



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



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

### **Board of Directors**

#### **Chairman**

Anish M. Chandaria

#### **Directors**

Raj K. Chandaria  
Dineshchandra J. Khimasia  
Kanwaljit S. Nagpal

#### **Auditors**

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

#### **Bankers**

Axis Bank

### **Registered Office**

23, 5<sup>th</sup> '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, 5<sup>th</sup> '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 10<sup>th</sup> Annual Report and Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2016.

#### Financial Performance

(Rs. in Lacs)

	Current Year (2015-16)	Previous Year (2014-15)
Income from operations	454.59	485.34
Profit before Interest, Tax, Depreciation & Amortisation	208.49	294.00
Finance Cost	0.41	0.35
Depreciation & amortisation	144.74	141.29
Profit Before Tax	63.34	152.72
Tax	2.11	0
Profit After Tax	65.44	152.72
Balance in P & L A/c.	(693.06)	(844.44)
Less: Transitional Adjustment on enactment of Schedule II	0	1.35
Balance at the end of the year	(627.62)	(693.07)

#### OVERVIEW OF PERFORMANCE

During the year under review, the Income was Rs. 454.59 Lacs as against Rs. 485.34 Lacs in the previous year. The company made a net profit of Rs. 65.44 Lacs as against Rs.152.72 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.

#### FIXED DEPOSITS

No fixed deposit has been accepted by the Company.

#### DIRECTORS

Pursuant to section 152 of the Companies Act, 2013, Mr. Raj K. Chandaria (DIN - 00037518), retire by rotation and being eligible, offer himself for re-appointment.

## **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 25<sup>th</sup> 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 required by section 197(12) 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, 2016 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, 2016, 4 Board Meetings were held on the following dates:

1. 28th May, 2015
2. 10th August, 2015
3. 03rd November, 2015
4. 28th January, 2016

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, 2016, 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 acknowledge 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: 30<sup>th</sup> May, 2016

### **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, 2016)

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#### **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. Capacitor bank to MCC to raise the power factor on motor load; (increased to 0.98) thereby saving energy
2. Motor switched off every time a compartment changed for loading instead of running the pump on recycle.
3. Flow/Mas flow meters used to load accurate per compartment of TTS, thereby saving energy by avoiding repeated pump operation intervals
4. Used Metal halide lamps for premises lighting
5. Energy efficient ACs are being installed to replace older ones
6. Offices are installed with LED and CFL lights for replacing conventional lights
7. ENERGY AUDIT IS BEING INITIATED by recognized agents, in order to initiate further steps for energy conservation thru technology absorption.

###### (ii) The steps taken by the company for utilising alternate sources of energy: None

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

##### **(B) Technology absorption**

###### (i) The efforts made towards technology absorption:

The Company is taking various measures towards technology up gradation and innovation from time to time

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

The benefits derived are minimising VOC, vapour losses by upgrading some tanks to IFR type is completed.

###### (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.

The total Foreign Exchange outgo during the year in terms of actual outflows for the year is USD 29,425 for purchase of capital assets.

**For and on behalf of the Board**

**Anish K. Chandaria**  
Chairman  
DIN: 00296538

Place: Mumbai  
Dated: 30th May, 2016



**Annexure-B' to the Directors Report**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31/03/2016**

*[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	99.54%

**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	
<b>A.</b>	<b>Promoter</b>									
1	<b>Indian</b>									
	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	<b>Foreign</b>									
	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
	<b>Total shareholding of Promoter= (A)-(A)(1)+(A)(2)</b>	0	100000	100000	100.00	0	100000	100000	100.00	0.00
<b>B.</b>	<b>Public Shareholding</b>									
1	<b>Institutions</b>									
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	<b>Non-Institutions</b>									
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 / 2 lakhs	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 / 2 lakhs	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
	<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
										0.00
	<b>Grand Total (A+B+C)</b>	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			
		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	% change in shareholding during the year
1	Aegis Logistics Limited	100000	100.00	0.00	100000	100.00	0.00	0.00
	<b>Total</b>	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	01/04/2015	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	31/03/2016	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 31/03/2016 :**

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	01/04/2015	The Company is a 100% subsidiary of Aegis Logistics Limited		The Company is a 100% subsidiary of Aegis Logistics Limited	
	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	31/03/2016				

**(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	01/04/2015	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	31/03/2016	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
	<b>Indebtedness at the beginning of the financial year</b>				
i	Principal Amount	0	3828	0	3828
ii	Interest due but not paid	0	0	0	0
iii	Interest accrued but not due	0	0	0	0
	<b>Total (i+ii+iii)</b>	0	3828	0	3828
	<b>Change in Indebtedness during the financial year</b>				
	· Addition	0	342	0	342
	· Reduction	0	-561	0	-561
	<b>Net Change</b>	0	-219	0	-219
	<b>Indebtedness at the end of the financial year</b>				
i	Principal Amount	0	3609	0	3609
ii	Interest due but not paid	0	0	0	0
iii	Interest accrued but not due	0	0	0	0
	<b>Total (i+ii+iii)</b>	0	3609	0	3609

## 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
	<b>Total (1)</b>	0	0	0	0
2	Other Non-Executive Directors				
	Fee for attending board / committee meetings	0	0	0	1,50,000
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	<b>Total (2)</b>	0	0	0	1,50,000
	<b>Total Managerial Remuneration - Total (B) = (1) + (2)</b>	0	0	0	1,50,000
	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/MTD

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)
<b>A.</b>	<b>COMPANY</b>					
	Penalty					
	Punishment					
	Compounding					
<b>B.</b>	<b>DIRECTORS</b>					
	Penalty					
	Punishment					
	Compounding					
<b>C.</b>	<b>OTHER OFFICERS IN DEFAULT</b>					
	Penalty					
	Punishment					
	Compounding					

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

Place: Mumbai

Dated: 30<sup>th</sup> May, 2016

For and on behalf of  
the Board

Sd/-

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 31<sup>st</sup>March 2016, 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 31<sup>st</sup> March 2016, and 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 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 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.

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

Place: Mumbai  
Date: 30<sup>th</sup> May, 2016

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 ESIC 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 2016 outstanding for a period for more than six months from the date they became payable.

(b) As at 31st March 2016, 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.

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: 30<sup>th</sup> May, 2016

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 2016 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 2016, 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 :30<sup>th</sup> May, 2016.

D. P. Sapre  
Partner  
Mem No. 040740

**KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED****Balance Sheet as at 31<sup>st</sup> March, 2016**

	Note	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	10,00,000	10,00,000
Reserves & Surplus	3	(627,62,135)	(693,06,433)
		<b>(617,62,135)</b>	<b>(683,06,433)</b>
<b>Non - Current Liabilities</b>			
Long Term Borrowings	4	3608,46,595	3827,82,096
Long Term Provisions	5	12,96,670	9,71,878
		<b>3621,43,265</b>	<b>3837,53,974</b>
<b>Current Liabilities</b>			
Trade Payables	6	54,35,704	53,39,122
Other Current Liabilities	7	17,39,893	21,14,056
Short Term Provisions	8	6,37,484	5,59,055
		<b>78,13,081</b>	<b>80,12,233</b>
<b>TOTAL</b>		<b>3081,94,211</b>	<b>3234,59,774</b>
<b>ASSETS:</b>			
<b>Non - Current Assets</b>			
Fixed Assets			
-Tangible Assets	9	2676,99,196	2752,50,397
- Capital Work-in-Progress		12,61,757	7,44,875
Long Term Loans & Advances	10	56,38,129	65,25,698
Other Non - Current Assets	11	40,798	29,324
		<b>2746,39,880</b>	<b>2825,50,294</b>
<b>Current Assets</b>			
Inventories	12	116,42,026	95,20,120
Trade Receivables	13	176,21,496	276,26,638
Cash and Cash Equivalents	14	34,86,057	30,37,261
Short-Term Loans and Advances	15	8,04,753	5,79,212
Other Current Assets	16	-	1,46,249
		<b>335,54,332</b>	<b>409,09,480</b>
<b>TOTAL</b>		<b>3081,94,211</b>	<b>3234,59,774</b>

Notes 1 to 30 form an integral part of the Financial Statements.

As per our Report dated 30th May, 2016 attached

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

For and on behalf of the Board

D.P.Sapre  
Partner  
Membership No.: 40740

A.K.Chandaria  
Director  
DIN-00296538

D.J.Khimasia  
Director  
DIN-00011970

Mumbai, 30th May, 2016

**KONKAN STORAGE SYSTEMS (KOCHI) PVT.LIMITED****Statement of Profit & Loss for the year ended 31st March, 2016**

	Note	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>INCOME:</b>			
Revenue from Operations	17	454,59,105	485,34,163
Other Income	18	2,08,437	15,26,819
<b>Total Revenue</b>		<b>456,67,542</b>	<b>500,60,982</b>
<b>EXPENSES:</b>			
Non - Current Liabilities	19	90,30,725	73,80,779
Operating Expenses	20	83,56,153	61,16,193
Other Expenses	21	74,31,088	71,28,078
<b>Total Expenses</b>		<b>248,17,966</b>	<b>206,25,050</b>
<b>Profit Before Interest, Tax, Depreciation &amp; Amortisation</b>		<b>208,49,576</b>	<b>294,35,932</b>
Finance Cost	22	41,096	34,969
<b>Profit Before Tax, Depreciation &amp; amortization</b>		<b>208,08,480</b>	<b>294,00,963</b>
Depreciation and amortisation expense	9	144,74,342	141,28,809
<b>Profit Before Tax</b>		<b>63,34,138</b>	<b>152,72,154</b>
<b>Tax Expenses</b>		<b>2,11,261</b>	
MAT Credit		(2,11,261)	
Adjustment for earlier year		(2,10,161)	-
<b>Total Tax Expenses</b>		<b>(2,10,161)</b>	<b>-</b>
<b>Profit for the year from continuing operations</b>		<b>65,44,299</b>	<b>152,72,154</b>
<b>Earnings per Equity Share of Rs 10 each</b>	26		
- Basic		65.44	152.72
- Diluted		65.44	152.72

Notes 1 to 30 form an integral part of the Financial Statements.

As per our Report dated 30th May, 2016 attached

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

For and on behalf of the Board

D.P.Sapre  
Partner  
Membership no.: 40740

A.K.Chandaria  
Director  
DIN-00296538

D.J.Khimasia  
Director  
DIN-00011970

Mumbai, 30th May, 2016



# KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>A. Cash Flow from Operating Activities:</b>		
Profit Before Tax	63,34,138	152,72,154
Adjustments for:		
Depreciation	144,74,342	141,28,809
No Interest Expenses (Net)	41,096	34,969
	<b>145,15,438</b>	<b>141,63,778</b>
Balance as per last year		
<b>Operating Profit Before Working Capital Changes</b>	<b>208,49,576</b>	<b>294,35,932</b>
Decrease in Long-term loans and advances	8,95,062	12,87,775
Decrease in Other Non - Current assets	(11,474)	30,809
(Increase) in Inventories	(21,21,905)	(20,16,923)
Decrease/(Increase) in Trade receivables	100,05,142	(152,98,605)
(Increase) /Decrease in Short-term loans and advances	(2,25,541)	2,27,807
Decrease/(Increase) in Other Current assets	1,46,249	(1,26,962)
Decrease in other long term liabilities	-	-
Decrease/(Increase) in Long-term provisions	3,24,792	(2,32,828)
Increase in Trade payables	96,582	38,08,460
Decrease /(Increase) in Other current liabilities	(3,74,163)	14,89,350
Increase in Short-term provisions	78,429	5,34,899
	<b>88,13,174</b>	<b>(102,96,218)</b>
<b>Cash Generated from Operations</b>	<b>296,62,750</b>	<b>191,39,714</b>
Direct Taxes Paid	(2,02,668)	(12,74,331)
<b>Net Cash Flow from Operating Activities - A</b>	<b>298,65,418</b>	<b>204,14,045</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(74,40,023)	(27,65,241)
Bank balances not considered as Cash and cash equivalents		
- Placed	26,50,908	(1,20,331)
<b>Net Cash used in Investing Activities - B</b>	<b>(47,89,115)</b>	<b>(28,85,572)</b>
<b>C. Cash Flow from Financing Activities:</b>		
(Decrease) in Other Borrowings (net)	(219,35,501)	(175,00,000)
Interest Paid	(41,096)	(34,969)
<b>Net Cash from Financing Activities - C</b>	<b>(219,76,597)</b>	<b>(175,34,969)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>30,99,704</b>	<b>(6,496)</b>
Cash and Cash Equivalents as at the end of the year:		
- Cash & Balances in Current Accounts with Banks	33,76,618	2,76,914
- Deposits with Banks and Interest Accrued thereon	-	-
	<b>33,76,618</b>	<b>2,76,914</b>
Less: Cash and Cash Equivalents as at the beginning of the year	2,76,914	2,83,410
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>30,99,704</b>	<b>(6,496)</b>

**Reconciliation of Cash and cash  
equivalents with the Balance Sheet:**

Cash and cash equivalents as per	<b>34,86,057</b>	30,37,261
Less: Bank balances not considered as		
Cash and cash equivalents as defined in	<b>1,09,439</b>	27,60,347
<b>Cash and cash equivalents at the end of the year</b>	<b>33,76,618</b>	2,76,914

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As per our Report dated 30th May, 2016 attached

For and on behalf of the Board

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

D.P.Sapre  
Partner  
Membership no.:- 40740

A.K.Chandaria	D.J.Khimasia
Director	Director
DIN-00296538	DIN-00011970

Mumbai, 30th May ,2016

# KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

## Notes to the Financial Statements for the year ended 31st March, 2016

### 1 Significant Accounting Policies

#### A.1 Background and principal activities

Konkan Storage Systems (Kochi) Private Ltd ("KCPL" or "the Company") is a company incorporated in India, on 20<sup>th</sup> 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.

#### A.2 Basis of preparation of Financial Statements

The Financial Statements have been prepared to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the said Act. The accounting policies adopted in the preparation of Financial Statements are consistent with those of the previous year.

#### A.3 Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates and the difference between the actual results and estimates are recognised in the period in which the results are known / materialise.

#### B.1 Fixed Assets

##### Tangible Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost of fixed assets includes all costs incidental to acquisition or construction, including taxes, duties (net of CENVAT and set-off), cost of installation & commissioning, interest on specific borrowings obtained for the purposes of acquiring the assets and other indirect expenses incurred. They are stated at historical cost.

##### Intangible Assets

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

#### B.2 Investments

Long Term Investments are stated at cost. However, when there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline. Current Investments are carried at lower of cost and fair value, computed category wise.

#### B.3 Inventories

Inventories which include stores and spares are valued at cost. 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 taxing authorities.

#### B.4 Revenue Recognition

In appropriate circumstances, Revenue (Income) is recognised when no significant uncertainty as to measurability or collectability exists.

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

### **Notes to the Financial Statements for the year ended 31st March, 2016**

#### **B.5 Operating Revenue**

Service revenue is recognized on time proportion basis and excludes service tax.

#### **B.6 Depreciation**

Depreciation, being the difference between original cost and estimated residual value, is provided over the estimated useful life of the asset. The useful life of assets and the estimated residual values are as specified in Schedule II to the Companies Act, 2013. Depreciation on additions/ deletions during the year is provided on pro rata basis with reference to date of addition / installation/ deletion. Depreciation on assets disposed, discarded or demolished has been provided on prorata basis.

Lease hold land is amortised over the period of the lease on straight line basis.

#### **B.7 Employee Benefits**

Contribution to defined benefit 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 an 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 an 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.

#### **B.8 Earning Per Share**

Basic earnings per share are calculated by dividing the net profit for the year attributable to the equity shareholders by the weighted average of the number of equity shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit for the year attributable to the equity shareholders by the weighted average of the number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares.

#### **B.9 Foreign Currency Transactions**

Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of the transactions. 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 transactions and on account of restatement of monetary items are dealt with in the statement of profit and loss.

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

Gain / losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognised as income or expense.

#### **B.10 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.

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

### **Notes to the Financial Statements for the year ended 31st March, 2016**

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

#### **B.11 Operating Lease Rentals**

Lease Rental expenses are accounted on straight line basis over the lease term.

#### **B.12 Borrowing Cost**

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

#### **B.13 Taxes on Income**

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax for the year is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only if there is a reasonable certainty (virtual certainty in case of business loss) of its realisation.

#### **B.14 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 resource embodying economic benefits is remote. Contingent Assets are neither recognised nor disclosed in the financial statements.

**KONKAN STORAGE SYSTEMS (KOCHI) PVT.LIMITED****Notes to Financial Statement for the year ended 31st March, 2016****2 Share Capital**

	31st March, 2016 Rupees	31st March, 2015 Rupees
Authorised : 1,00,000 Equity Shares of Rs.10 each (Previous Year: 1,00,000 shares)	10,00,000	10,00,000
Non - Current Liabilities		
<b>TOTAL</b>	<b>10,00,000</b>	<b>10,00,000</b>
Balance as per last year		
<b>Issued, Subscribed &amp; Paid-up :</b> 1,00,000 Equity Shares of Rs.10 each, fully paid-up (Previous Year : 1,00,000 Shares)	10,00,000	10,00,000
<b>TOTAL</b>	<b>10,00,000</b>	<b>10,00,000</b>

**a Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Equity Shares	31st March, 2016		31st March, 2015	
	Number of Shares	Amount (Rs.)	Number of Shares	Amount (Rs.)
Opening Balance	1,00,000	10,00,000	1,00,000	10,00,000
Outstanding at the end of the period	1,00,000	10,00,000	1,00,000	10,00,000

**b 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.

**c During the period of five years immediately preceding the reporting date:**

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

**d Details of shareholders holding more than 5% shares in the Company:****Equity Shares**

Name of shareholder	31st March, 2016		31st March, 2015	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Aegis Logistics Ltd - Holding Company and its nominees	1,00,000	100.00	1,00,000	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.

**e Details of shares held by Holding Company:****Equity Shares**

Name of shareholder	31st March, 2016		31st March, 2015	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Aegis Logistics Ltd and its nominees	1,00,000	100.00	1,00,000	100.00

# KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

## Notes to the Financial Statements for the year ended 31st March, 2016

### 3 Reserves and Surplus

	March 31, 2016 Rupees	March 31, 2015 Rupees
Profit and Loss account	(627,62,135)	(693,06,433)
<b>TOTAL</b>	<b>(627,62,135)</b>	<b>(693,06,433)</b>

#### 3.1 Profit and loss account

#### Non - Current Liabilities

Balance as per last year	(693,06,433)	(844,44,001)
Profit for the year from Continuing Operations	65,44,299	152,72,154
Transitional Adjustment on enactment of Schedule II (See note 9)	-	(1,34,586)
<b>Balance at end of year</b>	<b>(627,62,135)</b>	<b>(693,06,433)</b>

### 4 Long Term Borrowings

	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>Unsecured:</b>		
Loan from Related Party (Refer Note 4.1 and 24)	3608,46,595	3827,82,096
<b>TOTAL</b>	<b>3608,46,595</b>	<b>3827,82,096</b>

- 4.1 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.

**KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED****Notes to the Financial Statements for the year ended 31st March, 2016****5 Long-Term Provisions**

	March 31, 2016	March 31, 2015
	Rupees	Rupees
<b>Provision for Retirement Benefits</b>		
Provision for Gratuity	7,29,698	5,56,635
Provision for Leave Encashment	5,66,972	4,15,243
<b>TOTAL</b>	<b>12,96,670</b>	<b>9,71,878</b>
	<b>Non - Current Liabilities</b>	

**6 Trade Payables****Balance as per last year**

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Due to Micro, Small and Medium Enterprises (Refer note 27)	-	-
Others	54,35,704	53,39,122
<b>TOTAL</b>	<b>54,35,704</b>	<b>53,39,122</b>

**7 Other Current Liabilities**

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Income Received in Advance	6,05,661	4,62,113
Creditors for Capital Expenditure	3,10,365	3,25,439
Statutory Payables	1,68,127	2,80,122
Other Liabilities	-	10,46,382
Advance from Customers	6,55,740	0
<b>TOTAL</b>	<b>17,39,893</b>	<b>21,14,056</b>

**8 Short-Term Provisions:**

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Provision for Gratuity	2,62,709	2,21,310
Provision for Leave Encashment	3,74,775	3,37,745
<b>TOTAL</b>	<b>6,37,484.00</b>	<b>5,59,055</b>



**KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED**
**Notes to the Financial Statements for the year ended 31st March, 2016**
**9. Tangible Assets**
**Amount in Rupees**

Description	Gross block (at cost)				Depreciation/Amortisation				Net block		
	Balance as at April 1, 2015	Additions	Disposals	Balance as at March 31, 2016	Balance as at April 1, 2015	For the year	Eliminated on disposal of assets	Transitional adjustment (See note3 below)	Balance as at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Leasehold Land (See note 1 below)	822,35,028	-	-	822,35,028	210,35,674	31,09,785	-	-	241,45,459	580,89,569	611,99,354
Buildings	23,58,396	11,98,492	-	35,56,888	3,13,944	3,30,927	-	-	6,44,871	29,12,017	20,44,452
Plant and Equipments (See note 2 below)	3121,45,668	56,47,524	-	3177,93,192	1019,02,074	105,77,666	-	-	1124,79,740	2053,13,452	2102,43,594
Office Equipments	19,08,454	12,568	-	19,21,022	10,71,596	3,07,797	-	-	13,79,393	5,41,628	8,36,858
Furniture and Fixture	1,70,145	-	-	1,70,145	53,677	19,905	-	-	73,582	96,563	1,16,468
Vehicles	12,54,564	64,556	-	13,19,120	4,44,893	1,28,261	-	-	5,73,153	7,45,967	8,09,672
<b>Sub total (a)</b>	<b>4000,72,255</b>	<b>69,23,139</b>	<b>-</b>	<b>4069,95,395</b>	<b>1248,21,857</b>	<b>144,74,342</b>	<b>-</b>	<b>-</b>	<b>1392,96,199</b>	<b>2676,99,196</b>	<b>2752,50,399</b>
<b>Intangible Assets:</b>											
Software	-	-	-	-	-	-	-	-	-	-	-
<b>Sub total (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (a+b)</b>	<b>4000,72,255</b>	<b>69,23,139</b>	<b>-</b>	<b>4069,95,395</b>	<b>1248,21,857</b>	<b>144,74,342</b>	<b>-</b>	<b>-</b>	<b>1392,96,199</b>	<b>2676,99,196</b>	<b>2752,50,400</b>
Previous Year	3979,68,459	21,03,796	-	4000,72,255	1105,58,463	141,28,809	-	1,34,586	1248,21,858	2752,50,397	2874,09,997

**Note:**

- 1 Cost of leasehold land represents fees charged by Cochin Port Trust in connection with assignment of lease and premium for leasehold land.
- 2 The plant and equipment is subject to first charge by way of hypothecation in favour Common Wealth Bank in connection with loan of Rs. 20,00,00,000 advanced to Aegis Logistics Ltd, Holding Company. The balance of such loan outstanding as at March 31, 2016 is Rs. 6,72,27,212 (Previous year Rs. 13,33,33,332).

**KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED****Notes to the Financial Statements for the year ended 31st March, 2016****10 Long Term Loans and Advances:**

	March 31, 2016	March 31, 2015
	Rupees	Rupees
<b>Unsecured and considered good:</b>		
Capital Advances	16,500	3,34,332
Deposits with government authorities and others	39,36,654	44,27,934
Prepaid Expense	28,461	1,14,411
Income Tax Paid (Net of Provisions)	14,45,253	16,49,021
MAT Credit	2,11,261	-
<b>TOTAL</b>	<b>56,38,129</b>	<b>65,25,698</b>

**11 Other Non - Current Assets:**

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Interest accrued on term deposits	40,798	29,324
<b>TOTAL</b>	<b>40,798</b>	<b>29,324</b>

**12 Inventories:**

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Stores and Spare Parts	116,42,026	95,20,120
<b>TOTAL</b>	<b>116,42,026</b>	<b>95,20,120</b>

**13 Trade Receivables**

	March 31, 2016	March 31, 2015
	Rupees	Rupees
<b>Unsecured</b>		
Debts due for a period exceeding six months from the date they became due:		
[ - Considered Good	138,50,722	122,97,782
- Considered Doubtful	69,221	69,221
	139,19,943	123,67,003
Other Debts - Considered Good	37,70,774	153,28,856
	176,90,717	276,95,859
Less: Provision for Doubtful Debts	69,221	69,221
<b>TOTAL</b>	<b>176,21,496</b>	<b>276,26,638</b>

**KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED**  
**Notes to the Financial Statements for the year ended 31st March, 2016**

**14 Cash & Bank Balances:**

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>A Cash and Cash Equivalents</b>		
Cash on hand	-	-
Balance with Banks on Current Accounts	<b>33,76,618</b>	2,76,914
<b>Sub Total - A</b>	<b>33,76,618.00</b>	2,76,914
<b>B Other Bank Balances</b>		
Term deposits having maturity of more than 12 months	<b>1,09,439</b>	1,09,439
Term deposits having remaining maturity of 12 months or less	-	26,50,908
<b>Balance as per last year</b>	<b>1,09,439</b>	27,60,347
<b>TOTAL (A+B)</b>	<b>3486057</b>	30,37,261

**Note:**

Term Deposits include Rs. Nil (Previous Year: 26,50,908) kept as lien against bank guarantee and Rs. 1,09,439 (Previous Year: 1,09,439) pledged with Sales Tax Authorities Kerala.

**15 Short Term Loans and Advances:**

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Rupees</b>	<b>Rupees</b>
Advance to Suppliers	<b>3,00,685</b>	2,25,323
Prepaid Expenses	<b>1,25,925</b>	1,20,051
Advances recoverable in cash or kind for value to be received	<b>3,78,143</b>	2,33,838
<b>TOTAL</b>	<b>8,04,753</b>	5,79,212

**16 Other Current Assets**

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Rupees</b>	<b>Rupees</b>
Interest accrued on term deposits	-	1,46,249
<b>TOTAL</b>	<b>-</b>	1,46,249

**17 Revenue from Operations:**

	<b>March 31, 2016</b>	<b>March 31, 2015</b>
	<b>Rupees</b>	<b>Rupees</b>
Service Revenue	<b>454,59,105</b>	485,34,163
<b>TOTAL</b>	<b>454,59,105</b>	485,34,163

**KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED****Notes to the Financial Statements for the year ended 31st March, 2016****18 Other Income:**

	March 31, 2016 Rupees	March 31, 2015 Rupees
Interest		
- On term deposits	1,30,872	2,40,491
- Others	48,143	1,91,576
Foreign Exchange Differences (Net)	-	-
Miscellaneous Income	29,422	10,94,752
<b>TOTAL</b>	<b>2,08,437</b>	<b>15,26,819</b>

Balance as per last year

**19 Employee Benefits Expense:**

	March 31, 2016 Rupees	March 31, 2015 Rupees
Salaries, Wages and Allowances	76,07,716	61,79,074
Contribution to Provident and Other Funds	5,42,578	4,59,642
Workmen & Staff Welfare Expenses	8,80,432	7,42,063
<b>TOTAL</b>	<b>90,30,725</b>	<b>73,80,779</b>

**20 Operating Expenses**

	March 31, 2016 Rupees	March 31, 2015 Rupees
Stores and Spares Consumed	12,10,195	11,76,902
Power and Fuel	14,17,221	14,07,062
Repairs to Machinery	18,21,440	8,92,420
Lease Rentals	94,061	1,163
Way Leave Fees	14,46,000	14,46,570
Water Charges	51,025	7,088
Labour & Transport	23,16,211	11,84,988
<b>TOTAL</b>	<b>83,56,153.00</b>	<b>61,16,193</b>

**20.1 Value of Imported and Indigenous Stores and Spares Consumed:**

	Rs	%	Rs	%
Imported	-	-	-	-
Indigenous	12,10,195	100.00%	11,76,902	100.00%
<b>TOTAL</b>	<b>12,10,195</b>	<b>100.00%</b>	<b>11,76,902</b>	<b>100.00%</b>

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

# KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

## Notes to the Financial Statements for the year ended 31st March, 2016

### 21 Other Expenses:

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Repairs & Maintenance:		
- Building	-	-
- Others	90,890	3,79,838
Rent	2,19,000	1,32,000
Rates and Taxes	2,00,423	2,15,183
Insurance Premium	22,23,031	30,98,845
Directors Sitting Fees	1,50,000	1,20,000
Communication Expenses	2,77,701	2,68,364
Donation	10,000	10,000
Travelling, Conveyance and Vehicle Expenses	8,39,707	3,86,987
Legal and Professional charges	5,23,092	5,29,864
Security Expenses	15,98,576	11,63,458
Miscellaneous Expenses	12,98,668	8,23,539
<b>TOTAL</b>	<b>74,31,088</b>	<b>71,28,078</b>

#### 21.1 Payment to Auditors included under Legal & Professional Charges:\*

- Audit fees	51,070	50,000
- Tax Audit Fees	25,535	25,000
- Limited Review	31,450	30,000
- Certification	17,655	10,000
	<b>1,25,710</b>	<b>1,15,000</b>

\* Excludes Service Tax

### 22 Finance Cost:

	March 31, 2016	March 31, 2015
	Rupees	Rupees
Interest Expense	18,758	30,889
Bank / Finance Charges	22,338	4,080
<b>TOTAL</b>	<b>41,096</b>	<b>34,969</b>

**KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED****Notes to the Financial Statements for the year ended 31st March, 2016**

	March 31, 2016 Rupees	March 31, 2015 Rupees
<b>23 Capital and other commitments</b>		
(a) Claims against the Company not acknowledged as debts	<b>65,78,291</b>	65,78,291
(b) Income Tax demands disputed in appeal		-
(c) Estimated amount of contracts remaining to be executed on capital account (Net of advances)	<b>47,35,155</b>	-
(d) Outstanding Bank Guarantees		-
(e) Corporate Guarantee given on behalf of Holding Company	672,27,212	1333,33,332

**24 Related Party Disclosures**

as per last

As per the Accounting Standard 18, issued by the Institute of Chartered Accountants of India (ICAI), the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

**(a) List of related parties with whom transactions have taken place and relationships:**

Name of the Related Party		Relationship
Aegis Logistics Limited		Holding Company

**(b) Transactions during the year with related parties:**

S No	Nature of transaction	Holding Company
1	Loan borrowed	<b>342,02,980</b> (174,00,000)
2	Loan Repaid	<b>561,38,481</b> (349,00,000)
3	Amount paid on behalf of Company	<b>21,53,198</b> (49,19,841)
	<b>Balances as on 31st March:</b>	
4	Long Term Borrowings	<b>3608,46,595</b> (3827,82,096)
5	Trade Payables	- (39,33,164)
6	Corporate guarantee given outstanding	<b>672,27,212</b> (1333,33,332)
7	Charge created on assets in connection with borrowings by holding company	<b>2000,00,000</b> (2000,00,000)

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

# KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

## Notes to the Financial Statements for the year ended 31st March, 2016

### 25 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. 5,42,578/- (Previous year Rs. 4,59,642/-) 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, 2016	March 31, 2015
<b>Components of employer expense</b>		
Current service cost	95,453	88,424
Non - Current Liabilities	60,638	48,592
Expected return on plan assets		-
Actuarial losses/(gains)	62,179	1,27,484
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>2,18,270</b>	<b>2,64,500</b>
<b>Actual contribution and benefit payments for year</b>		
Actual contributions		-
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	9,92,407	7,77,945
Fair value of plan assets		-
Funded status [Surplus / (Deficit)]		-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>9,92,407</b>	<b>7,77,945</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	7,77,945	5,42,498
Current service cost	95,453	88,424
Interest cost	60,638	48,592
Benefit Paid	(3,808)	(29,053)
Actuarial (gains) / losses	62,179	1,27,484
Present value of DBO at the end of the year	9,92,407	7,77,945
<b>Change in fair value of assets during the year</b>		
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		-
<b>Actuarial assumptions</b>		
Discount rate	7.75%	7.95%
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 to the Financial Statements for the year ended 31st March, 2016****Experience adjustments**

<b>Gratuity</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
Present value of defined benefit obligation	<b>9,92,407</b>	7,77,945	5,42,498	8,04,016	6,65,609
Fair value of plan assets			-	-	-
Funded status [Surplus / (Deficit)]	<b>9,92,407</b>	7,77,945	5,42,498	8,04,016	6,65,609
Experience gain / (loss) adjustments on plan liabilities	<b>47,392</b>	1,73,913	3,93,494	-	-
Experience gain / (loss) adjustments on plan assets			-	-	-

**Actuarial assumptions for long-term compensated absences:**

	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>March 31, 2014</b>
Retirement Age	<b>58 Years</b>	58 Years	58 Years
Discount rate	<b>7.75%</b>	7.95%	9.00%
Salary escalation	<b>5.00%</b>	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. 3,05,574/- (Previous Year Rs. 1,66,773/-).



# KONKAN STORAGE SYSTEMS (KOCHI) PRIVATE LIMITED

## Notes to the Financial Statements for the year ended 31st March, 2016

### 26 Earnings Per Share:

	March 31, 2016 Rupees	March 31, 2015 Rupees
Profit for the year	65,44,299	152,72,154
Weighted average number of Equity Shares (Nos)	1,00,000	1,00,000
Earning per share - basic and diluted	65.44	152.72
Face value per equity share	10	10

The Company has not received intimation from any of its suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and therefore, no disclosure under the same is provided. This has been relied upon by the auditors.

28 The Company's operations predominantly relate to a single segment. The business of the company is providing services of Liquid Terminalling facilities. The Company has not carried on any manufacturing / trading activities and accordingly information thereon has not been provided.

29 In view of the continued financial support from the holding Company and considering that the Company has been consistently making cash profit for last few years, the financial statements are prepared on a going concern basis.

30 The figures for the previous year have been regrouped wherever necessary to conform to current year's classification.

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

For and on behalf of the Board

D.P.Sapre  
Partner  
Membership no.: 40740

A.K.Chandaria  
Director  
DIN-00296538

D.J.Khimasia  
Director  
DIN-00011970

Mumbai, 30th May, 2016