until the conclusion of the next Annual General Meeting.

PARTICULARS OF EMPLOYEES

The particulars of Employees as required under the provisions of section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration) Rules, 2014 as amended is not given as no employee is in receipt of remuneration as specified under the aforesaid provisions of the Companies Act, 2013.

HEALTH, SAFETY AND ENVIRONMENT

Company continues to follow best practices relating to Health, Safety and Environment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, EXPORTS & FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of energy conservation, technology absorption, exports & foreign exchange earnings and outgo undertaken by the Company along with the information in accordance with the provisions of section 134 of Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, the extent as are applicable to the Company, are given in **Annexure 'A'** to the Directors' Report.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors would like to inform the Members that the Audited Accounts for the financial year ended 31st March, 2017 are in full conformity with the requirement of the Companies Act, 2013.

The Directors further confirm that:

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the annual accounts on a going concern basis;
- e. The Directors, had laid down adequate internal financial controls to be followed by the company and that such internal financial controls including with reference to Financial Statements are adequate and were operating effectively; and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company adopted a risk management policy including identification therein of elements of risk, and action taken by the Company to mitigate those risks.

The specific objectives of the Risk Management Policy are to ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated and managed, to establish a framework for the company's risk management process and to ensure companywide implementation, to ensure systematic and uniform assessment of risks related with Oil, Gas & Chemicals Logistics business, to enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices and to assure business growth with financial stability.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The main thrust of internal controls is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Company has a robust Management Information System, which is an integral part of the control mechanism.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year ended 31st March, 2017, 5 Board Meetings were held on the following dates:

1. 14/04/2016
2. 30/05/2016
3. 04/08/2016
4. 07/11/2016
5. 02/02/2017

The intervening gap between any two meetings was within the period prescribed under Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company is engaged in the business of providing infrastructural facilities as specified under section 186(11)(a) of the Companies Act, 2013 read with Schedule VI to the Companies Act, 2013. However, details of guarantees are given in the notes to the Financial Statements.

DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

There were no transactions entered into with the related parties as contemplated under section 188 of the Companies Act, 2013.

There are no related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

EXTRACT OF THE ANNUAL RETURN AS PROVIDED UNDER SUB-SECTION (3) OF SECTION 92 OF COMPANIES ACT, 2013

Extract of the annual return as provided under section 92(3) of Companies Act, 2013 as prescribed in Form MGT-9 is given in **Annexure 'B'** to the Directors' Report.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the Company's operations in future.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The policy on Prevention of Sexual Harassment at Workplace aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour.

During the year ended 31 March, 2017, there were nil complaints recorded pertaining to sexual harassment.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments, which affected the financial position of the company between the end of the financial year of the company to which the financial statements relates and the date of the report.

APPRECIATION

The Board of Directors gratefully acknowledges the assistance, support and co-operation received from authorities of Port Trust, Bankers, Government Authorities, Shareholders and the Employees.

For and on behalf of the Board

Anish K. Chandaria
Chairman
DIN: 00296538

Place: Mumbai
Dated: 30th May, 2017

Annexure A to the Directors Report

(Information under section 134 of Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2017)

Conservation of Energy, Technology Absorption, Exports & Foreign Exchange Earnings and Outgo

(A) Conservation of energy

(i) The steps taken or impact on conservation of energy:

1. Energy Audit conducted by Kerala State Productivity Council and recommendations are under implementation for further energy conservation through recommended technology absorption.
2. As recommended by the energy auditors, LUX study was conducted to ascertain low lux intensity areas of the premises, while steps being taken for energy conservation and energy saving LED luminaires are proposed to install in all locations where low lux intensity detected.
3. APFC panel (energy audit recommendation) is being proposed to erect to further raise the power factor on motors load, thereby further saving on energy.
4. Older ACs are replaced by energy efficient new ACs.
5. Flame proof LED lighting/fittings (recommendation of energy auditor) are being introduced to replace old conventional Flame proof fittings/lamps in all "classified" operational areas including pump house and TLF.
6. All other conventional lights including CFL replaced by LED lights in the premises including offices.
7. Premises lighting by Metal Halide bulbs are being replaced with energy efficient and long lasting LED luminaires as recommended by energy Auditors.
8. Installation of VFD (Variable Frequency Devise) on each motor is initiated for speed control of pumps, so that bypassing of pump delivery can be avoided when the delivery valve at TLF/Gantry is shut and also energy consumption of pump can be reduced to 55%.
9. Installation of a "Maximum Demand Controller" in the Control Room is being initiated to avoid unexpected Demand rise beyond the contracted demand.

(ii) The steps taken by the company for utilising alternate sources of energy:

Proposed Installation of 30KW grid connected Solar Panels at the roof top of TLF gantry to reduce consumption from Grid in day time.

(iii) The capital investment on energy conservation equipment: N/A

(B) Technology absorption

(i) The efforts made towards technology absorption:

1. Development of Internal Floating Roof (IFR) tankages to avoid operational losses of volatile liquids.

2. Preventive maintenance of Plant and Machinery including pneumatic equipment (to control air leakage), thereby controlling the energy consumption.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

1. Benefits derived are controlling and minimising evaporation loss of volatile liquids by upgrading tanks with IFR (internal floating roof).
2. Regular preventive maintenance of Plant & Machinery enable them run smoothly and energy saving.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

No new technology is imported during the financial year

(iv) The expenditure incurred on Research and Development:

The Company is not engaged in manufacturing activities and as such there is no specific R&D Project undertaken.

(C) Foreign exchange earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

There is no Foreign Exchange earned in terms of actual inflows during the year.

There is no Foreign Exchange outgo in terms of actual outflows during the year.

For and on behalf of the Board

Anish K. Chandaria
Chairman
DIN: 00296538

Place: Mumbai
Dated: 30th May, 2017

Annexure-B' to the Directors Report

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1	CIN	U63023KA2006PTC040986
2	Name of the company	KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED
3	Registration Date	20/11/2006
4	Category / Sub-Category of the Company	Company limited by shares
5	Address of the Registered office	23, 5th Main Road Obalappa Garden, K R Road Bangalore - 560 082 Karnataka
6	Corporate & Administrative Office	1202, 12th Floor, Tower B, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai-400 013 Tel : 022-6666 3666 Fax : 022-6666 3777 Email : secretarial@konkanstorage.com
7	Whether listed company	Yes / No
8	Name, Address and Contact details of Registrar and Transfer Agent, if any	The Company has an in-house share transfer system.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated :

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Storage and warehousing n.e.c.[Includes general merchandise warehouses and warehousing of furniture, automobiles, gas and oil, chemicals, textiles etc. Also included is storage of goods in foreign trade zones]	52109	99.80%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Aegis Logistics Limited 502, 5th Floor, Skylon, GIDC, Char Rasta, Vapi – 396 195, Dist Valsad, Gujarat State, India	L63090GJ1956PLC001032	Holding Company	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A.	Promoter									
1	Indian									
	Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
	Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
	State Govt	0	0	0	0.00	0	0	0	0.00	0.00
	Bodies Corp.	0	100000	100000	100.00	0	100000	100000	100.00	0.00
	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total A(1)	0	100000	100000	100.00	0	100000	100000	100.00	0.00
2	Foreign									
	NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
	Any other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total A(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total shareholding of Promoter= (A)=(A)(1)+(A)(2)	0	100000	100000	100.00	0	100000	100000	100.00	0.00
B.	Public Shareholding									
1	Institutions									
a	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
c	Central / State Government	0	0	0	0.00	0	0	0	0.00	0.00
d	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
f	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
g	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
h	Foreign Portfolio Corp.	0	0	0	0.00	0	0	0	0.00	0.00
i	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
2	Non-Institutions									
a	a) Bodies Corp.									
i	Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b	Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i	Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c	Others									
	OCB/Non Domestic Company	0	0	0	0.00	0	0	0	0.00	0.00
	Non-Resident Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	Any Other - Trust	0	0	0	0.00	0	0	0	0.00	0.00
	Foreign Company	0	0	0	0.00	0	0	0	0.00	0.00
	Foreign National	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	0	100000	100000	100.00	0	100000	100000	100.00	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Aegis Logistics Limited	100000	100.00	0.00	100000	100.00	0.00	0.00
	Total	100000	100.00	0.00	100000	100.00	0.00	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Date	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			Aegis Logistics Limited		Aegis Logistics Limited	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	01/04/2016	100000	100.00	100000	100.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons (*) for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)		There is no change in the shareholding during the year		There is no change in the shareholding during the year	
	At the end of the year	31/03/2017	100000	100.00	100000	100.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31/03/2017 :						
Sl. No.	For Each of the Top 10 Shareholders	Date	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	01/04/2016				
	Date wise Increase / Decrease in Top Ten Shareholders during the year specifying the reasons (*) for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)					
	At the end of the year (or on the date of separation, if separated during the year)	31/03/2017				
			The Company is a 100% subsidiary of Aegis Logistics Limited		The Company is a 100% subsidiary of Aegis Logistics Limited	

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Date	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	01/04/2016	0	0	0	0
	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)		0	0	0	0
	At the end of the year	31/03/2017	0	0	0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Lacs)

Sr. No.		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year				
i	Principal Amount	0	3608	0	3608
ii	Interest due but not paid	0	0	0	0
iii	Interest accrued but not due	0	0	0	0
	Total (i+ii+iii)	0	3608	0	3608
	Change in Indebtedness during the financial year				
	· Addition	0	449	0	449
	· Reduction	0	-1613	0	-1613
	Net Change	0	-1164	0	-1164
	Indebtedness at the end of the financial year				
i	Principal Amount	0	2444	0	2444
ii	Interest due but not paid	0	0	0	0
iii	Interest accrued but not due	0	0	0	0
	Total (i+ii+iii)	0	2444	0	2444

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

There are no Managing Director, Whole-time Directors and/or Manager in the Company

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors			
		Anish K. Chandaria	Raj K. Chandaria	Dineshchandra J. Khimasia	Kanwaljit S. Nagpal
		Director - Chairman	Director	Director	Director
1	Independent Directors				
	Fee for attending board / committee meetings	0	0	0	0
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (1)	0	0	0	0
2	Other Non-Executive Directors				
	Fee for attending board / committee meetings	0	0	0	2,50,000
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	Total (2)	0	0	0	2,50,000
	Total Managerial Remuneration - Total (B) = (1) + (2)	0	0	0	2,50,000
	Overall Ceiling as per the Act	Sitting fees upto Rs.1,00,000 per meeting as per the Act.			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

There is no Key Managerial Personnel in the Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Sr. No.	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A.	COMPANY					
	Penalty					
	Punishment					
	Compounding					
B.	DIRECTORS					
	Penalty					
	Punishment					
	Compounding					
C.	OTHER OFFICERS IN DEFAULT					
	Penalty					
	Punishment					
	Compounding					

There have been no penalties levied on the Company. The Company is generally in compliance of provisions of all applicable laws.

For and on behalf of
the Board

Anish K. Chandaria
Chairman
DIN: 00296538

Independent Auditors' Report

The Members of Konkan Storage Systems (Kochi) Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Konkan Storage Systems (Kochi) Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Audit Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations which would impact its financial position – refer note no. 23 to the financial statements;
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. The Company does not have any amounts which were liable to be transferred to the Investor Education and Protection Fund during the year.

iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 26.

For P.D. Kunte & Co. (Regd.)
Chartered Accountants
Firm Registration No. 105479W

Place: Mumbai
Date: 30th May, 2017

D. P. Sapre
Partner
Membership No. 40740

Annexure A to Independent Auditors' Report

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year as per regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties are held in the name of the Company.

2. We have been informed that the inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on physical verification of stocks as compared to the book records.

3. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Hence sub clauses (a), (b) and (c) of clause (iii) are not applicable to the Company for the year under audit.

4. In respect of loans, investments, guarantees and security, the Company has complied with the provision of section 185 and 186 of Companies Act, 2013.

5. As informed to us, the Central Government has not prescribed maintenance of cost records under section 148 of the Companies Act, 2013 for any of the products / activities of the Company.

6. In respect of statutory dues:

(a) Except for delays in payment of Service Tax/ Works Contract Tax in some cases, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory with appropriate authorities. There are no arrears of undisputed statutory dues as at the 31st March 2017 outstanding for a period for more than six months from the date they became payable.

(b) As at 31st March 2017, there are no disputed statutory dues in respect of Income Tax, Sales Tax, Service Tax, duty of customs or duty of excise or value added tax or cess which have not been deposited with the appropriate authorities except the following:

Nature of Dues	Assessment Year	Forum	Amount
Sales Tax	2010-11 2011-12	Deputy Commissioner (Appeals)	1,45,50,217/-
Income Tax	2013-14	Income Tax Officer	23,650/-

7. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to a financial institution, bank, government or dues to debenture holders.

8. According to the information and explanations given to us, the term loans have been applied for the purpose for which these were raised.

9. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by or on the Company by its officers or employees has been noticed or reported during the course of our audit.

10. To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
11. Considering the nature of activities undertaken by the Company during the year under audit, matters specified in clauses (v),(xi), (xii), (xiv), (xv) and (xvi) of paragraph 3 of the Companies (Auditors Report), 2016 do not apply to the Company for the year under audit.

For P.D. Kunte & Co. (Regd.)
Chartered Accountants
Firm Registration No. 105479W

Place: Mumbai
Date: 30th May, 2017

D. P. Sapre
Partner
Membership No. 40740

Annexure - B to the Auditors' Report

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

1. We have audited the internal financial controls over financial reporting of **Konkan Storage Systems (Kochi) Private Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

2. Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

3. Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on

the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

4. **Meaning of Internal Financial Controls over Financial Reporting**

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

5. **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

6. **Opinion**

According to the information and explanations given to us and on the basis of such checks as we considered appropriate, in our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P.D. Kunte & Co. (Regd.)
Chartered Accountants
Firm Registration No. 105479W

Place: Mumbai
Date : 30th May, 2017.

D. P. Sapre
Partner
Mem No. 040740

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

BALANCE SHEET AS AT 31st March, 2017

Particulars	Note No.	As at 31st March, 2017		As at 31st March, 2016
		Rupees in lacs	Rupees in lacs	Rupees in lacs
<u>I. EQUITY AND LIABILITIES</u>				
(1) SHAREHOLDERS' FUNDS				
(a) Share Capital	2	960.00		10.00
(b) Reserves & surplus	3	(432.43)		(627.63)
			527.57	(617.63)
(2) NON-CURRENT LIABILITIES				
(a) Long-term borrowings	4	2,444.81		3,608.47
(b) Long-term provisions	5	22.63		12.97
			2,467.44	3,621.44
(3) CURRENT LIABILITIES				
(a) Trade payables:	6			
- Total outstanding dues to other than micro and small enterprises		25.77		54.35
(b) Other current liabilities	7	40.13		17.40
(c) Short-term provisions	8	11.29		6.37
			77.19	78.12
		TOTAL	3,072.20	3,081.93
<u>II. ASSETS</u>				
(1) NON-CURRENT ASSETS				
(a) Fixed assets				
(i) Tangible assets	9	2,671.73		2,676.99
(ii) Intangible assets	9	0.62		-
(iii) Capital work-in-progress	9	0.48		12.62
		2,672.83		2,689.61
(b) Long-term loans and advances	10	85.65		56.37
			2,758.48	2,745.98
(2) CURRENT ASSETS				
(a) Inventories	11	38.18		116.42
(b) Trade receivables	12	238.49		176.21
(c) Cash and Cash equivalents	13	29.33		35.27
(d) Short-term loans and advances	14	7.72		8.05
			313.72	335.95
		TOTAL	3,072.20	3,081.93

See accompanying notes forming part of the financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

For P.D.Kunte & Co. (Regd.)

Chartered Accountants

Firm Registration Number: 105479W

Anish K.Chandaria

Director

DIN - 00296538

Jaideep D.Khimasia

Director

DIN - 07744224

D.P.Sapre

Partner

Membership no.: 40740

Mumbai,

Dated : 30th May , 2017

Mumbai, Dated : 30th May , 2017

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Statement of Profit and Loss Account for the year ended 31st March, 2017

Particulars	Note No.	Current Year		Previous Year ended 31st March, 2016
		Rupees in lacs	Rupees in lacs	Rupees in lacs
I. Revenue from operations	15		666.40	454.59
II. Other income	16		1.32	2.09
III. Total Revenue (I + II)			<u>667.72</u>	<u>456.68</u>
IV. Expenses:				
Employee benefits expense	17		136.37	90.31
Finance costs	18		0.29	0.41
Depreciation and amortization expense	19		146.09	144.74
Other Expenses	20		206.52	157.88
Total expenses			<u>489.27</u>	<u>393.34</u>
V. Profit (III-IV)			178.45	63.34
VI. Profit on Sale of Investment in a subsidiary company (non-current, non-trade)			-	-
VII. Profit before tax (V + VI)			178.45	63.34
VIII. Tax expense:				
(1) Current tax - for the year			-	2.11
- for earlier year			(2.11)	(2.10)
- MAT Credit for earlier year			<u>(14.64)</u>	<u>(2.11)</u>
			(16.75)	(2.10)
IX. Profit after tax (VII-VIII)			<u>195.20</u>	<u>65.44</u>
X. Earnings per equity share in Rupees (Face Value of Rs. 10/- each):	21			
Basic and Diluted			195.20	65.44

See accompanying notes forming part of the financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

For P.D.Kunte & Co. (Regd.)
Chartered Accountants
Firm Registration Number: 105479W

Anish K.Chandaria Director DIN - 00296538	Jaideep D.Khimasia Director DIN - 07744224
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D.P.Sapre
Partner
Membership no.: 40740
Mumbai,
Dated :30th May, 2017

Mumbai, Dated : 30th May , 2017

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Cash Flow Statement for the year ended 31st March, 2017

Particulars	Current Year		Previous Year ended 31st March, 2016
	Rupees in lacs	Rupees in lacs	Rupees in lacs
A. Cash Flow from Operating Activities:			
Profit Before Tax		178.45	63.34
Adjustments for:			
Depreciation and amortization expense	146.09		144.74
Interest Expense	0.29		0.41
Interest Income	(1.02)		(1.79)
Sundry Debit Balances written off	0.17		-
Decrease in Long-term loans and advances	-		8.95
Decrease in Other Non - Current assets	-		(0.11)
Profit on sale of Fixed Assets	(0.18)		-
		<u>145.35</u>	<u>152.20</u>
Operating Profit Before Working Capital Changes		323.80	215.54
Decrease in Inventories	78.24		(21.21)
(Increase)/Decrease in Short-term loans and advances	-		(2.25)
Decrease/(Increase) in Other Current assets	-		1.46
Decrease/(Increase) in Long-term provisions	-		3.25
Decrease/(Increase) in Other current liabilities	-		(3.74)
(Increase) in Trade and Other Receivables	(87.28)		100.05
Increase/(Decrease) in Trade payables and Other liabilities	(5.85)		0.96
Increase in Provisions	<u>14.58</u>		<u>0.78</u>
		<u>(0.31)</u>	<u>79.30</u>
Cash Generated from Operations		323.49	294.84
Direct Taxes Paid		<u>12.63</u>	<u>2.02</u>
Net Cash Flow from Operating Activities - A		<u><u>336.12</u></u>	<u><u>296.86</u></u>
B. Cash Flow from Investing Activities:			
Purchase of Fixed Assets	(129.49)		(74.40)
Proceeds from sale of Fixed Assets	0.35		-
Sale of Current Investments	-		26.51
Interest Received	<u>1.02</u>		<u>1.79</u>
Net Cash used in Investing Activities - B		<u><u>(128.12)</u></u>	<u><u>(46.10)</u></u>

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Cash Flow Statement for the year ended 31st March, 2017

Particulars	Current Year		Previous Year ended
	Rupees in lacs	Rupees in lacs	31st March, 2016
			Rupees in lacs
C. Cash Flow from Financing Activities:			
Repayment of Long Term Borrowings	(1,565.75)		(219.36)
Fresh Issue of 7% Non Cum Pref Share Capital	950.00		
Proceeds from Long Term Borrowings	402.10		-
Interest Paid	(0.29)		(0.41)
Net Cash from Financing Activities - C		<u>(213.94)</u>	<u>(219.77)</u>
Net (Decrease) / Increase in Cash and Cash Equivalents - A+B+C		<u>(5.94)</u>	<u>30.99</u>
Cash and cash equivalents at the beginning of the year		35.27	4.28
Cash and cash equivalents at the end of the year (refer reconciliation below)		29.33	35.27
Net (Decrease) / Increase in Cash and Cash Equivalents		<u>(5.94)</u>	<u>30.99</u>
Reconciliation of Cash and cash equivalents with the Balance Sheet:			
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		29.33	35.27
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements		-	-
Cash and cash equivalents at the end of the year	TOTAL	<u>29.33</u>	<u>35.27</u>
Cash and cash equivalents at the end of the year *			
* Comprises:			
Cash on hand		-	-
Balances with banks			
(i) In current accounts		27.70	21.90
(ii) Cheques on hand		-	11.87
(iii) In deposit accounts		1.63	1.50
TOTAL		<u>29.33</u>	<u>35.27</u>

Notes:

- (1) Cash and Cash Equivalents do not include Fixed Deposits with Banks kept as Margin Money and as Escrow Account.
- (2) Figures in bracket denote outflow of cash.
- (3) The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Accounting Standard (AS - 3) "Cash Flow Statements".
- (4) The earmarked account balances with banks can be utilized only for the specific identified purposes.

In terms of our report attached.

For P.D.Kunte & Co. (Regd.)
Chartered Accountants

For and on behalf of the Board of Directors

D.P.Sapre
Partner
Membership no.: 40740
Mumbai,
Dated :30th May, 2017

Anish K.Chandaria
Director
DIN - 00296538

Jaideep D.Khimasia
Director
DIN - 07744224

Mumbai, Dated : 30th May , 2017

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Notes on the Financial Statements for the year ended 31st March, 2017

1

1.1 BACKGROUND AND PRINCIPAL ACTIVITIES

Konkan Storage Systems (Kochi) Private Ltd ("KCPL" or "the Company") is a company incorporated in India, on 20th November, 2006. KCPL is a subsidiary of Aegis Logistics Limited ("Aegis").

KCPL was incorporated with the object of providing Infrastructure facilities such as storage & terminalling facility for Oil, Chemical & Petroleum products.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

1.3 USE OF ESTIMATES:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 FIXED ASSETS:

TANGIBLE FIXED ASSETS:

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. They are stated at historical costs.

INTANGIBLE ASSETS:

Intangible Assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any.

1.4 DEPRECIATION ON FIXED ASSETS:

- i) Depreciation on Tangible Fixed Assets is provided on original cost of Fixed Assets on straight line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013.
- ii) Depreciation on additions to fixed assets during the year has been provided on prorata basis from the date of such additions. Depreciation on assets sold, discarded or demolished has been provided on pro-rata basis.
- iii) Lease hold Land has been amortized over the primary period of the lease on straight line basis.
- iv) Computer software is amortized on straight line basis over a period of its estimated useful life, however not exceeding 5 years.

1.5 IMPAIRMENT OF ASSETS:

An asset is treated as impaired when the carrying cost of asset exceeds its Recoverable Amount. Recoverable Amount is higher of an asset's Net selling price or its Value in Use. Value in Use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net Selling Price is the amount obtainable from the sale of an asset in an arms length transaction between knowledgeable, willing parties, less the cost of disposal.

An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Notes on the Financial Statements for the year ended 31st March, 2017

1.6 INVESTMENTS:

Non-current Investments are shown at cost. However, when there is a decline, other than temporary, in the value of a non-current investment, the carrying amount is reduced to recognize the decline.

Current Investments are carried at lower of cost and fair value, computed category wise.

1.7 INVENTORIES:

Inventories are valued at cost or the Net Realizable Value whichever is less. Cost is determined by using the First In First Out formula. Cost comprises all costs of purchase, cost of conversion and cost incurred to bring inventories to their present location and condition other than those subsequently recoverable by the Company from tax authorities.

1.8 REVENUE RECOGNITION:

Income from services:

Service revenue is recognized based on contract terms and on time proportion basis as applicable and excludes service tax.

1.9 DIVIDEND AND INTEREST INCOME:

Interest Income is recognized on time proportion basis taking into account the amount outstanding and the applicable interest rates. Dividend income is recognized when the right to receive the dividend is established.

1.10 EMPLOYEE BENEFITS:

Employee benefits include salary, wages, performance bonus, employee state insurance, and contribution to provident fund, family pension fund, superannuation fund, gratuity and compensated absences to eligible employees.

Short term employee benefits like salary, wages, performance bonus etc. are recognized and charged to Statement of Profit and Loss when the employee renders the services.

Contribution to defined schemes such as Provident Fund, Family Pension Fund, Superannuation Fund (in the case of eligible employees) and Employees' State Insurance Scheme are charged to the Statement of Profit and Loss as incurred.

Company's liability towards gratuity is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date and is fully provided for in the Statement of Profit and Loss on the basis of aforesaid valuation. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

The liability for compensated absences is determined by actuarial valuation carried out by the independent actuary as at each balance sheet date and provided for in the Statement of Profit and Loss as incurred in the year in which services are rendered by employees. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method.

The actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

1.11 FOREIGN CURRENCY TRANSACTIONS:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies are restated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on settlement of the transaction and on account of restatement of monetary items are dealt with in the Statement of Profit and Loss.

Forward exchange contracts entered into to hedge the foreign currency risk and outstanding as on balance sheet date are translated at year end exchange rates. The premium or discount arising at the inception of such forward exchange contracts are amortized as income or expense over the life of the contract.

Gains / Losses on settlement of transactions arising on cancellation/renewal of forward exchange contracts are recognized as income or expense.

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Notes on the Financial Statements for the year ended 31st March, 2017

1.12 OPERATING LEASE RENTALS:

Assets acquired on lease where all significant risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease Rentals are charged to the Statement of Profit and Loss on straight line basis over the lease term.

1.13 BORROWING COST:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

1.14 TAXES ON INCOME:

Income Taxes are accounted for in accordance with Accounting Standard (AS 22) – Accounting for Taxes on Income, notified under the Companies (Accounting Standards) Rules, 2006. Income Tax comprises both current and deferred tax.

Current tax is measured at the amount expected to be paid to the revenue authorities, using applicable tax rates and laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognized only to the extent there is a virtual certainty of its realization.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

1.15 SERVICE TAX INPUT CREDIT:

Service tax input credit is accounted for in the books in the period in which the underlying service is received and when there is no uncertainty in availing / utilizing the credits.

1.16 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes.

Claims in respect of which the Company is of the opinion that they are frivolous or is legally advised that they are unsustainable in law are not considered as contingent liability as the possibility of an outflow of resources embodying economic benefits is remote. Contingent Assets are neither recognized nor disclosed in the financial statements.

1.17 CASH AND CASH EQUIVALENTS (FOR THE PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.18 CASH FLOW STATEMENT:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Notes on the Financial Statements for the year ended 31st March, 2017

	As at 31st March, 2017	<i>As at 31st March, 2016</i>	As at 31st March, 2017	<i>As at 31st March, 2016</i>
2 Share capital:				
	Number of shares		Rupees in lacs	
2.1 Authorized :			<i>Rupees in lacs</i>	
Equity Shares of Re. 10 each	1,00,000	<i>1,00,000</i>	10.00	<i>10.00</i>
7% Non Cum Redeemable Pref Shares of Rs.100/- each	9,90,000	<i>-</i>	990.00	<i>-</i>
		TOTAL	1,000.00	<i>10.00</i>
2.2 Issued, Subscribed and Fully Paid-up :				
1,00,000 Equity Shares of Rs.10 each, fully paid-up	1,00,000	<i>1,00,000</i>	10.00	<i>10.00</i>
9,50,000 7% Non Cum Redeemable Pref Shares of Rs.100/- each, fully paid-up	9,50,000	<i>-</i>	950.00	<i>-</i>
		TOTAL	960.00	<i>10.00</i>

2.3 Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

EQUITY SHARES	Number of shares		Share Capital Rupees in lacs	
	Current Year	<i>Previous Year ended 31st March, 2016</i>	Current Year	<i>Previous Year ended 31st March, 2016</i>
Shares outstanding as at the beginning of the year	1,00,000	<i>1,00,000</i>	10.00	<i>10.00</i>
Add: Increase on account of Fresh Issue	-	<i>-</i>	-	<i>-</i>
Shares outstanding as at the end of the year	1,00,000	<i>1,00,000</i>	10.00	<i>10.00</i>
PREFERENCE SHARES	Number of shares		Share Capital Rupees in lacs	
	Current Year	<i>Previous Year ended 31st March, 2016</i>	Current Year	<i>Previous Year ended 31st March, 2016</i>
Shares outstanding as at the beginning of the year	-	<i>-</i>	-	<i>-</i>
Add: Increase on account of Fresh Issue	9,50,000	<i>-</i>	950.00	<i>-</i>
Shares outstanding as at the end of the year	9,50,000	<i>-</i>	950.00	<i>-</i>

2.4 Terms/Rights attached to Equity Shares:

- The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.5 Terms/Rights attached to Preference Shares:

- The Company has only one class of preference shares having a par value of Rs 100 per share. Each holder of preference shares is entitled to voting rights as per Companies Act 2013. The preference shares shall be considered prior in rank with respect to payment of dividend vis-a-vis equity shares.
- In the event of liquidation of the Company, the holders of preference shares will be entitled to rank, as regards repayment of capital in priority to the equity shares but shall not be entitled to any further participation in profits or assets or surplus funds.
- The redemption of preference shares can be done anytime within a period of twenty years from the date of issuance at the option of the Company.

2.6 During the period of five years immediately preceding the reporting date:

- The Company has not issued any shares pursuant to contract(s) without payment being received in cash.
- The Company has not allotted any shares as fully paid up by way of bonus shares.
- The Company has not bought back any shares.

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Notes on the Financial Statements for the year ended 31st March, 2017

2.7 Details of shareholders holding more than 5% shares in the Company:

Equity Shares

Name of shareholder	Current Year		Previous Year ended 31st March, 2016	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Aegis Logistics Ltd - Holding Company	1,00,000.00	100.00	1,00,000.00	100.00

Preference Shares

Name of shareholder	Number of Shares	% of Holding	Number of Shares	% of Holding
Sea Lord Containers Limited - Fellow Subsidiary Company	9,50,000.00	100.00	-	-

2.8 Details of shares held by Holding Company

Equity Shares

Name of shareholder	Current Year		Previous Year ended 31st March, 2016	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Aegis Logistics Ltd - Holding Company	1,00,000.00	100.00	1,00,000.00	100.00

As per the records of the Company, including its register of shareholders/members and other declarations received from the shareholders regarding the beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Notes on the Financial Statements for the year ended 31st March, 2017

		As at 31st March, 2017	As at 31st March, 2016
		Rupees in lacs	Rupees in lacs
3 Reserves and surplus:			
3.1 General Reserve			
Balance at beginning of year		(1.35)	(1.35)
Transitional Adjustment on account of Depreciation			
Add: Transferred from Statement of Profit and Loss			
Balance at end of year		<u>(1.35)</u>	<u>(1.35)</u>
3.2 Balance in Statement of Profit and Loss:			
Opening Balance - Surplus		(626.28)	(691.72)
- MAT Credit for earlier year			
Add: Profit after Tax		195.20	65.44
Closing Balance		<u>(431.08)</u>	<u>(626.28)</u>
TOTAL		<u>(432.43)</u>	<u>(627.63)</u>
4 Long term borrowings:			
4.1 Unsecured Loans:			
Loan from Related Party (Refer Note)		2,444.81	3,608.47
Notes:			
(i) Loan from related party represents interest free loan from Holding Company repayable in March, 2022 with an option for prepayment at any time during the tenure of the loan.			
		<u>2,444.81</u>	<u>3,608.47</u>

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Notes on the Financial Statements for the year ended 31st March, 2017

	As at 31st March, 2017	As at 31st March, 2016
	Rupees in lacs	Rupees in lacs
5 Long-term provisions:		
Provision for Compensated Absences	8.99	7.30
Provision for Gratuity	13.64	5.67
Total	22.63	12.97
6 Trade payables:		
<p>There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.</p> <p>The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the information available with the Company. This has been relied upon by the auditors.</p>		
Others	25.77	54.35
Total	25.77	54.35
7 Other current liabilities:		
Advance Storage Rentals	14.72	6.06
Advance from Customers	6.56	6.56
Amounts Payable under Capital Contracts	14.70	3.10
Other Payables:		
(i) Statutory Dues	4.15	1.68
Total	40.13	17.40
<p>There is no amount due and outstanding to be credited to the Investor Education and Protection Fund.</p>		
8 Short-term provisions:		
Provision for Compensated Absences	6.36	2.12
Provision for Gratuity	4.93	4.25
Total	11.29	6.37

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Notes on the Financial Statements for the year ended 31st March, 2017

9 Fixed Assets:

Rupees in lacs

	Gross Block (at Cost)			Accumulated Depreciation					Net Block		
	As at 1st April, 2016	Additions	Deletions	As at 31st March, 2017	As at 1st April, 2016	Charge for the year	Transition adjustment	On Disposals	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2015
a) Tangible Assets:											
Land - Freehold	-	-	-	-	-	-	-	-	-	-	-
	-	-	(-)	-	-	-	(-)	(-)	-	-	-
Land - Lease Hold	822.35	-	-	822.35	241.45	31.10	-	-	272.55	549.80	580.90
	(822.35)	-	(-)	(822.35)	(210.36)	(31.10)	(-)	(-)	(241.45)		
Buildings	35.57	34.74	-	70.31	6.45	3.51	-	-	9.96	60.35	29.12
	(23.58)	(11.98)	(-)	(35.57)	(3.14)	(3.31)	-	(-)	(6.45)		
Plant and Equipment	3,177.93	100.91	-	3,278.84	1,124.80	107.61	-	-	1,232.41	2,046.43	2,053.13
	(3,121.46)	(56.48)	(-)	(3,177.93)	(1,019.02)	(105.78)	-	(-)	(1,124.80)		
Furniture and Fixtures	1.70	-	-	1.70	0.74	0.20	-	-	0.94	0.76	0.97
	(1.70)	-	(-)	(1.70)	(0.54)	(0.20)	-	(-)	(0.74)		
Vehicles	13.19	0.66	(3.31)	10.54	5.73	1.16	-	(3.15)	3.74	6.80	7.46
	(12.55)	(0.65)	-	(13.19)	(4.45)	(1.28)	-	-	(5.73)		
Office Equipment	7.53	4.34	-	11.87	3.95	1.39	-	-	5.34	6.53	3.59
	(7.41)	(0.13)	(-)	(7.53)	(2.89)	(1.06)	-	(-)	(3.95)		
Computers	11.68	0.35	-	12.03	9.85	1.12	-	-	10.97	1.06	1.83
	(11.68)	-	(-)	(11.68)	(7.83)	(2.02)	-	(-)	(9.85)		
Cylinders	-	-	-	-	-	-	-	-	-	-	-
	-	-	(-)	-	-	-	-	(-)	-	-	-
TOTAL	4,069.95	141.00	(3.31)	4,207.64	1,392.96	146.09	-	(3.15)	1,535.91	2,671.73	2,676.99
	(4,000.72)	(69.23)	-	(4,069.95)	(1,248.22)	(144.74)	-	-	(1,392.96)		
b) Intangible Assets :											
Computer Software - Acquired	-	0.63	-	0.63	-	0.01	-	-	0.01	0.62	-
	-	-	(-)	-	-	-	(-)	(-)	-		
TOTAL	-	0.63	-	0.63	-	0.01	-	-	0.01	0.62	-
	-	-	(-)	-	-	-	(-)	(-)	-		
c) Capital Work-in-Progress										0.48	12.62
										2,672.83	2,689.61

(Figures in brackets represent those of the previous year)

Notes:

- (1) Cost of leasehold land represents fees charged by Cochin Port Trust in connection with assignment of lease and premium for leasehold land.

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Notes on the Financial Statements for the year ended 31st March, 2017

	As at 31st March, 2017	As at 31st March, 2016
	Rupees in lacs	<i>Rupees in lacs</i>
10 Long-term loans and advances: (Unsecured and considered good)		
Capital advances	9.83	0.17
Deposits with Government Authorities and Others	40.49	39.36
Advance Tax (Net of Provision for Tax)	18.57	14.45
Prepaid Expenses	-	0.28
MAT Credit	16.76	2.11
Total	<u>85.65</u>	<u>56.37</u>

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Notes on the Financial Statements for the year ended 31st March, 2017

	As at 31st March, 2017	As at 31st March, 2016
	Rupees in lacs	<i>Rupees in lacs</i>
11 Inventories:		
(At cost and the net realizable value whichever is lower)		
Stores and Spare Parts	38.18	116.42
Total	38.18	<i>116.42</i>
12 Trade receivables (Unsecured):		
Outstanding for a period exceeding six months from the date they are due for payment:		
Considered Good	130.12	138.51
Considered Doubtful	0.69	0.69
	130.81	<i>139.20</i>
Less: Provision for Doubtful Trade Receivables	0.69	0.69
	130.12	<i>138.51</i>
Other Trade Receivables - Considered Good	108.37	37.70
Total	238.49	<i>176.21</i>
13 Cash and Cash equivalents:		
Cash in Hand	-	-
Balances with banks		
(i) In current accounts	27.70	21.90
(ii) Cheques on Hand	-	11.87
(iii) In deposit accounts (Refer Note 13.2)	1.63	1.50
Total	29.33	<i>35.27</i>
13.1 Of the above, the balances that meet the definition of Cash and cash equivalents as per Accounting Standard (AS - 3)"Cash Flow Statements" are	29.33	35.27
13.2 Margin Monies included in Balances with banks which have a maturity of more than 12 months from the Balance Sheet date.	-	1.50
14 Short-term loans and advances:		
(Unsecured and considered good)		
Advances to Suppliers	2.64	3.01
Prepaid Expenses	1.48	1.26
Cenvat Credit and Service tax Setoff (net)	3.60	3.78
Total	7.72	<i>8.05</i>

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Notes on the Financial Statements for the year ended 31st March, 2017

	Current Year	<i>Previous Year ended 31st March, 2016</i>
	Rupees in lacs	<i>Rupees in lacs</i>
15 Revenue from operations:		
Service Revenue:		
- Liquid Terminal Division	666.40	454.59
- Gas Terminal Division	-	-
Total	<u>666.40</u>	<u>454.59</u>
16 Other income:		
Interest on deposit with banks, income tax refund etc.	1.02	1.79
Profit on Sale of Fixed Assets	0.18	-
Sundry Credit Balances Written Back	-	0.26
Miscellaneous Receipts	0.12	0.04
Total	<u>1.32</u>	<u>2.09</u>
17 Employee benefits expense:		
Salaries and Wages	119.73	76.08
Contribution to Provident and Other Funds	7.13	5.43
Staff Welfare Expenses	9.51	8.80
Total	<u>136.37</u>	<u>90.31</u>
18 Finance costs:		
Interest Expense	0.05	0.19
Other Borrowing Cost (Bank charges, charges for letter of credit, etc.)	0.24	0.22
Total	<u>0.29</u>	<u>0.41</u>
19 Depreciation and amortization expense:		
Depreciation of Tangible Assets	146.08	144.74
Amortization of Intangible Assets	0.01	-
Total	<u>146.09</u>	<u>144.74</u>

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Notes on the Financial Statements for the year ended 31st March, 2017

	Current Year	<i>Previous Year ended 31st March, 2016</i>
	Rupees in lacs	<i>Rupees in lacs</i>
20 Other Expenses:		
Stores and Spare parts consumed	17.82	11.93
Power and Fuel	18.71	14.18
Labour and Other Charges	18.21	19.36
Repairs - Others	2.36	0.91
Repairs to Machinery	34.09	22.19
Water Charges	1.34	0.51
Way Leave Fees	15.71	14.46
Rates and Taxes (including Wealth Tax)	12.57	2.00
Rent	4.55	3.13
Insurance	22.01	22.23
Legal and Professional charges	16.58	5.23
Printing and Stationery	1.75	1.23
Communication Expenses	3.39	2.78
Travelling, Conveyance and Vehicle Expenses	8.88	8.40
Sales Promotion Expenses	0.64	0.74
Directors' Sitting Fees	2.50	1.50
Sundry Debit Balances written off	0.17	6.34
Donations (Refer note below)	0.10	0.10
Miscellaneous Expenses (including Security services, Books, Subscription, Selling expenses etc.)	25.14	20.66
	Total	157.88
	206.52	206.52

Note :

Miscellaneous Expenses include Security Expenses of Rs.17,51,550/- (Previous Year Rs.15,98,576/-)

20.1 Value of Imported and Indigenous Stores and Spares Consumed:

	31st March, 2017 (Percentage)	31st March, 2016 (Percentage)
Imported	0 (0%)	0 (0%)
Indigenous	17.82 (100%)	11.93 (100%)
Total	17.82	11.93

(Excludes Spares consumed for repairs etc. and charged to relevant heads of accounts)

21 Earnings per share:

The Numerators and denominators used to calculate Earnings per Share:		Current Year	<i>Previous Year ended 31st March, 2016</i>
Nominal Value of Equity Share (Rs.)	Rs.	10/-	10/-
Net Profit available for equity shareholders(Rs. In lacs) - (A)	Rs.	195.20	65.44
Weighted Average number of shares outstanding during the year - (B)	Nos.	1,00,000	1,00,000
Basic and Diluted Earnings Per Share (Rs.) - (A) / (B)	Rs.	195.20	65.44

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Notes on the Financial Statements for the year ended 31st March, 2017

	Current Year	<i>Previous Year ended 31st March, 2016</i>
	Rupees in lacs	<i>Rupees in lacs</i>
22 Contingent liabilities and commitments:		
a) Income Tax/Sales Tax demands disputed by the Company relating to forms etc.	145.74	-
b) Claims against the Company not acknowledged as debts	65.78	65.78
Future Cashflows in respect of above are determinable only on receipt of judgements / decision pending with various forums / authorities. The Company is hopeful of succeeding & as such does not expect any significant liability to crystalize.		
c) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	14.67	47.35
d) Corporate Guarantee given on behalf of Holding Company	-	672.27
23 Payments to Auditors for the year:		
(a) As Auditors	0.52	0.51
(b) For tax audit	0.37	0.26
(c) For Other services - Limited Review, Certification Work and Tax matters	0.32	0.49
Total	1.21	1.26

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Notes on the Financial Statements for the year ended 31st March, 2017

24 Related Party Disclosures:

As per the Accounting Standard 18, the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

(a) List of related parties and relationships:

Sr. No.	Name of the Related Party	Relationship
1	Aegis Logistics Limited	Holding Company
2	Sea Lord Containers Limited	Fellow Subsidiary

(b) Transactions during the year with related parties:

		(Rs. in lacs)
Sr. No.	Nature of transaction	Holding Company
(i)	Loan borrowed during the year	402.10 <i>(342.03)</i>
(ii)	Loan Repaid during the year	1,565.75 <i>(561.38)</i>
(iii)	Loan Taken balance at the year end i.e. 31st March	2,444.81 <i>(3,608.47)</i>
(iv)	Corporate Guarantee given Outstanding	- <i>(672.27)</i>
(v)	<i>Charge Created on Assets</i>	- <i>(2,000.00)</i>
Sr. No.	Nature of transaction	Fellow Subsidiary
(vi)	Share Capital 7% Non Cum Redeemable Pref Shares of Rs.100/- each	950.00 -

Note: Figures in brackets represent previous year's amounts.

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED
Notes on the Financial Statements for the year ended 31st March, 2017

25 Disclosure of Loans / Advances to Holding Company:

	(Rs. in lacs)	
	Amount Outstanding	Max. Amount Outstanding
1 Aegis Logistics Limited	2,444.81	3,608.47
<i>Previous year</i>	<i>3,608.47</i>	<i>3,876.20</i>

In respect of the above loan no interest is charged.
Loan from related party represents loan from Holding Company repayable in March, 2022 with an option for prepayment at any time during the tenure of the loan.

26 **Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016.**

Particulars	(Rs. in lacs)		
	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	1.48	0.30	1.78
(+) Permitted receipts	-	2.19	2.19
(-) Permitted payments	-	2.11	2.11
(-) Amount deposited in Banks	1.48	-	1.48
Closing cash in hand as on 30.12.2016	-	0.38	0.38

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Notes on the Financial Statements for the year ended 31st March, 2017

27 Employee Benefits:

The Company has adopted Revised Accounting Standard on Employee Benefits (AS-15) issued by the Institute of Chartered Accountants of India. The following disclosures are made as required under AS-15:

a. Defined Contribution Plan:

The Company makes contributions towards provident fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. The Company has recognised Rs. 7,13,428/- (Previous year Rs. 5,42,578/-) towards Provident Fund, ESIC and Super annuation contributions in the Statement of Profit and Loss.

b. Defined Benefits Plan:

Gratuity

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity is given below:

Particulars	March 31, 2017	March 31, 2016
Components of employer expense		
Current service cost	84,480	95,453
Non - Current Liabilities	56,596	60,638
Expected return on plan assets		
Actuarial losses/(gains)	7,23,976	62,179
Total expense recognised in the Statement of Profit and Loss	8,65,052	2,18,270
Actual contribution and benefit payments for year		
Actual contributions		-
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	18,57,459	9,92,407
Fair value of plan assets		
Funded status [Surplus / (Deficit)]		
Net asset / (liability) recognised in the Balance Sheet	18,57,459	9,92,407
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	9,92,407	7,77,945
Current service cost	84,480	95,453
Interest cost	56,596	60,638
Benefit Paid	-	(3,808)
Actuarial (gains) / losses	7,23,976	62,179
Present value of DBO at the end of the year	18,57,459	9,92,407
Change in fair value of assets during the year		
Plan assets at beginning of the year		-
Expected return on plan assets		-
Actual company contributions		-
Benefit Paid		-
Actuarial gain/(loss) on Plan Assets		-
Plan assets at the end of the year		-
Actual return on plan assets		-
Actuarial assumptions		
Discount rate	6.80%	7.75%
Expected return on plan assets	-	-
Salary escalation	5.00%	5.00%
Mortality tables	IALM-Mortality- Tables (2006-08) Ultimate	IALM-Mortality- Tables (2006-08) Ultimate

KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

Notes on the Financial Statements for the year ended 31st March, 2017

Experience adjustments

Gratuity	2016-17	2015-16	2014-15	2013-14	2012-13
Present value of defined benefit obligation	18,57,459	9,92,407	7,77,945	5,42,498	8,04,016
Fair value of plan assets				-	-
Funded status [Surplus / (Deficit)]	18,57,459	9,92,407	7,77,945	5,42,498	8,04,016
Experience gain / (loss) adjustments on plan liabilities	5,97,209	47,392	1,73,913	3,93,494	-
Experience gain / (loss) adjustments on plan assets				-	-

Actuarial assumptions for long-term compensated absences:

	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Retirement Age	58 Years	58 Years	58 Years	58 Years
Discount rate	6.80%	7.75%	7.95%	9.00%
Salary escalation	5.00%	5.00%	5.00%	6.75%

Notes:

- (i) 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.
- (ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- (iii) The Company's best estimate of contributions expected to be paid to the plan during the annual period beginning after 31st March, 2016 is Rs. Nil (Previous Year Rs. Nil)
- (iv) The above information is certified by the actuary and relied upon by the Auditors.
- (v) Employee Benefits Expenses Include:
Employees' Compensated absences Rs. 7,04,365/- (Previous Year Rs. 3,05,574/-).

28 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**For P.D.Kunte & Co. (Regd.)
Chartered Accountants
Firm Registration Number: 105479W**

**D.P.Sapre
Partner
Membership no.: 40740
Mumbai,
Dated : 30th May , 2017**

For and on behalf of the Board of Directors

Anish K.Chandaria Director DIN - 00296538	Jaideep D.Khimasia Director DIN - 07744224
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Mumbai, Dated : 30th May , 2017