

Ref No: SSSL/32/2020-2021

Date: 24<sup>th</sup> August 2020

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|--|---|
| Department of Corporate Services<br><b>BSE Limited</b><br>Corporate Relationship Department<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai – 400 001. | Listing Compliance<br><b>National Stock Exchange of India Ltd.</b><br>Exchange Plaza,<br>Bandra Kurla Complex,<br>Bandra (E), Mumbai – 400 051. |
| <b>BSE Scrip Code: 520151</b>  | <b>NSE Symbol: SHREYAS</b>  |

Dear Sir,

**Sub: 32<sup>nd</sup> Annual Report of the Company for the year 2019-2020**

Pursuant to Regulation 34(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, we are submitting the Annual Report of Company for the Financial year 2019-2020 which has been dispatched/sent to the members by permitted mode(s).

The Annual Report is also uploaded on Company's website i.e. <https://www.transworld.com/shreyas-shipping-and-logistics/annual-report.html>.

Kindly take the same on record.

Yours faithfully,

For **Shreyas Shipping and Logistics Limited**

SD/-

**Harshit Garg**  
Company Secretary and Compliance Officer



Encl: a/a



# Table of Contents

## Corporate Overview

1-16

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## Statutory Reports

17 - 85

---

## Financial Section

86 - 202

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### **Disclaimer**

This document contains statements about expected future events and financial and operational results of Shreyas Shipping and Logistics Ltd which are forward-looking in nature. By their nature, forward-looking statements require the company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements.

# Vision **Mission**

## Vision

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Be the preferred business partner for global logistics solutions, committed to the highest standard of excellence.

## Mission

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To consistently create experiences where passion and purpose come together to innovate, excel and contribute to a better future.

## Values

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- ▶ Integrity
- ▶ Transparency
- ▶ Respect
- ▶ Customer Centrality
- ▶ Excellence
- ▶ Social and Environmental Responsibility


# India's Coastal Leader

India measures around 2,933 Km from West to East and around 3,214 km from South to North and boasts a coastline of around 7,516 km. Given such distances and the volume of goods handled, traditionally the road and rail transport was found to be one of the better options for all cargoes over medium to long distances. However considering the inadequacies in the rail and road sector, in recent years, Coastal Shipping has become a major priority of the Government of India and has gained considerable ground combined with inducement initiatives such as tariff concessions and dedicated berth infrastructure for vessels operating in that trade.

This coastal movement is expected to have great significance considering that the movement of cargo using waterway solutions is cheaper, seamless and also environmentally friendly than other options. Further, as stated by the Honorable Minister of Road, Transport and Highways, Shipping and Water Resources- Mr. Nitin Gadkari, besides being economical, coastal shipping is also environmentally friendly and can result in 6 percent reduction in harmful chemicals and pollutants in India. With an estimated diversion of about 5 percent cargo to coastal shipping, the reduced traffic on rail and road can result in savings of INR 230 billion. The modal freight shift, from land to sea, is critical in achieving the government's dual goal of decreasing logistics costs and making domestic goods more competitive in global markets. Coastal shipping share currently remains abysmally low at 7 percent, compared to 24 percent in China and 11 percent in Germany.

Shreyas Shipping & Logistics Limited (Shreyas), part of Transworld Group of Companies, is a pioneer and leader in domestic and EXIM transshipment business servicing most container ports in India. The Company caters to ports like Mundra, Kandla, Pipavav, Cochin, Tuticorin, Mangalore, Krishnapatnam, Chennai, Paradip, Hazira and Kolkata which handle majority of the traffic growth in India. Further, the Company has added Non-containerized Cargo (Break Bulk) and Chartering Businesses in the past 2 years to diversify its business mix. Shreyas has the largest fleet strength amongst peers which has increased from 5 vessels in FY14 to 12 today.





## Year Gone By...

The year 2019-2020 saw a challenging business environment. Amidst all of this, the Company clocked positive business performance dominating the market and continued to be the market leader in the domestic containerized segment in India, with a market share of 50% in the domestic cargo business and 80% in the EXIM transshipment business

The challenges involved overall economic slowdown due to COVID 19, increased competition, decrease in market rates due to imbalance between demand and supply, steep fluctuation in bunker prices due to geopolitical reasons and the implementation of IMO 2020 regulations, only to name a few. In view of these challenges, the Company delivered 7.47% decline in volumes, resulting in 1.97% decline in revenues and 72.69 % decline in profitability for the financial year 2019-20 on the whole.

During the year the company commenced Shuttle service between Vizag and Kolkata and continued Colombo call on its PIX2 service in place of ECX service to provide new trade lanes. Further, the Company also added Chittagong to its list of ports with its services connecting all East coast ports of India.

The Company also realigned certain services to reduce operating cost and provide required scheduled services to the customers which can bring additional volume. The Company also worked closely with main lines and is expected to achieve growth in feeder volume, increasing overall revenue

In addition, the Company sold 1 container vessel this year i.e. SSL Kutch (1,725 TEUs) and chartered back for their own operations. During the year the Company, operated it 14 vessels of which 2 vessels were chartered in and 12 owned vessels were chartered out to improve their utilization level and to mitigate their operational risks.

From 01<sup>st</sup> January 2020, a new global cap by the IMO on Sulphur content in marine fuels came into effect, which mandated a maximum Sulphur content of 0.5% in marine fuels globally. In order to implement IMO regulation of low sulphur fuel from 01<sup>st</sup> January 2020, Industry got prepared either by installation of scrubber on vessels or preparation of fuel tanks to accept low Sulphur fuel. Shreyas also complied with the IMO regulations on all operating vessels from 01<sup>st</sup> January 2020, and changed fuel from earlier high Sulphur to very low sulphur fuel oil (VLSFO). Although this resulted in additional costs for the Company with a resultant increase in freight rates, the Company was able to maintain its volumes to a large extent.

# Business Segments

## Domestic Cargo

Domestic cargo business involves movement of cargo in containerised form between Indian ports. Shreyas holds 50% market share and is the Market leader in this business segment. During the year the company also tendered additional cargo from PSUs, namely IOCL, IFFCO and FCI and aligned services for providing additional focus on return leg from East to West and South to North

Over the years Shreyas has increased their presence across the entire Indian coastline and operates on fixed domestic routes from Mundra to Kolkata ports. Out of the total cargo handled, almost half constitutes construction material like cement, tiles, marbles and the balance includes fertilisers, cotton, food grains etc.



## EXIM

This segment involves collection of cargo from a various ports in India and then feeding the cargo at the transshipment hubs where the EXIM operations are carried out by the Main Line Operators (MLO).

The most important aspect in this business segment is to provide on time connectivity to the Main Line Operators and since Shreyas has the required experience and relevant expertise to operate along the Indian coastline, it is the preferred partner of MLOs. Shreyas also provides customised services and innovative solutions in this segment. The Company also operates a direct EXIM route covering Krishnapatnam, Kattupalli, Tuticorin, Cochin, Kandla and Jebel Ali ports.



## Breakbulk

Break bulk cargo and general cargo are goods that must be loaded individually and not in intermodal containers. Ships that carry this type of cargo are called General Cargo Ships or Multipurpose Vessels or Breakbulk Vessels. Shreyas operates two MPP (Multipurpose) vessels which can be used for this segment as well as containers. Break bulk cargo mainly includes structural cargo, project cargo, machineries and windmill blades. The main clients of the Company in this segment are JSW, Tata Steel, Welspun.



## Chartering

Chartering is an activity within the Shipping Industry whereby a ship-owner hires out the use of their vessel to a charterer. The whole idea of chartering out is only for the excess tonnage and for better utilization. It ensures fixed income with no related operating cost on the company as the Charterer takes the cost burden of the vessel. During the year, the Company chartered in 2 vessels and chartered out 3 vessels.



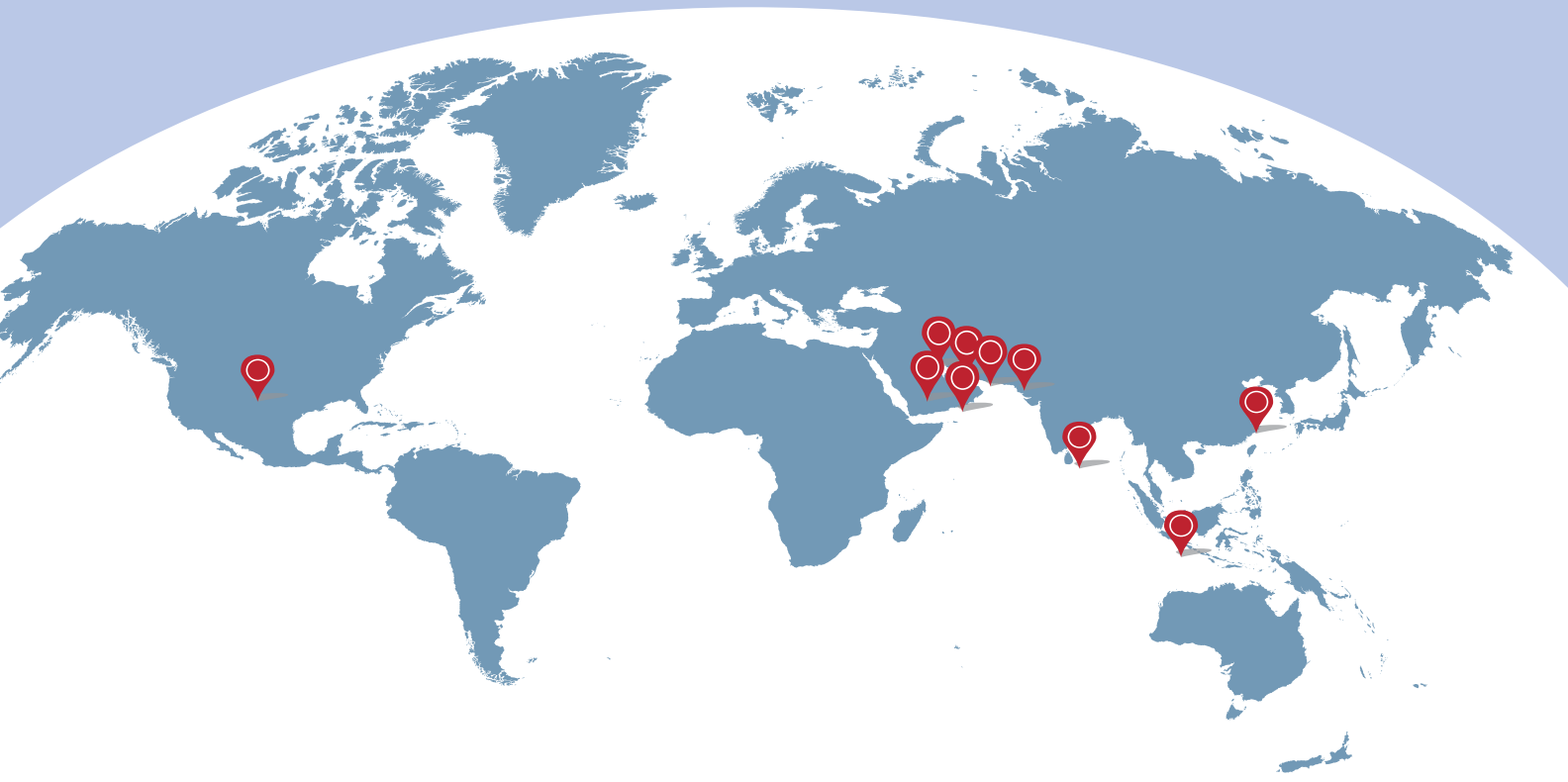


# Transworld Group

Shreyas Shipping & Logistics Ltd is a part of the 42 year old global conglomerate Transworld Group. Transworld Group of Companies was established in 1977 by its Founder Chairman Mr. R. Sivaswamy, as a shipping company at Mumbai. The company later under the leadership of the Chairman Mr. S. Ramakrishnan has been on the forefront of Shipping, Marine and Logistics field in the Subcontinent and Gulf Region. The group built an infrastructure with a commitment for providing the highest level of services to its valued customers, setting the best standards and deploying the latest information technology as an integral part of the strategy for growth of the organization. Offices are spread across the world in Dubai, USA, Saudi Arabia, Oman, Qatar, Kuwait, Sri Lanka, Hong Kong, Singapore, Pakistan and 28 Indian cities.

As a group, Transworld owns and operates more than 21 ships employed in different regions, has about 35,000 containers in its inventory, out of which 7000 are special equipment containers. The group is globally well known for its reputation of operating reliable Liner and Feeder services for decades.

As an integrated and holistic global shipping and logistics conglomerate, the group looks forward to the future with confidence and continue to expand horizons, by delivering innovative solutions, supported by bold, resolute and decisive action.



# Awards and Accolades



## Maritime And Logistics Awards (MALA)

(MALA) for the year 2010, 2011, 2012, 2013, 2014, 2015 2016, 2017, 2018, 2019

Best Shipping Line of the Year: Coastal

(MALA) for the year 2019: Hall of fame



## India Maritime Awards

2016, 2017, 2018 & 2019

Coastal Service Operator of the Year



## Gujarat Star Awards

2012, 2013, 2014, 2015 2016, 2017, 2018, 2019

Best Shipping Line of the Year:

Coastal Operator



## Gateway Maritime Awards

2014, 2015 & 2016

Feeder Operator of the Year

### JNPT 2008-09, 2013-14:

For handling maximum container traffic at Shallow Berth.

### Maritime Personality of the Year 2011:

Mr. Ramesh S. Ramakrishnan, Chairman & Managing Director.

### Forbes Middle East Top Indian Business Leader in the UAE in 2013:

Mr. Ramesh S. Ramakrishnan, Chairman, Transworld Group.

### The Forbes Top Indian Leader in The Arab World 2014:

Mr. Ramesh S. Ramakrishnan, Chairman, Transworld Group.

### Indian Maritime Businessman of the year 2014:

Mr. Ramesh S. Ramakrishnan at Gateway Awards

### "Business Leader & Visionary of the Decade" Award 2014:

Mr. Ramesh S. Ramakrishnan, Chairman, Transworld Group at Maritime And Logistics Awards (MALA).

### Global Next Generation Business Leader by the Llyod List in 2015:

Mr. Ritesh S. Ramakrishnan

### Businessman of the Year, 2015 for Excellence in Coastal Shipping and Inland Water Transport:

Mr. Ramesh S. Ramakrishnan

### Outstanding Category Award, 2015 by Asia & The Pacific Entrepreneurship Awards:

Mr. Ramesh S. Ramakrishnan

### Inspirational Leader Award 2018 by Republic TV Gulf Indian Leadership Summit & Awards:

Mr. Ramesh S. Ramakrishnan

### India Sea Trade Award 2015, 2016, 2017:

Coastal Container Vessel Operator of the Year

### South East Cargo and Logistics Awards 2014:

Coastal Operator of the Year

### Gujarat Junction Awards 2016, 2017:

Shipping Line of the Year - Coastal Operator of the Year

### Newsmaker:

Mr. Ramesh S. Ramakrishnan at India Sea Trade Award 2016

### Young Entrepreneur of the Year:

Mr. Ritesh S. Ramakrishnan at India Sea Trade Award 2017

### Top India Leader- The Next Generation 2017 and 2018 by Forbes, Middle East:

Mr. Ritesh S. Ramakrishnan

### Face of the future:

Mr. Ritesh S. Ramakrishnan at Indian Maritime Awards 2018

### Forbes Middle East Top Indian Leader:

Mr. Ramesh S. Ramakrishnan at Arab World, 2018

### Financial Express CFO Awards 2019

Mr. Rajesh Desai, Chief Financial Officer has been awarded as the winner in Services Category at the

### Awarded the prestigious "India CSR Award" in the category of "Community Development"

At India CSR Network Summit & Awards 2019

### Awarded as "Feeder Operator"

For calling highest number of vessels at Haldia Port

# Fleet in Action



12  
Fleet Size

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18.58 Yrs  
Average Fleet Size

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22,794 TEUs  
Total Capacity

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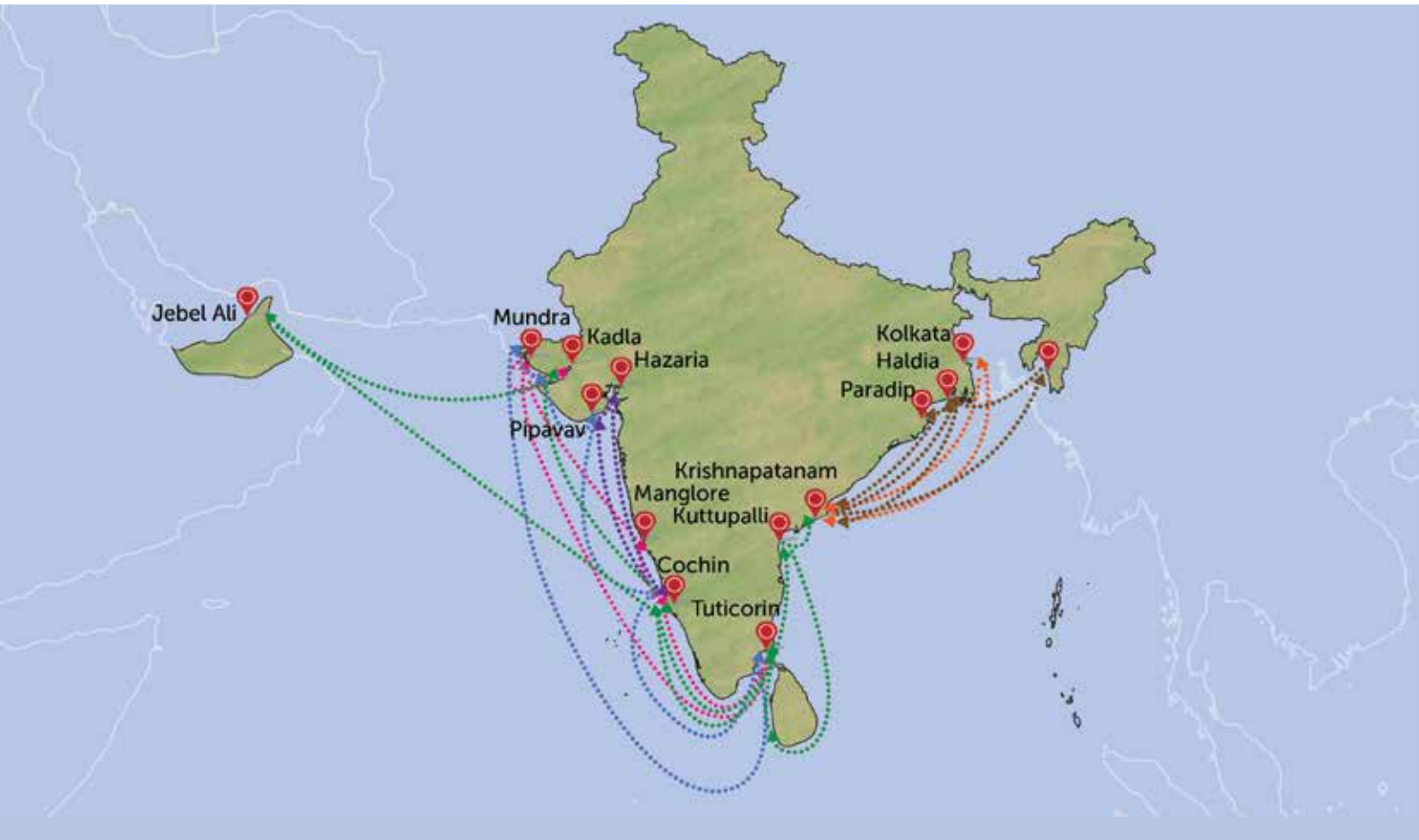
2,44,919  
Total GRT

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3,12,016  
Total Deadweight

| Name              | Capacity (in TEUs) | Year Build | G.R.T     |
|-------------------|--------------------|------------|-----------|
| SSL Brahmaputra   | 4,273 TEUs         | 2003       | 39,941 MT |
| SSL Chennai       | 700 TEUs           | 1998       | 8,214 MT  |
| SSL Balaji        | 671 TEUs           | 2007       | 8,407 MT  |
| SSL Visakhapatnam | 1,613 TEUs         | 1996       | 18,602 MT |
| SSL Mumbai        | 1,613 TEUs         | 1997       | 18,602 MT |
| SSL Delhi         | 2,478 TEUs         | 2000       | 25,369 MT |
| SSL Sabarimalai   | 1,118 TEUs         | 2003       | 12,993 MT |
| SSL Ganga         | 1,541 TEUs         | 2003       | 16,145 MT |
| SSL Gujarat       | 1,613 TEUs         | 1997       | 18,602 MT |
| SSL Bharat        | 2,959 TEUs         | 1997       | 29,383 MT |
| SSL Krishna       | 2,490 TEUs         | 2002       | 27,322 MT |
| SSL Kochi         | 1,725 TEUs         | 1998       | 21,339 MT |

# Our Routes



**PIX 1:**  
**SSL Visakhapatnam, SSL Gujarat**  
 Mundra-Kandla-Manglore-Cochin-Tuticorin-Mundra

**PIX 2:**  
**SSL Bharat, SSL Delhi, SSL Krishna, SSL Mumbai**  
 Jebel Ali-Kandla-Cochin-Kattupalli-Krishnapatnam-Colombo-Tuticorin-Cochin-Jebel Ali

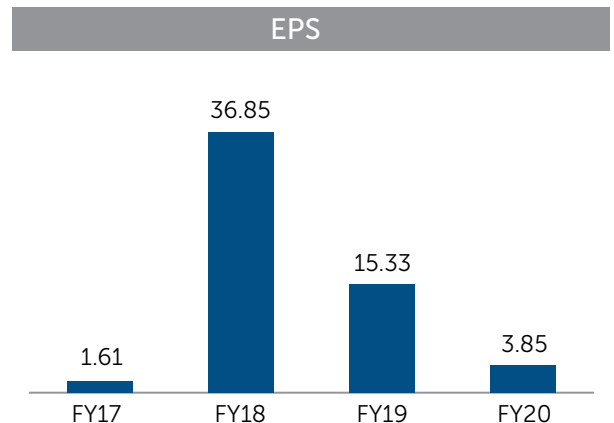
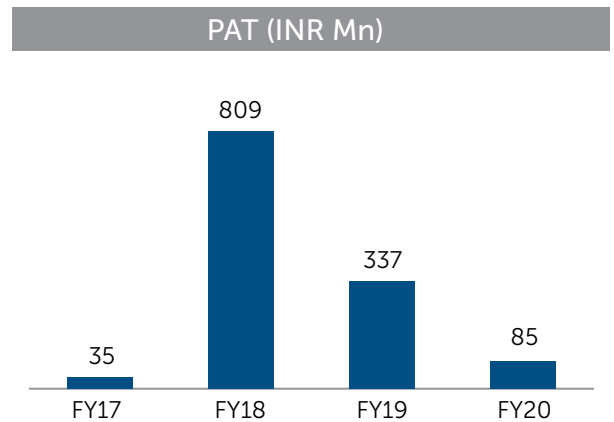
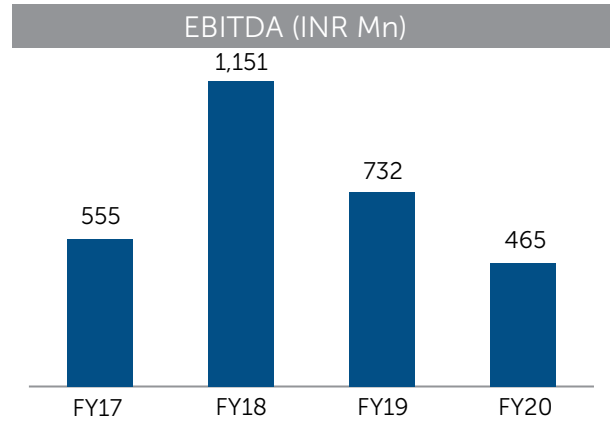
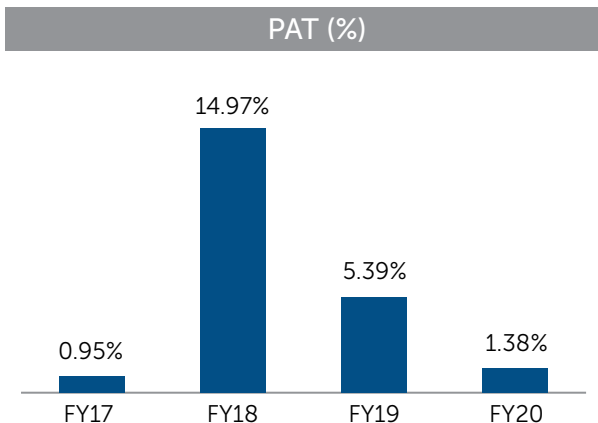
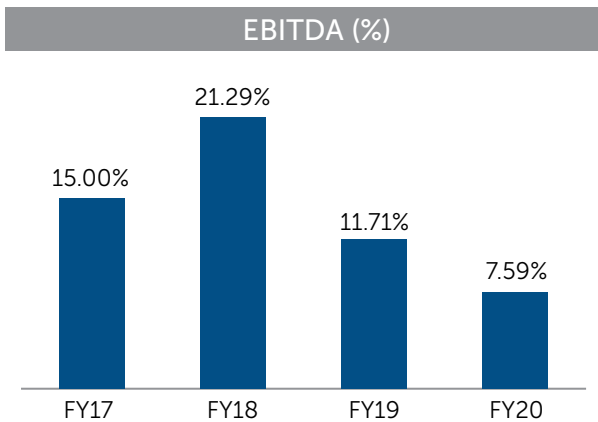
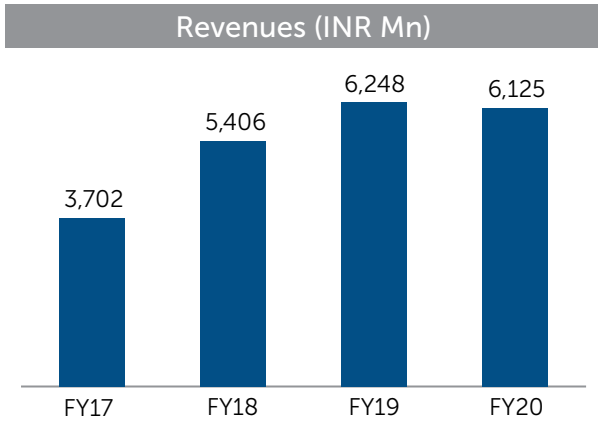
**WCC:**  
 Pipavav- Hazira-Cochin-Pipavav

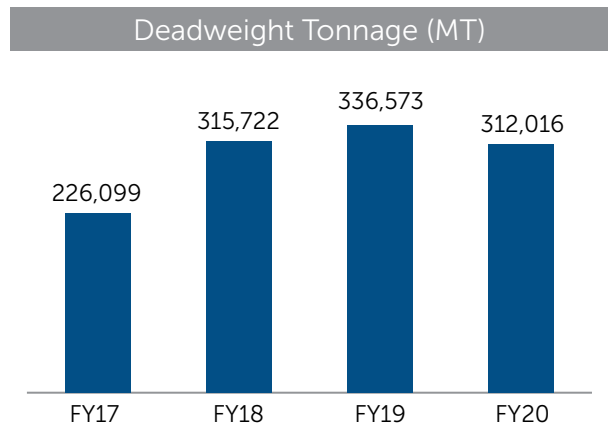
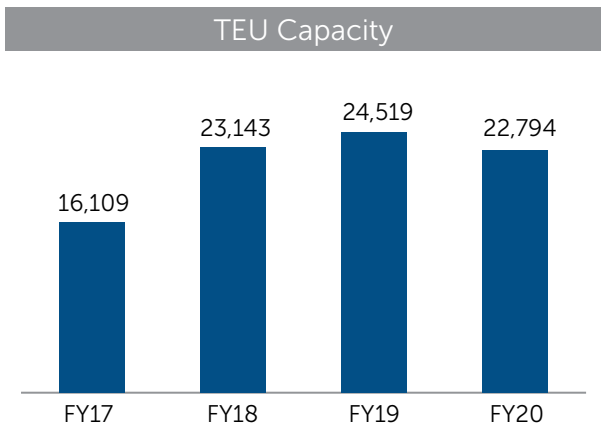
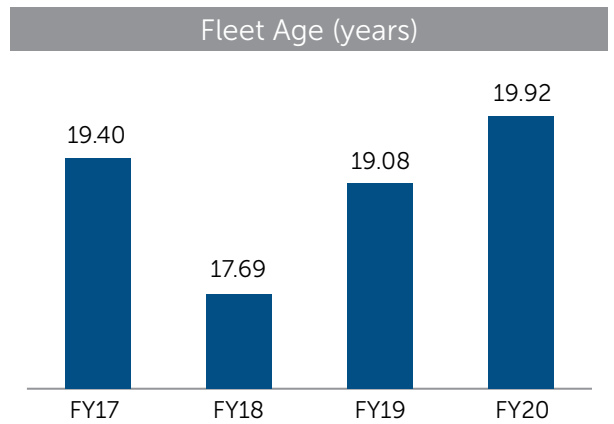
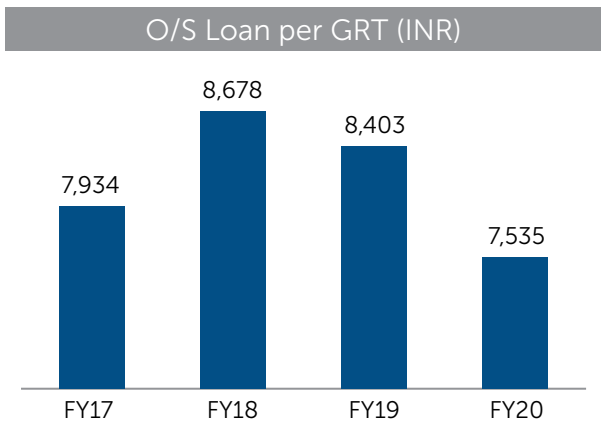
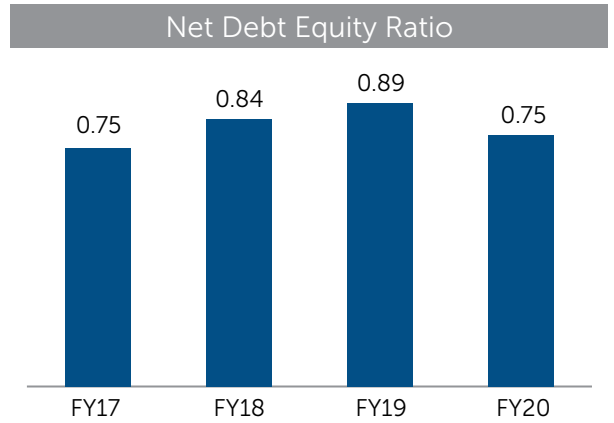
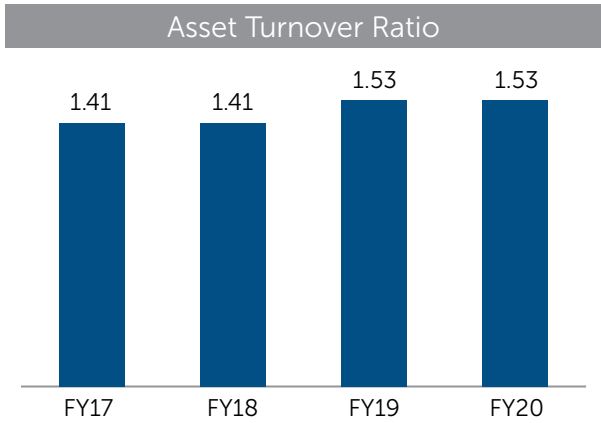
**ECC (coastal):**  
**SSL Chennai, Asiatic Dawn**  
 Krishnapatnam – Kolkata – Krishnapatnam

**SMILE:**  
**SSL Brahmaputra**  
 Mundra-Kandla-Pipavav-Cochin-Tuticorin-Mundra

**ECX (coastal):**  
 Krishnapatnam-Haldia-Paradip-Krishnapatnam  
 Krishnapatnam-Chittagong-Haldia-Krishnapatnam

# Performance Highlights For 2019-20





# Chairman's Message



Dear Shareholders,

The financial year 2019-20 was one of the most challenging years of the last decade. Geo- political instability, economic slowdowns and changes in Government policies were critical factors that had an impact on the global trade and industry. In the wake of the Covid-19 pandemic, the challenging business environment got exacerbated and the outlook for the global shipping industry was changed to 'negative' from 'stable' according to a Moody's report.

The Transworld Group, as always, has been unrelenting in facing the challenges. Shreyas Shipping continued to be "India's Coastal Leader" despite the challenging business environment and increased competition. Our broad array of services across Ship owning, Feeder, Liner, Coastal, Multi-modal Logistics, 3 PL, Projects, Conventional cargo etc. provides a capability to offer end to end stitched solutions from first mile to last mile. We ended the financial year with 12 operating vessels with a capacity of 22,794 TEUs.

Our key characteristics and inherent strengths like tenacity to change, resilience, robust business continuity plan, technology adaptation, unmatched services and most importantly efficient and hardworking team kept our flag flying high. We were able to envisage the adverse business environment during the year and we took the adequate strategic measures of cutting costs, which helped reduce the overall financial pressure on the company.

During the financial year, we introduced a host of digital offerings for our customers. Our ERP digitalization project is on the verge of a successful implementation. With Go – Live of most of the modules, there is going to be a

paradigm digital transformation in our processes and the ease of customer interfaces. This digital platform will bring scalability, faster turnaround time and better customer service.

Our Corporate Responsibility initiatives continue to impact people and the environment across locations. The most heartening factor has been the enthusiastic involvement of each one of our staff members and even their families through the volunteering programme in these selfless acts of service. Our Organizational purpose of 'Delivering Prosperity' to all continues to be our motivating force, driving our CR initiatives. The number of lives touched and socio – environmental transformation driven by our CR team in the domains of health, food & water security, stewardship of marine environment, education, arts & civic engagement, gender equity and inclusion, continues to increase and expand.

These initiatives resulted in your Company achieving various accolades. During the year we were accredited as a 'Great Place to Work' in India and UAE apart from CSR Label Certification and many other accolades in trade forums which is a testimony of our workplace culture, customer centricity and values.

The disruptions and challenges provide a great opportunity to further evolve, grow and establish our footprint and as we go forward. I would like to emphasize that the efforts of our staff members and support from their families, for their commitment and zeal demonstrated during these unprecedented times, has been heartening.

I would also like to extend my gratitude to the Transworld Anchors - our seafarers, staff from our field Operations - Warehouse, Transport, Port operations, Admin teams. When the world was in lockdown and working from home, these Transworld Anchors were out on emergencies, relentlessly working in the field ensuring on-time deliverables to our customers.

Best Wishes,

**S. Ramakrishnan**

Executive Chairman



# Board of Directors

## **MR. S. RAMAKRISHNAN**

Executive Chairman

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Mr. S. Ramakrishnan, the Executive Chairman of our Company is a Commerce Graduate and has completed Owners and Presidents Management Course from Harvard Business School, USA. He has more than 35 years of entrepreneurial experience in ship owning, chartering and ship management.

## **CAPT. VIVEK KUMAR SINGH**

Managing Director

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Capt. Vivek Kumar Singh, the Managing Director of our Company is a Master Mariner having more than 20 years of sailing experience and more than 21 years of experience working in various capacities in Transworld Group of Companies.

## **MR. RITESH S. RAMAKRISHNAN**

Director

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Mr. Ritesh S. Ramakrishnan, the Director of our Company is a B.Sc Graduate in Logistics and Double minor (Finance and communication) from Purdue University, USA. He joined the Group full time in January 2010 and spearheads the strategy, planning, implementation and business development activities. He directly oversees the operations of the Group Companies.

## **CAPT. MANMOHAN SAGGI**

Independent Director

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Capt. Manmohan Saggi, an Independent Director of our Company is an MBA, Master (FG) and holds highest maritime qualification as an Extra Master. He has 41 years' of experience in maritime sector.

He is a Former Nautical Advisor to Government of India, Chief Examiner of Masters, Former Chairman of Navigational Safety in Ports Committee (NSPC) and was an Additional Director General of Shipping (Technical) in November 2012.

## **MR. S. RAGOTHAMAN**

Independent Director

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Mr. S. Ragothaman, an Independent Director of our Company is a Graduate in Commerce and a Chartered Accountant by profession. He has 27 years of experience in ICICI bank which includes setting up new ventures such as Merchant Banking, Leasing, Bill discounting, Structured finance, Rehabilitation, etc.

## **MR. D.T. JOSEPH**

Independent Director

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Mr. D.T. Joseph, an Independent Director of our Company is in IAS and Former Secretary (Co-ordination) in the Cabinet Secretariat Secretary in the Ministry of Shipping. He has served as Director General of Shipping, played a key role in preparation of the comprehensive draft Maritime Policy and also the National Maritime Development Programme.

## **MS. MAYA SINHA**

Independent Director

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Ms. Maya Sinha, an Independent Director of our company has completed Masters (Economics) from Delhi School of Economics, Delhi University, BA (Honours) in Economics and Mathematics from Lady Shri Ram College, Delhi University. She is a Former member of Indian Revenue Services (IRS-Income Tax) and has worked in various capacities such as Assistant Commissioner, Deputy Commissioner, Joint Commissioner, Additional Commissioner and Commissioner in metro cities of New Delhi, Mumbai and Chennai as well as non-metros like Nagpur ex- Deputy Chairperson of Jawaharlal Nehru Port Trust (JNPT).

## MR. DEEPAK SHETTY

Independent Director

Mr. Deepak Shetty, an Independent Director of our Company holds a Bachelor of Arts degree in Economics, Political Science & History, Post Graduate Diploma in Cyber Laws, Executive Education 'Senior Managers in Government' Program, from the John F. Kennedy School of Government, Harvard University, Cambridge-Boston, U.S.A. He has completed the Advanced Management Program from the Indian Institute of Management, Ahmedabad, Program on Investigation Diploma in Computer Forensics of Financial Crimes in the Capital Markets and a Certificate Program on Capital Markets. He is a direct recruit member of the 1980 batch of the Indian Revenue Service—Customs & Central Excise. He was a career civil servant who had served the Govt. of India for 36 1/4 years, until his retirement on 30.11.2016. He was empanelled and promoted, in-situ, to the highest civil service rank of Secretary to the Govt. of India (at par in grade with the position of Permanent Secretary in civil services elsewhere in the world), in his last official assignment as the Director General of Shipping, Govt. of India, at Mumbai. He is, reportedly, only the second officer of this service to not merely have been empanelled as a full Secretary to the Govt. of India, but also actually get posted in that rank in the Govt. of India. He had held multiple civil service assignments in his career, in the Govt. of India. He has officially represented India and very actively participated in & contributed to the various Sessions of the Council and Assembly of the International Maritime Organization [IMO], London, as a member of the official Indian delegations thereto between 2011–2015.

He is currently doing a project for the UNODC (United Nations Office on Drugs and Crime). He has been selected by the UNODC to co-evaluate the IOFMC (Indian Ocean Forum on Maritime Crime), under the GMCP (Global Maritime Crime Program) of the UNODC.

## MR. SATISH PILLANIA

Director

Mr. Satish Pillania, a Director of our Company is a Marine Engineer. He has served abroad for many years on various types of cargo vessels as an Engineer, including four years

as Chief Engineer. He also possesses over 20 years extensive shore experience in ship management, Sale and Purchase, Marine Hull & Machinery Insurance and P&I. He started his shore professional journey with Transworld group in 1997 as a Technical Superintendent. He gained experience performing diverse roles across various departments including Technical, Manning, Insurance, Sale & purchase. During his tenure as Vice President, he was also involved in Ship building projects from Technical specification stage till delivery of the vessels. He is member of the American Bureau of Shipping India National committee since 2012. He is also a member of Indian subcontinent technical committee of DNV-GL classification society since 2016. He presently heads TW Ship management Pvt ltd as Chief Executive officer, the ship management company under Transworld Group.

## MR. UTPAL SUHAS GOKHALE

Nominee Director

Mr. Utpal Suhas Gokhale is appointed as a Nominee Director of our company pursuant to the provisions of loan documentation entered between the EXIM bank and Company. He has been working in the EXIM Bank of India since 1995 and currently in the top position of General Manager. He has an extensive experience of credit, risk management and treasury functions having held the positions of Chief Risk Officer, Chief Officer and Middle Officer-in charge in different periods. His areas of expertise include ALM/derivative valuation, credit appraisal and asset/investment valuation.

# Corporate Information

## BOARD OF DIRECTORS

|                            |                      |
|----------------------------|----------------------|
| Mr. S. Ramakrishnan        | Executive Chairman   |
| Capt. Vivek Kumar Singh    | Managing Director    |
| Mr. Ritesh S. Ramakrishnan | Director             |
| Mr. Satish Pillania        | Director             |
| Capt. Manmohan Saggi       | Independent Director |
| Mr. S. Ragothaman          | Independent Director |
| Mr. D. T. Joseph           | Independent Director |
| Ms. Maya Sinha             | Independent Director |
| Mr. Deepak Shetty          | Independent Director |
| Mr. Utpal Gokhale          | Nominee Director     |

## MANAGEMENT TEAM

|                         |  |
|-------------------------|--|
| Mr. S. Ramakrishnan     | Executive Chairman                     |
| Capt. Vivek Kumar Singh | Managing Director                      |
| Mr. Rajesh Desai        | Chief Financial Officer                |
| Capt. Rakesh Prasad     | President                              |
| Capt. Ashish Chauhan    | Chief Operating Officer                |
| Ms. Deeplakshmi Joshi   | Chief Commercial Officer               |
| Mr. Harshit Garg        | Company Secretary & Compliance Officer |

## AUDIT COMMITTEE

|                            |
|----------------------------|
| Ms. Maya Sinha             |
| Mr. S. Ragothaman          |
| Capt. Manmohan Saggi       |
| Mr. Ritesh S. Ramakrishnan |
| Mr. Deepak Shetty          |

## NOMINATION & REMUNERATION COMMITTEE

|                     |
|---------------------|
| Mr. S. Ragothaman   |
| Mr. S. Ramakrishnan |
| Mr. D. T. Joseph    |
| Mr. Satish Pillania |

## STAKEHOLDERS RELATIONSHIP COMMITTEE

|                            |
|----------------------------|
| Mr. D. T. Joseph           |
| Capt. Vivek Kumar Singh    |
| Mr. Ritesh S. Ramakrishnan |

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

|                     |
|---------------------|
| Mr. S. Ramakrishnan |
| Ms. Maya Sinha      |
| Mr. D. T. Joseph    |

## RISK MANAGEMENT COMMITTEE

|                         |
|-------------------------|
| Mr. Deepak Shetty       |
| Capt. Vivek Kumar Singh |
| Mr. S. Ragothaman       |

## REGISTERED OFFICE & ADMINISTRATIVE OFFICE

D 301-305, Level 3, Tower – II, Seawoods Grand Central,  
Plot No. R1, Sector – 40, Nerul Node,  
Navi Mumbai – 400706  
Tel: 022 68110300 | Fax No. : 022 68110333

## REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd, C-101, 247 Park, LBS Marg,  
Vikhroli (West), Mumbai – 400083  
Tel.: 022 49186270 | Fax: 022 49186060

## BANKERS

ICICI Bank Ltd., Canara Bank, Canara Bank London, Exim Bank  
Axis Bank Ltd., RBL Bank Ltd., Yes Bank, IndusInd Bank

## STATUTORY AUDITORS

Deloitte Haskins & Sells LLP

## INTERNAL AUDITORS

PKF Sridhar & Santhanam LLP

## CIN

L63000MH1988PLC048500

## Website

<https://www.transworld.com/shreyas>

## Email

[investor.sssl@transworld.com](mailto:investor.sssl@transworld.com)

## Notice

**NOTICE** is hereby given that the Thirty-Second Annual General Meeting of the Members of Shreyas Shipping and Logistics Limited will be held at 11:00 A.M. on Tuesday, 15<sup>th</sup> September, 2020 via Video-Conferencing.

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Standalone Financial statements for the Financial Year ended 31<sup>st</sup> March, 2020, together with the Reports of the Board of Directors and the Statutory Auditors thereon.
2. To consider and adopt the Audited Consolidated Financial statements for the Financial Year ended 31<sup>st</sup> March, 2020, together with the Reports of Statutory Auditors thereon.
3. To appoint a Director in place of Mr. Satish Pillania (DIN No: 03233212) a Non-Executive, Non-Independent Director, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

1. **SALE AND TRANSFER OF BUSINESS UNDERTAKING AND EXECUTION OF THE FRAMEWORK CHARTERING AGREEMENT AND OTHER CHARTERING AGREEMENTS.**

**To consider and if thought fit, to pass, the following as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a), Section 188(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and any other applicable rules framed thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations') and other applicable laws, the Memorandum of Association and Articles of Association of the Company and subject to other approvals, consents, permissions and sanctions as may be required from the concerned statutory / regulatory authorities and subject to such terms and conditions as may be imposed by them, if any, consent of the Members, be and is hereby accorded to the Board of Directors of the Company (the 'Board', which expression shall include any committee thereof) to sell and transfer the Company's business undertaking in the containerized domestic coastal and Exim feeder shipping business, to Transworld Feeders Private Limited ('TFPL' or 'Buyer'), as an inseparable whole, as a going concern on a slump exchange basis, the lump sum consideration for such sale and transfer being the INR equivalent of USD 19 million on a date mutually agreed between the Company and TFPL; whereat the said lump sum consideration shall be discharged in full by the Buyer by the issue and allotment to the Company of equity shares of the Buyer at face value of INR 10 each credited as fully paid up, on such terms and conditions and with such modifications as may be required by any of the concerned authorities or as the Board may deem fit and appropriate in the interest of the Company.

**RESOLVED FURTHER THAT** pursuant to Regulation 24 of the SEBI Regulations and the relevant provisions of other applicable law, the Memorandum of Association and Articles of Association of the Company and subject to other approvals, consents, permissions and sanctions as may be required from the concerned statutory / regulatory authorities, including that of concerned stakeholders as may be applicable, and subject to such terms and conditions, if any, as may be or become applicable, the consent of the Members be and is hereby accorded to the Board to sell, transfer or otherwise dispose 100% equity stake of the Company in TFPL to Unifeeder ISC FZCO ('Unifeeder') or its designated nominees for a gross cash consideration of USD 19 million (which will get converted into INR upon remittance to the Company's bank account) after the transfer of the business undertaking in the containerized domestic coastal and Exim feeder shipping business to TFPL, on such terms, conditions and adjustments as be agreed between the Company and Unifeeder, subject to compliance with applicable law.

**RESOLVED FURTHER THAT** pursuant to the applicable provisions of the Companies Act, 2013 read with the rules framed thereunder, other applicable laws and subject to the Memorandum of Association and Articles of Association of the Company, and subject to other approvals, consents, permissions and sanctions as may be required from the concerned statutory / regulatory authorities and subject to such terms and conditions as may be imposed by them, the consent of the Members of the Company be and is hereby accorded to the Board for entering into a framework chartering agreement (as well as chartering agreements pursuant thereto) with TFPL on such terms and conditions as may be agreed between the Company and TFPL in terms of the agreement or understanding to be entered into amongst them for this purpose, subject to compliance with applicable law.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including determining the terms and conditions for the aforesaid transactions, the consideration therefor subject to the foregoing resolutions, the methods and modes in respect thereof, and executing necessary documents, including the business transfer agreement, share purchase agreements, framework chartering agreement, chartering agreements pursuant to such framework chartering agreements and such other

documents as may be required, file applications and make representations in respect thereof and seek approval from relevant authorities, including governmental authorities if required, and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, including executing amendments to any of the aforesaid documents, and to settle any questions, difficulties or doubts that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to the Managing Director, Capt. Vivek Kumar Singh or, any one of the Directors of the Company to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

## 2. SALE OF SHARES OF THE COMPANY IN AVANA LOGISTEK LIMITED

**To consider and if thought fit, to pass, the following as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to such approvals, permissions and sanctions as may be required including that of concerned stakeholders as the case may be and subject to the Memorandum and Articles of Association of the Company, the consent of the Members be and is hereby accorded to the Board of Directors of the Company ('Board') to sell, transfer or otherwise dispose of 10,500,000 equity shares of face value of INR 5 each (amounting to 29.22% of the issued equity share capital) in Avana Logistek Limited, an associate company of the Company, to Unifeeder ISC FZCO ('Unifeeder') or its designated nominees for a gross cash consideration amounting to USD 8.766 million (which will get converted into INR upon remittance to the Company's bank account) and on such terms, conditions and adjustments as agreed between the Company and Unifeeder.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do and perform all such acts, deeds, matters and things, as may be necessary, including determining the terms and conditions for the aforesaid transactions, the consideration therefor, the methods and modes in respect thereof, and executing necessary documents, including the share purchase agreement, and such other documents as may be required, file applications and make representations in respect thereof and seek approval from relevant authorities, including governmental authorities if required, and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, including executing amendments to any of the aforesaid documents, and to settle any questions, difficulties or doubts that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to the Managing Director, Capt. Vivek Kumar Singh or any one of the Directors of the Company to give effect to the aforesaid resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

## 3. RE-APPOINTMENT OF MR. RAMAKRISHNAN SIVASWAMY IYER (DIN: 00057637) AS EXECUTIVE CHAIRMAN OF THE COMPANY FOR A PERIOD OF 3 YEARS WITH EFFECT FROM 01-04-2021 ALONG WITH REMUNERATION:

**To consider and if thought fit, to pass, the following as a Special Resolution:**

**"RESOLVED THAT** subject to the provisions of Section 196,197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as a "the Act") read with part I and Part II of Schedule V to the Act and the Rules framed thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to the approval of Central Government, consent of the Members be and is hereby accorded to approve the reappointment of Mr. Ramakrishnan Sivaswamy Iyer (DIN: 00057637) as Executive Chairman (Chairman and Whole Time Director) of the Company, liable to be retire by rotation, for a period of 3 years, with effect from 01<sup>st</sup> April, 2021 till 31<sup>st</sup> March, 2024, on the terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and as set out in the explanatory statement forming part of this resolution notwithstanding that the remuneration may exceed the limits prescribed in the provisions of Section 197, 198 and within the limits prescribed under Schedule V to the Companies Act, 2013 in case of no profits/inadequate profits:

## REMUNERATION

| Remuneration Component | w.e.f. 01-04-2021 till 31-03-2024  |
|------------------------|--|
| Gross Remuneration     | INR 3,50,00,000/- (Rupees Three Crore Fifty Lacs only) (wherein INR 2.70 crore is fixed and balance is variable) which can be increased up to INR 5,00,00,000/- (Rupees Five Crore only) per annum as may be decided by the Board of Directors from time to time, subject to the limits specified under section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act as amended from time to time.  |
| Perquisites            | <ol style="list-style-type: none"> <li>1. Provision of transportation /conveyance facilities.</li> <li>2. Provision of telecommunication facilities.</li> <li>3. Leave encashment as per rules of the Company.</li> <li>4. Reimbursement of medical expenses incurred for himself and his family as per rules of the Company.</li> <li>5. Reimbursement of entertainment and other expenses actually and properly incurred for the business of the Company as well as other expenses incurred in the performance duties on behalf of the Company.</li> <li>6. Personal accident insurance</li> <li>7. Medical insurance for self and family</li> </ol> |

**RESOLVED FURTHER THAT** the Board of Directors (including its Committee thereof) be and is hereby authorised to revise the remuneration of Mr. Ramakrishnan Sivaswamy Iyer from time to time to the extent the Board of Directors may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

**RESOLVED FURTHER THAT** notwithstanding anything contained in Section 197, 198 and Schedule V of the Companies Act, 2013 or any amendment/re-enactment thereof or any revised/new schedule thereof, in the event of absence of profits or inadequate profits in any financial year, the salary, perquisites and statutory benefits, as set out in the explanatory statement forming part of this resolution be paid as minimum remuneration to Mr. Ramakrishnan Sivaswamy Iyer, Executive Chairman.

**RESOLVED FURTHER THAT** any of the Directors and Company Secretary of the Company be and are hereby authorized or empowered to intimate to the Registrar of Companies, Mumbai, Maharashtra, Central Government and all other Regulatory Authorities and to take all necessary steps including but not limited to filing of necessary E-forms with the Registrar of Companies, Mumbai, Maharashtra and to settle any doubts, clarifications which may arise in this regard on behalf of the Company and to do all such acts, deeds and things, in his absolute discretion as he deem necessary, proper or desirable in order to give effect to the aforesaid resolution."

#### 4. ALTERATION OF ARTICLES OF ASSOCIATION

**To consider and if thought fit, to pass, the following as a Special Resolution:**

**"RESOLVED THAT** subject to the approval of members and pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the Articles of Association of the Company be and is hereby altered by deletion of Articles 118 and 119 of the Articles of Association of the Company which are as under :-

##### THE SEAL

118. a) The Board shall provide a Common Seal for the purpose of the Company and shall have the power from time to time to destroy the same and substitute a new seal in lieu whereof and the Board shall provide for the safe custody of the seal for the time being and the Seal shall never be used except by the authority of the Board or a Committee of the Board previous given.

b) The Company shall also be at liberty to have an Official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.

119. Every deed or other instrument, to which seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by one Director and some other person appointed by the Board

for the purpose. Provided that in respect of the Share Certificate, the seal shall be affixed in accordance with Article 17(a).

**RESOLVED FURTHER THAT** any of the Directors of the Company be and are hereby authorized to file all the necessary forms and other necessary documents as may be required by the statutory authorities including the Registrar of Companies (ROC) and to do such acts, deeds and things that may be required for the purpose of alteration of Articles of Association of the Company and to give effect to the above resolution.”

Place: Navi Mumbai

Date: August 18, 2020

**By Order of the Board of Directors**

**Registered Office:**

D 301-305, Level 3, Tower II,

Seawoods Grand Central,

Plot no. R1, Sector 40,

Nerul Node, Navi Mumbai-400706.

Email: investor.sll@transworld.com

CIN: L63000MH1988PLC048500

**Harshit Garg**  
**Company Secretary**

**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide circular dated 5<sup>th</sup> May, 2020 read with circulars dated 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020, permitted the holding of Annual General Meeting (“AGM”) through VC/OAVM without physical presence of members at a common venue. Therefore, in compliance with the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”) and the aforesaid MCA circulars, the AGM of the Company will be held through VC/OAVM.
2. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
4. Profile of the Director being appointed and retiring by rotation, as required by Regulation 36(3) of SEBI Regulations forms part of this Notice. The Director has furnished requisite declaration for his re-appointment.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 08<sup>th</sup> September, 2020 to Tuesday, 15<sup>th</sup> September, 2020 both days inclusive.
6. In compliance with the aforesaid MCA circulars and the SEBI circular dated 12<sup>th</sup> May, 2020, notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
7. Corporate members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of Companies Act, 2013 are requested to send to the Company scanned copy of Board Resolution/ Authorization Letter on [investor.sll@transworld.com](mailto:investor.sll@transworld.com) authorizing such representative to attend and vote on their behalf at the AGM.
8. To support the ‘Green Initiative’, Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Link Intime India Private Limited in case the shares are held by them in physical form.
9. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 30 minutes after the scheduled time of the commencement of the Meeting. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

## 10. A) Voting through electronic means:

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of SEBI Regulations, the Company is pleased to provide its members, facility to exercise their right to vote on resolutions proposed to be considered at the 32<sup>nd</sup> Annual General Meeting (AGM) by electronic means and the businesses may be transacted through e-Voting services. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- III. The remote e-voting period commences at 10.00 A.M. on Saturday, 12<sup>th</sup> September, 2020 and ends at 05.00 P.M. on Monday, 14<sup>th</sup> September, 2020. The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 07<sup>th</sup> September, 2020 may cast their vote electronically. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- IV. The voting rights of a shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Monday, 07<sup>th</sup> September, 2020
- V. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Monday, 07<sup>th</sup> September, 2020 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
- VI. Mr. Dharmesh Zaveri, Company Secretary in Practice (Membership No. 5418) Proprietor of D. M. Zaveri & Co, Company Secretaries, has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall within a period of 48 hours from the conclusion of the e-voting make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith addressed to the Chairman of the Company. The result will be declared by the Chairman or by a person duly authorized.
- VIII. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.transworld.com/shreyas-shipping-and-logistics-limited.html](http://www.transworld.com/shreyas-shipping-and-logistics-limited.html) and shall be communicated to the Stock Exchange.
- IX. The process and manner to vote electronically on NSDL e-voting system a consist of Two steps as mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :



| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is:  |
|--|---|
| a) For Members who hold shares in demat account with NSDL.     | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.     | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****.  |
| c) For Members holding shares in Physical Form.                | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to Ms. Soni Singh at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
11. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:
- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investor.sssl@transworld.com](mailto:investor.sssl@transworld.com)
  - In case shares are held in DEMAT mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [investor.sssl@transworld.com](mailto:investor.sssl@transworld.com)
  - The Company has also provided the facility of temporary registration of their email IDs for receiving Annual report in electronic mode by clicking on the link [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html) .
12. Instructions for members using e-Voting on the day of AGM:
- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
  - Only those members who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
  - Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
13. Instructions for members for attending AGM through VC
- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
  - Members are encouraged to join the Meeting through Laptops for better experience.

- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name DEMAT account number/folio number, email id, mobile number at investor.sll@transworld.com. The same will be replied by the company suitably.

14. In terms of the provisions of Sections 124 and 125 of the Companies Act 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund established by the Central Government (hereinafter referred to as the 'said Fund'). Accordingly, Final Unclaimed/ Unpaid dividends for the year 2011-2012 amounting to INR 2,03,708/- was transferred during the financial year 2019-20 to the Investor Education and Protection Fund.

The Members, who have not yet encashed the dividend warrants for the financial year ended March 31, 2014 and subsequent years are requested to send claims to the Company, if any, before the respective amounts become due for transfer to the said Fund. No claim shall lie against the Company or the said Fund after transfer as mentioned above.

Shares due to transfer to IEPF: Equity shares in respect to which dividend has not been encashed for seven consecutive years or more will be required to transfer to Investors Education & Protection Fund (IEPF) pursuant to section 124(6) of the Companies Act, 2013. Relevant details in this respect are posted on the Company's website [www.transworld.com/shreyas-shipping-and-logistics-limited.html](http://www.transworld.com/shreyas-shipping-and-logistics-limited.html) in investors section.

The Company sends communication in this respect to the concerned shareholders from time to time as may be necessary. Shareholders are requested to Contact Company or RTA to encash the unclaimed dividend and in case any pending legal disputes, provide certified copy of order from Court / Authority restraining transfer, payment of dividend etc.

15. Members who would like to express their views or ask questions during the e-AGM may register themselves as a speaker by sending their request from their email address mentioning their name, DP ID and Client ID/Folio Number, PAN and Mobile Number at investor.sll@transworld.com from Tuesday, 08<sup>th</sup> September, 2020 (11.00 A.M. IST) to Thursday, 10<sup>th</sup> September, 2020 (05.00 P.M. IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
16. Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio. Further, as per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited for assistance in this regard
17. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their Depository Participant in case the shares are held by them in electronic form and to Link Intime India Private Limited in case the shares are held in physical form.
18. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to certain ordinary business and the special businesses to be transacted at the 32<sup>nd</sup> AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to investor.sll@transworld.com.
19. Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013 are available for inspection electronically. Members seeking to inspect such documents can send an e-mail to investor.sll@transworld.com.

20. Members desirous of asking any questions/queries in the AGM can email the same to the Company at investor.sll@transworld.com from Tuesday, 08<sup>th</sup> September, 2020 (11.00 A.M. IST) to Thursday, 10<sup>th</sup> September, 2020 (05.00 P.M. IST).

Place: Navi Mumbai  
Date: August 18, 2020

By Order of the Board of Directors

**Registered Office:**

D 301-305, Level 3, Tower II,  
Seawoods Grand Central,  
Plot no. R1, Sector 40,  
Nerul Node,  
Navi Mumbai-400706.  
Email: investor.sll@transworld.com  
CIN: L63000MH1988PLC048500

Harshit Garg  
Company Secretary

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**1. Overview and Rationale of the Proposed Transaction covering Items 1 and 2 of the Special Business**

**Background to the Proposed Transaction**

Transworld Holdings Limited, Mauritius ('TWH'), holding company of the Company, has been in discussions with Unifeeder ISC FZCO ('Unifeeder'), a majority owned subsidiary of DP World FZE ('DP World') in relation to sale of its overseas feeding business being carried on in the Middle East and wider subcontinent region.

By way of background, Unifeeder is an affiliate of Unifeeder A/S, which was acquired by DP World from Nordic Capital Fund VIII and certain minority shareholders to enhance DP World's presence in the global supply chain and broaden its product offering in 2018. Subsequently, in 2019, DP World acquired a majority stake in Feedertech Group from its promoter to broaden the feeding and short-sea product offering of Unifeeder A/S and DP World to multiple geographies. The Unifeeder Group is an integrated logistics group with the most comprehensive and best-connected feeder network and rapidly growing shortsea business in Europe, the Middle East, the wider Indian Subcontinent and Asia Region with connectivity to more than 150 ports. As a key player in global and regional supply chains, Unifeeder Group plays a critical role as a facilitator of integrated supply chains, by providing efficient and sustainable transport solutions.

Unifeeder was keen to acquire the Middle East focused feeding businesses of TWH being carried out by its subsidiary Transworld Feeders FZCO (alongwith its other overseas subsidiaries) along with the NVOCC Middle east business carried on by Avana Global, FZCO, which is currently a 100% subsidiary of Avana Logistek Limited ('ALL').

Unifeeder further explored that in order to build and create scale, the Indian leg of similar business housed in ALL and the Company should also be considered to tap synergies in the Indian coastal and feeding market from a larger transaction perspective. In this regard, Unifeeder discussed with the Company and TWH the acquisition of ALL along with the Company's vessel operating business of containerized domestic coastal and EXIM feeding carried out by the Company.

**Rationale of the Proposed Transaction**

The Company commenced its journey as a ship owning company and later began providing ship operating services as well, with a vision to develop coastal trade in India. Over the years, the Company has maintained its leadership position in the market.

However, based on an evaluation of the current market scenario, it is apparent that greater scale and presence is required to grow the business to the next stage. The Board of Directors ('Board') has been evaluating means to re-focus the Company's strategy towards ship ownership and entering into long-term chartering contracts, which offers long term visible revenues.

The Board believes that the future growth of the Company would be well served by acquisition of vessels and long-term chartering of vessels, particularly with a fleet that is young, futuristic, suitable, marketable and economical for operations.

The Board had scouted for opportunities in the market for assured and long-term chartering of its assets, thereby providing the Company with a steady stream of cash flows and resilience against volatile market conditions and increased competitive intensity. However, given the low depth of the chartering market in India, not many opportunities had come along, but the proposed transaction presents an opportunity to re-focus the Company in this direction for the long-term best interests of the Company. The Board believes that the proposed transaction

offers an opportunity to release capital, ensure long term deployment of assets and help the Company de-risk its business model.

## 2. Proposed Transaction

After negotiations with Unifeeder in this context, the Board has decided to participate in a transaction whereby the Company would (a) transfer its containerized domestic coastal and Exim feeder shipping business ('**Business Undertaking**') to Unifeeder; (b) enter into a long-term framework chartering agreement ('**FCA**'), with the relevant Unifeeder entity for chartering of the Company's vessels; and (c) the Company gets to sell the entire stake of 29.22% which it holds in ALL, to Unifeeder at the same price per share and on the same terms in proportion, as the price and terms on which TWH, the majority shareholder in ALL would sell its holding of 70.78% to Unifeeder. TWH would be concurrently selling its overseas businesses to Unifeeder and receive a minority stake in Unifeeder. The Company and TWH have agreed to certain exclusivity, non-compete and non-solicit restrictions as part of the transaction.

The transaction between the Company and Unifeeder contemplates the following set of transactions, each of which is dependent on the others, as one integrated whole, and which are discussed hereunder:

### A) *Sale of Business Undertaking and entering into FCA*

- a) Company would sell to Unifeeder its containerized domestic coastal and Exim feeder shipping business for a gross cash consideration of USD 19 million (which will get converted into INR upon remittance to the Company's bank account);

Given that the containerized domestic coastal and Exim feeder shipping business is a business undertaking of the Company, the transaction of selling the said undertaking will be carried in accordance with the following series of steps:

- The Company would purchase 100% of the shares of a company known as Transworld Feeders Private Limited ('**TFPL**') from 2 individual promoters of TFPL, i.e. Mr. Ramakrishnan Sivaswamy Iyer and Mr. Ritesh S. Ramakrishnan.
- The Company would transfer its undertaking of the containerized domestic coastal and Exim feeder shipping business to such wholly-owned subsidiary i.e. TFPL in consideration for issue of shares by TFPL, through a slump exchange.
- The Company would then ultimately transfer all its shares in TFPL to Unifeeder. The gross cash consideration for such sale of shares would be USD 19 million (which will get converted into INR upon remittance to the Company's bank account). Subject to adjustments on account of debt, cash and working capital as finalized on the consummation of the transaction, the equity value of all of TFPL's shares would be determined and the Company would transfer all its shares in TFPL to Unifeeder at such amount.

- b) The Company would then enter into a long-term FCA with TFPL and enter into chartering agreements pursuant thereto.

The Company believes that the transaction contemplated above along with entering into the FCA will bring substantial long-term benefits to the Company and will help the Company significantly de-risk its business model. DP World is the largest common user, Pan-European feeder and shortsea operator. DP World over the years has grown its feeder and shortsea operator business inorganically and has made several acquisitions, the last one being that of Feedertech, which has the capability to offer feedering and regional shortsea connectivity in Asia and the Indian subcontinent. A long-term chartering partnership with Unifeeder will strategically help the Company gain deep understanding of specific requirements of Indian tonnage and help expand its fleet of vessels.

Further, the Company will be able to benefit from the gainful deployment of its vessels in the shortsea market in India, which is expected to grow under Unifeeder group's overall expertise in this space as well its ability to drive up volumes given it being part of the DP World group.

### B) *Sale of 29.22% stake in Avana Logistek Limited*

The Company would sell to Unifeeder, its 29.22% stake in ALL for a gross cash consideration of USD 8.766 million (which will get converted into INR upon remittance to the Company's bank account). The price per share for the sale of shares in ALL is the same price as the price being paid by Unifeeder to TWH, the owner of the majority stake of 70.78% of ALL. Subject to adjustments on account of debt, cash and working capital as finalized on the consummation of the transaction, the equity value of all of ALL's shares would be determined and the Company would transfer all its shares in ALL, amounting to 29.22% of issued equity share capital of ALL, to Unifeeder for the proportionate amount (i.e. 29.22% of the entire equity value).

**C) Consideration**

As part of the transaction with Unifeeder as discussed in A) and B) above, the Company shall receive a gross cash consideration of USD 27.766 million (which will get converted into INR upon remittance to the Company's bank account), subject to adjustments on account of debt, cash and working capital as finalized on the consummation of the transaction. The Company will utilise the proceeds from the transaction, towards reducing its debt as well as for replacement of old vessels/ acquisition of new vessels.

**D) Key Transaction Approvals**

The completion of the transaction is subject to fulfilment of certain conditions precedent including, inter alia, receipt of the approval of the lenders of the Company, receipt of the approval of the Members by way of special resolution and other regulatory approvals, as applicable, including approval of the Competition Commission of India.

Unifeeder will purchase and consummate all of the transactions described above simultaneously. If any one of the transactions mentioned above are not consummated, the entire transaction will fail and therefore, each and every aspect of the transaction described above is connected, interlinked and integral for the entire transaction to close.

**E) Additional Information**

As a best practice, the Board has obtained and has relied upon valuation report covering the foregoing transactions, issued by TPG & Company, Chartered Accountants and has obtained a fairness opinion issued by Keynote Financial Services Limited.

**Item 1: APPROVAL OF THE SALE AND TRANSFER OF THE BUSINESS UNDERTAKING AND EXECUTION OF FCA AND OTHER CHARTERING AGREEMENTS**

Pursuant to the foregoing, the Audit Committee of the Company, at its meeting held on August 17, 2020, has unanimously approved and recommended the transaction consisting of (a) transfer of the Business Undertaking to Unifeeder by transferring the wholly owned subsidiary TFPL; and (b) execution of a long-term FCA with TFPL for its vessels, to the Board. Pursuant thereto, the Board at its meeting held on August 18, 2020 has unanimously approved the said transaction, subject to the approval of the Members and other requisite approvals and also subject to the fulfilment of various conditions.

The sale of shares of TFPL by the Company to Unifeeder is subject to customary representations, warranties, indemnities and disclosures by the Company. As part of the transaction, the Company has agreed to certain exclusivity, non-compete and non-solicit restrictions.

In addition to the above, voting undertakings with TWH have also been entered into, where TWH has provided its express consent to vote in favour of the resolutions contained in this notice.

**Regulatory Requirements**

In accordance with the provisions of Section 180(1)(a) of the Companies Act, 2013 ('Act') any sale, lease or otherwise disposal of whole or substantially the whole of the undertaking of the Company requires the approval of members of the company accorded by way of a special resolution. An undertaking for the purpose of Section 180(1)(a) of the Act means an undertaking in which the investment of the Company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the Company during the previous financial year. Given that the undertaking proposed to be transferred generated more than 20% of the total income of the Company during the previous financial year ended March 31, 2020, the transfer of the Business Undertaking will require approval of the members by a special resolution under Section 180(1)(a) of the Act. The approval of the members of the Company is accordingly being sought for the proposed transaction by way of a special resolution.

The Company proposes to transfer the Business Undertaking to TFPL, as an inseparable whole, as a going concern on a slump exchange basis (as defined under Section 2(42C) of the Income Tax Act, 1961) without values being assigned to individual assets and liabilities, for a lumpsum consideration of the INR equivalent of USD 19 million payable in the form of equity shares as detailed below. At the time of the sale of the Business Undertaking as aforesaid, TFPL will be a wholly owned subsidiary of the Company pursuant to the Company purchasing all of its shares from Mr. Ramakrishnan Sivaswamy Iyer and Mr. Ritesh S. Ramakrishnan at an aggregate amount of INR 100,000. In consideration for the sale and transfer of the Business Undertaking, TFPL shall, discharge in full, the said lump sum consideration to the Company by issue and allotment to the Company of equity shares of the TFPL at face value of INR 10 each credited as fully paid up.

The Business Undertaking for the purpose of such transfer would comprise undertaking of the Company pertaining exclusively to the relevant business, including the transfer of all its movable assets, immovable assets, liabilities, contracts, permits and licenses, employees and employee benefit funds. The employees of the Business Undertaking shall be transferred with full continuity of service and on terms no less favourable in the aggregate than the terms on which they are currently employed with the Company.

As per the provisions of Section 188(1)(b) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, a company shall not enter into any contract or arrangement with a related party with respect to selling or otherwise disposing of, or buying, property of any kind amounting to 10% or more of the net worth of the Company, whichever is lower, except with the prior approval of the Members by way of an ordinary resolution in accordance with the provisions of the Act. Since the Company and TFPL are related parties in terms of Section 2(76) of the Act, and the value of the overall consideration for the transfer of the Business Undertaking is in excess of 10% or more of the net worth of the Company, the proposed transaction with TFPL and/or its affiliates is a related party transaction under Section 188 of the Act requiring the prior approval of the Members by way of an ordinary resolution.

Therefore, additional information is required to be disclosed pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014:

| <b>Sr. No</b> | <b>Particulars</b>   | <b>Description (1)</b>  |
|---------------|--|---|
| 1.            | Name of the Related Party and nature of relationship   | <b>Transworld Feeders Private Limited, which will be the Company's wholly owned subsidiary at the relevant time.</b>      |
| 2.            | Name of the director or key managerial personnel who is related, if any;                                 | <b>Mr. Ramakrishnan Sivaswamy Iyer and Mr. Ritesh S. Ramakrishnan</b>   |
| 3.            | Nature, duration of the contract and particulars of the contract or arrangement                          | <b>Transfer of the Business Undertaking comprising containerized domestic coastal and Exim feeder shipping business.</b>  |
| 4.            | Material terms of the contract or arrangement including the value, if any                                | <b>Consideration value is INR equivalent of USD 19 million for which shares of equivalent value to be issued.</b>         |
| 5.            | Any other information relevant or important for the Board to take a decision on the proposed transaction | <b>All important or relevant information has been provided in the foregoing paragraphs of this explanatory statement.</b> |

#### **Recommendation of the Board**

The execution of FCA, being a commercial arrangement, does not require the approval of the Members. However, given that it is part of the overall transaction, approval of the Members is being sought by way of a special resolution. For the sake of good corporate governance, the Company believes that the shareholders should vote on the transaction as a whole. Therefore, the Board unanimously recommends passing of the resolutions as set out in the Notice for approval of the Shareholders as a special resolution and requests your approval for the same.

Except for Ms. Geeta Ramakrishnan and Mr. Satish Pillania who are also directors of TFPL, Mr. Ramakrishnan Sivaswamy Iyer and Mr. Ritesh S. Ramakrishnan being relatives of Ms. Geeta Ramakrishnan as well as Directors of the Company, none of the directors and/ or any key managerial personnel of the Company and/or their relatives are concerned or interested in the aforesaid resolutions.

#### **Item No. 2: SALE OF SHARES OF THE COMPANY IN AVANA LOGISTEK LIMITED**

The Audit Committee of the Company, at its meeting held on August 17, 2020, has unanimously approved and recommended the sale of shares in ALL to the Board. Pursuant thereto, the Board at its meeting held on August 18, 2020 has unanimously approved the sale of ALL's shares, subject to the approval of the Members and other requisite approvals and also subject to the fulfilment of various conditions.

In light of the Company's overall strategy as set out under Item No. 1 above, the Company will sell to Unifeeder its entire stake in ALL i.e. 10,500,000 equity shares of face value of INR 5 each constituting 29.22% of ALL's share capital. The gross cash consideration for such share sale will be an amount equal to USD 8.766 million (which will get converted into INR upon remittance to the Company's bank account) (subject to adjustments for debt, cash and working capital and any other adjustments as may be necessary). Subject to such adjustments, the equity value of all of ALL's shares would be determined and the Company would transfer all its shares in ALL, amounting to 29.22% of issued equity share capital of ALL, to Unifeeder for the proportionate amount (i.e. 29.22% of the entire equity value). TWH, the Company's parent, will also sell its remaining stake of 70.78% in ALL to Unifeeder as part of this transaction and the Company is getting to sell its minority stake at the same price per share of ALL. The sale of shares of ALL by the Company is also subject to customary representations, warranties, indemnities and disclosures by the Company. As part of the transaction, the Company and TWH have agreed to certain exclusivity, non-compete and non-solicit restrictions.

In addition to the above, voting undertakings with TWH have also been entered into, where TWH has provided its express consent to vote in favour of the resolutions contained in this notice.

In order to arrive at this overall consideration amount of the transaction involving transfer of ALL's Shares, the Board has obtained and relied upon valuation report issued by TPG & Company, Chartered Accountants and fairness opinion issued by Keynote Financial Services Limited.

This transaction, being the sale of ALL's shares, does not require the approval of the Members. However, the Company is seeking the approval of the Members as a matter of good corporate governance.

### Recommendation of the Board

The Board unanimously recommends passing of the resolutions as set out in the Notice for approval of the Shareholders as an ordinary resolution and requests your approval for the same.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the passing of the Resolution at Item No. 2 of the accompanying Notice except to the extent of their shareholding in the Company.

### Item No. 3: RE-APPOINTMENT OF MR. RAMAKRISHNAN SIVASWAMY IYER (DIN: 00057637) AS EXECUTIVE CHAIRMAN OF THE COMPANY FOR A PERIOD OF 3 YEARS WITH EFFECT FROM 01-04-2021 ALONG WITH REMUNERATION

In terms of the provisions of the Companies Act, 2013 and the Articles of Association of the Company, the Nomination and Remuneration Committee and the Board of Directors have at their meetings held on 21<sup>st</sup> July 2020, subject to the approval of the Shareholders of the Company and Central Government, re-appointed Mr. Ramakrishnan Sivaswamy Iyer (DIN: 00057637) as Executive Chairman (Chairman and Whole-time Director) of the Company for a period of 3 (three) years with effect from 01<sup>st</sup> April 2021.

Mr. Ramakrishnan Sivaswamy Iyer is the driving force behind the Transworld Group of Companies. He is a graduate in Commerce from the University of Mumbai and has completed Owners and Presidents Management Course from Harvard Business School, USA. He has over 35 years of entrepreneurial experience including hands on experience in ship owning, coastal and feeder shipping, liner shipping, warehousing and distribution, freight forwarding, cold chain logistics and ship management. His extensive experience in all facets of running Container Feeder Services in the Indian Subcontinent is brought to bear on operations of the Company. With a fleet strength of more than 21 ships and has about 35,000 containers and a clear vision to become the logistics partner of choice, Transworld now stands at the edge of its next phase of growth under the leadership of Mr. Ramakrishnan Sivaswamy Iyer. He directly oversees the day-to-day activities of the Company

Mr. Ramakrishnan Sivaswamy Iyer (DIN: 00057637) was appointed as an Executive Chairman (Whole-time director) of the Company for a period of 3 years w.e.f. 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2021 which was approved by the Central Government vide letter dated 16<sup>th</sup> April 2018. Considering Executive Chairman's rich experience, subject matter expertise and immense contribution, the re-appointment and remuneration of Mr. Ramakrishnan Sivaswamy Iyer as Executive Chairman of the Company was also approved by the Nomination and Remuneration Committee at its Meeting held on 21<sup>st</sup> July 2020.

The draft agreement to be entered by the Company with following, contain inter-alia, the following principal terms and conditions:

1. Duties and Powers

The Executive Chairman shall perform the duties and exercise the powers assigned to him or vested in him by the Board of Directors of the Company from time to time.

2. Period of Appointment

Three Years with effect from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2024.

3. Mr. Ramakrishnan Sivaswamy Iyer as Executive Chairman of the Company shall be entitled to remuneration and perquisites as mentioned hereunder.

4. Salary

INR 3,50,00,000/- (Rupees Three Crore Fifty Lacs only)( wherein INR 2.70 crore is fixed and balance is variable) which can be increased upto INR 5,00,00,000/- (Rupees Five Crore only) per annum as may be decided by the Board of Directors from time to time, subject to the limits specified under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V of the said Act as amended from time to time.

Perquisites and Allowances

1. Provision of transportation /conveyance facilities.
2. Provision of telecommunication facilities.
3. Leave encashment as per rules of the Company.
4. Reimbursement of medical expenses incurred for himself and his family as per rules of the Company.
5. Reimbursement of entertainment and other expenses actually and properly incurred for the business of the Company as well as other expenses incurred in the performance of duties on behalf of the Company.
6. Personal accident insurance
7. Medical insurance for self and family



5. Minimum Remuneration

The Executive Chairman shall be paid remuneration by way of salary and perquisites notwithstanding that in any financial year during the currency of tenure of the Executive Chairman, the Company has no profit or its profits are inadequate.

6. Compensation

If before the expiry of the Agreement, the tenure of his office as Executive Chairman is determined, he shall be entitled to compensation for the loss of office subject to the provisions of Section 202 of the Companies Act, 2013.

## INFORMATION PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013

### 1. GENERAL INFORMATION:-

**Nature of Industry:**

The Company is in Shipping and Logistics business.

**Date or expected date of commencement of commercial production:**

The Company is into Shipping and Logistics industry and into operations since incorporation.

**In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable.

**Financial performance based on given indicators:**

As per the Audited Accounts of the previous three financial years:-

(INR In Lacs)

| Particulars       | As on<br>March 31, 2019 | As on<br>March 31, 2018 | As on<br>March 31, 2017 |
|-------------------|-------------------------|-------------------------|-------------------------|
| Total Income      | 62,761                  | 54,418                  | 37,573                  |
| Profit before Tax | 3,432                   | 8,204                   | 466                     |
| Profit after Tax  | 3,365                   | 8,091                   | 352                     |

**Foreign performance and net foreign exchange earned for the year ended 31<sup>st</sup> March, 2020:**

|      |   | (₹ in lacs) |
|------|---|-------------|
| (i)  | Foreign exchange earnings including proceeds on sale of ship (on accrual basis)   | 22,444.50   |
| (ii) | Foreign exchange outgo including operating components, spare parts, vessel funding and other expenditure in foreign currency (on accrual basis) | 8,231.31    |

**Foreign Investments or collaborations, if any:**

NIL

### 2. INFORMATION ABOUT THE APPOINTEE

**Background details:**

Mr. Ramakrishnan Sivaswamy Iyer (DIN: 00057637) is the driving force behind the Transworld Group of Companies. He is a graduate in Commerce from the University of Mumbai and has completed Owners and Presidents Management Course from Harvard Business School, USA. He has over 35 years of entrepreneurial experience including hands on experience in ship owning, coastal and feeder shipping, liner shipping, warehousing and distribution, freight forwarding, cold chain logistics & ship management. His extensive experience in all facets of running Container Feeder Services in the Indian Subcontinent is brought to bear on operations of the Company. With a fleet strength of more than 21 ships and has about 35,000 containers and a clear vision to become the logistics partner of choice. Transworld now stands at the edge of its next phase of growth under the leadership of Mr. Ramakrishnan Sivaswamy Iyer. He directly oversees the day-to-day activities of the Company.

**Past remuneration:**

Details of the remuneration paid to Mr. Ramakrishnan Sivaswamy Iyer in previous three financial years

| Sr. No. | Year       |            | Remuneration (in INR) |
|---------|------------|------------|-----------------------|
|         | From       | To         |                       |
| 1.      | 01.04.2018 | 31.03.2019 | 237,00,000            |
| 2.      | 01.04.2017 | 31.03.2018 | 212,00,000            |
| 3.      | 01.04.2016 | 31.03.2017 | 110,99,960            |

**Job profile:**

Mr. Ramakrishnan Sivaswamy Iyer renders service as Executive Chairman with experience of over 35 years.

**Remuneration proposed:**

The terms of remuneration are detailed in the Explanatory statement.

**Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

The remuneration proposed is reasonable in the context of global operations & complexity of business of the Company and commensurate with the similar industry (Shipping and Logistics Business), operating in India and the profile of the position.

**Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:**

Mr. Ramakrishnan Sivaswamy Iyer is the father of Mr. Ritesh S. Ramakrishnan, who is a director of the Company.

**3. OTHER INFORMATION:-****Reasons of loss or inadequate profits:**

The profits of the Company have increased over the years. For the year ended 31<sup>st</sup> March, 2020, the Company has made Profit before tax of INR 911 Lacs and Profit after tax of INR 846 Lacs. The proposed remuneration payable to the Executive Chairman may exceed the limit specified under Section 197 of the Companies Act, 2013 and profits of the company may be inadequate to that extent.

**Steps taken or proposed to be taken for improvement:**

Persistent efforts are being made by the Company to collect receivables. The Company has set up a strategic senior management team to recover claims outstanding from various clients. Further, Company has taken steps to reduce overheads substantially by concentrating its attention on manpower, financial cost and other administrative expenses to improve profitability. With the streamlining operations, expected improvement in overall business scenario and healthy order book position, the Company would definitely come out of present situation and grow in the coming years

**Expected increase in productivity and profits in measurable terms:**

The Company's tight control on cost, higher asset productivity and sales growth is expected to improve the profit before depreciation, interest and tax over the years.

The Board, therefore, unanimously recommends the resolution at Item No. 3 of this Notice for your approval.

None of the Directors or Key Managerial Persons or their relatives other than Mr. Ramakrishnan Sivaswamy Iyer and Mr. Ritesh S. Ramakrishnan and their relatives are deemed concerned or interested financially or otherwise in the aforesaid resolution

**Item No. 4: ALTERATION OF ARTICLES OF ASSOCIATION**

Pursuant to Companies (Amendment) Act, 2015 use of Common seal has now become optional for companies. Further Company has to execute various agreements, documents etc. towards its business matters including for borrowing proposals and other administrative necessities. In view of the same and to facilitate administrative convenience for execution of such documents on behalf of the Company it is proposed to alter the existing Articles of Association ("AOA") of the Company by removing the related clauses in AOA.

Pursuant to Section 14 of the Companies Act, 2013, the said alteration can be effected only with the approval of Shareholders by passing a special resolution.

Thus, the Board unanimously recommends the resolution set forth in Item no. 4 for the approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out.

## ANNEXURE TO NOTICE

Details of Directors seeking appointment/re-appointment at the Annual General Meeting pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)

| Name of the Director  | Mr. Satish Pillania  | Mr. Ramakrishnan Sivaswamy Iyer   |
|---|--|---|
| Date of Birth   | 02/02/1963   | 01/01/1961  |
| Nationality   | Indian   | Indian  |
| Date of Appointment   | 25/05/2018   | 01/04/2018  |
| Brief resume, qualification, experience and nature of expertise in specific functional areas  | Mr. Satish Pillania is a marine engineer. He has served abroad for many years on various types of cargo vessels as an Engineer, including four years as Chief Engineer. He also possesses over 20 years extensive shore experience in Ship Management, Sale and Purchase, Marine Hull & Machinery Insurance and P&I. He started his shore professional journey with Transworld group in 1997 as a Technical Superintendent. He gained experience performing diverse roles across various departments including Technical, Manning, Insurance, Sale & purchase. During his tenure as Vice President, he was also involved in Ship building projects from Technical specification stage till delivery of the vessels | Mr. Ramakrishnan Sivaswamy Iyer is Graduate in Commerce from the University of Mumbai and has completed Owners and Presidents Management Course from Harvard Business School, USA. He has over 35 years of entrepreneurial experience including hands on experience in ship owning, coastal and feeder shipping, liner shipping, warehousing and distribution, freight forwarding, cold chain logistics and ship management.  |
| No. of Board Meetings attended during the financial year ended 31 <sup>st</sup> March, 2020   | 7 out of 7   | 4 out of 7  |
| Directorships held in other Companies (excluding foreign Companies and Section 8 Companies)   | <ul style="list-style-type: none"> <li>• Orient Express Ship Management Limited</li> <li>• TW Ship Management Private Limited</li> <li>• Sivaswamy Holdings Private Limited</li> <li>• Transworld Shipping and Logistics Limited</li> <li>• Transworld Logistics Limited</li> <li>• Transworld Feeders Private Limited</li> </ul>  | <ul style="list-style-type: none"> <li>• Transworld Bulk Carriers(India) Private Limited</li> <li>• SRS Freight Management Limited</li> <li>• Transworld Shipping and Logistics Limited</li> <li>• Albatross Logistics Centre(India) Private Limited</li> <li>• Orient Express Ship Management Limited</li> <li>• Transworld Integrated Logistek Private Limited</li> <li>• India Gateway Terminal Private Limited</li> <li>• Sivaswamy Holdings Private Limited</li> <li>• Avana Logistek Limited</li> </ul> |
| Memberships / Chairmanships of Committees of other public Companies (includes only Audit Committee and Stakeholders' Relationship Committee.) | NIL  | NIL   |
| Number of Shares held in the Company  | NIL  | 15,57,550 equity shares   |
| Inter-se relationship with other Directors and Key Managerial Personnel   | None   | Mr. Ramakrishnan Sivaswamy Iyer is father of Mr. Ritesh S. Ramakrishnan who is also a Director of the Company   |
| Details of Remuneration sought to be paid   | NA   | INR 3.50 crore  |
| Remuneration last drawn by the Director   | NA   | INR 2.37 crore  |

## DIRECTORS' REPORT

To,

The Members of Shreyas Shipping and Logistics Limited.

Your Directors are pleased to submit the 32<sup>nd</sup> Annual Report of the Company together with the Audited financial Statements (Consolidated and Standalone) along with Auditors' Report for the financial year ended March 31, 2020.

### FINANCIAL RESULTS:

(₹ In Lacs)

| Particulars   | Consolidated |           | Standalone |           |
|---|--------------|-----------|------------|-----------|
|   | 2019-20      | 2018-2019 | 2019-20    | 2018-2019 |
| Revenue from Operations   | 61,246       | 62,479    | 61,246     | 62,479    |
| Other Income  | 355          | 230       | 355        | 282       |
| Profit/(Loss) before Interest, Depreciation, Finance Cost and Tax Expense | 4,651        | 7,265     | 4,651      | 7,317     |
| Finance Cost  | 1,948        | 1,893     | 1,948      | 1,893     |
| Depreciation  | 1,792        | 2,087     | 1,792      | 2,087     |
| Profit/(Loss) before Exceptional Item and Tax                             | 911          | 3,285     | 911        | 3,337     |
| Exceptional Item  | (8,558)      | 95        | -          | 95        |
| Share of profit/(loss) of an associate & a joint venture                  | (862)        | (368)     | -          | -         |
| Deferred Tax  | (2016)       | (17)      | (56)       | 15        |
| Current Tax   | 121          | 52        | 121        | 52        |
| Profit/ (Loss) After Tax  | (6,614)      | 2,977     | 846        | 3,365     |
| Other Comprehensive Income / (Loss)                                       | (409)        | (442)     | (592)      | (652)     |
| Total Comprehensive Income / (Loss)                                       | (7,023)      | 2,535     | 254        | 2,713     |
| Balance Brought Forward from Previous Year                                | 28,430       | 26,536    | 17,812     | 15,526    |
| Amount Available for Appropriation  |              | -         |            | -         |
| Appropriations:   |              |           |            |           |
| Transfer to Tonnage Tax Reserve   | (120)        | (630)     | (120)      | (630)     |
| Re-measurement of deferred benefit plans                                  | (15)         | (57)      | (11)       | (53)      |
| Dividend paid on equity shares  | (318)        | (396)     | (318)      | (396)     |
| Balance Carried Forward to Balance Sheet                                  | 21,363       | 28,430    | 18,209     | 17,812    |

### DIVIDEND

In order to conserve the resources for further expansion plans and operational requirements, your Directors do not recommend any dividend for the year under review.

### UNPAID/UNCLAIMED DIVIDEND TRANSFERRED TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, Final Unclaimed/ Unpaid dividend for the year 2011-2012 amounting to ₹ 2,03,708 and 9,990 shares for the year 2011-2012 were transferred during the financial year 2019-20 to the Investor Education and Protection Fund.

Mr. Harshit Garg has been appointed as the Nodal Officer of the company under the provisions of IEPF and the same can be accessed at [www.transworld.com/shreyas-shipping-and-logistics/investor-grievance-redressal.html](http://www.transworld.com/shreyas-shipping-and-logistics/investor-grievance-redressal.html).

## SHARE CAPITAL

The Company's paid up Equity Share capital continues to stand at ₹ 21,95,75,330/- as on March 31, 2020. During the year, the company has not issued any shares or convertible securities. The Company does not have any Scheme for issues of shares including sweat equity to the employees or Directors of the Company.

## FINANCIAL LIQUIDITY

Cash and cash equivalent as at March 31, 2020 was ₹ 538 lakhs. The company's working capital management is robust and involves a well-organized process which facilitates continuous monitoring and control over receivables, inventories and other parameters.

## TECHNOLOGY ABSORPTION

During the year, your Company's finance and operation team implemented a digital transformational project that has enabled centralization and simplification of the accounting and control processes. The company rolled out Oracle fusion cloud-based ERP this year that changed the way the operation & finance team functions and partners business in your Company. The software has been built around core performance management processes such as forecasting, budgeting, vessel operations and planning, as well as providing decision support in key areas. It focusses on specific core business processes and decision support topics, enabling the team to develop deeper expertise and greater subject matter knowledge

## REVIEW OF OPERATIONS

The year 2019-2020 continued to be a challenging year with ocean freights under pressure supplemented with increase in fuel prices. Implementation of IMO 2020 Fuel Sulphur regulation in January resulted in spike of fuel prices which touched to USD 700/MT. The industry also faced supply crunch due to less availability against demand for few months.

Utilisation levels on all the services from North to South and West to East remained at the level of around 92% and on the reverse leg was around 65% during the year, where-as domestic volume showed increase of 4% and EXIM volume was down by approx. 24% compared to the previous year.

Besides handling containerized cargo, the company has also handled coastal break bulk cargo of 2,21,445 metric tons cargo in this year.

Your Company's current fleet stands at 12 vessels, with a total capacity 22,794 TEUs, 2,44,919 GRT and 3,12,016 DWT, being India's largest container tonnage owning company. The current container ship tonnages are right sized and priced to suit the coastal trade. In addition, your Company's services are well planned to provide complete coastal coverage and thus well suited for the trade. Your company served approximately 80% of EXIM transshipment along the Indian coast.

Your company contributes approx. 50% to 55% on the domestic coastal trade.

For the year ended March 31, 2020, your Company posted a Total Income of ₹ 61,061 lakhs with a Net Profit of ₹ 846 lakhs.

## CREDIT RATING

The Company enjoys a good reputation for its sound financial management and its ability to meet financial obligations. CRISIL, the reputed Rating Agency has revised the credit rating to CRISIL BBB+/ STABLE for long term financial instruments of the company on 01<sup>st</sup> April 2020. However, for the year 2019-2020 rating was CRISIL A-/ STABLE.

## MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

During the current year, Company sold one of vessel "M.V. SSL Kutch" to a related party OEL Inc. The decision was taken to meet the additional cash requirements of the Company. Considering the current loan exposure and vessel profiles, SSL Kutch was the most suitable vessel for sale. The vessel was chartered in as it was an economical and more profitable option for the Company.

## STATUTORY AUDITORS

M/s. Deloitte Haskins and Sells LLP (Firm Membership No. 117366W/W100018) Chartered Accountants, were appointed as Statutory Auditors of your Company for a term of 5 years from the conclusion of 29<sup>th</sup> Annual General Meeting till the conclusion of 34<sup>th</sup> Annual General Meeting subject to the ratification of Members at each Annual General Meeting.

Pursuant to the amendment to Section 139 of the Companies Act, 2013, effective May 7, 2018, ratification by Members every year for the appointment of the Statutory Auditors is no longer required and accordingly the Notice of ensuing Annual General Meeting does not include the proposal for seeking Shareholders approval for ratification of Statutory Auditors appointment. M/s. Deloitte Haskins and Sells LLP have given a confirmation of their eligibility for their continuance as the Auditors of the Company and that they are free from any disqualification specified in the statute.

## SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s D. M. Zaveri & Co. a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as Annexure 1. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

During the Financial Year, your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act 2013.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR OTHERS

There are no significant and material orders passed by the regulators or others.

## CORPORATE SOCIAL RESPONSIBILITY

In compliance with Section 135 of the Companies Act, 2013 and Rules read thereunder, the Company has formed a Committee for Corporate Social Responsibility (CSR) and has adopted a CSR policy in line with the requirement of the Act. The members of the Committee met twice during the year. The Annual report on CSR activities and expenditure as required under the relevant act is given as Annexure 3 to this Report.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In line with the requirements of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the company has formulated a Policy on Related Party Transactions as approved by the Board of Directors which is also available on the Company's website and the same is considered for the purpose of identification and monitoring Related Party transactions.

All transactions with Related Parties are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are foreseeable and of a repetitive nature. The transactions entered into pursuant to the approvals so granted are subjected to audit and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis. The statement is supported by a certificate from the MD and CFO.

During the period under review, all transactions entered into by the Company with the Related Parties were at arm's length and in the ordinary course of business and adheres to the applicable provisions of the Act and the Listing Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have a potential conflict with the interest of the company at large or which warrants the approval of the shareholder.

There are no transactions with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity

In accordance to Section 134 (3)(h) of the Companies Act 2013 and Rule 8 (2) of the Companies (Accounts) Rules 2014, the particulars of the material contract or arrangement entered into by the company with related parties referred to in Section 188 (1) in Form AOC-2 is attached as Annexure 2 of this Report.

## EXTRACT OF ANNUAL RETURN

The Extract of Annual Return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 has been placed on the website of the Company and can be accessed at [www.transworld.com/shreyas-shipping-and-logistics/annual-report.html](http://www.transworld.com/shreyas-shipping-and-logistics/annual-report.html).

## MANAGEMENT DISCUSSION AND ANALYSIS

A detailed review of the growth of the company, operations, performance vis-à-vis industry growth and outlook of the Company and its business is given in the Management Discussion and Analysis appearing as Annexure 4 to this Report and it also covers economic factors that impacted the growth of the business during the year under review.

## REPORT ON CORPORATE GOVERNANCE

Maintaining high standards of Corporate Governance has been fundamental to the business of your Company since its inception. A separate report on Corporate Governance as Annexure 7 is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under

SEBI(LODR) Regulations, 2015. A Certificate of the MD and CFO of the Company in terms of SEBI(LODR)Regulations,2015, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed as Annexure 6.

### **PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS**

Details of Loans, Guarantees and Investment made by your company under Section 186 of the Companies Act, 2013, during the financial year 2019-2020 are appended in the Notes to Financial Statements.

### **TRANSFER TO RESERVES**

For the financial year ended March 31, 2020, your Company has transferred ₹846 lakhs to Reserves.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The members of the Company's Board of Directors are eminent persons of proven competencies and integrity. Besides experience, strong financial acumen, strategic astuteness and leader qualities, they have a significant degree of commitment towards the company and devote adequate time to the meeting. The Company recognizes and embraces the importance of a diverse board in its success. The Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge skill, industry experience and gender which will help the Company to retain its competitive advantage.

As on March 31, 2020, the Company has 12 Directors consisting of 5 Non- Independent Directors (including 2 Whole Time Directors), 6 Independent Directors and 1 Nominee Director.

Mr. L.B. Culas (Non-Executive and Non-Independent Director) (DIN: 00434984) and Mr. Mannil Venugopalan (Non-Executive and Independent Director) (DIN: 00255575) tendered resignation from the directorship of the company effective 04<sup>th</sup> April 2020 and 22<sup>nd</sup> April 2020 respectively on account of attaining the age of 75 years. The Directors have confirmed that there is no other reason than the one stated for their resignation. The Board of Directors placed on record the valuable services rendered by both the directors during their tenure of directorship in the Company.

As per the provisions of the Companies Act, 2013, Independent Directors have been appointed for a period of 5 years and shall not be liable to retire by rotation. The Independent Directors of your Company have affirmed their Independence under Section 149 of the Companies Act, 2013 and provisions of Regulation 25 of SEBI (LODR) Regulations, 2015. The Company has obtained requisite declaration to that effect from the said Directors.

Your Company has devised a Policy for determining qualifications, positive attributes of Directors, performance evaluation of Independent Directors, Board, Committees and other individual Directors which also include criteria for performance evaluation of the Non-Executive Directors and Executive Directors. While appointing and re-appointing Independent Directors, the Board ensures that there is appropriate balance of skills, experience and knowledge to enable the Board to discharge its functions and duties effectively.

A matrix of the skills/expertise/competencies possessed by the Board of Directors is provided in the Corporate Governance report, as mandated by the SEBI(LODR)Regulations,2015.

In accordance with the provisions of Companies Act, 2013 and Regulation 17(10) of SEBI(LODR) Regulations, 2015, the evaluation process for the performance of the Board, its Committees and individual Directors was carried out internally. The Board evaluated its performance after seeking inputs from all the Directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning etc.

The Company familiarizes its Directors including Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

The familiarization programme for Independent Directors is disclosed on the Company's website under the web link: [www.transworld.com/shreyas-shipping-and-logistics/policies.html](http://www.transworld.com/shreyas-shipping-and-logistics/policies.html).

In a separate meeting of Independent Directors, which was originally scheduled on 24<sup>th</sup> March 2020 and later adjourned to 8<sup>th</sup> April 2020 on account of the outbreak of COVID-19, performance evaluation of the Non-Independent Directors and the entire Board of Directors including the Executive Chairman and also the Managing Director was evaluated. The Independent Directors were satisfied with the functioning of the Board and Committees. The Independent Directors appreciated the leadership role of the Executive Chairman and the Managing Director in upholding the Group values and Corporate Governance standards. Performance evaluation of Independent Directors was done by the entire Board, excluding the independent director being evaluated.

The results of the review by the Independent Directors was shared with the Board of Directors. The Board of Directors have expressed their satisfaction with the evaluation results.

## KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company in terms of the provisions of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 as on March 31, 2020:

- Capt. Vivek Kumar Singh, Managing Director
- Mr. Rajesh Desai, Chief Financial Officer
- Mr. Harshit Garg, Company Secretary

\*During the year, Ms. Asha Prakash ceased to be the Company Secretary of the Company on account of Maternity leave and Ms. Nupur Burman was appointed as the Interim Company Secretary of the Company effective 22<sup>nd</sup> January 2020. Further, Ms. Nupur Burman tendered her resignation and Mr. Harshit Garg was appointed as the Interim Company Secretary of the Company effective 02<sup>nd</sup> March 2020 till the time Ms. Asha Prakash resumes office.

## POLICY ON APPOINTMENT AND REMUNERATION

The Company has in place a policy for remuneration of Directors, Key Managerial Personnel and Senior Management of the company as well-defined criteria for the selection of candidates for appointment to the said positions which has been approved by the Board. The criteria for selection of candidates for the above positions cover the various factors and attributes which are considered by the Nomination and Remuneration Committee and the Board of Directors while making a selection of the candidates. The Nomination and Remuneration Policy of the Company is available on the Company's website under the web link: [www.transworld.com/shreyas-shipping-and-logistics/policies.html](http://www.transworld.com/shreyas-shipping-and-logistics/policies.html).

## BOARD MEETINGS AND COMMITTEES

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board businesses. During the year 2019-20, the Board met seven times. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report forming part of this Report. The intervening gap between the meetings was within the period prescribed under the Act and the SEBI (LODR) Regulations, 2015. Details of all the Committees of the Board have been given in the Corporate Governance Report which is Annexure 7.

## AUDIT COMMITTEE

The Audit Committee comprises five members. The Chairperson of the Committee is an Independent Director. The Committee met six times during the year. Details of the role and responsibilities of the Audit Committee, the particulars of meetings held, and attendance of the Members at such Meetings are given in the Corporate Governance Report which is Annexure 7.

## RISK MANAGEMENT

In accordance with the provisions of Regulation 21 of SEBI(LODR)Regulations,2015, your Company has set up a Risk Management Committee for periodically evaluating the various risks. Your company has also adopted Risk Management Policy wherein all associated business risks are factored, identified and assessed. The Company has introduced several improvements to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities.

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices and key business areas. The main thrust of Internal Auditor is to test and review controls, appraisal of risks and business processes, beside benchmarking controls with best practices in the industry.

Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening the Company's risk management policies and systems.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company's vigil mechanism allows the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct/business ethics. The vigil mechanism provides for adequate safeguards against victimization of the Director (s) and employee (s) who avail this mechanism. The Company has revised the Whistle Blower policy and has also inserted instances of leakage of Unpublished price sensitive information in terms of SEBI (LODR) Regulations 2015 as amended from time to time.



All cases registered under Whistle Blower Policy of your Company are to be reported to and are subject to the review of the Audit Committee. The Whistle Blower also has access to the Chairperson of the Audit Committee in case they wish to report any concerns. The Policy on Whistle Blower may be accessed on the Company's website [www.transworld.com/shreyas-shipping-and-logistics/policies.html](http://www.transworld.com/shreyas-shipping-and-logistics/policies.html)

#### **PREVENTION OF SEXUAL HARRASMENT AT WORKPLACE**

Respect and Integrity are a part of our Core values. These Value systems have been passed down to us by our Founding Father. Your Company firmly believes in providing a safe, supportive and a friendly workplace environment where our values come to life through the supporting behaviors. Your company believes in providing and ensuring a workplace free from discrimination and harassment based on gender thereby providing a friendly workplace environment. Your company has framed a Policy for Prevention of Sexual Harassment of Women at Workplace to seek recourse and redressal to instances of sexual harassment. An Internal Complaints Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year ended March 31, 2020, the Company has not received any complaints pertaining to Sexual Harassment.

#### **QUALITY**

Quality, integrity and safety have been core to the Company. We firmly believe that the pursuit of excellence is one of the most critical components for success in the competitive market and therefore the company consistently strive to adhere to the highest quality standards. The Standard ISO 9001:2015 is valid up to October 29, 2021.

#### **DEPOSITS**

The Company has not accepted any deposits falling under the ambit of Section 73 of the Companies Act 2013 (herein referred to as "The Act ") and the Rules framed thereunder during the year under review and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet. Since the Company has not accepted any deposits during the Financial Year ended on March 31, 2020, there has been no non-compliance with the requirements of the Act.

#### **MAINTENANCE OF COST RECORDS**

In accordance with Section 148 of the Companies Act 2013 and any amendments thereto, the Company is not required to maintain cost records in respect of the activities carried on by your Company hence there is no applicability of maintaining cost records or carry out cost audit.

#### **SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANIES**

As on March 31, 2020, the Company does not have any subsidiary company and hence there is nothing to disclose.

The Company has one associate company namely Avana Logistek Limited (formerly known as Shreyas Relay Systems Ltd.) The company has an ownership interest of 29.22% in the associate company.

The Company also has one joint venture namely Shreyas -Suzue Logistics (India) Private Limited with a proportion of ownership interest of 50%.

The Policy for determining Material Subsidiaries adopted by the Board pursuant to Regulation 16 of the SEBI(LODR) Regulations, 2015, can be accessed on company's website [www.transworld.com/shreyas-shipping-and-logistics/policies.html](http://www.transworld.com/shreyas-shipping-and-logistics/policies.html)

#### **CONSOLIDATED ACCOUNTS**

The Consolidated Financial Statements are prepared in compliance with the applicable provisions of the Act including the relevant Accounting Standards specified under Section 133 of the Companies Act, 2013. The audited consolidated financial statements together with the Auditor's Report thereon forms part of the Annual Report. Pursuant to Section 129 (3) of the said Act, a statement containing salient features of the financial statements of Associate and Joint venture company in the prescribed Form AOC-1 is given in this Annual Report.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 (3)(c) and 134 (5) of the Companies Act, 2013:

- a. that in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b. that appropriate accounting policies have been selected and applied consistently. The Directors 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 and loss of the company for that period;

- c. that proper and sufficient care was taken 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. that the annual accounts are prepared on a going concern basis;
- e. that proper internal financial controls laid down by the Directors were followed by the company and such internal financial controls are adequate and were operating effectively; and
- f. that proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

#### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act, and Rules 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been annexed to this Report as Annexure 5.

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, form part of this report. As per the provisions of section 136 of the said Act, the report and financial statements are being sent to the members of your Company and others entitled thereto, excluding the statement on particulars of employees. Members who are desirous of obtaining the said information may write to the Company Secretary at the investor.sll@transworld.com and the same will be furnished on request.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Under the Notification No. GSR 1029, dated 31<sup>st</sup> December 1988, companies are required to furnish prescribed information regarding conservation of energy and technology absorption. This, however, does not apply to your Company, as the shipping industry is not included in the Schedule to the relevant rules.

With regards to foreign exchange earnings and outgo for the current year 2019-2020, the position is as under:

|  | (₹ in lacs) |
|--|-------------|
| (i) Foreign exchange earnings including proceeds on sale of ship (on accrual basis)  | 22,444.50   |
| (ii) Foreign exchange outgo including operating components, spare parts, vessel funding and other expenditure in foreign currency (on accrual basis) | 8,231.31    |

#### AWARDS AND RECOGNITIONS

Your company was recognized with many prestigious and diverse external accolades during the financial year which includes:

- India Maritime Awards 2019: Coastal Service Operator of the Year
- Maritime and Logistics Awards (MALA) for the year 2019: Best Shipping Line of the Year: Coastal Operator
- Gujarat Star Awards: Best Shipping Line of the Year: Coastal Operator 2019
- ET now Awards: Awarded the "Best use of CSR Practices in Shipping and Logistics Industry"
- Transworld Group is certified as a "Great Place to Work"

#### GENERAL DISCLOSURE

Your Directors state no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of Equity Shares with differential rights as to dividend, voting or otherwise.
2. Issue of Equity Shares (including Sweat Equity Shares) to employees of your Company, under any scheme
3. Your Company has not resorted to any buy back of its Equity Shares during the year under review.
4. Your Company does not have any subsidiaries. Hence neither the Managing Director nor any other Directors of your Company received any remuneration or commission during the year, from any of its subsidiaries.

5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and your Company's operations in future.
6. No fraud has been reported by auditors under sub-section (12) of section 143 of the Companies Act, 2013.

#### CAUTION STATEMENT

The Board's Report and Management Discussion & Analysis may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company is not obliged to update any such forward-looking statements. Some important factors that could influence the Company's operations comprise economic developments, pricing and demand and supply conditions in global and domestic markets, changes in government regulations, tax laws, litigation and industrial relations.

#### ACKNOWLEDGEMENTS

Your Directors thank the Company's clients, vendors, charterers, business associates, main line operators, investors, shareholders and bankers for their continued support during the year. It will be your Company's endeavor to build and nurture strong links with them based on mutuality, respect and co-operation with each other. Your Directors take this opportunity to thank all employees for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry despite increased competition from several existing and new players.

Your Directors place on record their appreciation for the support and continued co-operation that the Company received from the Government of India, the Ministry of Shipping, the Ministry of Finance, the Ministry of Corporate Affairs, the Directorate General of Shipping, the Mercantile Marine Department, the Stock Exchanges, the Reserve Bank of India, the Central Board of Excise and Customs, and other Government agencies. Your Directors also express their sincere thanks to the Indian National Shipowners Association, Port authorities, Insurance companies, Protection and Indemnity clubs for their continued support during the year.

**For and on behalf of the Board of Directors**

Place: Mumbai  
Date: 21<sup>st</sup> July, 2020

**Capt. Vivek Kumar Singh**  
Managing Director  
DIN: 07835635

**Satish Pillania**  
Director  
DIN: 03233212

## Secretarial Audit Report

Form No. MR-3

For the Financial year ended 31<sup>st</sup> March, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Shreyas Shipping and Logistics Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shreyas Shipping and Logistics Limited** (hereinafter called '**the Company**'). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Shreyas Shipping and Logistics Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended on 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020, according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('The SEBI'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;**(Not relevant / applicable, since there are no share based benefits to employees during the year)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not relevant / applicable, since there is no issue of debt securities during the year)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not relevant / applicable, since there is no delisting of equity shares during the year)**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not relevant / applicable, since there is no buyback of equity shares during the year)**
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) The following laws are applicable to the Company in addition to laws mentioned above
  - (a) Merchant Shipping Act, 1958 and Rules made thereunder;
  - (b) Safety of Life Sea Convention (1974) including its amendments;
  - (c) Seamen's Provident Fund Act, 1966.

I have also examined compliance with the applicable clauses to the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Government of India, as applicable under the Companies Act 2013;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. The Company has complied with the provisions of Section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility **except Section 135(5)**. The Company has informed that the unspent amount of CSR during the year under report has been apportioned and is intended to be utilized in a phased manner in future upon identification of suitable projects within the Company's CSR Policy.

**I further report that**, the Board of Directors of the Company is duly constituted with proper balance of Executive, Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance or in compliance of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period under review:

- (i) Pursuant to the special resolution passed at the 31<sup>st</sup> Annual General Meeting held on 20<sup>th</sup> July 2019, the consent of the members of the Company was obtained for shifting of registered office of the Company outside the local limit of Mumbai City.

**For D. M. Zaveri & Co**  
**Company Secretaries**

**Dharmesh Zaveri**  
(Proprietor)  
FCS. No.: 5418  
CP No.: 4363

ICSI Unique Code: S2001MH046100  
Peer Review Cer. No.: 294/2015

Place: Mumbai  
Date: 21<sup>st</sup> July 2020

ICSI UDIN: F005418B000480981

## AOC -2

## Annexure 2

## Particulars of Contracts/Arrangements made with related parties

(Pursuant to Clause (h) of Sub-Section(3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section(1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

- 1) There were no contracts or arrangements or transactions entered in during the year ended March 31, 2020, which were not at arm's length basis.
- 2) Details of material contracts or arrangements or transactions entered in during the year ended March 31, 2020, which were at arm's length basis.

| Name of the Related Party  | Nature of Relationship  | Duration of contract                                 | Salient term                         | ₹ In Lakhs) |
|--|---|--|--------------------------------------|-------------|
| <b>Nature of Contract</b>  |   |  |                                      |             |
| <b>Service / Freight income</b>  |   |  |                                      |             |
| Avana Global FZCO (Formerly known as Balaji Shipping Line FZCO)          | Subsidiary of Associate Company (w.e.f. 27 <sup>th</sup> March, 2017)         | Not Applicable                                       | Based on transfer pricing guidelines | 1,620       |
| Transworld Feeders FZCO  | Fellow Subsidiary Company   | Not Applicable                                       | Based on transfer pricing guidelines | 284         |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | Associate Company / Erstwhile Subsidiary (w.e.f 27 <sup>th</sup> March, 2017) | 1 <sup>st</sup> September, 2005---- Ongoing Contract | Based on transfer pricing guidelines | 26,972      |
| Rent Income  |   |  |                                      |             |
| Transworld Shipping Agencies Pvt Ltd                                     | Other related party   | Ongoing Contract                                     | Based on transfer pricing guidelines | 26          |
| TW Ship Management Ltd   | Other related party   | Ongoing Contract                                     | Based on transfer pricing guidelines | 34          |
| <b>Sale of Vessel</b>  |   |  |                                      |             |
| Orient Express Lines INC.  | Fellow Subsidiary Company   |  | Based on transfer pricing guidelines | 2,496       |
| <b>Purchases of Premises</b>   |   |  |                                      |             |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | Associate Company / Erstwhile Subsidiary (w.e.f 27 <sup>th</sup> March, 2017) |  | Based on transfer pricing guidelines | 2,044       |
| <b>Slot Charges/ Charter hire Payable</b>                                |   |  |                                      |             |
| Orient Express Lines INC.  | Fellow Subsidiary Company   | Ongoing Contract                                     | Based on transfer pricing guidelines | 144         |
| Transworld Feeders FZCO  | Fellow Subsidiary Company   | Not Applicable                                       | Based on transfer pricing guidelines | 413         |
| <b>Agency fees</b>   |   |  |                                      |             |
| Transworld Feeders Lanka (Pvt) Limited                                   | Other related party   |  | Based on transfer pricing guidelines | 121         |

| Name of the Related Party  | Nature of Relationship  | Duration of contract                                 | Salient term                         | ₹ (In Lakhs) |
|--|---|--|--------------------------------------|--------------|
| Transworld Shipping Agencies Pvt Ltd                                     | Other related party   | 1 <sup>st</sup> June, 2016-----Ongoing Contract      | Based on transfer pricing guidelines | 261          |
| Lanka Orient Express Lines Ltd.  | Other related party   | 23 <sup>rd</sup> February, 2014-----Ongoing Contract | Based on transfer pricing guidelines | -            |
| Transworld Shipping & Logistics LLC, Dubai                               | Other related party   | 1 <sup>st</sup> February, 2015-----Ongoing Contract  | Based on transfer pricing guidelines | 77           |
| <b>Handling and Forwarding Expenses</b>                                  |   |  |                                      |              |
| Transworld Shipping & Logistic Pvt Ltd                                   | Other related party   | Not Applicable                                       | Based on transfer pricing guidelines | 2            |
| Transworld Integrated Logistek Pvt Ltd                                   | Other related party   | Not Applicable                                       | Based on transfer pricing guidelines | 13           |
| <b>Vessel Management Fees</b>  |   |  |                                      |              |
| TW Ship Management Ltd   | Other related party   | 1 <sup>st</sup> Nov, 2016-----Ongoing Contract       | Based on transfer pricing guidelines | 760          |
| <b>Rent</b>  |   |  |                                      |              |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | Associate Company / Erstwhile Subsidiary (w.e.f 27 <sup>th</sup> March, 2017) | Ongoing Contract                                     | Based on transfer pricing guidelines | 27           |
| Sivaswamy Holdings Pvt. Ltd.   | Other related party   | 1 <sup>st</sup> January, 2012-----Ongoing Contract   | Based on transfer pricing guidelines | 6            |
| <b>Vehicle Lease Rent</b>  |   |  |                                      |              |
| Manita Vivek Kumar Singh   | Other related party   | Ongoing Contract                                     | Not Applicable                       | 10           |

- Appropriate approvals have been taken for related party transactions. Advances paid have been adjusted against billings, wherever applicable.  
 As per our report of even date

**FOR AND ON BEHALF OF THE BOARD**

**Capt. Vivek Kumar Singh**  
 Managing Director  
 DIN : 07835635

**Satish Pillania**  
 Director  
 DIN: 03233212

**Place : Mumbai**  
**Date : July 21, 2020**

## Annual Report on CSR ACTIVITIES

### Introduction:

Shreyas Shipping & Logistics Limited (hereinafter referred as "Shreyas") is committed towards creating prosperity and a positive difference for the people, planet and environment. As a responsible corporate citizen, the commitment is to leverage in-house skills and CSR grants at the grassroots to create a sustainable and inclusive path to economic growth and prosperity and contribute to the United Nation's Sustainable Development Goals.

Shreyas focuses on addressing critical local needs through its multifaceted and multi-dimensional CSR programs aligning with the Sustainable Development Goals in order to catalyse positive changes in the communities.

### Composition of Corporate Social Responsibility (hereinafter referred as CSR) Committee:

| Name                | Designation          | Position |
|---------------------|----------------------|----------|
| Mr. S. Ramakrishnan | Executive Chairman   | Chairman |
| Ms. Maya Sinha      | Independent Director | Member   |
| Mr. D.T Joseph      | Independent Director | Member   |

Average Net Profits of the Company for last three financial years: ₹ 4,071 Lacs

### Prescribed CSR Expenditure for 2019 -20:

| Particulars   | Amount ₹   |
|---|------------|
| Total Amount allocated for CSR Expenses for FY 2019-20:                               |            |
| 2 percent of the amount of the average net profits for the last three financial years | 81.42 Lacs |
| Less: Amount spent during FY 2019-20  | 27.00 Lacs |
| Balance unspent amount for FY 2019-20   | 54.42 Lacs |

Details of CSR spent during the financial year

- Total amount to be spent for the financial year: ₹ 81.42 Lacs
- Amount Unspent from the total amount apportioned for CSR in 2019-20: ₹ 54.42 Lacs
- Amount Spent ₹ 27.00 Lacs. (Manner in which the amount spent during the financial year is detailed below)
- Reasons for not spending the full amount:

The total CSR amount required to be spent by Shreyas till date for the FY 2019-20 was ₹81.42 Lacs out of which Shreyas has spent a total of ₹ 27.00 Lacs for the year 2019-20. Shreyas believes in adopting a strategic approach towards its CSR initiatives. The thrust has been on identifying the CSR area which Shreyas firmly believes shall make an impact to the Society. It however does not restrict itself from evaluating other areas which are deemed important for the Company. The amount required to be spent has been set aside by the Company and shall be utilized for CSR activities in future. The project proposals are being screened and evaluated through rigorous mechanism to support impactful interventions at grassroot level through collaborations with institutions of complementary vision for synergy to every effort. We strive to put in our best efforts for Corporate Social Responsibility to contribute towards achievement of Sustainable Development Goals.

The CSR Committee hereby confirms that the implementation and the monitoring of the CSR policy is in compliance with the CSR objectives and the Policy of the Company.

The Corporate Social Responsibility activities of Shreyas focuses on:

- Stewardship of marine environment- Contributing to a healthier ocean, planet and people by ensuring accountability in our operations and supporting projects enhancing marine environment and ecosystems.
- Health, food and water security- Safeguarding human dignity by supporting initiatives that augment physical, social and economic access to safe and reliable food and water systems.
- Gender equity and inclusion- Being a committed equal opportunity employer by supporting diversity and ensuring gender inclusivity in our business operations.
- Education, arts and civic engagement- Creating pathways to development by empowering individuals with the necessary skills, knowledge and resources to build thriving and self-sustaining lives.



Other items as may be prescribed from time to time under Schedule VII of the Companies Act 2013.

These four core focus areas of Shreyas corporate social responsibility strategy are based on the United Nation's Social Development Goals and Schedule VII of the Companies Act, 2013 and the triple values of "People, Planet and Profit."

**Table 1: Manner in which the amount spent/committed during the financial year ended March 31, 2020**

(Amt in INR)

| CSR Project/ Activity Identified   | Sector in which the project is covered | Location of the Project Programme (Local Area or District)                       | Amount Outlay / Approved (₹) | Amount spent on the project (₹) | Details of Beneficiaries Covered | Amount Spent directly or through Implementation agency                |
|--|--|--|------------------------------|---------------------------------|----------------------------------|---|
| To support the visually impaired people through promotion of cultural activities on Corporate Responsibility Day   | Art, Education & Civic Engagement      | Mumbai, Kolkata,   | 47,100                       | 47,100                          | 778                              | Society for Rehabilitation for the Visually Impaired (Heart to Heart) |
|  |  | Cochin, Chennai, Vizag, Kandla, Tuticorin  | 185,045                      | 185,045                         |                                  | Samarthanam Trust   |
|  |  |  | 32,431                       | 32,431                          |                                  | Direct expenditure for program arrangements                           |
| To address maternal and new-born healthcare by providing Antenatal and Postnatal Care by the "Maternal and Child Health Program"   | Health, Food and Water Security        | Bhopoli, Maharashtra   | 400,000                      | 400,000                         | 41                               | M L Dhawale Memorial Trust  |
| Conducting Baseline survey to set up biodegradable sanitary napkin production unit in Bhopoli to support Menstrual Hygiene Program   | Health, Food and Water Security        | Bhopoli, Maharashtra   | 12,390                       | 12,390                          | N/A                              | Aakar Social Ventures   |
| To spread awareness about cancer, thalassemia, myeloma and other forms of fatal blood disorders and identify potential blood-stem cell donors  | Health, Food and Water Security        | Mumbai, Tuticorin, Surat, Gandhidham, Kolkata, Cochin, Haldia, Delhi & Ahmedabad | 11,072                       | 11,072                          | 35                               | DATRI- Blood Stem Cell Donor's Registry                               |
| To spread awareness about cancer, thalassemia, myeloma and other forms of fatal blood disorders and identify potential blood-stem cell donors in educational Institutions – IMU and St Xaviers College | Health, Food and Water Security        | Mumbai, Maharashtra  | 300,000                      | 300,000                         | 167                              | DATRI- Blood Stem Cell Donor's Registry                               |
| Support to underprivileged communities suffering from water shortage during water crises in Tamilnadu  | Health, Food and Water Security        | Chennai, Tamilnadu   | 1,170,645                    | 1,170,645                       | 31,160                           | Indian Red Cross Society, Direct for procurement of water             |
| To support sanitation and hygiene program and building of toilet in a government school  | Health, Food and Water Security        | Taloja, Mumbai, Maharashtra  | 3,173,740                    | 158,687                         | 180                              | Habitat for Humanity  |
|  |  |  | 5,625                        | 5,625                           |                                  |   |

(Amt in INR)

| CSR Project/ Activity Identified   | Sector in which the project is covered | Location of the Project Programme (Local Area or District) | Amount Outlay / Approved (₹) | Amount spent on the project (₹) | Details of Beneficiaries Covered | Amount Spent directly or through Implementation agency                                  |
|--|--|--|------------------------------|---------------------------------|----------------------------------|---|
| Support of empowering women, girls and children from Red Light areas of Mumbai through participation in Tata Mumbai Marathon | Art, Education and Civic Engagement    | Mumbai   | 318,200                      | 28,000<br>272,000<br>9,100      | 110                              | United Way<br>Apne Aap Women's Collective<br>Payment towards Marathon participation fee |
| To provide stationary to school children affected by Karnataka Floods  | Art, Education and Civic Engagement    | Belgaum  | 5,768                        | 5,768                           | 1059                             | Direct payment for stationery for distribution through Mahesh Foundation India          |

Table II: Manner in which the amount spent after 31<sup>st</sup> March 2020 from provisions made for FY 2019-20

(Amt in INR)

| CSR Project/ Activity Identified  | Sector in which the project is covered                               | Location of the Project Programme (Local Area or District) | Amount Outlay / Approved (₹) | Amount spent on the project (₹) | Details of Beneficiaries Covered | Amount Spent directly or through Implementation agency |
|---|--|--|------------------------------|---------------------------------|----------------------------------|--|
| COVID-19 Response<br>To support Indian Government's massive efforts for national preparedness and response for COVID-19 | Art, Education & Civic Engagement                                    | India  | 2,500,000                    | 1,500,000                       |                                  | PM Cares Fund  |
| Support Dry Food and Essential Distribution for Daily Wage Earners in Dharavi in Maharashtra                            | Health, Food and Water Security                                      | Mumbai   |                              | 847,500                         | 2,500                            | Give India – Action Aid India                          |
| Sanitizers to Police Personnel in Maharashtra   | Health, Food and Water Security                                      | Mumbai   |                              | 63,561                          | 1030                             | Direct distribution to Maharashtra Police              |
| Impact Assessment for two CSR projects of Shreyas- Education and Health projects  | Health, Food and Water Security<br>Art, Education & Civic Engagement | Mumbai   | 4,48,400                     | To be disbursed                 | N/A                              | Sattva Media and Consulting Pvt. Ltd.                  |
| Support elderly homes with food, maintenance, and caretaker salary  | Art, Education & Civic Engagement                                    | Cuddalore<br>Neyvalli Palghar<br>Gurdaspur Goa             | 100,000                      | 100,000                         | 202                              | HelpAge India  |

Total Number of Beneficiaries: 37,232

#### Details of the Programme

- To support the visually impaired people through promotion of cultural activities on Corporate Responsibility Day- Corporate Responsibility Day was organized to support visually impaired communities using arts & culture as medium through diverse initiatives such as talks, talent shows, visiting organizations supporting visually impaired communities, distribution of gifts and simulation exercises across seven locations- Mumbai, Kolkata, Cochin, Chennai, Vizag, Kandla and Tuticorin. This was implemented by partnering with Society for Rehabilitation for the Visually Impaired (Heart to Heart) and Samarthanum Trust.

- **To address maternal and new-born healthcare by providing antenatal and postnatal care through the “Maternal and Child Health Program”-** Shreyas has been supporting Mother and Child care programme in the two villages- Ghaneghar and Kaarsud since 2014. It includes various activities such as Ante Natal Care, Institutional Deliveries, Post Natal Care nutrition for women and children, and training of Community Health Workers to ensure improved health status of women across the villages supported by MLD Trust. The program aims to increase awareness on need for ante-natal care among pregnant women, provide ante natal care, improve nutritional status and overall health of women and their children as well as ensure 100% institutional deliveries to reduce MMR and IMR rates as per the Sustainable Development Goals and at par with the national and state levels. The various components under the program are:
  - Ante- Natal Care – Awareness building on the need, providing antenatal care, supplements and facilitating available government services.
  - Institutional Delivery- Encouraging and facilitating institutional deliveries for safe birth
  - Post Natal Care- Monitoring the health of mother and child, awareness on breastfeeding, providing supplements and facilitating available government services
- **Conducting Baseline survey to set up biodegradable sanitary napkin production unit in Bhopoli to support Menstrual Hygiene Program-** For comprehensive development of supported villages through MLD Trust in Bhopoli, baseline Survey was conducted to determine existing practices of menstrual hygiene management among women and adolescent girls along with focusing on the feasibility of setting up Livelihood program of biodegradable sanitary napkin production unit in the villages. For this we collaborated with a social enterprise, Aakar Social Ventures.
- **To spread awareness about cancer, thalassemia, myeloma and other forms of fatal blood disorders and identify potential blood-stem cell donors in educational Institutions – IMU and St Xaviers College-** Shreyas in association with DATRI- India’s largest stem cell donor registry conducted awareness sessions on blood stem cell donation and potential donor registration on World Cancer Day 2020 at St Xavier’s College, Mumbai and Indian Maritime University, Navi Mumbai. The extended support garnered commitment for stem cell donation from 167 students across both institutions. These students will be a potential match for the patients till 60 years of age. This gives the patients more possibilities of finding a match.
- **Support to underprivileged communities suffering from water shortage during water crises in Tamilnadu-** In 2019, millions of people in Chennai faced water scarcity and were without consistent access to water owing to lack of rainwater and groundwater that left four of the reservoirs that supplied water to Chennai completely dry. Initiative by Shreyas provided free supply of water through tankers to the fishing communities of Nochikuppam and Dumilkuppam in Chennai during Water crisis. Supplied 330,800 litres of water to more than 46,160 people living in these urban communities through 17 water tankers. The initiative continued for few weeks with a consistent supply of water coming through our containers in our vessels from Kandla to Chennai. For this, Shreyas dedicated 10 containers to supply gallon water bottles and distribution was routed through NGO partner Indian Red Cross. Through this endeavour, some respite was given to the neediest beneficiaries facing water scarcity in Chennai.
- **Support towards sanitation and hygiene program and building of toilet in a government school-** Shreyas supported sanitation and hygiene at a government school in Taloja, Mumbai through construction of toilet facility and awareness sessions. The project was devised in stages wherein to address hygiene awareness and sanitation promotion at first an awareness session on WASH was conducted to encourage school children to think about and question their way of doing things in order to trigger ownership of their health and hygiene issues. Second stage was of toilet construction and in the final stage we plan to conduct another session to strengthen the message of Sanitation & Health through information and communication activities. This program was implemented in collaboration with NGO- Habitat for Humanity.
- **Support of empowering women, girls and children from Red Light areas of Mumbai through participation in Tata Mumbai Marathon-** Shreyas extended support to the cause of empowering women and young girls from red light areas of Mumbai with NGO partners Apne Aap Women’s Collective through participation of Shreyas Employees in Mumbai Marathon. This provided improved access to education, healthcare services, vocational trainings for the beneficiaries of Apne Aap Women’s Collective.
- **To provide stationary to school children affected by Karnataka Floods-** A Stationery Collection Drive was organized in observance of International Literacy Day 2019. 500 kgs of stationery and toys collected during the week-long drive were distributed to 810 students of Government schools of Gokak town, Belgaum, Karnataka which had been previously under red alert during monsoons through NGO partner Mahesh Foundation. Nearly 2.4 lakh people were displaced across the state and more than 1,000 villages were affected across the state. This initiative was aimed at providing resettlement and rehabilitation support to students of primary and secondary schools post disaster.

- **COVID-19 Response-** The scope of the COVID-19 response at Transworld Group was planned to take integrated action with various stakeholders for a comprehensive on-the-ground response in specific most affected geographies, focused on immediate humanitarian aid.
  - **Donation to PM Cares-** To support India's war against COVID -19, contribution was made to PM Cares as part of our endeavour to assist government's massive efforts for national preparedness and response for COVID-19.
  - **Dry ration and hygiene kits to daily wage workers -** In India, the catastrophic effect on migrant daily wage workers has become the bigger disaster than the pandemic. The nation- wide lockdown triggered reverse exodus to villages and daily wagers are struggling to sustain themselves. To avert the immediate hunger and starvation, Shreyas extended support to provide ration to 500 families of daily wage workers residing in Dharavi who are the hardest hit and form most vulnerable households with the support of Give India's platform implemented by Action-Aid India.
  - **Sanitizers to Police Personnel-** Given the risk being taken by the police personnel who are working relentlessly to enforce the social distancing, we extended support of 1030 sanitizers for Mumbai Police personnel. We procured 30 bottles of 500 ml sanitizers as well as easy to dispense 1000 bottles of 100 ml, which the police personnel can easily carry with them in their pockets.
- **Support towards elderly home-** Essential supplies for 5 elderly homes in the states of Tamil Nadu, Maharashtra, Goa, and Punjab was supported by Shreyas. Alongwith this, day, 8 digital volunteering sessions were conducted with these old age homes and the sessions included breathing exercises, yoga, sharing of experience, sing-along, papercraft, building emotional strength conducted by our employees for engaging the elderly. We partnered with NGO named Help Age India for this program.
- **Impact Assessment-** Shreyas commissioned Sattva to undertake impact evaluation study of two long term programs as part of their CSR portfolio to understand the impact made over the years. One of the programs was Maternal and child healthcare in villages of Ghaneghar and Karsud by MLD Trust and the other was English intervention program by Clearmaze Consulting. A detailed evaluation was conducted to measure the impact while also focusing on effectiveness and sustainability of these programs.

#### Awards

##### Shreyas Shipping and Logistics Ltd awarded at the ET NOW: World CSR Congress 2020

Shreyas Shipping & Logistics Ltd has been awarded for Best Use of CSR practices in shipping and logistics industry at the ET NOW: World CSR Congress 2020.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 21<sup>st</sup> July, 2020

Capt. Vivek Kumar Singh  
Managing Director  
DIN: 07835635

Satish Pillania  
Director  
DIN: 03233212

## Management Discussion and Analysis

### GLOBAL ECONOMY OVERVIEW

The calendar year 2019 started off with rising tensions between the world's two largest economies – US and China. US and China together account for 40% of the global GDP and the trade disputes between them had an adverse effect on the global economy and sentiment overall. This impact was not only seen in the commodities and financial markets (equities, bonds, currencies), but also on the output and profitability of firms leading to deterred investment decisions of businesses. However, as the year progressed, market sentiments were boosted by tentative signs on intermittent favourable news on US-China trade negotiations.

Brexit was the other major event that finally took place on January 2020, after the public referendum in 2016 and years of negotiations. The impact of Brexit is expected to hurt the UK economy primarily in 2020 by having the weakest export growth since 2009, Business investments to contract by 0.7%, and household spending growth predicted to be at its slowest since 2011, due to historically low unemployment.

If the pain felt across global economies was not enough in 2019, the year ended off on a worse footing with the Corona Virus being first detected in December and quickly spreading across the world's second-largest economy from the capital of Hubei province before infecting more than 110,000 people in at least 110 countries in less than three months. According to the WHO, the death toll reached more than 4,000 by March 2020. From an economic perspective, the key issue was not just the number of cases of this virus, but the level of disruption to economies. In a March report, the Organisation for Economic Co-operation and Development, or OECD, announced that it had downgraded its 2020 predictions for almost all countries, the UN Conference on Trade and Development went even further and predicted that global GDP could take a \$2 trillion hit. The global economic activity from the Purchasing Manager Index for the manufacturing and the services sector showed that Both manufacturing and services activity plunged in February 2020. The composite index was at 46.1 indicating that the global economy was potentially in a recession for the month.

As a silver lining, Governments of all countries have taken strong and bold measures to brace their economies from the expected impact of the Corona Virus. USA started off by rate cuts and infusing more than \$1.5 Trillion into the financial system in an effort to calm the market turmoil after Wall Street suffered its worst day since the 1987 market crash.

#### Sources:

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### INDIAN ECONOMY OVERVIEW

The Indian economy started this financial year on a dull note due to the ongoing liquidity crisis. In order to achieve the government's vision of making India a USD 5 trillion economy by 2025, the Finance Ministry slashed domestic corporate tax rates to 25.17% in the mid year to spur the investments in the economy. As a result the domestic investments contributed intermittently to the India growth story, but this proved to be a bit too little, too late.

The Consumer Price Index (CPI) showed retail inflation rising to 7.59% in January 2020 and IIP growth stood at a mere 2% YoY in January 2020, which was mainly driven by intermediate goods output whereas, Capital goods, infrastructure and construction goods output declined.

The liquidity crunch stressed NBFC funding; interest rates hiked up, which resulted in a degrowth of household consumption. The Indian auto sector which has a valuable contribution to the economy went through a difficult phase in the last one year primarily due to government norms pushing to shift to BS-VI models.

The Current Account Deficit narrowed primarily on account of lower non-oil, non-gold imports and robust services exports supported by software, travel and financial services. The balance of payments surplus stood at US\$21.6bn which was supported by FPI and FDI flows.

Although, according to the Indian Budget 2020 the real GDP growth was estimated at 5.0% in the financial year 2019-20, growing to 5.6% in financial year 2020-21, with recent development with regards to Covid-19 cases in India, these growth estimates are expected to take a major hit. The financial year 2021, regardless to say, is going to be a challenging one for the world and India.

#### Sources:

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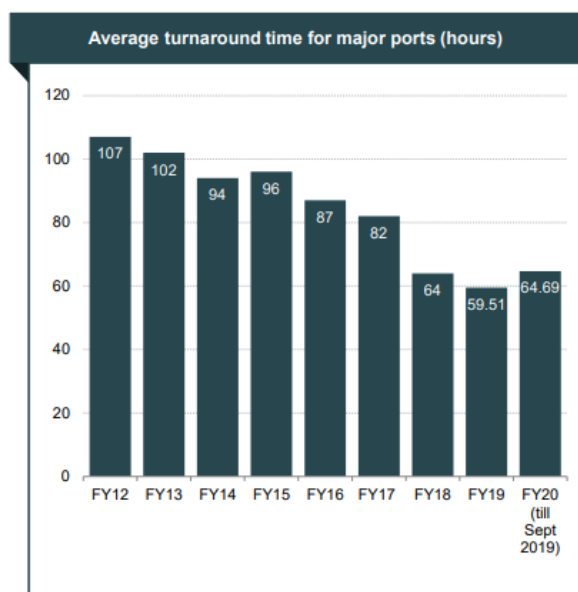
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## INDUSTRY STRUCTURE AND DEVELOPMENTS

### SHIPPING INDUSTRY

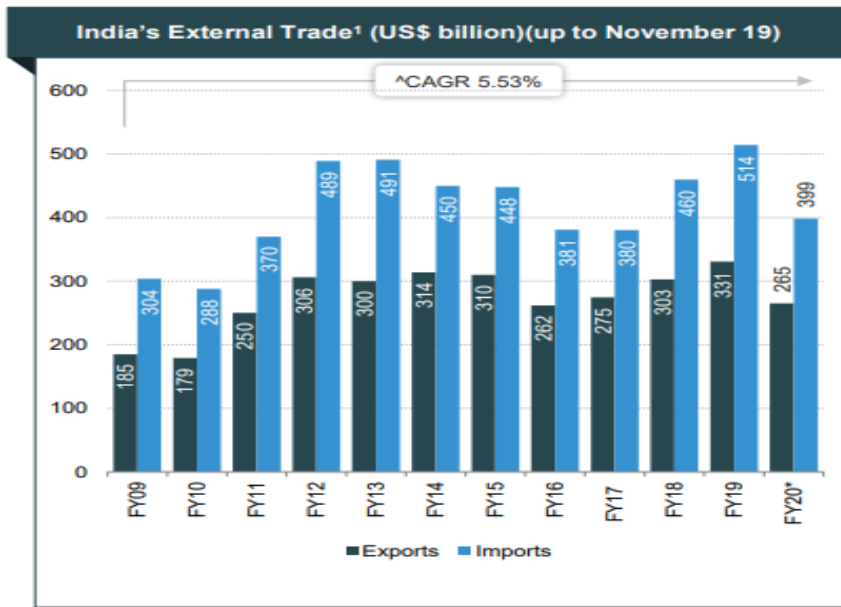
Ports in India handle around 95 per cent of international trade volume of the country. Increasing trade activities and private participation in port infrastructure is set to support port infrastructure activity in India. Cargo traffic during FY19 for solid, liquid and container cargo was 292 MT, 262 MT and 145 MT, respectively. Capacity at major ports is expected to grow to 1,477 million tonnes in FY19 from 505 million tonnes in FY07. Utilisation rates of major ports in India such as JNPT port, Kandla port, Ennore port, etc., are much above the world's average. 12 Major Ports were identified under Sagarmala project, for cargo handling till 2035. The objective of this project is to promote port led development and to provide infrastructure to quickly transport goods to and from ports, with higher efficiency and at lower cost. In July 2019, V.O.Chidambaranar Port created a new record by handling 1,80,597 Metric Tonnes of cargo in a single day. Average turnaround time is influenced by factors such as type of cargo, parcel size and entrance channel. Turnaround time at major ports in India has decreased at a rapid pace from 82.32 hours in FY17 to 59.51 hours in FY19. Turnaround time at major ports stood at 64.69 hours in FY20 (till September 2019).



Strong growth potential, favourable investment climate and sops provided by state governments have encouraged domestic and foreign private players to enter the Indian ports sector. In addition to the development of ports and terminals, the private sector has extensively participated in port logistics services. Government of India is targeting to make the country the first in the world to operate all 12 major domestic government ports on renewable energy. The government plans to install almost 200 MW wind and solar power generation capacity by 2019 at the ports. The energy capacity could be ramped up to 500 MW in future years.

With the increasing private participation in establishing minor ports. Cargo traffic handled by the minor ports are outpacing cargo traffic at major ports. The Government of India is planning to build 14 CEZs in the country to boost manufacturing and jobs. In November 2017, the first mega CEZ at the Jawaharlal Nehru Port in Maharashtra was cleared.

India's total external trade grew to US\$ 838.46 billion in FY19, implying a CAGR of 5.53 per cent since FY09. Merchandise exports during the year were US\$ 331.02 billion while imports reached US\$ 507.44 billion. India's merchandise exports and imports stood at US\$ 265.26 billion and US\$ 398.53 billion, respectively, in FY20 (till Jan 2020). Increasing trade is translating into higher demand for containerisation due to their efficiency.



As per National Maritime Agenda 2010 -2020, government plane to increase the port capacity of around 3,500 MT to handle the expected traffic of about 2,500 MT by 2025. The Proposed investments in major ports by 2020 are expected to total US\$ 18.6 billion, while those in non-major ports would be US\$ 28.5 billion. The government is also working to float a specialised Maritime Finance Corporation with the equity of ports and financial institutions to fund the Port projects.

### COASTAL SHIPPING IN INDIA

As we all know that, India has a long coastline of 7,517 kms., having access to the sea on three sides with 12 major and 205 minor/intermediate ports. It is a well-known fact that the shipping has always been regarded as an important transport sector of national activities in all maritime countries, and it is well suited for transportation of bulk Cargos. at low cost. Coastal Shipping, as a complimentary mode of transport is not only an economic necessity but also a valuable asset in times of emergency. India lies in geographical proximity to important shipping routes which gives a natural advantage to the country's shipping. Moreover, shipping is no longer an isolated mode of transport but forms a part of an intermodal transport chain linking other transport modes.

The major ports had a capacity of 1,514.09 million tonnes per annum by FY19P. The Maritime Agenda 2010-20 has a 2020 target of 3,130 MT of port capacity. The Indian Government plays an important role in supporting the ports sector. It has allowed Foreign Direct Investment (FDI) of up to 100 per cent under the automatic route for port and harbour construction and maintenance projects. It has also facilitated a 10-year tax holiday to enterprises that develop, maintain and operate ports, inland waterways and inland ports.

Multiple initiatives have been taken by the government to promote the coastal shipping in India. Various number of projects with total project cost of ₹ 13,308.41 Cr have been awarded in the last three years on up gradation of the major ports. As per Union Budget 2020-21, the total allocation for the Ministry of Shipping stands at ₹ 1,800 Cr. Major Port Authorities Bill 2020 was introduced in the Loksabha which seek to provide for regulation, operation and planning of Major Ports in India and to vest the administration, control and management of such ports upon the Boards of Major Port Authorities and for matters connected therewith or incidental thereto.

**Source:**

[https://www.dgshipping.gov.in/Content/PageUrl.aspx?page\\_name=ShipManualChap22](https://www.dgshipping.gov.in/Content/PageUrl.aspx?page_name=ShipManualChap22)

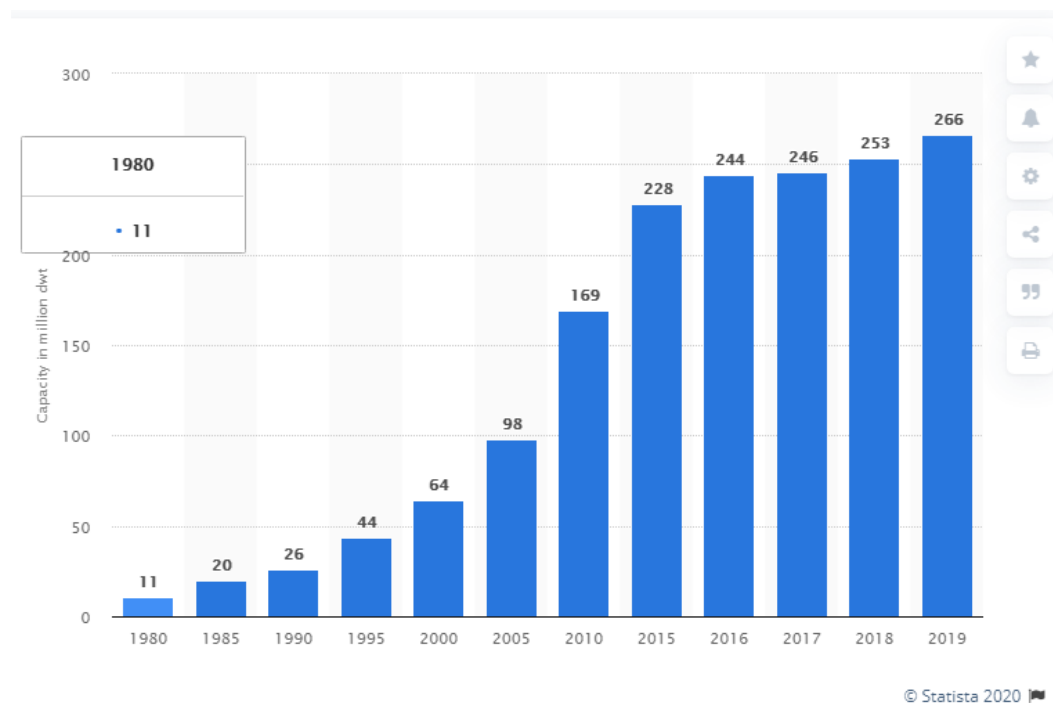
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**GLOBAL CONTAINER SHIPPING INDUSTRY**

The deadweight tonnage of container ships between 1980 and 2019 has grown from about 11 million metric tons to around 266 million metric tons, with a total capacity of around four million TEUs. On January 1, 2020, the IMO 2020 regulation on sulphur emissions came into force, allowing the content of sulphur in fuel oil to be at most 0.5 percent, down from 3.5 percent applied since 2012. The revised limits are set to bring disruption and new challenges to the shipping industry, on top of the ones introduced by the coronavirus (COVID-19) pandemic.

Source: <https://www.statista.com/topics/1367/container-shipping/>

Capacity of container ships in seaborne trade from 1980 to 2019 (in million dwt)\*

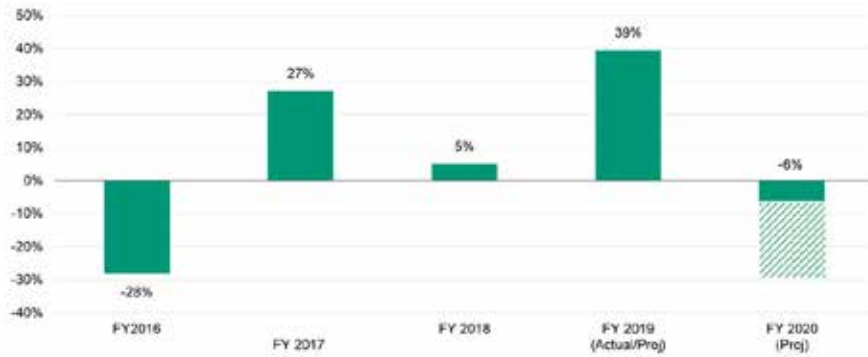


Source: <https://www.statista.com/statistics/267603/capacity-of-container-ships-in-the-global-seaborne-trade/>

According to Moody's Investors Service report, the outlook for the global shipping industry has changed to 'negative' from 'stable' in the wake of the coronavirus outbreak. The change to a negative outlook primarily reflects the expected decline in 2020 EBITDA amid sharply reduced demand for container and dry bulk shipping services as the outbreak hits Chinese manufacturing output and demand for coal and iron ore, especially during the first half of 2020, as well as related economic disruption.



**Rated shipping companies' EBITDA will decline in 2020**



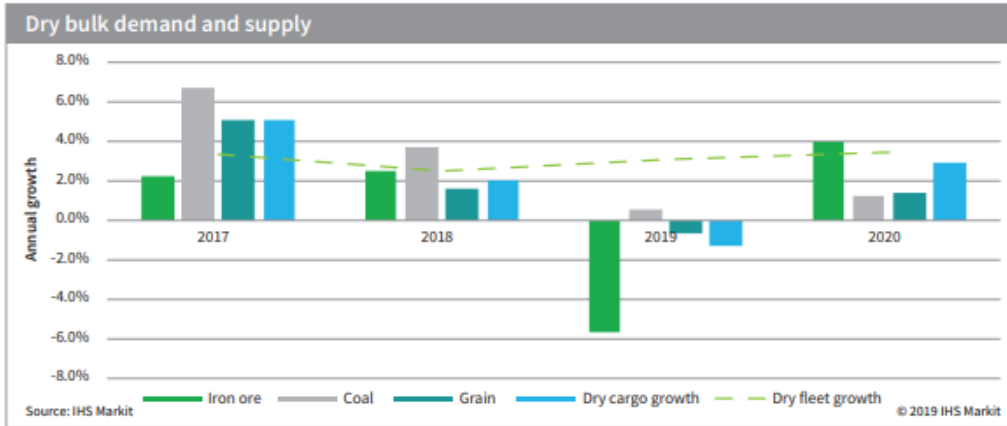
Source: Moody's Investors Service

The report also said that for dry bulk companies, the slow resumption of manufacturing operations in China is a plus because it suggests improved demand for coal and iron ore, two key dry bulk commodities. In addition, port openings in China will also allow for transportation of grains, another large dry bulk commodity. China is the largest importer of dry bulk commodities and the sharp reduction of Chinese demand sent the Baltic Dry Index (BDI), a key benchmark for dry bulk shipping, toward historical lows.

**Source:**

<https://www.financialmirror.com/2020/03/20/shipping-industry-outlook-changed-to-negative-as-coronavirus-threatens-earnings-moodys/>

Dry bulk fleet growth is expected to be 3.0% in 2020 compared to 3.8% in 2019. Scrubber retrofitting activities and delays in Chinese yards resulted in the shortage of VLOCs in the Atlantic and increased spot activities over Q3 2019. The physical supply tightness will continue with 1-2% of dry bulk fleet offline in 2020 albeit at a slower pace than 2019 as Chinese yards are gaining experience, the shortage of key supply will be resolved, and more punctual docking schedule is expected.



In total, about 11 million dwt of newbuild capacity has been added to newbuilding orders in 2019, which will probably mean that dry bulk newbuilding orders capacity will be the second lowest in the last decade or so, after 2016 orders accounted only six million dwt, mainly in CAPES/VLOC sector orders. The current orderbook stands at about 10% of the total fleet capacity with 14% of fleet size in Cape sector (vessels bigger than 100,000 dwt) and 10% of fleet size in Panamax/Kamsarmax sector. As a reflection of very low earnings in the first half of 2019, particularly among larger fleets, the orderbook remained relatively muted, with about six million dwt ordered in the first half of the year, which is about a quarter of capacity ordered in total last year.

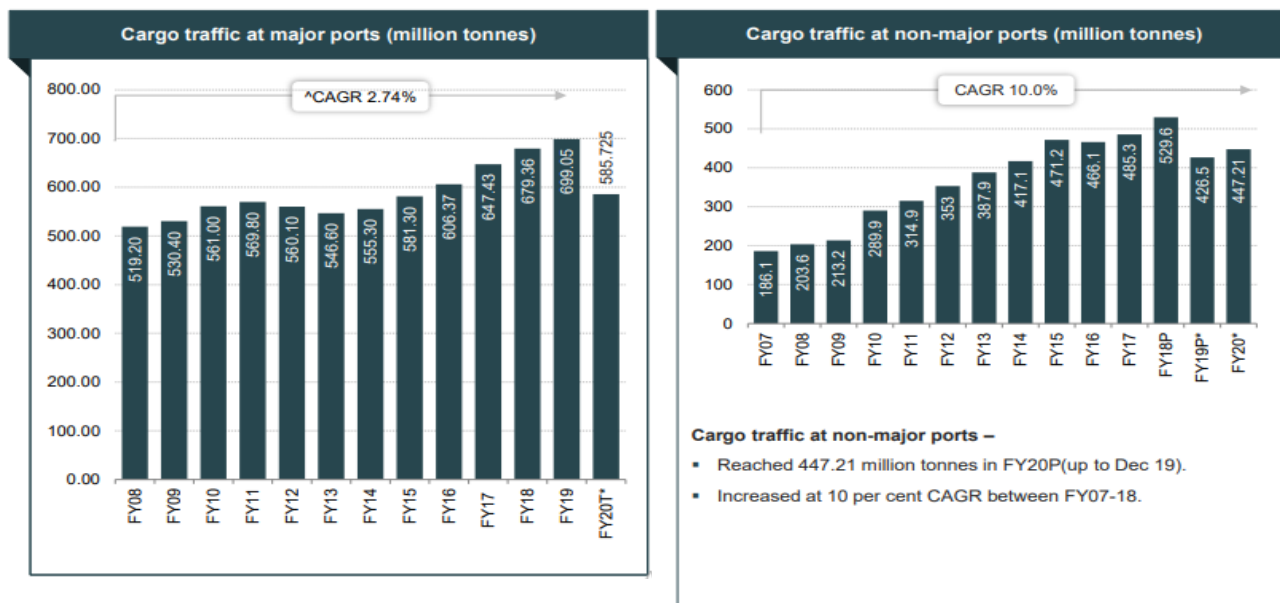
The fleet is expected to grow slightly more than 3% this year, while trade is expected to follow at a slightly lower pace. For 2020 we would expect to see fleet growth to match the fleet growth seen last year, amid expectations of slightly higher demolitions as influenced by IMO 2020 implementation. The trade growth has been downgraded further with concerns of slowing economic growth and its influence on trade volumes, to little less than 2.6%. This is obviously with a caveat that economies don't slip into recession and that further introduction of tariffs do not cripple trade growth.

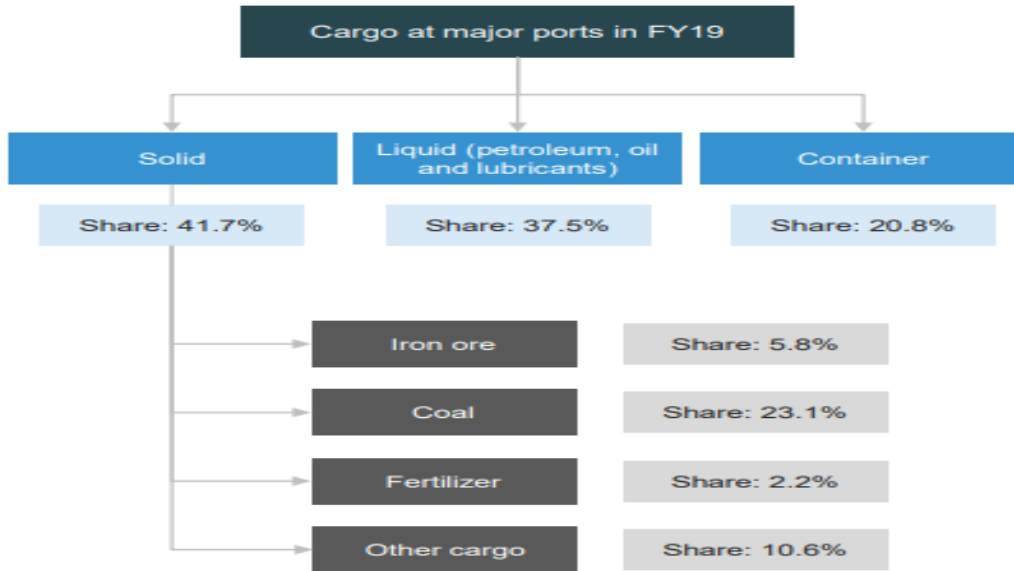
Assuming that global crude oil trade growth will reach 1.4 million b/d, shipping demand in Dwt is projected to increase by around 2.5% in 2020, with a higher rate expected for demand in tonne-miles, as the US will export more to further destinations, pushing the average haul significantly higher. This could mean shipping demand growth for the entire tanker sector could reach around 4%. 2020 demand growth for the VLCC segment could reach 5%, compared to a fleet growth estimated close to 4%. Meanwhile, demand growth for Suezmaxes is not expected to exceed 3.5%, while fleet capacity will expand by 2%.

**Source:** <https://cdn.ihsmarket.com/www/pdf/0120/IHS-Markit-MT-Shipping2020MarketOutlook-January-2020.pdf>

## INDIAN PORTS

The Cargo traffic at major ports in India stood at 699.05 million tonnes in FY19, growing at a CAGR of 2.74 per cent from FY08-19. Traffic at major ports reached 528.72 million tonnes in FY20T (up to January 2020). In August 2019, India became the first country in the world to issue Biometric Seafarer Identity Document (BSID), capturing the facial bio-metric data of seafarers. In November 2019, first ever movement of container cargo on Brahmaputra (National Waterway 2), focused on improving the connectivity to North Eastern Region (NER). In 2019, upgraded Port Community System has been introduced for all ports in India.





| <b>TRAFFIC HANDLED AT MAJOR PORTS</b>                         |                |               |                   |               |
|---|----------------|---------------|-------------------|---------------|
| (DURING APRIL TO MARCH, 2020* VIS-A-VIS APRIL TO MARCH, 2019) |                |               |                   |               |
| (*) PROVISIONAL   |                |               | (IN ' 000 TONNES) |               |
| PORTS   | APRIL TO MARCH |               | % VARIATION       |               |
|   | TRAFFIC        |               | AGAINST PREV.     |               |
|   | 2020*          | 2019          | YEAR TRAFFIC      |               |
| 1   | 2              | 3             | 4                 |               |
| <b>KOLKATA</b>  |                |               |                   |               |
| Kolkata Dock System   | 17303          | 18551         |                   | -6.73         |
| Haldia Dock Complex   | 46680          | 45212         |                   | 3.25          |
| <b>TOTAL: KOLKATA</b>   | <b>63983</b>   | <b>63763</b>  |                   | <b>0.35</b>   |
| <b>PARADIP</b>  | <b>112689</b>  | <b>109275</b> |                   | <b>3.12</b>   |
| <b>VISAKHAPATNAM</b>  | <b>72722</b>   | <b>65301</b>  |                   | <b>11.36</b>  |
| <b>KAMARAJAR (ENNORE)</b>                                     | <b>31747</b>   | <b>34497</b>  |                   | <b>-7.97</b>  |
| <b>CHENNAI</b>  | <b>46759</b>   | <b>53012</b>  |                   | <b>-11.80</b> |
| <b>V.O. CHIDAMBARANAR</b>                                     | <b>36076</b>   | <b>34342</b>  |                   | <b>5.05</b>   |
| <b>COCHIN</b>   | <b>34038</b>   | <b>32022</b>  |                   | <b>6.30</b>   |
| <b>NEW MANGALORE</b>  | <b>39145</b>   | <b>42508</b>  |                   | <b>-7.91</b>  |
| <b>MORMUGAO</b>   | <b>16019</b>   | <b>17683</b>  |                   | <b>-9.41</b>  |
| <b>MUMBAI</b>   | <b>60696</b>   | <b>60588</b>  |                   | <b>0.18</b>   |
| <b>JNPT</b>   | <b>68449</b>   | <b>70706</b>  |                   | <b>-3.19</b>  |
| <b>DEENDAYAL</b>  | <b>122499</b>  | <b>115402</b> |                   | <b>6.15</b>   |
| <b>TOTAL:</b>   | <b>704822</b>  | <b>699099</b> |                   | <b>0.82</b>   |

(Source: Indian Port Association & IBEF)

## Sagarmala

Currently, coastal shipping contributes 6 per cent of cargo traffic at ports. The Sagarmala programme plans to double this by 2025 aided by initiatives such as Coastal Berth Scheme; relaxation of Cabotage; abatement of service tax on coastal shipping; green channel clearance for coastal cargo; exemption on lighthouse dues for coastal ships and reduction in GST on bunker fuel to 5 per cent from 18 per cent.

ICRA Ltd. said that coastal shipping has grown to nearly 120 million tonnes (mt) in fiscal 2019 as against 83 mt in fiscal 2015, and is set to increase to 220 mt in the next few years. Considering the potential of coastal shipping, in 2019 Container Corporation of India entered coastal shipping with initial focus on the West Coast. It will later be extended to the East Coast.

However, Pravir Pandey, Vice-Chairman of Inland Waterways Authority of India and Project Director of Jal Marg Vikas Project (JMVP), is quite buoyant. In a recent Sagarmala publication, he said India's logistics industry is witnessing a major shift as multimodal terminals are being planned on the country's national waterways and freight villages set up for smooth transportation of cargo.

Under Sagarmala programme, Maharashtra will get another huge port built at a cost of around ₹ 65,545 crore at Wadhavan, near Dahanu in Palghar district on the Gujarat border, catapulting India among countries with top 10 container ports in the world. A Special Purpose Vehicle (SPV) will be formed with Mumbai's Jawaharlal Nehru Port Trust (JNPT) as the lead partner, with equity participation of at least 50 per cent to execute the Wadhavan Port project. After the completion of its fourth terminal, its capacity will increase to 10 million TEUs by 2023, making it the 17<sup>th</sup> biggest container port in the world. The development of Wadhavan Port will enable call of larger container vessels of 16,000-25,000 TEUs capacity, giving advantages of economies of scale and reducing logistics costs.

Source: <https://swarajyamag.com/insta/second-mega-port-for-maharashtra-under-sagarmala-construction-of-rs-65545-crore-port-in-wadhavan-to-begin-this-year>

## Inland Waterways

In the last couple of years, the Centre has given tremendous impetus to both coastal shipping and IWT in an attempt to reduce logistics cost to less than 10 per cent of GDP — on par with developed countries such as Germany — from the present 13 per cent. Rail and road combined carry nearly 90 per cent of India's cargo, but are choking due to congestion despite well-established networks. Both major and non-major ports have attracted huge investment and enough capacity has been created. Thus, the next phase is to boost coastal shipping and IWT, and that's what the Centre has been doing.

Government data shows that cargo movement by IWT has increased to 72.31 mt in fiscal 2019 from 55.03 mt in fiscal 2018 with plans to push it up to 150 mt by 2025. There was good traction on NW1 in the last two years. The projects on other NWs are also under implementation. However, the progress has been slow due to low draught in several locations and there is high requirement of dredging to make the waterways navigable for cargo vessels. To make inland waterways viable on all planned locations, the government needs to ensure that minimum required draught is maintained on these routes, Pravir Pandey said.

With 2019 ending on a high note for both coastal shipping and IWT, 2020 could be more promising.

## Project UNNATI

Project UNNATI has been started by Government of India to identify the opportunity areas for improvement in the operations of major ports. Under the project, 116 initiatives were identified out of which 93 initiatives have been implemented as of September 2019.

## ADB action plan

The Asian Development Bank has also come out with an action plan for coastal shipping in September 2019, which provides recommendations on infrastructure development needed to boost coastal shipping. There is also traction in coastal coal movement of domestic coal for power companies. From an economic perspective, it is important that coastal shipping is developed. A report by Morgan Stanley in 2016 said that the shift to coastal shipping will result in lower transportation costs. Growth in coastal shipping, at the expense of sending cargo by road, could reduce costs by \$2.5 billion by 2025.

The lower cost of transporting bulk commodities, from coal to metal ores, will also distribute savings across the value chain of end-user industries. India's manufacturing sector, long hindered by high logistics costs, can redeploy those savings elsewhere, for example, towards hiring more workers and expanding operations, which could help fuel economic growth, the report said. A similar boost is also being given by the government to IWT, which is now one of the most promising modes of transport. Over 100 inland waterways (IW) have been identified to be National Waterways (NWs). Out of total 111 NWs, work at 13 NWs have been taken up and studies at others are under way.

Despite having an extensive network of inland waterways in the form of rivers, canals, backwaters and creeks, freight transportation by waterways is under-utilised. Waterways currently contribute around 6 per cent to India's transportation modal mix, which is significantly less than that in developed economies and some of the developing economies. In some countries, the share is over 50 per cent.

**Source:** <https://www.thehindubusinessline.com/economy/logistics/in-2019-coastal-shipping-and-transport-via-inland-waterways-made-quite-a-ripple/article30445280.ece>

## OUTLOOK

Increasing investments and cargo traffic point towards a healthy outlook for the Indian ports sector. Providers of services such as operation and maintenance (O&M), pilotage and harbouring and marine assets such as barges and dredgers are benefiting from these investments. The capacity addition at ports is expected to grow at a CAGR of 5-6 per cent till 2022, thereby adding 275-325 MT of capacity. Under the Sagarmala Programme, the government has envisioned a total of 189 projects for modernisation of ports involving an investment of ₹ 1.42 trillion (US\$ 22 billion) by the year 2035. Ministry of Shipping has set a target capacity of over 3,130 MMT by 2020, which would be driven by participation from the private sector. Non-major ports are expected to generate over 50 per cent of this capacity. India's cargo traffic handled by ports is expected to reach 1,695 million metric tonnes by 2021-22, according to a report of the National Transport Development Policy Committee. Within the ports sector, projects worth an investment of US\$ 10 billion have been identified and will be awarded over the coming five years.

**Source:** IBEF

### Opportunities:

Increasing Scope for Private Ports: With rising demand for port infrastructure due to growing imports (crude, coal) and containerisation, public ports (major ports) will fall short of meeting demand. This provides private ports with an opportunity to serve the spill-off demand from major ports and increase their capacities in line with forecasted new demand.

Cochin Port Trust (CPT) announced measures to increase its revenue by generating higher container traffic and increasing the number of passenger liners. CPT is also planning to setup a small industrial port at the southern end of Willingdon Island to boost business.

Ship repair facilities at ports: Dry docks are necessary to provide ship repair facilities. Of all the major ports, Kolkata has 5 dry docks, Mumbai and Visakhapatnam has 2; the rest have 1 or no dock at all. Given the positive outlook for cargo traffic and the resulting increase in number of vessels visiting ports, demand for ship repair services will go up. This will provide opportunities to build new dry docks and setup ancillary repair facilities. Potential market size of ship repair in India is around ₹ 2,500-3,000 crore (US\$ 388-466 million) of which around ₹ 1,000-1,500 crore (US\$ 155-233 million) has been tapped as of 2017.

Port support services: Operation and maintenance services such as pilotage, dredging, harbouring and provision of marine assets such as barges and dredgers are expected to increase in coming years. Increasing investments and cargo traffic point to a healthy outlook for port support services. These include Operation and Maintenance (O and M) services like pilotage, harbouring and provision of marine assets like barges and dredgers. JNPT in Navi Mumbai signed an agreement with Development Bank of Singapore and State Bank of India, for external commercial borrowing worth US\$ 400 million for expansion of road network connecting the port.

### Threats:

Supplier's bargaining power is on a decline on the back of gradual increase in fleet supply and intense global competition. Rules and Regulations differ at different stages and are imposed by regional, national and local authorities. Trained manpower is necessary for third party logistics sector as well as the manufacturing and retail sectors, which is very weak at a practical level.

Logistics sector requires high manpower. Lack of training institutions also causes ineffective outputs. Poor management and facilities are the reason for heavy loss, damage and deterioration of stock, mainly in the perishables sector. Proper refrigerated storage for containers and maintenance is must.

Because of IMO 2020 implementation from 1<sup>st</sup> of January 2020, the fuel cost has been increased more than 30% which is defiantly impact the pricing of the freight rate of all the shipping lines. Although the price will pass on to the customers but it is a short term pain for the industry as whole.

The current Covid-19 situation has affected this sector as well. Because of the global lockdown the transshipment domestically as well as internationally has been hold for a quarter till now. Although the China market is partially open in the terms of manufacturing and trading, the normalization and getting back the previous trading activities will take time for sure.

## OUR CONTRIBUTION

Incorporated in 1988, Shreyas Shipping is a part of the 42-year old global conglomerate Transworld Group, and is headquartered in Mumbai, India. The company is a pioneer and market leader in domestic coastal container shipping services and coastal transshipment services covering most major ports and container terminals on the Indian coast. Shreyas also pioneered domestic multimodal transportation in India and it continues to command its premier position till date. It is a preferred partner of most Main Line Operators for EXIM transshipment services at various Indian ports. The company owns and operates a fleet of 12 vessels with a total capacity of 22,794 TEUs, 2,44,919 GRT & 3,12,016 MT deadweight tonnage and operates across most Indian container ports.

### Achievements during the year

1. SSSL's domestic cargo trade of 178,327 containers in the year 2019-20 as against 166,762 containers in 2018-19 achieving a growth of 7%.
2. Shreyas handled a total volume of 447,036 TEUs in 2019-20 as against 487,285 TEUs in the last year with a fall of 8 %.
3. Besides handling containerized cargo, the company has also handled coastal break bulk cargo of 221,445 metric tons.
4. 18 major ports and container terminals in India were serviced during year 2019-2020 by Shreyas containers and break bulk coastal services on regular frequency, making 1108 port calls during the year.

### Financial highlights of the year

Standalone revenues for the year 2019-20 stood at INR 612.46 Cr as against INR 624.79 Cr which fell by 1.97 %. EBITDA for FY20 is at INR 46.51 Cr as against INR 73.17 Cr during FY19 and EBITDA Margin stands at 7.59%. PAT stood at INR 8.46 Cr as against INR 33.65 Cr in FY19 and PAT Margin stands at 1.38%. In the terms of key financial ratios, the debtors turnover days has increased to 92 days from 87 days, the Interest coverage ratio stood at 1.47 and current ratio stood at 1.01. The net debt to equity ratio is 0.75 times. The operating margin in FY20 stood at 11.27 % as compared to last year of 14.20%.

### Our Strategy

Shreyas Shipping has worked relentlessly towards achieving its vision to enhance development of containerized as well as break bulk coastal shipping and development of EXIM transshipment between Indian ports. The market has been growing at a growth rate of around 16% and we plan to continue our growth both in container as well as break bulk business. Our target is to acquire economic and fuel-efficient vessels. Our focus has been to reduce our operating cost by better strategy and providing competitive services to our customers. Our strategy is to enhance the size of the vessels to get the advantage of economies of scale which can help in reducing the cost per TEU and eventually enhancing the margins. We have replacement plans for our older and smaller vessels in phases starting from this year to the next year. We have already enhanced the connectivity and reached to all the ports in India and committed to our customers to service them as per their requirements. The trend of domestic coastal transportation of cargo has been changing and we find movement of varieties of cargo on multiple legs instead of unidirectional and only few types of cargo. This will provide ample opportunities for the growth and our strategies are in place to grab maximum advantage. We are on a constant look out for new opportunities, new markets/routes which we can serve and add to our existing services. Along with the container business, we are looking forward to strengthen the coastal breakbulk business as well, using the multi-purpose vessels. Besides our usual operations, we also look out for better opportunity in the market to enhance yield on our assets.

### RISK MANAGEMENT

The Company has a system of documenting and reviewing risk. Apart from management reviews, the risk are also reviewed by the Risk Management Committee and the Board. The Audit Committee has additional insight in the area of financial risks and controls.

### EXTERNAL

**Global Trade/Demand Prospects:** The demand for shipping and containerisation largely depends on factors such as Global GDP growth, Global trade patterns. i.e. movement of goods from production to consumption centres and geo-political situation around the globe.

**Bunker Cost:** Bunker cost, also known as the oil prices, which is major part of the operating cost which impacts the profitability of the business. Higher oil price turn into high operating cost which, if not accompanied by a proportionate rise in freight rates, will affect the margins of shipping companies. From beginning of the year 2020, as per new IMO regulation, marine fuel oil was replaced by the low sulphur fuel oil which increased the cost of bunker used on all vessels.

Unfavourable Trade Regulations: Regulations exist at different tiers, imposed by national, regional and local authorities. Regulations often differ on state level, which may hinder the creation of national networks, thus impacting the coastal shipping operations.

Poor infrastructure: Lack of multimodal logistic facilities near ports, insufficient integration of transport networks, weak information technology (IT) support, lack of warehousing and distribution facilities can prove to be another hindrance in smooth operations.

## HUMAN RESOURCES

Transworld Group offices in India – Shreyas Shipping and Logistics Ltd, has been also conferred the accreditation as a 'Great Place to Work® certified Company!'. Great Place to Work® Institute is a renowned research and global certification organization which is specialized in company culture and considered as an authority in the study of high performance and high trust culture companies in 5 continents and 60+ countries with its 30+ years of experience. With its employee and high trust culture focused approach, Great Place to Work® contributes to forming perfect workplace culture with its trust based philosophy as well as helping companies to increase their innovation and performance.

We, at Shreyas believe that our people are our greatest assets and strategic partners in our journey to achieve organisational objective. In furtherance of our stated philosophy, the company has introduced 360 degree appraisal which will help recognise and boost performance at work in various spheres, creating a culture of Excellence. The objective of 360 Degree profiling is to provide transparency, open feedback and overall development of all our team members.

The Leadership team is one of the most important factor that impacts the organization, people and work atmosphere. As a part of our Developmental plan, we have been conducting Psychometric Profiling of our Senior team members. The Predictive Index Psychometric Profiling is a scientific online assessment tool designed to give us insights on our strengths, motivational drivers, areas of improvement and developmental plans

The Company considers its human capital as an invaluable asset. The Company continued to have cordial relationships with all its employees. The Company ensures safeguarding, training, development and growth of its workforce. The total workforce of Your Company stood at 43 shore staff and 325 floating staff as on 31<sup>st</sup> March 2020.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Our internal financial control framework is commensurate with the size and operations of the business and is in line with requirements of the regulations. We have laid down adequate procedures and policies to guide the operations of our business. Functional leaders are responsible for ensuring compliance with the policies and procedures laid down by the management. Our internal control systems are routinely tested by the Management, Statutory Auditors and Internal Auditors.

## CAUTIONARY STATEMENTS

Statements in this report describing the Company's objectives, projections, estimates and expectations may be forward looking statements, within the meaning of applicable laws and regulations, based on beliefs of Shreyas's managements. The Company's current views with respect to the future events and are subject to risks and uncertainties. Many factors could cause the actual result to be materially different from those projected in this report, including amongst others, changes in the general economic and business conditions, changes in the currency exchange rates and interest rates, introduction of competing services, lack of acceptance of new services, and changes in business strategy. Shreyas does not intend to assume any obligation to update any forward-looking statements or information, which speak as of their respective dates reflecting circumstances arising after this date or to reflect the occurrence of underlining events, even if the underlining assumptions do not come to fruition.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 21<sup>st</sup> July, 2020

Capt. Vivek Kumar Singh  
Managing Director  
DIN: 07835635

Satish Pillania  
Director  
DIN: 03233212

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Information Pursuant to Section 134 (3)(Q) and Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) Ratio of the remuneration of each Director to the median remuneration of employees of the Company for the year 2019- 20, percentage increase in remuneration of Executive Director, Managing Director, the Chief Financial Officer and the Company Secretary during the Financial Year 2019-20.

| Sr. No | Name of the Director/KMP   | Designation                              | Percentage increase in Remuneration in FY 2019-20 | Ratio of remuneration of each Director/ KMP to median remuneration of the employees |
|--------|----------------------------|--|---|---|
| 1.     | Mr. S. Ramakrishnan        | Executive Chairman                       | 0.28%   | 38.61:1   |
| 2.     | Capt. Vivek Kumar Singh    | Managing Director                        | 0.05%   | 15.68:1   |
| 3.     | Mr. Ritesh S. Ramakrishnan | Non-Executive, Non-Independent Director  | -   | -   |
| 4.     | Mr. L.B. Culas             | Non-Executive, Non-Independent Director  | -   | -   |
| 5.     | Mr. Satish Pillania        | Non-Executive, Non-Independent Director  | -   | -   |
| 6.     | Mr. S. Ragothaman *        | Independent Director                     | -   | -   |
| 7.     | Mr. Mannil Venugopalan *   | Independent Director                     | -   | -   |
| 8.     | Mr. D.T. Joseph *          | Independent Director                     | -   | -   |
| 9.     | Mr. Deepak Shetty *        | Independent Director                     | -   | -   |
| 10.    | Capt. Manmohan Saggi *     | Independent Director                     | -   | -   |
| 11.    | Ms. Maya Sinha *           | Independent Director                     | -   | -   |
| 12.    | Mr. Utpal Gokhale          | Nominee Director                         | -   | -   |
| 13.    | Mr. Harshit Garg ^         | Company Secretary and Compliance Officer | N.A.  | 0.10:1  |
| 14.    | Mr. Rajesh Desai           | Chief Financial Officer                  | 4.07%   | 8.12:1  |

\* The Independent directors of the Company are entitled to sitting fees as per the statutory provisions. The details of sitting fees are provided in Corporate Governance Report based on the number of meetings attended by an Independent Director. The Non-Executive Directors/KMP who resigned during the year have not been included in the above statement.

^ Mr. Harshit Garg was appointed as a Company Secretary & Compliance officer during the year hence increase in remuneration is not applicable.

- ii) Permanent Employees on the rolls of the company as on 31<sup>st</sup> March 2020: 43
- iii) Percentage increase in the median remuneration of employees in the financial year: 2.94%
- iv) Average percentage increase made in the salaries of employees (other than managerial personnel) was 19.32% while increase in managerial remuneration was 0.70%.  
Average increase in the remuneration of the employees other than Managerial Personnel is in line with the industry practice and is within the normal range.
- v) We affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the Remuneration policy of the Company.



## Certification by Managing Director (MD) and Chief Financial Officer (CFO)

We, the undersigned, in our respective capacities as Capt. Vivek Kumar Singh, Managing Director and Rajesh Desai, Chief Financial Officer of Shreyas Shipping & Logistics Limited, to the best of our knowledge and belief, certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March 2020 (hereinafter referred to as 'the year') and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and have taken requisite steps to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
- i. significant changes, if any, in internal control over financial reporting during the year; and
  - ii. significant changes, if any, in accounting policies during the year and the same have been disclosed in the notes to the financial statements.
  - iii. That there have been no instances of significant fraud of which we have become aware and any involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting

**For Shreyas Shipping & Logistics Limited**

Place : Mumbai  
Date : July 21, 2020

**Capt. Vivek Kumar Singh**  
Managing Director  
DIN : 07835635

**Rajesh Desai**  
Chief Financial Officer

## REPORT ON CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE PHILOSOPHY

The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term. Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. At Shreyas Shipping and Logistics Limited, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and following applicable legislations.

To succeed, we align our actions, thoughts, and conduct in line with the Vision, Mission and Values of the organization, as originally conceptualized by our Founding Father. Our Vision has been to be preferred business partner for global logistics solutions committed to the highest standard of excellence. Our Mission is to consistently create experiences where passion and purpose come together to innovate, excel and contribute to a better future. While we have been adhering to our core values of Integrity, Transparency, Respect, Customer Centrality, Excellence, Social & Environment Responsibility as enshrined in the Value Statement, these principles have been the guiding force for whatever we do and shall continue to do so in the years to come.

### THE BOARD OF DIRECTORS

The Board of Directors ('the Board') have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Board has delegated the operational conduct of the business to the Managing Director of the Company. The Management Team of the Company is headed by the Managing Director and has business / functional heads as its Members, which look after the management of the day-to-day affairs of the Company. The Managing Director attends meetings of all the Board Committees. There are separate chairpersons for the Board committees. The Chairman guides the Board through its decision-making process and ensures that the Board operates effectively as a team.

#### Composition of Board of Directors

The composition of the Board is in accordance with the requirements set forth by Regulation 17 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Board of your Company has a adequate mix of Executive and Non-Executive Directors with half of the Board of the Company comprising Independent Directors. As on 31<sup>st</sup> March 2020, the Board consists of Twelve Directors (including one-woman director) comprising one Executive Chairman (Promoter), one Managing Director, six Independent Directors, three Non-Executive Directors and one Nominee Director. The composition of the Board represents an optimal mix of professionalism, knowledge, experience, nationality, gender and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board, as part of its succession planning exercise, periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company.

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions she / he occupies in other Companies and changes, if any, regarding their Directorships. In addition, the Independent Directors provide an annual confirmation that they meet the criteria of independence as defined under Section 149(6) of the Companies Act, 2013.

Further none of the Directors served as an Independent Director in more than 7 equity listed companies and hold Directorship in more than eight equity listed companies. Further, the Managing Director of the Company is not serving as Independent Director on the Board of any other listed entity.

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

S1: Strategic Planning and Advising

S2: Understand Corporate Governance and Ethos

S3: Analyse Risks and Threats and Advise Mitigation Measures

S4: Knowledge of Shipping Industry Domestic and International

S5: Financial Skills

S6: Technical Skills and Specialised Knowledge to Assist the Ongoing Aspects of the Business

**Board Competency Matrix:**

| Board of Directors         | S1  | S2  | S3  | S4  | S5  | S6  |
|----------------------------|-----|-----|-----|-----|-----|-----|
| Mr. S. Ramakrishnan        | Yes | Yes | Yes | Yes | No  | Yes |
| Capt. Vivek Kumar Singh    | Yes | Yes | Yes | Yes | No  | Yes |
| Mr. L.B. Culas*            | Yes | No  | No  | Yes | No  | Yes |
| Mr. Ritesh S. Ramakrishnan | Yes | Yes | No  | Yes | Yes | Yes |
| Mr. Satish Pillania        | Yes | No  | No  | Yes | No  | Yes |
| Mr. Deepak Shetty          | No  | Yes | Yes | Yes | No  | No  |
| Mr. S. Ragothaman          | No  | Yes | Yes | No  | Yes | No  |
| Mr. Mannil Venugopalan *   | No  | No  | Yes | No  | Yes | No  |
| Capt. ManMohan Saggi       | Yes | Yes | Yes | Yes | No  | Yes |
| Ms. Maya Sinha             | Yes | Yes | No  | No  | Yes | No  |
| Mr. D.T. Joseph            | No  | Yes | No  | Yes | No  | No  |
| Mr. Utpal Gokhale          | No  | Yes | No  | Yes | No  | No  |

\*Mr. L.B Culas (DIN: 00434984) tendered his resignation from the directorship of the Company effective 04<sup>th</sup> April 2020.

\*Mr. Mannil Venugopalan (DIN: 00255575) tendered his resignation from the directorship of the Company effective 22<sup>nd</sup> April 2020.

**Details, as on date, of the composition of the Board and changes therein since the last Report, category of the Directors and their attendance at Board meetings and the last Annual General Meeting, number of their other Directorships and Committee Memberships / Chairmanships is given below:**

| Name of the Director                                      | Category of Directorship <sup>1</sup> | Number of Board meetings attended out of 7 held during the year 2019-2020 | Attendance at the last AGM (20.07.2019) | No. of Directorships in other public limited companies as on 31.03.2020 | Name of the Listed Company and the category of Directorship  |                          | No. of Committee positions held in other public limited companies as on 31.03.2020 <sup>2</sup> |        |
|---|---------------------------------------|---|---|---|--|--------------------------|---|--------|
|   |                                       |   |   |   | Name of the Listed Company   | Category of Directorship | Chairman  | Member |
| Mr. S. Ramakrishnan <sup>3</sup><br>Executive Chairman    | ED                                    | 4   | YES                                     | 5   | NA   | NA                       | NIL   | NIL    |
| Capt. Vivek Kumar Singh<br>Managing Director              | ED                                    | 7   | YES                                     | 1   | NA   | NA                       | NIL   | 1      |
| Mr. L. B. Culas <sup>4</sup>                              | NED (NI)                              | 7   | NO                                      | 1   | NA   | NA                       | NIL   | NIL    |
| Mr. Ritesh S. Ramakrishnan <sup>5</sup>                   | NED (NI)                              | 4   | YES                                     | 6   | NA   | NA                       | NIL   | 1      |
| Mr. Mannil Venugopalan <sup>5</sup>                       | NED (I)                               | 6   | YES                                     | 3   | NA   | NA                       | NIL   | 1      |
| Mr. S. Ragothaman   | NED (I)                               | 7   | YES                                     | 6   | <ul style="list-style-type: none"> <li>• DIGJAM LIMITED</li> <li>• THE BOMBAY DYEING AND MANUFACTURING COMPANY LIMITED</li> <li>• NATIONAL PEROXIDE LIMITED</li> <li>• XPRO INDIA LIMITED</li> </ul> | INDEPENDENT DIRECTOR     | 4   | 1      |
| Mr. D. T. Joseph  | NED (I)                               | 7   | YES                                     | 1   | NA   | NA                       | NIL   | 1      |
| Capt. ManMohan Saggi                                      | NED (I)                               | 7   | YES                                     | NIL   | NA   | NA                       | NIL   | NIL    |
| Mr. Deepak Shetty   | NED (I)                               | 7   | NO                                      | 3   | <ul style="list-style-type: none"> <li>• CONTAINER CORPORATION OF INDIA LIMITED</li> <li>• SEAMEC LIMITED</li> </ul>   | INDEPENDENT DIRECTOR     | 1   | 3      |
| Ms. Maya S. Sinha   | NED (I)                               | 7   | YES                                     | 5   | <ul style="list-style-type: none"> <li>• SHRIRAM CITY UNION FINANCE LIMITED</li> </ul>   | INDEPENDENT DIRECTOR     | 0   | 4      |
| Mr. Satish Pillania                                       | NED (NI)                              | 7   | YES                                     | 3   | NA   | NA                       | NA  | NA     |
| Mr. Utpal Gokhale<br>Nominee Director- Exim Bank (Lender) | NED (I)                               | 7   | NO                                      | NIL   | NA   | NA                       | NA  | NA     |

**Notes:**

1. Category of Directorship:
 

|          |   |   |
|----------|---|---|
| ED       | – | Executive Director                                  |
| NED (NI) | – | Non-Executive Director and Non-Independent Director |
| NED (I)  | – | Non-Executive Director and Independent Director     |
2. As required by Regulation 26 of Listing Regulations, only Membership / Chairmanship of the Audit Committee and Stakeholders Relationship Committee have been considered. None of the Directors of the Company is a Member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he is a Director.
3. Mr. S. Ramakrishnan (DIN : 00057637) is the father of Mr. Ritesh S. Ramakrishnan (DIN: 05174818)
4. Mr. L.B Culas (DIN: 00434984) tendered his resignation from the directorship of the Company effective 04<sup>th</sup> April 2020 on account of attaining the age of 75 years. The Director has confirmed that there is no other reason than the one stated for his resignation.
5. Mr. Mannil Venugopalan (DIN: 00255575) tendered his resignation from the directorship of the Company effective 22<sup>nd</sup> April 2020 on account of attaining the age of 75 years. The Director has confirmed that there is no other reason than the one stated for his resignation.

**Appointment and Tenure**

The Directors of the Company are appointed / re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee and approval of the Members at the General Meetings. Except Independent Directors of the Company, all Non-Independent Directors are liable to retire by rotation at the AGM each year and, if eligible, offer themselves for re-election. Additionally, the Executive Directors on the Board have been appointed as per the provisions of the Companies Act and serve in accordance with the terms of their contract of service with the Company.

As regards the appointment and tenure of the Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and the Listing Regulations.
- The Independent Directors will serve a maximum of two terms of five years each, after the introduction of the Companies Act, 2013.
- The Company does not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013 and the Listing Regulations.
- In accordance, with the recently notified changes in the Listing Regulations, the Company shall ensure that the appointment of any Non-Executive Director who has attained the age of 75 years shall be approved by the Members by way of a Special Resolution.

Any person who becomes Director or Officer, including an employee who is acting in managerial or supervisory capacity, shall be covered under Directors' and Officers' Liability Insurance policy. The policy shall also cover those who serve as a Director or Officer, an employee of a company, a de-facto Director or prospective Director named in any listing particulars of the Company and an outside entity Director. The Company has provided insurance cover in respect of legal action against its Directors under the Directors' and Officers' Liability Insurance.

**Board Independence**

Our definition of 'Independence' of Directors is derived from Section 149(6) of the Companies Act, 2013 and Regulation 16 of Listing Regulations. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, all the Independent Directors and the Nominee Director fulfill the condition of independence as specified in Regulation 25 of Listing Regulations and are independent of the Management.

**Board Meetings**

The Board of Directors meet at regular intervals to discuss and decide on Company / Business policy and strategy apart from other Board and statutory business matters. The Board / Committee Meetings are pre-scheduled and a tentative calendar of the Board and Committee Meetings is circulated to the Directors during the previous meeting to facilitate them to plan their schedule for the next meeting and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting. When exigencies prevent a Director from attending a Board or Board committee meeting in person, that Director can participate through video conference.

The Chairman promotes open and frank discussions by all Directors. If there are any situations where there is a conflict of interest, the Director in question will recuse himself/herself from the discussions and abstain from participating in the Board discussion and decision. The Managing Director gives a comprehensive update on the company's business and operations as well as a perspective on industry trends and developments. The CFO presents the financial performance and significant financial highlights. Certain business heads provide an update on their areas of business. External professionals or in-house subject matter experts are also invited to present key topics identified by the Board as well as updates on corporate governance, information technology, risk management, tax related, accounting, listing and other regulations, which may have an impact on the company.

**The Board business generally includes consideration of important corporate actions and events including:**

- Quarterly and Annual Result Announcements;
- Oversight of the Performance of the Business;
- Declaration of Dividends;
- Development and Approval of Overall Business Strategy;
- Board Succession Planning;
- Review of the Functioning of the Committees and
- Other strategic, Transactional and Governance Matters as Required Under the Companies Act, 2013, Listing Regulations and other Applicable Legislations.

The notice of Board / Committee meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Navi Mumbai. The Agenda of the Board / Committee Meetings is set by the Company Secretary in consultation with the Executive Chairman and Managing Director and functional leaders of the Company. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee Meetings covers items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee Meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

Seven Board meetings were held during the year ended 31<sup>st</sup> March 2020. These were on 08<sup>th</sup> May 2019, 28<sup>th</sup> May 2019, 13<sup>th</sup> June 2019, 07<sup>th</sup> August 2019, 14<sup>th</sup> November 2019, 22<sup>nd</sup> January 2020 and 13<sup>th</sup> February 2020. The gap between any two Board meetings did not exceed one hundred twenty days as required by Regulation 17 (2) of Listing Regulation.

- i. During the year 2019-20, the information as mentioned in Schedule II Part A of Listing Regulations has been placed before the Board of Directors for its consideration.
- ii. The Company is in compliance with Regulation 17 to 27 and clauses (b) to (i) of sub regulation 2 of Regulation 46 of Listing Regulations along with amendments therein.
- iii. The Independent Directors of the Company are familiarized with the Company's operations, business, industry and environment in which it functions and the regulatory environment applicable to it. The familiarization programme for Directors has been disclosed on the website (<https://www.transworld.com/shreyas-shipping-and-logistics/policies.html>) of the Company.
- iv. Details of equity shares held by Non-Executive Directors as on 31<sup>st</sup> March 2020:

| Name                       | Category                                | No. of Equity Shares Held |
|----------------------------|---|---------------------------|
| Mr. L. B. Culas *          | Non-Independent, Non-Executive Director | 120,845                   |
| Mr. Ritesh S. Ramakrishnan | Non-Independent, Non-Executive Director | 168,375                   |
| Mr. Mannil Venugopalan *   | Independent Director                    | 0                         |
| Capt. ManMohan Saggi       | Independent Director                    | 0                         |
| Mr. S. Ragothaman          | Independent Director                    | 3,000                     |
| Mr. D. T. Joseph           | Independent Director                    | 0                         |
| Ms. Maya S. Sinha          | Independent Director                    | 0                         |
| Mr. Deepak Shetty          | Independent Director                    | 0                         |
| Mr. Satish Pillania        | Non-Independent, Non-Executive Director | 0                         |
| Mr. Utpal Gokhale          | Nominee Director                        | 0                         |

\*Mr. L.B Culas (DIN: 00434984) tendered his resignation from the directorship of the Company effective 04<sup>th</sup> April 2020.

\*Mr. Mannil Venugopalan (DIN: 00255575) tendered his resignation from the directorship of the Company effective 22<sup>nd</sup> April 2020.

The Company has not issued any convertible instruments.

### Separate Independent Directors' Meetings

The Independent Directors meet at least once in a year, without the presence of Executive Directors or Management representatives.

Meeting of Independent Directors of Company as required for the FY-2019-20 was held on 08<sup>th</sup> April 2020 which was originally scheduled on 24<sup>th</sup> March 2020 and adjourned to 08<sup>th</sup> April 2020 on account of lockdown and restrictions imposed by the Government of India because of outbreak of COVID-19.

### Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees in the capacity of Secretary.

During the year, Ms. Asha Prakash ceased to be the Company Secretary and Compliance Officer of the Company on account of Maternity leave and Ms. Nupur Burman was appointed as the Interim Company Secretary and Compliance Officer of the Company effective 22<sup>nd</sup> January 2020. Further, Ms. Nupur Burman tendered her resignation and Mr. Harshit Garg was appointed as the Interim Company Secretary and Compliance Officer of the Company effective 02<sup>nd</sup> March 2020 till the time Ms. Asha Prakash resumes office.

### COMMITTEES OF THE BOARD

The Board has delegated authority to various Board committees to enable them to oversee certain specific responsibilities based on their terms of reference and carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Board committees are constituted to deal with specific areas / activities as mandated by applicable regulations which concern the Company and need a closer review. The terms of reference of the Board committees set out the responsibilities of the Board committee, conduct of meetings including quorum, voting requirements and qualifications for Board committee membership. The composition of all our Board committees comprises Non-Executive Directors and Executive Directors. Any change to the terms of reference for any Board committee requires Board approval. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as deemed appropriate.

The Board has established the following statutory and non-statutory Committees: -

#### AUDIT COMMITTEE

##### Terms of reference and role of Audit Committee:

- Overseeing our company's internal controls, financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee;
- Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;
- Approving payments to the statutory auditors for any other services rendered by statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - ❖ Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
  - ❖ Changes, if any, in accounting policies and practices and reasons for the same;
  - ❖ Major accounting entries involving estimates based on the exercise of judgment by management;
  - ❖ Significant adjustments made in the financial statements arising out of audit findings;
  - ❖ Compliance with listing and other legal requirements relating to financial statements;
  - ❖ Disclosure of any related party transactions; and
  - ❖ Qualifications and modified opinions in the draft audit report.

- Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of our Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Approval of any transactions of the Company with Related Parties, including any subsequent modifications thereof;
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed Issue by the Company;
- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances and providing for adequate safeguards against victimization of such directors and employees;
- Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Approval of appointment of the Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- Carrying out any other functions as provided under the Companies Act, the Listing Regulations and other applicable laws; and
- Review of (1) management discussion and analysis of financial condition and results of operations; (2) statement of significant related party transactions (as defined by the audit committee), submitted by management; (3) management letters/letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.
- To review compliance with the provisions of Insider Trading Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively
- To provide directions on any penal action to be initiated, in case of any violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015 or the Code, by any person
- Review utilization of loans and/or advances from/ investment by holding company in subsidiary company exceeding INR 100 crores or 10% of the asset size of subsidiary, whichever is lower.

The Committee, inter alia, has reviewed the financial statements including draft Auditors Report for the year ended 31<sup>st</sup> March, 2020 and has recommended its adoption, records of related party transactions, reports related to compliance of laws and risk management and the financial statements of the associate companies.

All the members of the Audit Committee are financially literate. In view of their professional qualification and experience in finance, Ms. Maya Sinha, Mr. S. Ragothaman, Mr. Ritesh S. Ramakrishnan are considered to have accounting and related financial management expertise. Rest of the Audit Committee members are financially literate.

The Chief Financial Officer, representative of the Internal Auditors and the Statutory Auditors are permanent invitees to the meetings of the Audit Committee. The Audit Committee invites such of the Executives to be present at its meetings as it deems fit.

### Composition

The Audit Committee of the Company is constituted in line with provisions of Regulation 18 of Listing Regulations read with Section 177 of the Companies Act, 2013. The composition of the Audit Committee and the details of meetings attended by its members as on 31<sup>st</sup> March, 2020 is as follows

| Name                       | Position held | Category                                   | Number of meetings during year 2019-20 |          |
|----------------------------|---------------|--|--|----------|
|                            |               |  | Held                                   | Attended |
| Ms. Maya Sinha             | Chairperson   | Independent Director                       | 6                                      | 6        |
| Mr. Ritesh S. Ramakrishnan | Member        | Non-Executive and Non-Independent Director | 6                                      | 5        |
| Mr. S. Ragothaman          | Member        | Independent Director                       | 6                                      | 5        |
| Capt. ManMohan Saggi       | Member        | Independent Director                       | 6                                      | 6        |
| Mr. Deepak Shetty          | Member        | Independent Director                       | 6                                      | 6        |

The Company Secretary acts as the Secretary of the Committee.

### Meetings during the year

Six meetings were held during the year ended 31<sup>st</sup> March, 2020. These were on 28<sup>th</sup> May 2019, 07<sup>th</sup> August 2019, 14<sup>th</sup> November 2019, 18<sup>th</sup> December 2020, 22<sup>nd</sup> January 2020 and 13<sup>th</sup> February 2020. The gap between any two Audit Committee meetings did not exceed one hundred twenty days as required by Regulation 17 (2) of Listing Regulations. The requisite quorum was present for all the meetings.

### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with provisions of Regulation 19 of Listing Regulations read with Section 178 of the Companies Act, 2013.

#### Terms of reference:

- To carry out evaluation of the Director's performance and recommend to the Board appointment / removal based on his / her performance.
- To formulate a criterion for determining qualifications, positive attributes and independence of a Director.
- To recommend to the Board on (i) policy relating to remuneration of Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.
- To ensure that the remuneration for Directors is reasonable and sufficient to attract, retain and motivate appropriate Directors required for running the Company effectively.
- To ensure that the remuneration to Key Managerial Personnel and Senior Management involves a balance between the pay and goals appropriate to the working of the Company.
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To monitor the length of service of current Board members, considering succession planning issues and identifying the likely order of retirement by rotation of non-executive directors.
- To devise a policy on diversity of Board of Directors.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- To recommend whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors.



## Composition

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members as on 31<sup>st</sup> March 2020 is as follows:

| Name                | Position held | Category               | Number of meetings during the year 2019-20 |          |
|---------------------|---------------|------------------------|--|----------|
|                     |               |                        | Held                                       | Attended |
| Mr. S. Ragothaman   | Chairman      | Independent Director   | 4  | 4        |
| Mr. S Ramakrishnan  | Member        | Executive Chairman     | 4  | 3        |
| Mr. D.T. Joseph     | Member        | Independent Director   | 4  | 4        |
| Mr. Satish Pillania | Member        | Non-Executive Director | 4  | 4        |

During the year the meetings of the Nomination and Remuneration Committee were held on 28<sup>th</sup> May 2019, 30<sup>th</sup> July 2019, 14<sup>th</sup> November 2019 and 13<sup>th</sup> February 2020.

### Remuneration of Directors:

The Nomination and Remuneration Policy provides a framework for appointment of Directors, Key Managerial Personnel and Senior Management, their performance evaluation and fixing their remuneration based on their performance.

The Company pays remuneration to the Executive Chairman by way of Salary & Commission and to the Managing Director by way of Salary. The commission being a part of profit of the Company, is paid to the Executive Chairman upon the adoption of quarterly accounts by the Board.

The details of remuneration paid to the Directors are as follows:

#### a. For Executive Directors

| Sl. No | Particulars of Remuneration      | S. Ramakrishnan<br>Executive Chairman (₹ in lakhs) |
|--------|----------------------------------|--|
| 1      | Gross Salary                     | 249.24   |
| 2      | Commission (As a part of profit) | -  |
| 2      | Contribution to PF               | 16.63  |

| Sl. No | Particulars of Remuneration | Capt. Vivek Kumar Singh<br>Managing Director (₹ In lakhs) |
|--------|-----------------------------|---|
| 1      | Gross Salary                | 100.26  |
| 2      | Contribution to PF          | 5.94  |

#### b. For Non-Executive Directors

All fees / compensation paid to Non-Executive Directors are fixed by the Board of Directors of the Company within the limits prescribed by the Companies Act, 2013. The criteria for making payments to non- executive directors are disclosed on the Company's website under the weblink: <https://www.transworld.com/shreyas-shipping-and-logistics/policies.html>. For the year ended 31<sup>st</sup> March 2020, the Non-Executive Directors were paid remuneration by way of sitting fees for attending the Board and Committee Meetings as follows:

| Sr. No | Meetings                            | Sitting fees (₹ in lakhs) from 01 <sup>st</sup> April 2019 to 28 <sup>th</sup> May 2019 | Sitting fees (₹ in lakhs) from 29 <sup>th</sup> May 2019 till 31 <sup>st</sup> March 2020 |
|--------|-------------------------------------|---|---|
| 1.     | Board of Directors                  | 0.50  | 0.70  |
| 2.     | Audit Committee                     | 0.50  | 0.70  |
| 3.     | Nomination & Remuneration Committee | 0.30  | 0.30  |
| 4.     | Independent Directors               | 0.30  | 0.30  |
| 5.     | CSR Committee                       | 0.30  | 0.30  |
| 6.     | Risk Management Committee           | 0.30  | 0.30  |
| 7.     | Stakeholders Relationship Committee | 0.30  | 0.30  |

The details of sitting fees paid to the Non-Executive Directors for the year 2019-20 and shares held by them in the Company as on 31<sup>st</sup> March, 2020 are as follows:

| Name of the Director       | Sitting Fees for Board Meetings attended (₹ in lakhs) | Sitting Fees for Committee* Meetings attended (₹ in lakhs) | Number of Equity shares held in Shreyas Shipping & Logistics Ltd. as on 31 <sup>st</sup> March, 2020 |
|----------------------------|---|--|--|
| Mr. L. B. Culas **         | 4.70  | -  | 1,20,845   |
| Mr. Ritesh S. Ramakrishnan | 2.60  | 5.00   | 1,68,375   |
| Mr. Satish Pillania        | 4.70  | 1.20   | NIL  |
| Mr. S. Ragothaman          | 4.70  | 5.60   | 3,000  |
| Mr. D. T. Joseph           | 4.70  | 3.00   | NIL  |
| Mr. Mannil Venugopalan **  | 4.00  | 0.60   | NIL  |
| Capt. ManMohan Saggi       | 4.70  | 5.10   | NIL  |
| Ms. Maya S. Sinha          | 4.70  | 5.40   | NIL  |
| Mr. Deepak Shetty          | 4.70  | 5.10   | NIL  |
| Mr. Utpal Gokhale          | 4.70  | -  | NIL  |

\*Includes all the Committees (Independent directors meeting fees not included)

\*\*Mr. L.B Culas (DIN: 00434984) tendered his resignation from the directorship of the Company effective 04<sup>th</sup> April 2020.

\*\*Mr. Mannil Venugopalan (DIN: 00255575) tendered his resignation from the directorship of the Company effective 22<sup>nd</sup> April 2020.

Presently, the Directors of the Company who are not in whole-time employment of the Company are compensated only by way of sitting fees for attending the meetings of the Board and its Committees. The Board of Directors has not recommended commission for the Directors not in whole-time employment of the Company for the year ended 31<sup>st</sup> March, 2020. The Company does not have a scheme for stock options for its Directors. None of the Independent Directors had pecuniary interest in or transactions with the Company during the year.

The terms and conditions of the appointment of aforesaid independent directors and remuneration thereon are disclosed on the Company's website under the weblink: <https://www.transworld.com/shreyas-shipping-and-logistics/policies.html>

#### Stakeholders Relationship Committee

The Stakeholders Relationship Committee is constituted in line with provisions of Regulation 20 of Listing Regulations read with Section 178 of the Companies Act, 2013.

The role of Stakeholders' Relationship Committee includes resolving the grievances of Members, ensuring expeditious share transfer process in line with the proceedings of the Share Transfer Committee, evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company.

## Composition

The composition of the Stakeholders Relationship Committee as on 31<sup>st</sup> March 2020 is as follows:

| Name                       | Position held | Category               | Number of meetings during the year 2019-20 |          |
|----------------------------|---------------|------------------------|--|----------|
|                            |               |                        | Held                                       | Attended |
| Mr. D. T. Joseph           | Chairman      | Independent Director   | 4  | 4        |
| Capt. Vivek Kumar Singh    | Member        | Managing Director      | 4  | 4        |
| Mr. Ritesh S. Ramakrishnan | Member        | Non-Executive Director | 4  | 3        |

### Terms of reference:

- Review the existing investor redressal system and suggest measures for improvement.
- Resolution of investor grievances / complaints.
- Suggest improvement in investor relations.
- Propose to the Board of Directors, the appointment / re-appointment of the Registrar and Share Transfer Agent, including the terms and conditions, remuneration, service charge / fees.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted for various services rendered by the Registrar and Share Transfer Agent.
- Review of the various measures and initiatives for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrant/annual reports/statutory notices by the shareholders of the company.

### Meetings and attendance during the year

Four meetings of the Committee were held during the year ended 31<sup>st</sup> March 2020. These were on 28<sup>th</sup> May 2020, 07<sup>th</sup> August 2019, 14<sup>th</sup> November 2019 and 13<sup>th</sup> February 2020.

The Secretarial Department of the Company, under the supervision of the Company Secretary, who is also nominated by the Company as the "Compliance Officer" as required under Regulation 6 of Listing Regulations and the Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd. attend to all grievances of the Shareholders and the investors. The Company and M/s. Link Intime India Pvt. Ltd. are making continual attempts to ensure that the grievances are expeditiously addressed and redressed to the full satisfaction of the Shareholders.

The details of Investor complaints received and redressed during the year 2019-20 is as follows:

|                          |   |
|--------------------------|---|
| Opening Balance          | 0 |
| Received during the year | 6 |
| Resolved during the year | 6 |
| Closing Balance          | 0 |

### Corporate Social Responsibility Committee

The "Corporate Social Responsibility Committee" ("CSR Committee") has been constituted in accordance with Section 135 of the Companies Act, 2013. The role of CSR Committee includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of Company in the area of CSR.

**Composition:** The composition of the Corporate Social Responsibility Committee as on 31<sup>st</sup> March, 2020 is as follows:

| Name                | Position held | Category             | Number of meetings during the year 2019-20 |          |
|---------------------|---------------|----------------------|--|----------|
|                     |               |                      | Held                                       | Attended |
| Mr. S. Ramakrishnan | Chairman      | Executive Chairman   | 2  | 2        |
| Mr. D. T Joseph     | Member        | Independent Director | 2  | 2        |
| Ms. Maya S. Sinha   | Member        | Independent Director | 2  | 1        |

**Terms of Reference:**

1. To frame CSR policy and review it from time to time
2. Ensure effective implementation and monitoring of CSR activities as per the policy.
3. Ensure compliance with laws governing CSR
4. Report to the Board of Directors.

Two meetings were held during the year on 27<sup>th</sup> May 2019 and 19<sup>th</sup> November 2019.

**OTHER COMMITTEES:**

**Share Transfer Committee**

The Share Transfer Committee has been specifically constituted for approving the transfer / transmission / transposition of shares and consolidation / splitting of folios, issue of share certificates in exchange for sub-divided, consolidated, defaced share certificates, etc. ensuring compliance with legal requirements of share transfers and co-ordination with the Registrar and Share Transfer Agent, Depositories, etc.

**Composition:** The composition of the Share Transfer Committee as on 31<sup>st</sup> March, 2020 is as follows:

| Name                    | Position held | Category                |
|-------------------------|---------------|-------------------------|
| Capt. Vivek Kumar Singh | Chairman      | Managing Director       |
| Mr. Rajesh Desai        | Member        | Chief Financial Officer |

Meetings of the Share Transfer Committee are usually held fortnightly. 24 meetings of the Share Transfer Committee were held during the year 2019-20.

**Risk Management Committee**

The Risk Management Committee is constituted in accordance with Regulation 21 of Listing Regulations. The Committee meets at regular intervals and assesses the risk areas for the Company and suggests measures to mitigate such risks.

**Composition:** The composition of the Risk Management Committee as on 31<sup>st</sup> March, 2020 is as follows:

| Name                     | Position | Designation          |
|--------------------------|----------|----------------------|
| Mr. Deepak Shetty        | Chairman | Independent Director |
| Mr. Mannil Venugopalan * | Member   | Independent Director |
| Mr. S. Ragothaman        | Member   | Independent Director |
| Capt. Vivek Kumar Singh  | Member   | Managing Director    |

\*Mr. Mannil Venugopalan (DIN: 00255575) tendered his resignation from the directorship of the Company effective 22<sup>nd</sup> April 2020.

During the financial year ended 31<sup>st</sup> March 2020, the Committee met three times on 26<sup>th</sup> July 2019, 15<sup>th</sup> November 2019 and 20<sup>th</sup> February 2020 for reviewing the Company level risks, mitigation plans and actions.

## Finance Committee

The Finance Committee provides approval for the terms and conditions on various banking facilities that may be required towards capital or financial expenditure of the Company.

**Composition:** The composition of the Finance Committee as on 31<sup>st</sup> March, 2020 is as follows:

| Name                       | Position | Designation            |
|----------------------------|----------|------------------------|
| Mr. Ritesh S. Ramakrishnan | Chairman | Non-Executive Director |
| Ms. Maya Sinha             | Member   | Independent Director   |
| Capt. ManMohan Saggi       | Member   | Independent Director   |
| Capt. Vivek Kumar Singh    | Member   | Managing Director      |

During the financial year ended 31<sup>st</sup> March 2020, the Committee met three times on 24<sup>th</sup> July 2019, 30<sup>th</sup> September 2019 and 13<sup>th</sup> February 2020 for reviewing the Company level risks, mitigation plans and actions.

## IX. General Body Meetings

### a. Particulars of the last three Annual General Meetings (AGM's)

| Financial year | AGM No.          | Date                        | Venue  | Time       |
|----------------|------------------|-----------------------------|--|------------|
| 2018-2019      | 31 <sup>st</sup> | 20 <sup>th</sup> July, 2019 | Sivaswamy Auditorium of Fine Arts Cultural Centre, 61/21 R.C. Marg, Opp.Vijaya Bank, Chembur, Mumbai – 400 071 | 11.00 a.m. |
| 2017-2018      | 30 <sup>th</sup> | 20 <sup>th</sup> July, 2018 | Sivaswamy Auditorium of Fine Arts Cultural Centre, 61/21 R.C. Marg, Opp.Vijaya Bank, Chembur, Mumbai – 400 071 | 11.00 a.m. |
| 2016-2017      | 29 <sup>th</sup> | 21 <sup>st</sup> July, 2017 | Sivaswamy Auditorium of Fine Arts Cultural Centre, 61/21 R.C. Marg, Opp.Vijaya Bank, Chembur, Mumbai – 400 071 | 11.00 a.m. |

### b. Special resolutions passed at last three AGM's

| Sr. No | Date of AGM                | Special Resolutions passed   |
|--------|----------------------------|--|
| 1      | 20 <sup>th</sup> July 2019 | 1. Shifting of Registered Office of the Company  |
| 2      | 21 <sup>st</sup> July 2018 | 1. To appoint Mr. Deepak Shetty (DIN: 07089315) as an Independent Director<br>2. To regularize the appointment of Mr. Satish Pillania (DIN: 03233212) as Director<br>3. To re-appoint Mr. Daniel Traveyn Joseph (DIN:01716572) as an Independent Director<br>4. To re-appoint Mr. Mannil Venugopalan (DIN: 00255575) as an Independent Director<br>5. To re-appoint, Capt. Man Mohan Saggi (DIN: 06862742), as an Independent Director<br>6. To re-appoint, Mr. S Ragothaman (DIN: 00042395), as an Independent Director<br>7. To re-appoint, Ms. Maya S Sinha (DIN: 03056226), as an Independent Director<br>8. To approve revision of remuneration of Mr. S Ramakrishnan (DIN : 00057637), Executive Chairman (non-KMP) and appointment as whole-time director<br>9. To approve change in designation and revision of remuneration of Capt. Vivek Kumar Singh (DIN: 07835635), Managing Director |
| 3      | 21 <sup>st</sup> July 2017 | 1. Appointment of Capt. Vivek Kumar Singh (DIN: 07835635) as Whole Time Director (Executive Director) of the Company<br>2. Appointment of Capt. Vivek Kumar Singh (DIN: 07835635) as Whole Time Director (Executive Director) of the Company for a period of 3 years and fixation of his remuneration.   |

## X. Means of communication

- a. The quarterly and annual financial results of the Company are being published in leading newspapers to provide easier accessibility to the Shareholders and are also displayed on the Company's website <https://www.transworld.com/shreyas-shipping-and-logistics.html>

The financial results during the year 2019-20 were published in The Free Press Journal and Nav Shakti. The results are simultaneously uploaded on the Company's website.

- b. Official press releases and presentations as and when made to the media and Analysts are made available on the Company's website <https://www.transworld.com/shreyas-shipping-and-logistics.html>

## XI. General Shareholders' Information

| S. No.                                | Salient items of interest                  | Particulars  |
|---------------------------------------|--|--|
| i.                                    | AGM Date                                   | 15 <sup>th</sup> September, 2020   |
| ii.                                   | AGM Time                                   | 11.00 A.M.   |
| iii.                                  | AGM Venue                                  | Through Video Conferencing   |
| iv.                                   | Financial Calendar (tentative)             | 01.04.2019 to 31.03.2020   |
| <b>Results for the quarter ending</b> |  |  |
|                                       | 30 <sup>th</sup> June, 2020                | On or before 15 <sup>th</sup> September 2020   |
|                                       | 30 <sup>th</sup> September, 2020           | On or before 14 <sup>th</sup> November 2020  |
|                                       | 31 <sup>st</sup> December, 2020            | On or before 14 <sup>th</sup> February 2021  |
|                                       | 31 <sup>st</sup> March, 2021               | On or before 30 <sup>th</sup> May 2021   |
| v.                                    | Dates of Book Closure                      | 08 <sup>th</sup> September, 2020 to 15 <sup>th</sup> September, 2020 (both days inclusive)   |
| vi.                                   | Postal Ballot                              | There is no postal ballot conducted during the year 2019-2020.   |
| vii.                                  | Listing on Stock Exchanges<br>Listing Fees | <b>BSE Limited ("BSE")</b><br>P. J. Towers<br>Dalal Street, Mumbai 400001<br><b>National Stock Exchange of India Ltd. ("NSE")</b><br>Exchange Plaza, C-1, Block G, Bandra Kurla Complex,<br>Bandra (East), Mumbai 400051<br>Annual listing fee for the financial year 2019-20 has been paid to the above Stock Exchanges where the securities of the Company are listed. |
| viii.                                 | Stock Code                                 | BSE - 520151<br>NSE – SHREYAS<br>ISIN-INE757B01015   |
| ix.                                   | Registrar & Share Transfer Agent           | M/s. Link Intime India Pvt. Ltd.<br>C-101, 247 Park,<br>L. B. S. Marg, Vikhroli (West)<br>Mumbai – 400083.<br>Tel No. 022 – 49186270, Fax No. 022 -49186060<br>E-mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>  |

| S. No. | Salient items of interest  | Particulars   |
|--------|--|---|
| x.     | Share Transfer System  | <p>Transfers of Shares in physical form are processed by M/s. Link Intime India Pvt. Ltd. and are approved by the Share Transfer Committee, which usually meets fortnightly. Transfers of Shares are done accordingly, and Share Certificates are dispatched within a period of 30 days from the date of receipt of the request, provided the relevant documents are valid and complete in all respects.</p> <p>Trading in the Company's Shares is permitted only in dematerialized form.</p> <p>In respect of shares held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee and the Depository Participant through electronic debit / credit of the accounts involved.</p> |
| xi.    | Dematerialization of shares (Equity)   | <p>As on 31<sup>st</sup> March 2020, 21,651,307 shares are in dematerialized mode.</p> <p><b>National Securities Depository Limited</b><br/>           Trade World Centre, 5<sup>th</sup> Floor, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013.</p> <p><b>Central Depository Services Limited</b><br/>           17<sup>th</sup> Floor, Phiroze Jeejebhoy Towers, Dalal Street, Mumbai-400023.</p>  |
| xii.   | Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity | NIL   |
| xiii.  | Commodity Price Risk or Foreign Exchange Risk  | <p>Fuel oil constitutes a major component of the Company's operating cost. The Company faces risk of volatility of the oil prices and at relevant times, the option of hedging may be considered. However, during the year, the Company has not undertaken any hedging activities.</p> <p>With a balance of foreign inflow and outflow, the Company has a natural hedge of foreign exchange.</p>  |
| xiv.   | Plant locations  | Not applicable as the Company is in Shipping and Logistics business.  |
| xv.    | Address for correspondence   | <p><b>Registered office and Administrative Office</b><br/>           D-301-305, Level 3, Tower II, Seawoods Grand Central, Plot No. R1, Sector-40, Nerul Node, Navi Mumbai- 400 706.<br/>           Tel. No. 022 - 68110300<br/>           Fax. No.: 022 – 68110333</p> <p><b>Registrar &amp; Share Transfer Agents</b><br/>           M/s. Link Intime India Pvt. Limited.<br/>           C-101, 247 Park,<br/>           L. B. S. Marg, Vikhroli (West)<br/>           Mumbai – 400 083.<br/>           Tel No. 022 – 49186270, Fax No. 022 -49186060<br/>           E-mail: <a href="mailto:mt.helpdesk@linkintime.co.in">mt.helpdesk@linkintime.co.in</a></p>   |
| xvi.   | CIN  | L63000MH1988PLC048500   |

**OTHER DISCLOSURES**

- a. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in Annexure to the Notes to Accounts. These are not in conflict with the interests of the Company in view of the following: -
  - i. The Audit Committee had granted omnibus approval up to certain threshold limits for during 2019-20 and the actual value of transactions were reviewed on quarterly basis vis-à-vis the limits.
  - ii. As required under Regulation 23 of the Listing Regulations, the Company has formulated a policy on related party transactions. The Policy is available on the Company's website under the web link: <https://www.transworld.com/shreyas-shipping-and-logistics/policies.html>.
  - iii. All details relating to financial and commercial transactions, wherein Directors may have a potential interest are provided to the Board and the interested Directors neither participate in the discussion, nor do they vote on such matters.
  - iv. These are at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.
- b. The Company has a Whistle Blower Policy in place and accordingly all Directors and employees have access to the Chairman of the Audit Committee under the said Policy. The whistle blower policy can be accessed on the company's website: <https://www.transworld.com/shreyas-shipping-and-logistics/policies.html>.
- c. Disclosures have been received from Senior Management Personnel to the effect that during the year ended 31<sup>st</sup> March 2020, there were no financial and commercial transactions in which they had personal interest that may have a potential conflict with the interest of the Company at large.
- d. The Company has adopted the following policies and are also uploaded on the Company's website <https://www.transworld.com/shreyas-shipping-and-logistics.html> :
  1. Archival Policy
  2. Policy on Preservation of Documents
  3. Policy on Material Events
  4. Policy on Appointment of Directors
  5. Composition of Committees of Board
  6. Whistle Blower policy
  7. Familiarization Programme
  8. Risk Assessment and Management Policy
  9. Policy on Corporate Social Responsibility
  10. Dividend Distribution Policy
  11. Related Party Transactions Policy
  12. Succession Planning
  13. Policy-Sexual Harassment
  14. Remuneration Policy
  15. Code of Business Conducts and Ethics for Board of Directors and Senior Management Personnel
  16. Board Bio-Diversity
- e. With regard to matters related to capital markets, the Company has duly complied with the requirements of the Listing Agreements as well as the other regulations and guidelines of SEBI. There were no instances of non-compliance in the last three years and consequently, no penalties were imposed, or strictures passed against the Company by SEBI, Stock Exchanges or any other statutory authority.
- f. The Company has complied with Part E of Schedule II of the Listing Regulations as follows:
  1. The Statutory Auditor's report on financial statements of the Company are unqualified.
  2. The Internal Auditors make presentations and reports directly to the Audit Committee on functional matters.



3. As on 31<sup>st</sup> March 2020, Mr. S. Ramakrishnan is the Executive Chairman and Capt. Vivek Kumar Singh is the Managing Director of the Company. Thus, the Company has complied with the requirement of having separate persons to the post of Chairman and Managing Director / Chief Executive Officer.

The company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulations 27 (2)(a) of the Listing Regulations.

- g. Only the interest component of term loan availed in foreign currency is hedged.
- h. As on 31<sup>st</sup> March 2020, the Company does not have any material subsidiary company. In line with the requirements of the Listing Regulations, a policy to determine a material subsidiary has been framed and the same may accessed on the company's website at the link: <https://www.transworld.com/shreyas-shipping-and-logistics/policies.html>
- i. The Company has undertaken Secretarial Audit for the financial year 2019-20 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by SEBI and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report.
- j. The Company has fully complied with all the mandatory requirements of Listing Regulations and any amendments thereafter.
- k. The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 and while preparing Financial Statements.
- l. The Company has received certificate from practicing Company Secretary that the directors are not debarred or disqualified by SEBI/MCA or any other statutory body and the same is given as Annexure I in the Annual Report.
- m. There was no such instance during FY 2019-20 when the Board has not accepted any recommendation of any Committee of the Board.
- n. The company has created a Policy for Prevention of Sexual Harassment of Women at Workplace to seek recourse and redressal to instances of sexual harassment. An Internal Complaints Committee has been constituted in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year ended 31<sup>st</sup> March, 2020 the Company has not received any complaints pertaining to Sexual Harassment.

## XII. Auditors' certificate on Corporate Governance

The Auditors certificate on compliance with the Corporate Governance requirements under Schedule V of the Listing Regulations entered into with the Stock Exchanges is given as as Annexure II of the Report.

## XIII. Code of Conduct for prevention of Insider trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a comprehensive policy towards "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" and "Policy and Procedure to deal for inquiry in leakage of Unpublished Price Sensitive Information". The Company believes that these Codes will help in ensuring compliance in line with SEBI Regulations and any amendments thereto.

## XIV. Credit Ratings

The company maintains a valuable relationship and trust with all our stakeholders by ensuring a transparent financial reporting system. The financial discipline and prudence are also reflected in the credit ratings.

CRISIL, the reputed Rating Agency has revised the credit rating to CRISIL BBB+/ STABLE for long term financial instruments of the company on 01<sup>st</sup> April, 2020. However, for the year 2019 -2020 rating was CRISIL A-/ STABLE

## XV. Fees paid to Statutory Auditors

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, given below:

|  | ₹ in Lakhs |
|--|------------|
| Payment to Statutory Auditors                      | FY 2019-20 |
| Statutory Audit                                    | 39         |
| Other services including reimbursement of expenses | 8          |
| <b>Total</b>                                       | <b>47</b>  |

## AFFIRMATION AND DISCLOSURE

All the Members of the Board and the Senior Management Committee have affirmed their compliance with the Code of Conduct as on 31<sup>st</sup> March 2020 and a declaration to that effect, signed by the Managing Director, is attached and forms part of this Report Annexure III.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the Listing Regulations. The Code of Conduct for Directors and Senior Management is posted on the Company's website under the web link: <https://www.transworld.com/shreyas-shipping-and-logistics/policies>.

### Unpaid / Unclaimed Dividends

In accordance with the provisions of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends remaining unclaimed or unpaid for a period of seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the DEMAT account of IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority.

In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement.

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹ 203,708 for 2011-12 (Final) of unpaid / unclaimed dividends and 9990 shares for 2011-12 (Final) were transferred during the financial year 2019-20 to the Investor Education and Protection Fund. The Company had sent notices to such members in this regard and published a newspaper advertisement and thereafter transferred the shares to the IEPF during the financial year 2019-20.

The shares and unclaimed dividend transferred to IEPF can however be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The member/claimant is required to make an online application to the IEPF authority in Form No. IEPF-5 (available on [iepf.gov.in](http://iepf.gov.in)) along with requisite fees as decided by the IEPF authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company <https://www.transworld.com/shreyas-shipping-and-logistics.html>

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 20<sup>th</sup> July, 2019 (date of last AGM) on the Company's website and on the website of the Ministry of Corporate Affairs at [www.iepf.gov.in](http://www.iepf.gov.in).

| Financial Year Ended            | Date of Declaration of Dividend | Last date for claiming Unpaid Dividend | Transfer to IEP Fund in |
|---------------------------------|---------------------------------|--|-------------------------|
| 31 <sup>st</sup> March 2013     | 22.07.2013                      | 10.08.2020                             | Aug-20                  |
| 31 <sup>st</sup> March 2014     | 12.08.2014                      | 25.08.2021                             | Sep-21                  |
| 31 <sup>st</sup> March 2015 (I) | 11.02.2015                      | 25.02.2022                             | Mar-22                  |
| 31 <sup>st</sup> March 2015 (F) | 21.07.2015                      | 31.07.2022                             | Aug-22                  |
| 31 <sup>st</sup> March 2016     | 21.07.2016                      | 31.07.2023                             | Aug-23                  |
| 31 <sup>st</sup> March 2017     | 21.07.2017                      | 31.07.2024                             | Aug-24                  |
| 31 <sup>st</sup> March 2018     | 20.07.2018                      | 31.07.2025                             | Aug-25                  |
| 31 <sup>st</sup> March 2019     | 20.07.2019                      | 31.07.2026                             | Aug-26                  |

Following are the details of unpaid dividend which will be due for transfer to IEPF up to March 31, 2020:

| Nature of Payment           | Date of Payment | Unpaid dividend to be claimed by | Transfer to IEP Fund in |
|-----------------------------|-----------------|----------------------------------|-------------------------|
| 31 <sup>st</sup> March 2013 | 22.07.2013      | 10.08.2020                       | Aug-20                  |

While the Registrar of the Company has already written to the shareholders informing them about the due dates of transfer to IEPF for these payments, attention of the shareholder is again drawn to this matter through Annual Report.

Distribution of Shareholding as on 31<sup>st</sup> March 2020

| Category (Nominal value of shares)<br>From To | No. of Shareholders | % of Total Shareholders | Share amount (In ₹) | % of Total Shareholding |
|---|---------------------|-------------------------|---------------------|-------------------------|
| Up to 5,000*                                  | 11,450              | 88.17                   | 13,917,170          | 6.34                    |
| 5,001 - 10,000                                | 786                 | 6.05                    | 5,906,860           | 2.69                    |
| 10,001 - 20,000                               | 387                 | 2.98                    | 5,698,980           | 2.59                    |
| 20,001 - 30,000                               | 127                 | 0.98                    | 3,179,850           | 1.45                    |
| 30,001 - 40,000                               | 62                  | 0.48                    | 2,175,180           | 0.99                    |
| 40,001 - 50,000                               | 38                  | 0.29                    | 1,724,330           | 0.79                    |
| 50,001 - 1,00,000                             | 67                  | 0.52                    | 4,622,540           | 2.10                    |
| 1,00,001 & above                              | 69                  | 0.53                    | 182,350,420         | 83.05                   |
| <b>Total</b>                                  | <b>12,986</b>       | <b>100</b>              | <b>219,575,330</b>  | <b>100</b>              |

\*Includes 4 promoter shareholders holding NIL shares.

#### Shareholders' profile

As on 31<sup>st</sup> March 2020, the Company had 12,986 shareholders. The Company's Shares are held by diverse entities as per the following break-up:

| Sr No.   | Category                       | No. of Shares held | Percentage of Shareholding |
|----------|--------------------------------|--------------------|----------------------------|
| <b>A</b> | <b>Promoter's Holding</b>      |                    |                            |
| <b>1</b> | <b>Promoters</b>               |                    |                            |
|          | Indian Promoters:              | 5,000              | 0.02                       |
|          | Foreign Promoters:             | 1,51,32,495        | 68.92                      |
| <b>B</b> | <b>Non-Promoter Holding</b>    |                    |                            |
| <b>2</b> | <b>Institutional Investors</b> |                    |                            |
| a.       | Mutual Funds                   | 600                | 0.00                       |
| b.       | Alternate Investments Funds    | 2,57,500           | 1.17                       |
| c.       | Banks, Financial Institutions  | 252                | 0.00                       |
| d.       | Others (UTI)                   | 300                | 0.00                       |
| <b>3</b> | <b>Others</b>                  |                    |                            |
| a.       | Bodies Corporate               | 8,97,816           | 4.10                       |
| b.       | Indian Public                  | 47,85,216          | 21.79                      |
| c.       | NBFC's registered with RBI     | 0                  | 0                          |
| d.       | IEPF                           | 1,47,443           | 0.67                       |
| e.       | Foreign Nationals              | 600                | 0.00                       |
| f.       | NRIs/OCBs                      | 0                  | 0.00                       |
| g.       | HUF                            | 1,06,572           | 0.49                       |
| h.       | Clearing Member                | 3,56,413           | 1.62                       |
| i.       | Market Maker                   | 0                  | 0.00                       |
| j.       | NRI (Repat)                    | 1,39,980           | 0.64                       |
| k.       | NRI (Non Repat)                | 1,25,566           | 0.57                       |
| l.       | Trust                          | 1,780              | 0.01                       |
|          | <b>Total (1+2+3)</b>           | <b>2,19,57,533</b> | <b>100</b>                 |

- None of the Promoter's shareholding have been pledged as on 31<sup>st</sup> March, 2020

The detailed report on shareholding pattern of the Company as on 31<sup>st</sup> March, 2020 is presented in MGT-9 and available on Company's website.

#### Bifurcation of shres held in physical and DEMAT form as on 31<sup>st</sup> March 2020

| Particulars      | No. of Shares     | %             |
|------------------|-------------------|---------------|
| Physical Segment | 306,226           | 1.39          |
| Demat Segment    | 21,651,307        | 98.61         |
| <b>TOTAL</b>     | <b>21,957,533</b> | <b>100.00</b> |

#### Stock price data

- (1) The monthly high and low stock quotations during the financial year 2019-20 and performance in comparison to the BSE SENSEX is given below:

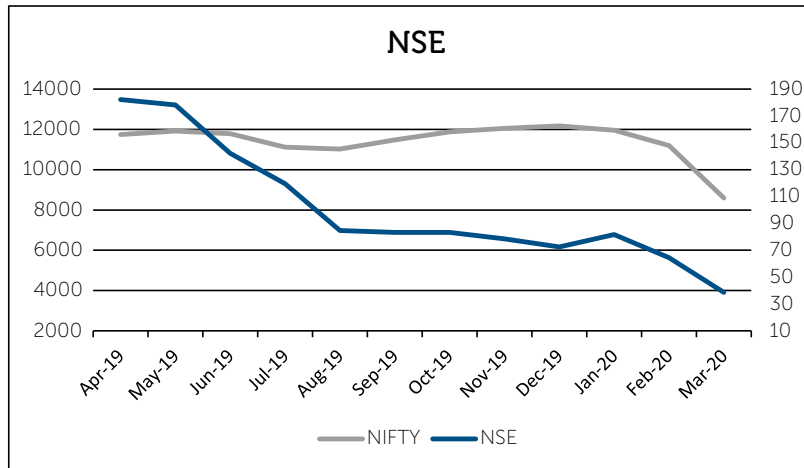
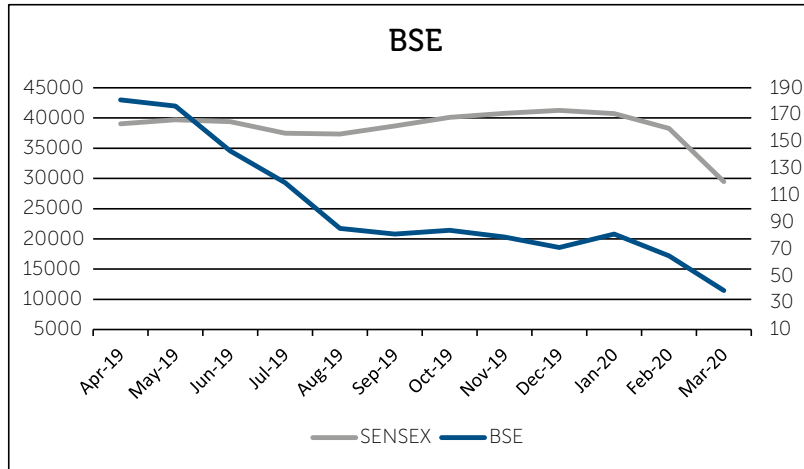
| Month & Year   | Share Price of Shreyas on BSE |                 | BSE SENSEX                 |                           | Share Price of Shreyas on NSE |                 | S&P CNX NIFTY              |                           |
|----------------|-------------------------------|-----------------|----------------------------|---------------------------|-------------------------------|-----------------|----------------------------|---------------------------|
|                | Month's High (₹)              | Month's Low (₹) | Month's High (Index point) | Month's Low (Index point) | Month's High (₹)              | Month's Low (₹) | Month's High (Index point) | Month's Low (Index point) |
| April 2019     | 227.5                         | 180.5           | 39,487.45                  | 38,460.25                 | 226.2                         | 180.05          | 11,856.15                  | 11,549.1                  |
| May 2019       | 209.9                         | 155             | 40,124.96                  | 36,956.1                  | 209                           | 154             | 12,041.15                  | 11,108.3                  |
| June 2019      | 177                           | 138             | 40,312.07                  | 38,870.96                 | 178.05                        | 138.1           | 12,103.05                  | 11,625.1                  |
| July 2019      | 147.65                        | 119             | 40,032.41                  | 37,128.26                 | 149                           | 119             | 11,981.75                  | 10,999.4                  |
| August 2019    | 120                           | 64.3            | 37,807.55                  | 36,102.35                 | 125.4                         | 64              | 11,181.45                  | 10,637.15                 |
| September 2019 | 98.95                         | 81.05           | 39,441.12                  | 35,987.8                  | 99                            | 79.35           | 11,694.85                  | 10,670.25                 |
| October 2019   | 85                            | 73.9            | 40392.22                   | 37,415.83                 | 84.75                         | 72.55           | 11,945                     | 11,090.15                 |
| November 2019  | 92.8                          | 72.35           | 41,163.79                  | 40,014.23                 | 91.2                          | 71.4            | 12,158.8                   | 11,802.65                 |
| December 2019  | 79                            | 62.55           | 41,809.96                  | 40,135.37                 | 79.5                          | 62.55           | 12,293.9                   | 11,832.3                  |
| January 2020   | 105.2                         | 73.5            | 42,273.87                  | 40,476.55                 | 106                           | 72.1            | 12,430.5                   | 11,929.6                  |
| February 2020  | 85.85                         | 63.65           | 41,709.3                   | 38,219.97                 | 86.5                          | 62.35           | 12,246.7                   | 11,175.05                 |
| March 2020     | 68                            | 35              | 39,083.17                  | 25,638.9                  | 66.9                          | 33.8            | 11,433                     | 7,511.1                   |

#### (2) Shares traded during 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020

| Particulars  | On BSE             | On NSE             |
|--|--------------------|--------------------|
| No of Shares traded                                      | 349232             | 2342545            |
| Highest Share Price                                      | 227.5 (02.04.2019) | 226.2 (02.04.2019) |
| Lowest Share Price                                       | 35 (30.03.2020)    | 33.8 (26.03.2020)  |
| Closing Share Price as on 31 <sup>st</sup> March, 2020   | 39                 | 38.65              |
| Market Capitalization as on 31 <sup>st</sup> March, 2020 | 84,44,00,973       | 83,68,23,016       |

(3) The Company's share price movement during 2019-2020 on BSE and NSE vis-à-vis respective indices:

(GRAPH)



FOR AND ON BEHALF OF THE BOARD

Place : Mumbai  
Date : July 21, 2020

Capt. Vivek Kumar Singh  
Managing Director  
DIN : 07835635

Satish Pillania  
Director  
DIN: 03233212

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of,  
**Shreyas Shipping and Logistics Limited,**  
D-301 to 305, Level 3, Tower-II, Seawoods Grand Central,  
Plot no. R1, Sector-40, Nerul Node  
Navi Mumbai - 400706

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Shreyas Shipping and Logistics Limited** having CIN L63000MH1988PLC048500 and having registered office at D-301 to 305, Level 3, Tower-II, Seawoods Grand Central, Plot no. R1, Sector-40, Nerul Node Navi Mumbai - 400706 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

| SR. No. | Name of Directors             | DIN      | Date of appointment in the Company |
|---------|-------------------------------|----------|------------------------------------|
| 1.      | Ramakrishnan Sivaswamy Iyer   | 00057637 | 01/04/2004                         |
| 2.      | Vivek Kumar Singh             | 07835635 | 01/06/2017                         |
| 3.      | Ritesh Ramakrishnan Sivaswamy | 05174818 | 30/05/2012                         |
| 4.      | Leonard Basil Culas           | 00434984 | 27/09/1993                         |
| 5.      | Ragothaman Rao Sethumadhava   | 00042395 | 23/07/2004                         |
| 6.      | Venugopalan Mannil            | 00255575 | 03/09/2010                         |
| 7.      | Daniel Trevelyn Joseph        | 01716572 | 10/09/2007                         |
| 8.      | Utpal Suhas Gokhale           | 02619302 | 07/02/2019                         |
| 9.      | Maya Swaminathan Sinha        | 03056226 | 03/07/2014                         |
| 10.     | Satish Kumar Pillania         | 03233212 | 25/05/2018                         |
| 11.     | Manmohan Saggi                | 06862742 | 07/05/2014                         |
| 12.     | Deepak Shetty                 | 07089315 | 13/02/2018                         |

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D M Zaveri & Co.  
Company Secretary

Dharmesh Zaveri  
(Proprietor)

M. No.: 5418  
CP. No.: 4363

Place: Mumbai  
Date: 21<sup>st</sup> July 2020  
ICSI UDIN: F005418B000481058

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF SHREYAS SHIPPING AND LOGISTICS LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter reference no. SVP/2019-20/7877 dated August 8, 2019 and addendum letter MP/EL/2020-21/01 issued on May 27, 2020.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Shreyas Shipping and Logistics Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the Listing Regulations).

#### Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

#### Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W / W-100018)

**Mehul Parekh**  
Partner  
(Membership No. 121513)  
UDIN: 20121513AAAAAK5996

Mumbai, July 21, 2020

## DECLARATION

This is to confirm that the members of the Board of Directors and the Senior Management have confirmed compliance with the Code of Conduct and Ethics for the financial year ended 31<sup>st</sup> March, 2020.

For Shreyas Shipping & Logistics Limited

Capt. Vivek Kumar Singh  
Managing Director  
DIN: 07835635

Place: Mumbai  
Date: 21<sup>st</sup> July 2020



## INDEPENDENT AUDITOR'S REPORT

To The Members of Shreyas Shipping and Logistics Limited

Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the accompanying standalone financial statements of **Shreyas Shipping and Logistics Limited** (the "Company"), which comprise the Balance Sheet as at 31 March 2020, and the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

### DESCRIPTION OF KEY AUDIT MATTER

#### **Ocean freight income from related parties**

The Company, during the year, has earned ocean freight income of ₹ 28,876 lacs from related parties.

The assessment of whether a transaction is at arm's length requires consideration of several factors such as benefits/consideration for each of the parties to enter into the agreement, the prevalent market/industry practice, economic circumstances, similar contracts executed between other unrelated parties etc.

Arm's length assessment of ocean freight service transactions with related parties is deemed to be key audit matter as the management is required to exercise judgements while evaluating the aforesaid factors.

[Refer note 37B to the standalone financial statements for related party transactions]

### PRINCIPLE AUDIT PROCEDURES:

Our audit approach is a combination of test of internal controls and substantive procedures as follows:

- Evaluated and tested the design, implementation and the operating effectiveness of internal controls relating to review of Arm's length assessment of ocean freight service transactions with related parties
- Obtained and reviewed the Board approved framework for assessment of whether the transactions with related parties are at arm's length or not vis-à-vis the suggested method in use under transfer pricing mechanism for the purpose of Income Tax Act, 1961
- Engaged the experts to evaluate the relevance of the method used and appropriateness of its application

- Obtained and reviewed the contracts with related parties including subsequent revisions thereto, to confirm the contractual terms as per which the underlying transactions are recorded.
- Verified the selected third party ocean freight service transaction with the underlying evidences to corroborate the relevance / comparability of third party transactions with related parties

### INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, as amended, 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 on its financial position in its standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Company except for an amount of ₹ 2.03 lac pertaining to dividend declared on 21 July 2012 and transferred to IEPF on 26 September 2019.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Mehul Parekh**  
Partner  
(Membership No. 121513)  
(UDIN: 20121513AAAAAH9165)

Mumbai, 21 July 2020

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Shreyas Shipping and Logistics Limited (the "Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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.

## 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.

## 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.

**OPINION**

In our opinion, to the best of our information and according to the explanations given to us, 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 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Mehul Parekh**

Partner  
(Membership No. 121513)  
(UDIN: 20121513AAAAAH9165)

Mumbai, 21 July 2020

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising of the immovable property of building which is freehold, are held in the name of the Company as at the balance sheet date. There are no immovable properties of freehold or leasehold land and leasehold building disclosed as Property, plant and equipment in the standalone financial statements.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities during the year, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit and hence reporting under paragraph 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013, in respect of activities of the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods & Services Tax, Customs Duty, cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods & Services Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2020 for a period of more than six months from the date they became payable except for an amount of ₹ 0.60 lac pertaining to Provident Fund relating to the period from 1 March 2019 to 31 August 2019, which has been deposited by the Company on 22 June 2020.
  - (c) Details of dues of Customs Duty which have not been deposited as on 31 March 2020 on account of disputes are given below:

| Name of statute      | Nature of dues | Forum where dispute is pending      | Period(s) to which the amount relates * | Amount unpaid (₹ in lac)** | Amount paid under protest (₹ in lac) |
|----------------------|----------------|-------------------------------------|---|----------------------------|--------------------------------------|
| The Custom Act, 1962 | Customs Duty   | Additional Commissioner of Customs  | 2012-13                                 | 36.66                      | -                                    |
|                      |                | Directorate of Revenue Intelligence | 2012-13                                 | 16.23                      | -                                    |

\*period represents the earliest year to the latest year

\*\*excludes interest and penalty

There were no dues of Income-tax, Service Tax, Sales Tax, Excise duty, Value Added Tax and Goods & Services Tax which have not been deposited as at 31 March 2020 on account of dispute.

- (viii) In our opinion and according to the information and explanations given to us, and having regard to the moratorium for repayment of loans and interest thereon opted by the Company as per package announced by Reserve Bank of India due to COVID 19 pandemic, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has neither taken any loans or borrowings from the Government nor issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has neither raised any moneys by way of initial public offer/ further public offer (including debt instruments) nor were such proceeds pending to be applied, during the current year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For DELOITTE HASKINS & SELLS LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/ W-100018)

**Mehul Parekh**

Partner

(Membership No.121513)

(UDIN: 20121513AAAAAH9165)

Mumbai, 21 July 2020



## Balance Sheet as at March 31, 2020

| Particulars  | Notes | (₹ in lac)              |                         |
|--|-------|-------------------------|-------------------------|
|  |       | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>ASSETS</b>  |       |                         |                         |
| <b>(1) Non-current assets</b>  |       |                         |                         |
| (a) Property, plant and equipment  | 5     | 39,965                  | 40,946                  |
| (b) Intangible assets under development  |       | 102                     | 27                      |
| (c) Capital work-in-progress   |       | -                       | 271                     |
| (d) Financial assets   |       |                         |                         |
| (i) Investments  | 6A    | 1,198                   | 2,533                   |
| (ii) Other financial assets  | 7A    | 351                     | 630                     |
| (e) Advance Income tax (net)   |       | 2,674                   | 1,972                   |
| (f) Deferred tax asset   | 18    | 4                       | -                       |
| <b>Total non-current assets</b>  |       | <b>44,294</b>           | <b>46,379</b>           |
| <b>(2) Current assets</b>  |       |                         |                         |
| (a) Inventories  | 9     | 1,300                   | 2,278                   |
| (b) Financial assets   |       |                         |                         |
| (i) Investments  | 6B    | -                       | 19                      |
| (ii) Trade receivables   | 10    | 15,498                  | 14,900                  |
| (iii) Cash and cash equivalents  | 11    | 538                     | 880                     |
| (iv) Bank balances other than (iii) above  | 12    | 1,055                   | 140                     |
| (v) Other financial assets   | 7B    | 185                     | 3,379                   |
| (c) Advance Income tax (net)   |       | 438                     | -                       |
| (d) Other current assets   | 8     | 4,614                   | 3,648                   |
| <b>Total current assets</b>  |       | <b>23,628</b>           | <b>25,244</b>           |
| <b>Total assets</b>  |       | <b>67,922</b>           | <b>71,623</b>           |
| <b>EQUITY AND LIABILITIES</b>  |       |                         |                         |
| <b>Equity</b>  |       |                         |                         |
| (a) Equity share capital   | 13    | 2,196                   | 2,196                   |
| (b) Other equity   | 14    | 31,305                  | 31,369                  |
| <b>Total equity</b>  |       | <b>33,501</b>           | <b>33,565</b>           |
| <b>Liabilities</b>   |       |                         |                         |
| <b>(1) Non-current liabilities</b>   |       |                         |                         |
| (a) Financial liabilities  |       |                         |                         |
| (i) Borrowings   | 15    | 10,994                  | 17,260                  |
| (ii) Other financial liabilities   | 16    | 57                      | 4                       |
| (b) Provisions   | 17    | 16                      | 3                       |
| (c) Deferred tax liabilities   | 18    | -                       | 52                      |
| <b>Total non-current liabilities</b>   |       | <b>11,067</b>           | <b>17,319</b>           |
| <b>(2) Current liabilities</b>   |       |                         |                         |
| (a) Financial Liabilities  |       |                         |                         |
| (i) Borrowings   | 15    | 8,150                   | 7,547                   |
| (ii) Trade payables  |       |                         |                         |
| (A) Total outstanding dues of micro enterprises and small enterprises                      | 19    | -                       | 117                     |
| (B) Total outstanding dues of creditors other than micro enterprises and small enterprises | 19    | 6,062                   | 6,090                   |
| (iii) Other financial liabilities  | 16    | 8,214                   | 5,892                   |
| (b) Provisions   | 17    | 86                      | 87                      |
| (c) Other current liabilities  | 20    | 842                     | 1,006                   |
| <b>Total current liabilities</b>   |       | <b>23,354</b>           | <b>20,739</b>           |
| <b>Total liabilities</b>   |       | <b>34,421</b>           | <b>38,057</b>           |
| <b>Total equity and liabilities</b>  |       | <b>67,922</b>           | <b>71,623</b>           |

The notes 1-40 form integral part of financial statements  
 In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

**Mehul Parekh**  
 Partner  
 Mumbai, July 21, 2020

For and on behalf of the Board

**Capt. Vivek Kumar Singh**  
 Managing Director  
 DIN : 07835635

**Maya Sinha**  
 Director  
 (DIN: 03056226)

**Rajesh Desai**  
 Chief Financial Officer  
 Mumbai, July 21, 2020

**Harshit Garg**  
 Company Secretary  
 (Mem. No. A38321)

## Statement of Profit and Loss for the year ended March 31, 2020

(₹ in lac)

| Particulars   | Notes | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|-------|------------------------------|------------------------------|
| I Revenue from operations   | 21    | 61,246                       | 62,479                       |
| II Other income   | 22    | 355                          | 282                          |
| <b>III Total income (I + II)</b>  |       | <b>61,601</b>                | <b>62,761</b>                |
| <b>IV Expenses</b>  |       |                              |                              |
| (a) Employee benefits expense   | 23    | 7,284                        | 7,378                        |
| (b) Fuel, lube oil and fresh water  | 24    | 21,653                       | 21,385                       |
| (c) Port and marine dues  |       | 8,604                        | 8,964                        |
| (d) Charter hire and ocean freight charges  |       | 11,550                       | 10,334                       |
| (e) Stores and spares   |       | 2,295                        | 2,552                        |
| (f) Other operation cost  | 25    | 3,762                        | 3,948                        |
| (g) Depreciation expense  | 5     | 1,792                        | 2,087                        |
| (h) Finance costs   | 26    | 1,948                        | 1,893                        |
| (i) Other expenses  | 27    | 1,802                        | 883                          |
| <b>Total expenses (IV)</b>  |       | <b>60,690</b>                | <b>59,424</b>                |
| <b>V Profit before exceptional items and tax (III - IV)</b>                       |       | <b>911</b>                   | <b>3,337</b>                 |
| VI Exceptional items  | 28    |                              |                              |
| - Provision for impairment  |       | -                            | (3,060)                      |
| - Insurance claim receivable  |       | -                            | 3,155                        |
| <b>VII Profit after exceptional items but before tax (V-VI)</b>                   |       | <b>911</b>                   | <b>3,432</b>                 |
| <b>VIII Tax expense:</b>  | 38    |                              |                              |
| (i) Current tax   |       | 121                          | 52                           |
| (ii) Deferred tax   |       | (56)                         | 15                           |
|   |       | <b>65</b>                    | <b>67</b>                    |
| <b>IX Profit for the year (VII - VIII)</b>  |       | <b>846</b>                   | <b>3,365</b>                 |
| <b>X Other comprehensive income</b>   |       |                              |                              |
| A (i) Items that will not be reclassified to profit or loss                       |       |                              |                              |
| a) Re-measurements of the defined benefits plans                                  |       | (11)                         | (53)                         |
| b) Income tax on above  |       | -                            | -                            |
| B (i) Items that will be reclassified to profit or loss                           |       |                              |                              |
| a) Effective portion of gains/(loss) on hedging instruments                       |       | (581)                        | (599)                        |
| b) Income tax on above  |       | -                            | -                            |
| <b>XI Total other comprehensive income /(loss) for the year [(X)(A) + (X)(B)]</b> |       | <b>(592)</b>                 | <b>(652)</b>                 |
| <b>XII Total comprehensive income for the year (IX + XI)</b>                      |       | <b>254</b>                   | <b>2,713</b>                 |
| <b>XIII Earnings per equity share of ₹ 10/- each</b>                              |       |                              |                              |
| Basic and diluted   | 30    | <b>3.85</b>                  | <b>15.33</b>                 |

The notes 1-40 form integral part of financial statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Mehul Parekh

Partner

Mumbai, July 21, 2020

For and on behalf of the Board

Capt. Vivek Kumar Singh

Managing Director

DIN : 07835635

Maya Sinha

Director

(DIN: 03056226)

Rajesh Desai

Chief Financial Officer

Mumbai, July 21, 2020

Harshit Garg

Company Secretary

(Mem. No. A38321)

## Statement of cash flows for the year ended March 31, 2020

(₹ in lac)

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| <b>A Cash flow from operating activities</b>                                       |                              |                              |
| <b>Profit before tax</b>   | 911                          | 3,432                        |
| Adjusted for non cash/ non operating items   |                              |                              |
| Depreciation expense   | 1,792                        | 2,087                        |
| Finance costs  | 1,948                        | 1,893                        |
| Allowance for write down of inventories  | 102                          | -                            |
| Gain arising on interest rate swap not designated in hedge accounting relationship | -                            | (15)                         |
| Allowance for doubtful debts (expected credit loss)                                | 340                          | 77                           |
| Insurance claim receivable   | -                            | (3,155)                      |
| Loss on vessel derecognition and related cost                                      | -                            | 2,883                        |
| Hedge ineffectiveness of cash flow hedge   | 184                          | 66                           |
| (Gain) /loss arising on on mutual funds/equity investments designated as at FVTPL  | 14                           | (36)                         |
| Interest on income tax refund  | (54)                         | (76)                         |
| Net loss/(gain) on disposal of mutual fund investments designated as at FVTPL      | (6)                          | 9                            |
| Dividend from an associate company   | -                            | (53)                         |
| Profit on sale of assets   | (46)                         | -                            |
| Interest income earned on financial assets that are not designated as at FVTPL     | (76)                         | (52)                         |
| Dividend income from mutual funds  | (30)                         | (45)                         |
| Rental income  | (66)                         | -                            |
| Liabilities no longer payable written back   | (76)                         | -                            |
|  | <b>4,937</b>                 | <b>7,266</b>                 |
| <b>Adjustments for increase/(decrease) in working capital</b>                      |                              |                              |
| (Increase)/decrease in assets:   |                              |                              |
| Trade receivables  | (861)                        | (902)                        |
| Inventories  | 876                          | (135)                        |
| Other financial assets (current and non current)                                   | 3,304                        | 284                          |
| Other assets (current and non current)   | (966)                        | (1,519)                      |
| Increase/(decrease) in liabilities:  |                              |                              |
| Trade payables   | (68)                         | 1,018                        |
| Other financial liabilities (current and non current)                              | (38)                         | (72)                         |
| Provisions   | 1                            | (31)                         |
| Other liabilities (current)  | (164)                        | 518                          |
| <b>Net increase/(decrease) in working capital</b>                                  | <b>2,084</b>                 | <b>(839)</b>                 |
| Cash generated from operations   | 7,021                        | 6,427                        |
| Less: taxes paid (net)   | (1,262)                      | (499)                        |
| <b>NET CASH GENERATED FROM OPERATING ACTIVITIES - (A)</b>                          | <b>5,759</b>                 | <b>5,928</b>                 |

(₹ in lac)

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| <b>B Cash flow from investing activities</b>                         |                              |                              |
| Additions to property, plant and equipment                           | (2,671)                      | (7,034)                      |
| Sale of property, plant and equipment                                | 2,490                        | 2,405                        |
| Purchase of units of mutual funds                                    | (960)                        | (1,090)                      |
| Proceeds from redemption of mutual funds                             | 2,306                        | -                            |
| Interest income  | 13                           | 103                          |
| Dividend income  | 30                           | 45                           |
| Dividend from an associate company                                   | -                            | 53                           |
| Changes in other balances with bank deposits (net)                   | (640)                        | (93)                         |
| <b>NET CASH GENERATED FROM /(USED) IN INVESTING ACTIVITIES - (B)</b> | <b>568</b>                   | <b>(5,611)</b>               |
| <b>C Cash flow from financing activities</b>                         |                              |                              |
| Proceeds from long term borrowings                                   | 1,840                        | 4,489                        |
| Repayment of long term borrowings                                    | (6,855)                      | (5,290)                      |
| Movement of short term borrowings (net)                              | 603                          | 2,918                        |
| Equity dividend including dividend distribution tax                  | (319)                        | (395)                        |
| Finance costs paid   | (1,938)                      | (1,882)                      |
| <b>NET CASH USED IN FINANCING ACTIVITIES - (C)</b>                   | <b>(6,669)</b>               | <b>(160)</b>                 |
| <b>NET CHANGES IN CASH AND CASH EQUIVALENTS - (A+B+C)</b>            | <b>(342)</b>                 | <b>157</b>                   |
| Cash and cash equivalents at the beginning of the year               | 880                          | 723                          |
| Add : Net change in cash and cash equivalents as above               | (342)                        | 157                          |
| <b>Cash and cash equivalents at the end of the year</b>              | <b>538</b>                   | <b>880</b>                   |
| Closing cash and cash equivalents consists of:                       |                              |                              |
| Cash on hand   | 9                            | 10                           |
| Balance with banks in current account                                | 495                          | 870                          |
| In deposit accounts (original maturity of less than 3 months)        | 34                           | -                            |
| <b>TOTAL</b>   | <b>538</b>                   | <b>880</b>                   |

**Note:**

The Statement of cash flows has been prepared under Indirect Method as set out in Ind AS 7 -Statement of cash flows notified under Section 133 of the Company Act, 2013, read together with Companies (Indian Accounting Standard) Rules 2015.

The notes 1 - 40 form an integral part of the financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Mehul Parekh**

Partner

Mumbai, July 21, 2020

**For and on behalf of the Board**

**Capt. Vivek Kumar Singh**

Managing Director

DIN : 07835635

**Maya Sinha**

Director

(DIN: 03056226)

**Rajesh Desai**

Chief Financial Officer

Mumbai, July 21, 2020

**Harshit Garg**

Company Secretary

(Mem. No. A38321)

## Statement of changes in equity for the year ended March 31, 2020

### (A) EQUITY SHARE CAPITAL:

|   | (₹ in lac )  |
|---|--------------|
| Balance at April 01, 2018                       | 2,196        |
| Changes in equity share capital during the year | -            |
| <b>Balance at March 31, 2019</b>                | <b>2,196</b> |
| Changes in equity share capital during the year | -            |
| <b>Balance at March 31, 2020</b>                | <b>2,196</b> |

### (B) OTHER EQUITY:

(₹ in lac)

| Particulars  | Reserves and surplus       |                            |                     |                                 |                 |                   | Other comprehensive income | Total         |
|--|----------------------------|----------------------------|---------------------|---------------------------------|-----------------|-------------------|----------------------------|---------------|
|  | Capital redemption reserve | Securities premium reserve | Tonnage tax reserve | Tonnage tax utilization reserve | General reserve | Retained earnings | Cash flow hedging reserve  |               |
| Balance as at April 01, 2018   | 1,300                      | 3,823                      | 1,550               | 6,000                           | 1,717           | 15,526            | (864)                      | 29,052        |
| Profit for the year  | -                          | -                          | -                   | -                               | -               | 3,365             | -                          | 3,365         |
| Other comprehensive income for the year, net of taxes, excluding actuarial income / (loss) | -                          | -                          | -                   | -                               | -               | -                 | (599)                      | (599)         |
| Re-measurement of defined benefit plans  | -                          | -                          | -                   | -                               | -               | (53)              | -                          | (53)          |
| <b>Total comprehensive income / (loss) for the year</b>                                    | <b>-</b>                   | <b>-</b>                   | <b>-</b>            | <b>-</b>                        | <b>-</b>        | <b>3,312</b>      | <b>(599)</b>               | <b>2,713</b>  |
| Dividend including dividend distribution tax   | -                          | -                          | -                   | -                               | -               | (396)             | -                          | (396)         |
| Transfer from retained earnings  | -                          | -                          | 630                 | -                               | -               | (630)             | -                          | -             |
| Transfer to tonnage tax reserve  | -                          | -                          | (1,123)             | 1,123                           | -               | -                 | -                          | -             |
| <b>Balance as at March 31, 2019</b>  | <b>1,300</b>               | <b>3,823</b>               | <b>1,057</b>        | <b>7,123</b>                    | <b>1,717</b>    | <b>17,812</b>     | <b>(1,463)</b>             | <b>31,369</b> |
| Profit for the year  | -                          | -                          | -                   | -                               | -               | 846               | -                          | 846           |
| Other comprehensive income for the year, net of taxes, excluding actuarial income / (loss) | -                          | -                          | -                   | -                               | -               | -                 | (581)                      | (581)         |
| Re-measurement of defined benefit plans  | -                          | -                          | -                   | -                               | -               | (11)              | -                          | (11)          |
| <b>Total comprehensive income / (loss) for the year</b>                                    | <b>-</b>                   | <b>-</b>                   | <b>-</b>            | <b>-</b>                        | <b>-</b>        | <b>835</b>        | <b>(581)</b>               | <b>254</b>    |
| Dividend including dividend distribution tax   | -                          | -                          | -                   | -                               | -               | (318)             | -                          | (318)         |
| Transfer from retained earnings  | -                          | -                          | 120                 | -                               | -               | (120)             | -                          | -             |
| <b>Balance as at March 31, 2020</b>  | <b>1,300</b>               | <b>3,823</b>               | <b>1,177</b>        | <b>7,123</b>                    | <b>1,717</b>    | <b>18,209</b>     | <b>(2,044)</b>             | <b>31,305</b> |

The notes 1 - 40 form an integral part of the financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Mehul Parekh**

Partner

Mumbai, July 21, 2020

**For and on behalf of the Board**

**Capt. Vivek Kumar Singh**

Managing Director

DIN : 07835635

**Maya Sinha**

Director

(DIN: 03056226)

**Rajesh Desai**

Chief Financial Officer

Mumbai, July 21, 2020

**Harshit Garg**

Company Secretary

(Mem. No. A38321)

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

### 1. Corporate information

Shreyas Shipping & Logistics Limited (the "Company" or "SSLL") is a public limited company incorporated in India on 16<sup>th</sup> August, 1988 under the Companies Act, 1956. The registered office of the Company is D-301-305, E-312A, F301-302, Level 3, Tower II, Seawoods Grand Central, Plot NO R1, Sector-40, Nerul Node, Navi Mumbai – 400 706.

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

### 2.1. Statement of compliance

These Standalone Financial Statements comprising the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended March 31, 2020 and summary of the significant accounting policies and selected notes (together hereinafter referred to as "Standalone Financial Statements") have been prepared under Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and guidelines issued by Securities and Exchange Board of India (SEBI).

### 2.2. Basis of preparation and presentation

The Standalone Financial Statements are prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies given below. Presentation requirements of Division II of Schedule III to the Companies Act, 2013, as applicable to the Standalone Financial Statements have been followed. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Standalone Financial Statements are presented in Indian Rupees ('INR') which is functional currency of the Company and all values are rounded to the nearest lac, except otherwise indicated.

### 2.3. Applicability of new and revised Ind AS

#### I. Amendments to Ind AS that are notified and adopted by the Company

The Ministry of Corporate Affairs ("MCA") has notified the following new Ind AS /amendments to Ind ASs on March 30, 2019 which is effective from financial year beginning on or after April 1, 2019.

#### a. Ind AS 116 – Leases

Ind AS 116 Leases replaced Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, using the modified retrospective approach. (refer note no. 3(j) and 31)

#### b. Appendix C to Ind AS 12 – Uncertainty over income tax treatment:

The amendment requires an entity to assess whether it is probable that the relevant tax authority will accept an uncertain tax treatment used or proposed to be used, by the entity in its tax filings. The Company has currently carried out an assessment using the most likely amount or the expected value method, as applicable, for better predicting the resolution of uncertain tax positions.

#### c. Ind AS 12 – Income taxes:

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

#### d. Ind AS 19 – Employee Benefits:

The amendment addresses the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments require an entity:

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

- i. to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- ii. to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The adoption of the above new standards / amendments has not resulted into any material impact on the Standalone Financial Statements of the Company.

### II. Ind AS / Amendments to existing Ind AS issued but not yet effective

MCA notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

### 3. Significant accounting policies

#### (a) Revenue recognition

Revenue is recognised upon transfer of control of promised services to customer at an amount that reflects the consideration expected to be received in exchange for those services.

##### (i) Revenue from logistics service operations

- a) Ocean freight and charter hire income from transportation of cargo by inland and international waterways respectively is recognised following the proportionate completion method on time basis.
- b) In case of end to end logistics service under multimodal transport, the revenue is recognized following the proportionate completion method on time basis for each mode.
- c) Other operating income in the nature of documentation charges is recognised upon delivery of such services to the customers.

##### (ii) Dividend income

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

##### (iii) Interest income

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

#### (b) Property, plant and equipment

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

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the expected usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

| Class of assets             | Useful lives in years |
|-----------------------------|-----------------------|
| Dry-dock component of fleet | 5 years               |
| Mobile handset              | 3 years               |
| Computer                    | 6 years               |

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

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

### (c) Intangible assets

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

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

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date.

### (d) Foreign exchange transactions

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

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

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

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

Exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the consolidated financial statements for the year ended March 31, 2017 prepared under Previous GAAP, are capitalized as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

### (e) Borrowing costs

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



## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

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

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

### (f) Taxation

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

#### Current tax:

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

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

#### Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Ind AS Standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit.

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

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

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

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

### (g) Provisions and contingent liabilities

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

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

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

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

### (h) Employee benefits

#### (i) Short-term employee benefits:

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

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

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

#### (ii) Retirement benefit costs and termination benefits

##### Defined contribution plans:

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

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

##### Defined benefit plans:

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

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

##### Defined benefit costs are categorised as follows:

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

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

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

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

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

### **Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related services are rendered at the undiscounted amount of benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in the respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees upto reporting date.

### **(i) Earnings per share**

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

### **(j) Leases:**

The Company has applied Ind AS 116 using the Retrospective Modified Approach and therefore comparative information has not been restated and is presented as per Ind AS 17. Details of accounting policies under both Ind AS 17 and Ind AS 116 are presented separately below.

#### **Policy applicable from April 1, 2019:**

##### **The Company as a lessor:**

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

##### **The Company as a lessee:**

The Company assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset; (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

(defined as leases with a lease term of 12 months or less) and leases of low value assets. For these short term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is presented as a separate line in the Balance sheet. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets are presented as a separate line balance sheet. Right-of-use assets are depreciated on a straight line basis over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

For a contract that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate stand-alone price of the non-lease components.

### **Policy applicable prior to April 1, 2019:**

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

### **The Company as a lessor:**

Amount due from the lessee under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Lease receipts are apportioned between finance income and reduction of the revenue so as to achieve a constant rate of interest on the remaining balance of the finance lease receivable. Finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

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

### **The Company as a lessee:**

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit or Loss.

Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### **(k) Government grant**

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

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

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

### (l) Accounting and reporting of information for Operating Segments

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision Makers (CODM) in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

### (m) Inventories

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

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

### (n) Cash and cash equivalents

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

### (o) Financial instruments

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

#### (a) Non-derivative financial instruments:

##### i) Cash and cash equivalents

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

##### ii) Financial assets carried at amortised cost

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

##### iii) Financial assets at fair value through other comprehensive income

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

##### iv) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Transaction costs

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

### v) Investment in associate and joint venture

The Company records the investments in associate and joint venture at cost less impairment loss, if any.

### vi) Equity instruments

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

### vii) Financial liabilities at amortized cost

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

## (b) Impairment:

### i) Financial assets:

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

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

### ii) Non-financial assets:

#### Property, plant and equipment and intangible assets:

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

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

## (c) De-recognition of financial assets

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

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

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

**(d) Derivative Financial instruments**

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

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

**(e) Offsetting of financial instruments:**

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

**(f) Fair value of financial instruments:**

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

**(g) Hedge Accounting:-**

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

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

**(h) Fair value hedges**

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

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

**(i) Cash flow hedges**

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

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

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

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

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

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

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

#### i. Revenue recognition:

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

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

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

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

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

#### iii. Contingencies:

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in note 34 to the Standalone Financial Statements but are not recognized. The management decides whether the matters needs to be classified as 'remote,' 'possible' or 'probable' based on expert advice, past judgements, terms of the contract etc. Company's assessment of exposure to contingencies could change as new developments occur or more information becomes available. The outcome of the contingencies could vary significantly and could materially impact the Company's results and financial position.

#### iv. Expected credit losses:

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



## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

**v. Defined benefit plans:**

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

**vi. Fair value measurements**

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

**vii. Estimation of uncertainties relating to the global health pandemic from COVID - 19 (COVID-19):**

As the Company's activities were classified as essential services, the lockdown imposed on account of the COVID 19 pandemic, had limited impact on Company's operations during the year ended March 31, 2020. Based on its assessments, the Company believes that it will be able to recover the carrying amount of its assets. Also, the Company has not identified any significant uncertainty with regard to its ability to fulfil its obligations during the period of 12 months subsequent to the year end.

However, the actual impact of COVID 19 on the Standalone Financial Statements may differ from that estimated and the Company will continue to closely monitor any material changes to future economic conditions.

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

## 5. Property, plant and equipment

| Particulars                                     | (₹ in lac)    |                             |                 |                        |                  |           |            |               | Total |
|---|---------------|-----------------------------|-----------------|------------------------|------------------|-----------|------------|---------------|-------|
|   | Fleet         | Dry dock component of fleet | Land & Building | Furniture and fixtures | Office equipment | Computers | Vehicles   |               |       |
| <b>At cost / deemed cost</b>                    |               |                             |                 |                        |                  |           |            |               |       |
| <b>Balance as at April 01, 2018</b>             | <b>37,112</b> | <b>3,512</b>                | -               | <b>62</b>              | <b>14</b>        | <b>17</b> | <b>97</b>  | <b>40,814</b> |       |
| Additions                                       | 4,913         | 1,752                       | -               | 1                      | -                | 3         | 17         | 6,686         |       |
| Disposals                                       | (2,729)       | (257)                       | -               | -                      | -                | -         | -          | (2,986)       |       |
| Effect of foreign currency exchange differences | 663           | -                           | -               | -                      | -                | -         | -          | 663           |       |
| <b>Balance as at March 31, 2019</b>             | <b>39,959</b> | <b>5,007</b>                | -               | <b>63</b>              | <b>14</b>        | <b>20</b> | <b>114</b> | <b>45,177</b> |       |
| Additions                                       | 480           | -                           | 2,233           | 87                     | 68               | -         | -          | 2,868         |       |
| Disposals                                       | (2,462)       | (369)                       | -               | -                      | -                | -         | -          | (2,831)       |       |
| Effect of foreign currency exchange differences | 388           | -                           | -               | -                      | -                | -         | -          | 388           |       |
| <b>Balance as at March 31, 2020</b>             | <b>38,365</b> | <b>4,638</b>                | <b>2,233</b>    | <b>150</b>             | <b>82</b>        | <b>20</b> | <b>114</b> | <b>45,602</b> |       |
| <b>Accumulated depreciation and impairment</b>  |               |                             |                 |                        |                  |           |            |               |       |
| <b>Balance as at April 01, 2018</b>             | <b>1,279</b>  | <b>1,055</b>                | -               | <b>18</b>              | <b>12</b>        | <b>6</b>  | <b>6</b>   | <b>2,376</b>  |       |
| Depreciation expense                            | 702           | 1,360                       | -               | 9                      | 1                | 3         | 12         | 2,087         |       |
| Elimination on disposal of assets               | (94)          | (137)                       | -               | -                      | -                | -         | -          | (231)         |       |
| <b>Balance as at March 31, 2019</b>             | <b>1,887</b>  | <b>2,278</b>                | -               | <b>27</b>              | <b>13</b>        | <b>9</b>  | <b>18</b>  | <b>4,232</b>  |       |
| Depreciation expense                            | 909           | 824                         | 18              | 13                     | 12               | 2         | 14         | 1,792         |       |
| Elimination on disposal of assets               | (225)         | (162)                       | -               | -                      | -                | -         | -          | (387)         |       |
| <b>Balance as at March 31, 2020</b>             | <b>2,571</b>  | <b>2,940</b>                | <b>18</b>       | <b>40</b>              | <b>25</b>        | <b>11</b> | <b>32</b>  | <b>5,637</b>  |       |
| <b>Carrying amount</b>                          |               |                             |                 |                        |                  |           |            |               |       |
| <b>Balance as at March 31, 2019</b>             | <b>38,072</b> | <b>2,729</b>                | -               | <b>36</b>              | <b>1</b>         | <b>11</b> | <b>97</b>  | <b>40,946</b> |       |
| <b>Balance as at March 31, 2020</b>             | <b>35,794</b> | <b>1,698</b>                | <b>2,215</b>    | <b>110</b>             | <b>57</b>        | <b>9</b>  | <b>82</b>  | <b>39,965</b> |       |

## Footnotes :

- (i) Certain property, plant and equipment have been pledged against borrowings, the details relating to which have been described in Note 15.
- (ii) During the year, the Company has purchased the office premises (14,244 sq. ft.) from Avana Logistek Limited, a related party, at a fair value of ₹ 2,072 lac determined based on the recent market price of similar property in the same location.

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

### 6. INVESTMENTS

| Particulars   | As at March 31, 2020 |              | As at March 31, 2019 |              |
|---|----------------------|--------------|----------------------|--------------|
|   | No of shares         | (₹ in lac )  | No of shares         | (₹ in lac )  |
| <b>(A) Non-current</b>  |                      |              |                      |              |
| (i) Investment in equity instruments  |                      |              |                      |              |
| Unquoted  |                      |              |                      |              |
| (a) Investment in an associate (deemed cost)                                    |                      |              |                      |              |
| Avana Logistek Limited (formerly known as Shreyas Relay Systems Limited)        | 10,500,000           | 950          | 10,500,000           | 950          |
| (b) Investment in a joint venture (at cost):                                    |                      |              |                      |              |
| Shreyas-Suzue Logistics (India) Private Limited                                 | 500,000              | 50           | 500,000              | 50           |
| (c) Investment in other equity shares<br>(At fair value through profit or loss) |                      |              |                      |              |
| Orient Express Ship Management Ltd.   | 15,000               | 5            | 15,000               | 9            |
| (ii) Investment in mutual funds:<br>(At fair value through profit or loss)      | -                    | 193          | -                    | 1,524        |
| <b>TOTAL</b>  |                      | <b>1,198</b> |                      | <b>2,533</b> |
| <b>(B) Current</b>  |                      |              |                      |              |
| Investment in mutual funds<br>(At fair value through profit or loss)            |                      | -            |                      | 19           |
| <b>TOTAL</b>  |                      | -            |                      | <b>19</b>    |
| <b>Aggregate carrying amount of unquoted investments</b>                        |                      | <b>1,198</b> |                      | <b>2,552</b> |

### 7. OTHER FINANCIAL ASSETS

| Particulars  | (₹ in lac )          |                      |
|--|----------------------|----------------------|
|  | As at March 31, 2020 | As at March 31, 2019 |
| <b>(A) Non-current</b>   |                      |                      |
| Bank deposits with maturity of more than 12 months as of the balance sheet date including accrued interest thereon (restricted cash) |                      | -                    |
| - Lien against borrowings  | 345                  | 593                  |
| - Others (pledged with customs authorities)  | -                    | 20                   |
| In deposit accounts (Original maturity more than 12 months as of the balance sheet date)   | -                    | 7                    |
| Security deposits  | 6                    | 10                   |
|  | <b>351</b>           | <b>630</b>           |
| <b>(B) Current</b>   |                      |                      |
| Claims receivable  | -                    | 3,155                |
| Interest accrued on fixed deposits   | 69                   | 6                    |
| Unbilled revenue   | 19                   | -                    |
| Interest receivable on Income Tax refund   | 54                   | -                    |
| Other receivables  | 120                  | 218                  |
| Less: Allowance for doubtful receivables   | (77)                 | -                    |
|  | 43                   | 218                  |
|  | <b>185</b>           | <b>3,379</b>         |

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

## 8. OTHER CURRENT ASSETS

| Particulars                                  | (₹ in lac )             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Advances to related parties (refer note 37C) | 857                     | 451                     |
| Prepaid expenses                             | -                       | 26                      |
| Unfinished voyage expenses*                  | -                       | 136                     |
| Export credit entitlements                   | 111                     | 117                     |
| Advances to others - considered good         | 2,089                   | 1,664                   |
| GST Input Tax Credit (Net of tax)            | 1,444                   | 1,200                   |
| Others                                       | 113                     | 54                      |
| <b>Total</b>                                 | <b>4,614</b>            | <b>3,648</b>            |

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

## 9. INVENTORIES

| Particulars   | (₹ in lac )             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Inventories ( at lower of cost and net realisable value)</b> |                         |                         |
| Fuel oil  | 957                     | 1,791                   |
| Less: Allowance for write down of inventories                   | (102)                   | -                       |
|   | <b>855</b>              | <b>1,791</b>            |
| Lube oil  | 408                     | 460                     |
| Victualling stock   | 37                      | 27                      |
| <b>Total</b>  | <b>1,300</b>            | <b>2,278</b>            |

- The cost of inventories recognised as an expense includes ₹ 102 lac (as on March 31, 2019: Nil) in respect of write-down of inventory to net realisable value on account of decrease in fuel prices.
- Inventory with a carrying value of ₹ 1,300 lac (as at March 31, 2019: ₹ 2,278 lac) have been pledged as security of the Company's working capital loans from banks.

## 10. TRADE RECEIVABLES

| Particulars   | (₹ in lac )             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Trade receivables</b>  |                         |                         |
| a) Trade receivables considered good - Secured                      | -                       | -                       |
| b) Trade receivables considered good - Unsecured                    | 15,498                  | 14,900                  |
| c) Trade receivables which have significant increase in credit risk | -                       | -                       |
| d) Trade receivables - credit impaired                              | 375                     | 112                     |
|   | <b>15,873</b>           | <b>15,012</b>           |
| Less: Allowance for doubtful debts (expected credit loss allowance) | (375)                   | (112)                   |
|   | <b>15,498</b>           | <b>14,900</b>           |

## Movement of allowance for expected credit loss

| Particulars                      | (₹ in lac )             |                         |
|----------------------------------|-------------------------|-------------------------|
|                                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Balance at beginning of the year | 112                     | 35                      |
| Recognised during the year"      | 263                     | 77                      |
| Balance at end of the year       | <b>375</b>              | <b>112</b>              |

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

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

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

### 11. CASH AND CASH EQUIVALENTS

| Particulars   | (₹ in lac )             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Cash in hand  | 9                       | 10                      |
| Balances with banks   |                         |                         |
| In current accounts   | 495                     | 870                     |
| In deposit accounts (original maturity of less than 3 months) | 34                      | -                       |
|   | <b>538</b>              | <b>880</b>              |

### 12. OTHER BANK BALANCES

| Particulars   | (₹ in lac )             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Unclaimed dividend accounts   | 30                      | 31                      |
| In deposit accounts (Original maturity more than 3 months but due within 12 months of the balance sheet date) | 1,025                   | 109                     |
|   | <b>1,055</b>            | <b>140</b>              |

### 13. EQUITY SHARE CAPITAL

|  | Year ended March 31, 2020 |             | Year ended March 31, 2019 |             |
|--|---------------------------|-------------|---------------------------|-------------|
|  | Number of<br>shares       | (₹ in lac ) | Number of<br>shares       | (₹ in lac ) |
| <b>Authorised share capital</b>                          |                           |             |                           |             |
| Equity shares of ₹ 10 each                               | 24,000,000                | 2,400       | 24,000,000                | 2,400       |
| <b>Issued, subscribed and fully paidup share capital</b> |                           |             |                           |             |
| Equity shares of ₹ 10 each                               | 21,957,533                | 2,196       | 21,957,533                | 2,196       |

#### 13.1 Reconciliation of number of equity shares and share capital

|  | Year ended March 31, 2020 |              | Year ended March 31, 2019 |              |
|--|---------------------------|--------------|---------------------------|--------------|
|  | Number of<br>shares       | (₹ in lac )  | Number of<br>shares       | (₹ in lac )  |
| Issued, subscribed and fully paidup equity shares outstanding at the beginning of the year | <b>21,957,533</b>         | <b>2,196</b> | <b>21,957,533</b>         | <b>2,196</b> |
| Movements during the year  | -                         | -            | -                         | -            |
| Issued, subscribed and fully paidup equity shares outstanding at the end of the year       | 21,957,533                | 2,196        | 21,957,533                | 2,196        |

#### 13.2 Terms of/rights attached to equity shares

- (a) The Company has only one class of equity shares having a par value of ₹ 10 each. Each shareholder of equity shares is entitled to one vote per share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.
- (b) In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their share holding.

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

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

|   | As at March 31, 2020  |                            | As at March 31, 2019  |                            |
|---|-----------------------|----------------------------|-----------------------|----------------------------|
|   | Number of shares held | % holding of equity shares | Number of shares held | % holding of equity shares |
| <b>Fully paid equity shares</b>                       |                       |                            |                       |                            |
| (a) Transworld Holdings Limited (the Holding Company) | 12,351,650            | 56.25%                     | 12,351,650            | 56.25%                     |
| (b) Sivaswamy Ramakrishnan Iyer                       | 1,557,550             | 7.09%                      | 1,557,550             | 7.09%                      |

13.4 No shares have been issued for consideration other than cash in last five years.

13.5 No shares have been reserved for issue under options and contracts/ commitments for sale of shares/disinvestments

13.6 No shares have been bought back during the last five years

## 14. OTHER EQUITY

| Particulars                           | As at          |                |
|---------------------------------------|----------------|----------------|
|                                       | March 31, 2020 | March 31, 2019 |
| (₹ in lac)                            |                |                |
| <b>(a) Reserves and surplus:</b>      |                |                |
| Capital redemption reserve            | 1,300          | 1,300          |
| Securities premium reserve            | 3,823          | 3,823          |
| Tonnage tax reserve                   | 1,177          | 1,057          |
| Tonnage tax utilisation reserve       | 7,123          | 7,123          |
| General reserve                       | 1,717          | 1,717          |
| Retained earnings                     | 18,209         | 17,812         |
| <b>(b) Other comprehensive income</b> |                |                |
| Cash flow hedging reserve             | (2,044)        | (1,463)        |
|                                       | <b>31,305</b>  | <b>31,369</b>  |

## Footnotes:

- (a) **Capital redemption reserve:** The Companies Act provides that companies redeeming preference shares at face value or nominal value is required to transfer an equivalent amount into capital redemption reserve. This reserve can be used to issue fully paid-up bonus shares to the shareholders of the Company.
- (b) **Securities premium reserve:** The amount received in excess of face value of equity shares is recognised in securities premium reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.
- (c) **Tonnage tax reserve:** The reserve is a statutory reserve as per requirements of section 115VT of the Income Tax Act, 1961 for the purpose of complying with the conditions of tonnage tax scheme.
- (d) **Tonnage tax utilisation reserve:** The tonnage tax utilised reserve represents the utilisation of tonnage tax reserve created as per requirements of section 115VT of the Income Tax Act, 1961 for the purpose of purchase of vessel.
- (e) **General reserve:** The Company created a general reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to general reserve before declaring dividends. The provision of the Companies Act 2013, do not mandate transfer of profits to general reserve. General reserve is a free reserve available for distribution subject to compliance with the Companies (Declaration and Payment of Dividend ) Rules, 2014.
- (f) **Retained earnings:** Retained earnings comprise balances of accumulated (undistributed ) profit and loss at each year end.
- (g) **Cash flow hedging reserve:** Cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated hedging instruments entered into for cash flow hedges, which shall be reclassified to Statement of Profit and Loss only when the hedged transaction affects the profit or loss.

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

### 15. BORROWINGS

(₹ in lac)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>(A) Non-current (at amortised cost)</b>                       |                         |                         |
| Secured - (refer note (a) below)                                 |                         |                         |
| <b>Term loans</b>  |                         |                         |
| Term loans from banks  | 18,454                  | 22,373                  |
| Less: current maturities of long-term borrowings                 | (7,460)                 | (5,113)                 |
| <b>Total non-current borrowings</b>                              | <b>10,994</b>           | <b>17,260</b>           |
| <b>(B) Current (at amortised cost)</b>                           |                         |                         |
| Working capital loans from banks (secured, refer note (b) below) | 8,150                   | 7,547                   |
| <b>Total current borrowings</b>                                  | <b>8,150</b>            | <b>7,547</b>            |

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

(₹ in lac)

| Sr. No. | Particulars         | Terms of repayment   | Security   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------|---------------------|--|--|-------------------------|-------------------------|
| 1       | Term loan from bank | 6 month LIBOR + 350 bps, foreign currency term loan repayable in equal quarterly installments till December, 2022  | First charge on vessel - SSL Mumbai  | 671                     | 799                     |
| 2       | Term loan from bank | 3 month LIBOR + 330 bps, foreign currency term loan repayable in equal quarterly installments till January, 2021   | First charge on vessel - SSL Kochi   | 344                     | 1,641                   |
| 3       | Term loan from bank | 6 month LIBOR + 425 bps, foreign currency term loan repayable in equal quarterly installments till January, 2022   | First charge on vessel - SSL Gujarat and extension of charge on the vessels SSL Brahamaputra, SSL Delhi, SSL Balaji & SSL Chennai    | 804                     | 1,262                   |
| 4       | Term loan from bank | 6 month LIBOR + 350 bps, foreign currency term loan repayable in equal quarterly installments till July, 2023      | First charge on vessel - SSL Bharat  | 1,694                   | 2,065                   |
| 5       | Term loan from bank | 3 month LIBOR + 320 bps, foreign currency term loan repayable in equal quarterly installments till September, 2021 | First charge on vessel - SSL Visakhapatnam   | 375                     | 548                     |
| 6       | Term loan from bank | 6 month LIBOR + 325 bps, foreign currency term loan repayable in equal quarterly installments till May, 2022       | First charge on vessel - SSL Delhi and extension of charge on the vessels SSL Brahamaputra, SSL Gujarat, SSL Balaji & SSL Chennai    | 789                     | 1,238                   |
| 7       | Term loan from bank | 6 month LIBOR + 350 bps, foreign currency term loan repayable in equal quarterly installments till March, 2024     | First charge on vessel - SSL Kolkata   | -                       | 1,428                   |
| 8       | Term loan from bank | 6 month LIBOR + 400 bps, foreign currency term loan repayable in equal quarterly installments till September, 2023 | Exclusive charge on Seawood Property   | 1,830                   | -                       |
| 9       | Term loan from bank | 6 month LIBOR + 325 bps, foreign currency term loan repayable in equal quarterly installments till March, 2025     | First charge on vessel - SSL Balaji and SSL Brahamaputra and extension of charge on the vessels SSL Gujarat, SSL Delhi & SSL Chennai | 4,457                   | 5,041                   |

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

(₹ in lac)

| Sr. No. | Particulars             | Terms of repayment  | Security  | As at March 31, 2020 | As at March 31, 2019 |
|---------|-------------------------|---|---|----------------------|----------------------|
| 10      | Buyers' Credit Facility | 12 month LIBOR + 67 bps, Buyer's credit facility for three years to be converted into FCTL repayable in equal quarterly installments from Oct, 2020 till July, 2023 | First charge on vessel - SSL Ganga                | 2,007                | 1,927                |
| 11      | Term loan from bank     | Interest I- Base + 290 bps Rupees term loan repayable in equal quarterly installment till July 2020.  | First charge on vessel - SSL Kochi and SSL Kutch. | -                    | 326                  |
| 12      | Term loan from bank     | 6 month LIBOR + 325 bps, foreign currency term loan repayable in equal quarterly installments till May, 2021  | First charge on vessel - SSL Krishna              | 3,772                | 4,007                |
| 13      | Term loan from bank     | Interest I-Base+290 bps, Rupees term Loan repayable in equal quarterly installments till March, 2025  | First charge on vessel - SSL Sabarimalai          | 1,656                | 2,018                |
| 14      | Term loan from bank     | Rupee term loan repayable in equal monthly installments till October, 2022  | Audi Q7   | 45                   | 60                   |
| 15      | Term loan from bank     | Rupee term loan repayable in equal monthly installments till December, 2021   | Mahindra Marazzo M8                               | 9                    | 13                   |
|         |                         |   |   | <b>18,454</b>        | <b>22,373</b>        |

- b) Working capital loans are secured by hypothecation of all current assets (present and future) of the Company.
- c) Non-current portion of ₹ 3,421 lac of term loan from a bank has been classified as current upon breach of certain financial covenants prescribed in the underlying term loan arrangement, as at the balance sheet date.
- d) Reconciliation of liabilities arising from financing activities

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

(₹ in lac)

| Particulars           | As at March 31, 2019 | Financing cash flows - (net) | Foreign exchange rate difference | As at March 31, 2020 |
|-----------------------|----------------------|------------------------------|----------------------------------|----------------------|
| Term loans from banks | 22,373               | (5,015)                      | 1,096                            | 18,454               |
| Working capital loans | 7,547                | 603                          |                                  | 8,150                |
|                       | <b>29,920</b>        | <b>(4,412)</b>               | <b>1,096</b>                     | <b>26,604</b>        |

(₹ in lac)

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



## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

### 16. OTHER FINANCIAL LIABILITIES

| Particulars   | (₹ in lac )             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>(A) Non-current</b>  |                         |                         |
| a) Foreign currency forward contracts designated in hedge accounting relationship | 57                      | 4                       |
|   | <b>57</b>               | <b>4</b>                |
| <b>(B) Current</b>  |                         |                         |
| a) Current maturities of term loans from banks ( refer note a & note 15)          | 7,460                   | 5,113                   |
| b) Interest accrued but not due on borrowings (refer note a)                      | 158                     | 148                     |
| c) Unclaimed dividend   | 30                      | 31                      |
| d) Payable for capital purchases  | 183                     | 183                     |
| e) Employee related liabilities   | 383                     | 417                     |
|   | <b>8,214</b>            | <b>5,892</b>            |

**Note:**

- a) Relates to term loans in respect of which the Company has opted to avail moratorium on payment of all instalments (principal and interest component) falling due between 01st March 2020 to 31st August 2020, from respective banks on account of COVID 19 under the RBI guidelines and accordingly, interest accrued as on 31 March 2020 is payable after completion of moratorium period.

### 17. PROVISIONS

| Particulars  | (₹ in lac )             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>(A) Non-current</b>                             |                         |                         |
| Employee benefits                                  |                         |                         |
| Provision for gratuity (refer note 29)             | 16                      | 3                       |
|  | <b>16</b>               | <b>3</b>                |
| <b>(B) Current</b>                                 |                         |                         |
| Provision for compensated absences (refer note 29) | 86                      | 87                      |
|  | <b>86</b>               | <b>87</b>               |

### 18. DEFERRED TAX LIABILITIES / (ASSET)

| Particulars                        | (₹ in lac )             |                         |
|------------------------------------|-------------------------|-------------------------|
|                                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Deferred tax liabilities / (asset) | (4)                     | 52                      |
|                                    | <b>(4)</b>              | <b>52</b>               |

| Deferred tax balances in relation to  | (₹ in lac )             |   |                         |
|---|-------------------------|---|-------------------------|
|   | As at<br>March 31, 2018 | Recognised / (reversed)<br>through profit or loss | As at<br>March 31, 2019 |
| Unrealised gain/(loss) on mutual funds carried at fair value through profit or loss | 37                      | 15  | 52                      |
|   | <b>37</b>               | <b>15</b>   | <b>52</b>               |

| Deferred tax balances in relation to  | (₹ in lac )             |   |                         |
|---|-------------------------|---|-------------------------|
|   | As at<br>March 31, 2019 | Recognised / (reversed)<br>through profit or loss | As at<br>March 31, 2020 |
| Unrealised gain/(loss) on mutual funds carried at fair value through profit or loss | 52                      | (56)  | (4)                     |
|   | <b>52</b>               | <b>(56)</b>                                       | <b>(4)</b>              |

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

## 19. TRADE PAYABLES

(₹ in lac )

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Due to micro and small enterprises (refer note 36)                           | -                       | 117                     |
| Due to creditors other than micro and small enterprises (refer note a below) | 6,062                   | 6,090                   |
|  | <b>6,062</b>            | <b>6,207</b>            |

## NOTE

- a. The average credit period for creditors is between 30 to 60 days, in case of any delay in payment no interest is charged from any creditors.

## 20. OTHER CURRENT LIABILITIES

(₹ in lac )

| Particulars                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------|-------------------------|-------------------------|
| (a) Statutory liabilities    | 359                     | 388                     |
| (b) Unfinished voyage income | 483                     | 618                     |
|                              | <b>842</b>              | <b>1,006</b>            |

## 21. REVENUE FROM OPERATIONS

(₹ in lac )

| Particulars                                | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| <b>Sales of services</b>                   |                              |                              |
| (a) Ocean freight income                   | 54,032                       | 56,109                       |
| (b) Charter hire income                    | 6,827                        | 4,759                        |
| (c) Multimodal freight income              | -                            | 1,358                        |
| (d) Income from export credit entitlements | -                            | 115                          |
| (e) Other operating income                 | 387                          | 138                          |
|  | <b>61,246</b>                | <b>62,479</b>                |

## 22. OTHER INCOME

(₹ in lac )

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| (a) Interest income earned on financial assets that are not designated as at FVTPL     |                              |                              |
| - Interest income on deposits with banks   | 76                           | 52                           |
| (b) Interest income on income tax refund   | 54                           | 76                           |
| (c) Dividend from mutual fund investments  | 31                           | 45                           |
| (d) Profit on sale of assets   | 46                           | -                            |
| (e) Gain arising on mutual fund designated as at FVTPL                                 | -                            | 36                           |
| (f) Net gain on disposal of mutual fund investments designated as at FVTPL             | 6                            | -                            |
| (g) Liabilities no longer payable written back   | 76                           | -                            |
| (h) Dividend from an associate company   | -                            | 52                           |
| (i) Rental Income  | 66                           | -                            |
| (j) Gain arising on Interest rate swap not designated in hedge accounting relationship | -                            | 15                           |
| (k) Other miscellaneous income   | -                            | 6                            |
|  | <b>355</b>                   | <b>282</b>                   |

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

### 23. EMPLOYEE BENEFITS EXPENSE

(₹ in lac)

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| <b>Off-shore staff</b>   |                              |                              |
| (a) Salaries, wages and other allowances                           | 6,140                        | 6,202                        |
| (b) Contribution to provident and other funds (refer note no.29)   | 171                          | 176                          |
| (c) Staff welfare for floating staff                               | 30                           | 46                           |
| <b>On-shore staff</b>  |                              |                              |
| (a) Salaries and bonus   | 843                          | 868                          |
| (b) Contribution to provident fund and gratuity (refer note no.29) | 61                           | 57                           |
| (c) Staff welfare  | 39                           | 29                           |
|  | <b>7,284</b>                 | <b>7,378</b>                 |

### 24. FUEL, LUBE OIL AND FRESH WATER

(₹ in lac)

| Particulars     | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|-----------------|------------------------------|------------------------------|
| (a) Fuel oil    | 19,416                       | 19,191                       |
| (b) Gas oil     | 901                          | 882                          |
| (c) Lube oil    | 1,217                        | 1,169                        |
| (d) Fresh water | 119                          | 143                          |
|                 | <b>21,653</b>                | <b>21,385</b>                |

### 25. OTHER OPERATION COST

(₹ in lac)

| Particulars                           | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---------------------------------------|------------------------------|------------------------------|
| (a) Vessel management and agency fees | 1,231                        | 1,342                        |
| (b) Insurance and protection club fee | 1,076                        | 714                          |
| (c) Repairs and maintenance of fleet  | 532                          | 512                          |
| (d) Crew victualling                  | 473                          | 423                          |
| (e) Other operating expenses          | 446                          | 416                          |
| (f) Transportation expenses           | -                            | 505                          |
| (g) Brokerage / commission            | 4                            | 36                           |
| <b>Total of operation cost</b>        | <b>3,762</b>                 | <b>3,948</b>                 |

### 26. FINANCE COSTS

(₹ in lac)

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| <b>Interest expenses on financial liabilities not classified as FVTPL:-</b> |                              |                              |
| (a) Interest on bank loans  | 1,655                        | 1,739                        |
| (b) Other borrowing cost  | 133                          | 154                          |
| (c) Exchange differences arising from foreign currency borrowings           | 160                          | -                            |
|   | <b>1,948</b>                 | <b>1,893</b>                 |

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

## 27. OTHER EXPENSES

(₹ in lac)

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| (a) Allowance for doubtful debts (expected credit loss)                   | 340                          | 77                           |
| (b) Professional and consultancy fees                                     | 129                          | 127                          |
| (c) Rent  | 34                           | 40                           |
| (d) Advertisement and business promotion                                  | 28                           | 72                           |
| (e) Travelling and conveyance   | 51                           | 62                           |
| (f) Communication expenses  | 32                           | 25                           |
| (g) Auditors remuneration (refer footnote A)                              | 48                           | 45                           |
| (h) Repairs and maintenance- other assets                                 | 59                           | 15                           |
| (i) Vehicle lease rent  | 10                           | 11                           |
| (j) Director's sitting fees   | 76                           | 48                           |
| (k) Loss on sale of mutual fund investments                               | -                            | 9                            |
| (l) Insurance expenses  | 14                           | 16                           |
| (m) Rates and taxes   | 20                           | 3                            |
| (n) Net loss on foreign currency transactions and translation             | 653                          | 66                           |
| (o) Corporate social responsibility expenditure (refer footnote B)        | 27                           | 23                           |
| (p) Loss arising on mutual fund/equity investments designated as at FVTPL | 14                           | -                            |
| (q) Hedge ineffectiveness of cash flow hedge                              | 184                          | 66                           |
| (r) Other expenses  | 83                           | 178                          |
|   | <b>1,802</b>                 | <b>883</b>                   |

## Footnotes:

(₹ in lac)

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| <b>A) Auditor's remuneration (excluding taxes):</b> |                              |                              |
| Audit fees  | 39                           | 37                           |
| In other capacity                                   |                              |                              |
| - Tax audit fees                                    | 3                            | 3                            |
| - Fees for certification                            | 3                            | 2                            |
| Out of pocket expenses                              | 3                            | 3                            |
| <b>Total</b>  | <b>48</b>                    | <b>45</b>                    |

(₹ in lac)

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| <b>B) Details of Corporate Social Responsibility ('CSR') Expenditure</b> |                              |                              |
| (a) Gross amount required to be spent                                    | 81                           | 91                           |
| (b) Amount spent during the year   |                              |                              |
| (i) On construction/ acquisition of any asset                            | -                            | -                            |
| (ii) On purpose other than stated above                                  | 27                           | 23                           |

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

### 28. EXCEPTIONAL ITEMS

During the year ended 31 March 2019, the Company had recognised loss of ₹ 3,060 lac due to explosion on its vessel MV SSL KOLKATA with the corresponding receivable of ₹ 3,155 lac from the insurer, as exceptional items. The recoverable amount has been realised in full from the insurer in June 2019.

### 29. EMPLOYEE BENEFIT PLAN

#### 29.1 DEFINED CONTRIBUTION PLAN

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

|   |                |                           |                             | (₹ in lac)                   |                              |
|---|----------------|---------------------------|-----------------------------|------------------------------|------------------------------|
| Nature of benefit                       |                | Deposited with            |                             | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
| (a) On-shore employees (refer note 23)  |                |                           |                             |                              |                              |
| (i)                                     | Provident fund | Employee's                | Provident fund organisation | 54                           | 47                           |
| (b) Off-shore employees (refer note 23) |                |                           |                             |                              |                              |
| (i)                                     | Provident fund | The Seamen's Fund office  | Commission Provident        | 101                          | 104                          |
| (ii)                                    | Annuity        | The Seamen's Fund office  | Commission Provident        | 24                           | 27                           |
| (iii)                                   | Gratuity       | Seafarers Welfare Society | Fund                        | 47                           | 45                           |
| <b>Total</b>                            |                |                           |                             | <b>226</b>                   | <b>223</b>                   |

#### 29.2. DEFINED BENEFIT PLANS

##### a) Gratuity (funded)

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

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

| Particulars  | (₹ in lac )             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Present value of funded defined benefit obligation                           | 302                     | 287                     |
| Fair value of plan assets  | 286                     | 284                     |
| Amount not recognized due to asset limit                                     | -                       | -                       |
| <b>Net liability arising from defined benefit obligation (Refer Note 17)</b> | <b>16</b>               | <b>3</b>                |

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

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

(₹ in lac )

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| Service cost  |                              |                              |
| Current service cost  | 8                            | 12                           |
| Interest on net defined benefit liability/(assets)                                      | (1)                          | (2)                          |
| <b>Components of defined benefit costs recognised in profit or loss (refer note 23)</b> | <b>7</b>                     | <b>10</b>                    |

(₹ in lac )

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| Remeasurement on the net defined benefit liability due to:                          |                              |                              |
| Actual return on plan assets less interest on plan assets                           | 2                            | (2)                          |
| Actuarial (Gains)/losses arising from changes in financial assumptions              | 6                            | 2                            |
| Actuarial (Gains)/losses arising from experience assumptions                        | 3                            | 55                           |
| Adjustment to recognise the effect of asset ceiling                                 | -                            | (2)                          |
| <b>Components of defined benefit costs recognised in other comprehensive income</b> | <b>11</b>                    | <b>53</b>                    |

The current service cost and the net interest expense for the year are included in the "Employee benefits expense" line item in the Statement of Profit and Loss. (refer note 23)

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

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

(₹ in lac )

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Opening defined benefit obligations                                    | 287                          | 217                          |
| Current service cost   | 8                            | 12                           |
| Interest Cost  | 12                           | 10                           |
| Actuarial (gains)/losses arising from changes in financial assumptions | 6                            | 2                            |
| Actuarial (Gains)/losses arising from experience assumptions           | 3                            | 55                           |
| Benefits paid  | (14)                         | -                            |
| Liabilities assumed / (settled)  | -                            | (9)                          |
| <b>Closing defined benefit obligation</b>                              | <b>302</b>                   | <b>287</b>                   |

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

(₹ in lac )

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| Opening fair value of plan assets                         | 284                          | 242                          |
| Contribution from the employer                            | 5                            | 40                           |
| Interest income   | 13                           | 12                           |
| Remeasurement gains/(losses)                              | -                            | -                            |
| Actual return on plan assets less interest on plan assets | (2)                          | 2                            |
| Benefits paid   | (14)                         | -                            |
| Assets acquired / (settled)                               | -                            | (12)                         |
| <b>Closing fair value of plan assets</b>                  | <b>286</b>                   | <b>284</b>                   |

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

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

| Particulars                                     | (₹ in lac )             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Insurer managed funds (managed by LIC of India) | 286                     | 284                     |
|   | <b>286</b>              | <b>284</b>              |

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

| Particulars                             | Valuation as at |                |
|---|-----------------|----------------|
|   | March 31, 2020  | March 31, 2019 |
| Discount rate (p.a.)                    | 5.60%           | 6.90%          |
| Expected rate of salary increase (p.a.) | 5.00%           | 5.00%          |

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

The Company expects to contribute ₹ 10 lac (for the year ended March 31, 2019: ₹ 10 lac ) to its gratuity plan for the next year.

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

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

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

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

Sensitivity analysis of significant actuarial assumptions:

| Particulars                     | March 31, 2020 |          | March 31, 2019 |          |
|---------------------------------|----------------|----------|----------------|----------|
|                                 | Increase       | Decrease | Increase       | Decrease |
| Discount rate (-/+ 50 bps)      | (3)            | 3        | (3)            | 3        |
| Salary growth rate (-/+ 50 bps) | 3              | (3)      | 3              | (3)      |

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

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

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

### b) Compensated absences (unfunded)

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

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

| Particulars   | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Present value of unfunded defined benefit obligation (₹ in lac) | 86             | 87             |
| Discounted Rate (p.a.)  | 5.60%          | 6.90%          |
| Salary escalation rate (p.a.)                                   | 5.00%          | 5.00%          |

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

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

In respect of the plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2020 by Mr. Arpan N. Thanawala, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation and the related current service costs and past service cost, are measured using the projected unit credit method.

## 30. EARNINGS PER SHARE

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Profit after taxes for the year attributable to equity shareholders (₹ in lac) | 846                          | 3,365                        |
| Weighted average number of equity shares outstanding during the year           | 21,957,533                   | 21,957,533                   |
| Earnings per equity share of ₹ 10/- each - Basic and diluted (₹)               | 3.85                         | 15.33                        |

## 31. LEASE

Ind AS 116 - Leases has become applicable effective annual reporting period beginning April 1, 2019. The Company has adopted the standard beginning April 1, 2019, using the modified retrospective approach for transition. Accordingly, the Company has not restated the comparative information. The company has entered into short term cancellable lease arrangement for vehicle and office lease rent.

The lease rental charged to the Statement of Profit or Loss in respect of vehicle and office premises lease arrangements are summarised here under.

| Particulars         | (₹ in lac)                   |                              |
|---------------------|------------------------------|------------------------------|
|                     | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
| Office lease rent   | 34                           | 40                           |
| Vehicles lease rent | 10                           | 11                           |
|                     | <b>44</b>                    | <b>51</b>                    |



## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

### 32. SEGMENT INFORMATION

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

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

a) **Revenue from operations:**

| Particulars   | (₹ in lac )                  |                              |
|---------------|------------------------------|------------------------------|
|               | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
| Within India  | 50,441                       | 49,452                       |
| Outside India | 10,805                       | 13,027                       |
|               | <b>61,246</b>                | <b>62,479</b>                |

b) **Non-current assets:**

All non-current assets of the Company are located in India.

c) **Information about major customers**

Revenue from operations include revenues of ₹ 26,972 lac (for the year March 31,2019: ₹ 28,331 lac) from the single largest customer of the Company (refer note 37B). No other single customer contributed 10% or more to the Company's revenue for the current and previous year.

### 33. FINANCIAL INSTRUMENTS

#### 33.1 CAPITAL MANAGEMENT

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

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

**Gearing ratio:**

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

| Particulars   | Note No. | (₹ in lac )             |                         |
|---|----------|-------------------------|-------------------------|
|   |          | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Non current borrowings  | 15       | 10,994                  | 17,260                  |
| Current maturities of long term borrowings  | 15       | 7,460                   | 5,113                   |
| Current borrowings  | 15       | 8,150                   | 7,547                   |
|   |          | <b>26,604</b>           | <b>29,920</b>           |
| Less: cash and cash equivalents   | 11       | 538                     | 880                     |
| Less: bank balances other than cash and cash equivalents (other than restricted cash) | 12       | 1,025                   | 109                     |
| <b>Net debt</b>   |          | <b>25,041</b>           | <b>28,931</b>           |
| <b>Total equity</b>   |          | <b>33,501</b>           | <b>33,565</b>           |
| <b>Gearing ratio (Net debt/Total equity)</b>  |          | <b>0.75</b>             | <b>0.86</b>             |

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

## 33.2 CATEGORIES OF FINANCIAL INSTRUMENTS ACCOUNTED AT FAIR VALUE

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

(₹ in lac )

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>Financial assets (other than investment in associate joint venture)</b>        |                         |                         |
| <b>Financial assets measured at amortised cost</b>                                |                         |                         |
| Cash and cash equivalents   | 538                     | 880                     |
| Bank balances other than cash and cash equivalents                                | 1,055                   | 140                     |
| Trade receivables   | 15,498                  | 14,900                  |
| Other financial assets  | 536                     | 4,009                   |
| <b>Total financial assets measured at amortised cost</b>                          | <b>17,627</b>           | <b>19,929</b>           |
| <b>Financial assets measured at FVTPL</b>   |                         |                         |
| Investment in equity shares   | 5                       | 9                       |
| Investment in mutual funds  | 193                     | 1,543                   |
| <b>Total financial assets measured at FVTPL</b>                                   | <b>198</b>              | <b>1,552</b>            |
| <b>Total financial assets</b>   | <b>17,825</b>           | <b>21,481</b>           |
| <b>Financial liabilities</b>  |                         |                         |
| <b>Financial liabilities measure at amortised cost</b>                            |                         |                         |
| Non current borrowings (including current maturities)                             | 18,454                  | 22,373                  |
| Current borrowings  | 8,150                   | 7,547                   |
| Trade payables  | 6,062                   | 6,207                   |
| Other financial liabilities (excludes current maturities of long term borrowings) | 754                     | 779                     |
| <b>Total financial liabilities measured at amortised cost</b>                     | <b>33,420</b>           | <b>36,906</b>           |
| <b>Financial liabilities measured at FVTOCI</b>                                   |                         |                         |
| Foreign currency forward contracts designated in hedge accounting relationship    | 57                      | 4                       |
| <b>Total financial liabilities measured at FVTOCI</b>                             | <b>57</b>               | <b>4</b>                |
| <b>Total financial liabilities</b>  | <b>33,477</b>           | <b>36,910</b>           |

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

### 33.3 FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair values of the Company's financial assets and financial liabilities

This section explains the judgements and estimates made in determining the fair values of financial instruments that are:

**a) Recognised and measured at fair value**

(₹ in lac )

| Financial assets / financial liabilities  | Fair value hierarchy | Fair value as at |                | Valuation technique(s) and key input(s) |
|---|----------------------|------------------|----------------|---|
|   |                      | March 31, 2020   | March 31, 2019 |   |
| (A) Financial assets and liabilities measured at fair value on recurring basis                      |                      |                  |                |   |
| Investment in mutual funds  | Level 1              | 193              | 1,543          | Closing NAV of the mutual fund schemes  |
| Foreign currency forward contracts designated in hedge accounting relationship                      | Level 2              | 57               | 4              | Refer note (a) below                    |
| Investment in equity shares   | Level 3              | 5                | 9              | Net asset value method                  |
| (B) Financial assets and liabilities measured at amortised cost for which fair values are disclosed |                      |                  |                |   |
| Non current borrowings (including current maturities)   | Level 3              | 54               | 73             | Refer note (b) below                    |

**Footnotes:**

- Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk on various counter parties
- Generally accepted pricing model based on discounted cash flow analysis with most significant input being the discounting rate that reflects the credit risk of counterparties.
- The management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements, other than as detailed in table above, approximate their fair values.

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

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

| (₹ in lac )  |                              |                              |
|--|------------------------------|------------------------------|
| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
| Balance at the beginning of the year                               | 9                            | 9                            |
| Fair value changes recognised through Statement of Profit and Loss | (4)                          | -                            |
| <b>Balance at the end of the year</b>                              | <b>5</b>                     | <b>9</b>                     |

### 33.4 DETAILS OF FINANCIAL ASSETS PLEDGED AS COLLATERAL

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

| (₹ in lac )                    |                         |                         |
|--------------------------------|-------------------------|-------------------------|
| Particulars                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Financial assets</b>        |                         |                         |
| Investments                    | -                       | 1,235                   |
| Trade receivables              | 15,498                  | 14,900                  |
| Cash and cash equivalents      | 538                     | 880                     |
| Bank balances other than above | 1,055                   | 140                     |
| Other financial assets         | 536                     | 4,009                   |
| <b>Total</b>                   | <b>17,627</b>           | <b>21,164</b>           |

### 33.5 FINANCIAL RISK MANAGEMENT OBJECTIVES

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

### 33.6 MARKET RISK

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

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

### 33.7 FOREIGN CURRENCY RISK MANAGEMENT

The Company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Particulars                      | (₹ in lac )             |                         |
|----------------------------------|-------------------------|-------------------------|
|                                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Financial assets</b>          |                         |                         |
| Receivables                      |                         |                         |
| USD                              | 4,135                   | 3,979                   |
| <b>Advances to related party</b> |                         |                         |
| USD                              | 90                      | -                       |
| <b>Financial liabilities</b>     |                         |                         |
| Payables                         |                         |                         |
| DHS                              | 73                      | 130                     |
| EURO                             | 50                      | 68                      |
| SGD                              | 5                       | 93                      |
| USD                              | 2,392                   | 1,118                   |
| YEN                              | 41                      | 37                      |
| SLR                              | 87                      | 49                      |
| FCNR Loan - USD                  | 25,029                  | 27,644                  |

### 33.8 FOREIGN CURRENCY SENSITIVITY ANALYSIS

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

| Particulars                      | (₹ in lac )               |                               |
|----------------------------------|---------------------------|-------------------------------|
|                                  | Weakening of<br>INR by 5% | Strengthening<br>of INR by 5% |
| <b>As at March 31, 2020</b>      |                           |                               |
| <b>Receivables</b>               |                           |                               |
| USD                              | 207                       | (207)                         |
| <b>Advances to related party</b> |                           |                               |
| USD                              | 5                         | (5)                           |
| <b>Payables</b>                  |                           |                               |
| USD                              | (1,371)                   | 1,371                         |
| DHS                              | (4)                       | 4                             |
| EURO                             | (3)                       | 3                             |
| SGD*                             | (0)                       | 0                             |
| YEN                              | (2)                       | 2                             |
| SLR                              | (4)                       | 4                             |
|                                  | <b>(1,173)</b>            | <b>1,173</b>                  |

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

(₹ in lac )

| Particulars                 | Weakening of INR by 5% | Strengthening of INR by 5% |
|-----------------------------|------------------------|----------------------------|
| <b>As at March 31, 2019</b> |                        |                            |
| <b>Receivables</b>          |                        |                            |
| USD                         | 199                    | (199)                      |
| <b>Payables</b>             |                        |                            |
| USD                         | (1,438)                | 1,438                      |
| DHS                         | (7)                    | 7                          |
| EURO                        | (3)                    | 3                          |
| SGD                         | (5)                    | 5                          |
| YEN                         | (2)                    | 2                          |
| SLR                         | (2)                    | 2                          |
|                             | <b>(1,258)</b>         | <b>1,258</b>               |

\* Amount represent less than ₹ 0.5 lac

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

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

- i) Foreign currency borrowings are designated as hedging instruments in cash flow hedges of forecast sales in US Dollar. These forecast transactions are highly probable. The balance of foreign currency borrowings varies with changes in foreign exchange rates.
- ii) Carrying amount of foreign currency borrowings designated as hedging instruments is ₹ 12,733 lac as at March 31, 2020 (as at March 31, 2019: ₹ 12,896 lac) with maturity upto September 2026 .Net unrealised loss of ₹ 1,555 Lac (for the year ended March 31, 2019 : ₹ 732 lac) relating to effectiveness of cash flow hedges of expected future sales is included in OCI and the hedge ineffectiveness of ₹ 184 lac (for the year ended March, 31 2019 ₹ 66 lac) is recognised in the Statement of Profit and Loss."
- iii) The loss accumulated in Cash Flow Hedge Reserve of ₹ 556 lac comprises the losses on pre-mature termination of the designated hedging instruments (principal only swap and foreign currency borrowings) of ₹ 379 lac and ₹ 177 lac pertaining to the prior years and current year, respectively. Of this sum, ₹ 274 lac pertaining to the previously forecasted sales hedged against such terminated hedging instrument which occurred during the current year has been recycled to the Statement of Profit and Loss from Other Comprehensive Income. The loss of ₹ 282 lac as on March 31, 2020 will be recycled to the Statement of Profit and Loss in the period in which the balance forecasted cash flows will occur.

### 33.9 INTEREST RATE RISK MANAGEMENT

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

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

(₹ in lac )

| Particulars              | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------|----------------------|----------------------|
| Fixed rate borrowings    | 54                   | 73                   |
| Floating rate borrowings | 26,550               | 29,847               |
| <b>Total borrowings</b>  | <b>26,604</b>        | <b>29,920</b>        |

#### Interest rate sensitivity analysis

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31,2020 would decrease/increase by ₹ 132 lac (for the year ended March 31,2019: ₹149 lac)

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

- i. During the year, the Company has entered into an interest rate swap, where the fixed rate interest has been designated as hedging instrument against its floating rate interest cash flows. Net loss of ₹ 57 lac relating to effectiveness of the cash flow hedges of expected future floating interest rates payments is included in Other Comprehensive Income as at March 31, 2020.
- ii. The loss accumulated in Cash Flow Hedge Reserve of ₹ 191 lac pertains to loss on pre-mature termination of interest rate swap designated as hedging instruments. Of this sum, ₹ 41 lac pertaining to the previously forecasted floating rate interest outflow hedged against such terminated hedging instrument which occurred during the current year has been recycled to the Statement of Profit and Loss from Other Comprehensive Income. The loss of ₹ 150 lac as on March 31, 2020 will be recycled to the Statement of Profit and Loss in the period in which the balance forecasted floating rate interest cash flows will occur.

### 33.10 OTHER PRICE RISKS

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

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

If the Net Asset Value of mutual fund scheme has been 5% higher / lower, profit for the year ended March 31, 2020 would increase / decrease by ₹ 10 lac (for the year ended March 31, 2019 : increase / decrease by ₹ 77 lac ) as a results of the changes in the fair values of mutual fund investments.

### 33.11 CREDIT RISK MANAGEMENT

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

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

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

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

of the trade receivables balance as at March 31, 2020 : ₹ 10,439 lac (as at March 31, 2019: ₹ 9,303 lac) is due from Avana Logistek Limited (formerly known as Shreyas Relay Systems Ltd.). There are no other customers who represent more than 10% of total balance of trade receivables.

### 33.12 LIQUIDITY RISK MANAGEMENT

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

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

## 33.13 LIQUIDITY AND INTEREST RATE TABLES

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

(₹ in lac )

| Particulars   | Carrying amount | Less than 1 year | 1-5 years     | More than 5 years | Total         |
|---|-----------------|------------------|---------------|-------------------|---------------|
| <b>As at March 31, 2020</b>                                     |                 |                  |               |                   |               |
| Trade payables  | 6,062           | 6,062            | -             | -                 | 6,062         |
| Borrowings including current maturities of loan term borrowings | 26,604          | 13,565           | 16,882        | 1,230             | 31,677        |
| Other financial liabilities                                     | 754             | 754              | -             | -                 | 754           |
| <b>Total</b>  | <b>33,420</b>   | <b>20,381</b>    | <b>16,882</b> | <b>1,230</b>      | <b>38,493</b> |
| <b>As at March 31, 2019</b>                                     |                 |                  |               |                   |               |
| Trade payables  | 6,207           | 6,207            | -             | -                 | 6,207         |
| Borrowings  | 29,920          | 15,189           | 15,996        | 2,251             | 33,436        |
| Other financial liabilities                                     | 779             | 779              | -             | -                 | 779           |
| <b>Total</b>  | <b>36,906</b>   | <b>22,175</b>    | <b>15,996</b> | <b>2,251</b>      | <b>40,422</b> |

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

(₹ in lac )

| Particulars  | Carrying Amount | Less than 1 year | 1-5 years    | More than 5 years | Total         |
|--|-----------------|------------------|--------------|-------------------|---------------|
| <b>As at March 31, 2020:</b>   |                 |                  |              |                   |               |
| Cash and cash equivalents  | 538             | 538              | -            | -                 | 538           |
| Bank balances other than cash and cash equivalents and restricted cash | 1,055           | 1,055            | -            | -                 | 1,055         |
| Trade receivables  | 15,498          | 15,498           | -            | -                 | 15,498        |
| Other financial assets   | 536             | 185              | 345          | 6                 | 536           |
| Investment in equity shares  | 5               | -                | -            | 5                 | 5             |
| Investment in mutual funds   | 193             | -                | 193          | -                 | 193           |
| <b>Total</b>   | <b>17,825</b>   | <b>17,276</b>    | <b>538</b>   | <b>11</b>         | <b>17,825</b> |
| <b>As at March 31, 2019</b>  |                 |                  |              |                   |               |
| Cash and cash equivalents  | 880             | 880              | -            | -                 | 880           |
| Bank balances other than cash and cash equivalents and restricted cash | 140             | 140              | -            | -                 | 140           |
| Trade receivables  | 14,900          | 14,900           | -            | -                 | 14,900        |
| Other financial assets   | 4,009           | 3,379            | 505          | 125               | 4,009         |
| Investment in equity shares  | 9               | -                | -            | 9                 | 9             |
| Investment in mutual funds   | 1,543           | 19               | 1,524        | -                 | 1,543         |
| <b>Total</b>   | <b>21,481</b>   | <b>19,318</b>    | <b>2,029</b> | <b>134</b>        | <b>21,481</b> |



## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

### 33.14 FINANCING FACILITIES

(₹ in lac )

| Particulars    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------|-------------------------|-------------------------|
| -amount used   | 8,494                   | 7,891                   |
| -amount unused | 206                     | 309                     |

### 34. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lac )

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>(A) Contingent liabilities</b>   |                         |                         |
| (a) Claims against the Company not acknowledged as debt:                          |                         |                         |
| - Differential custom duty on conversion of fleet from foreign run to coastal run | 53                      | 53                      |
| (b) Bank guarantees   | 344                     | 344                     |
| <b>Total</b>  | <b>397</b>              | <b>397</b>              |
| <b>(B) Commitments</b>  | <b>53</b>               | <b>160</b>              |

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

- (i) parties are yet to raise claims on account of damages to the cargo, and
- (ii) there is uncertainty as to the outcome of pending appeals or motions or settlement proceedings;

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

### 35. DISCLOSURE MADE IN TERMS OF SCHEDULE V OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT ) 2015

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

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

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

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| (a) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;   | Principal-<br>₹ Nil     | Principal-<br>₹ 117 lac |
| (b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;  | Nil                     | Nil                     |
| (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;  | Nil                     | Nil                     |
| (d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and  |                         |                         |
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | Nil                     | Nil                     |

### 37 A. NAMES OF THE RELATED PARTIES AND NATURE OF RELATIONSHIP

| Nature of relationship              | Name of the related parties   |
|-------------------------------------|---|
| <b>Holding company</b>              | Transworld Holdings Limited, Mauritius  |
| <b>Associate company</b>            | Avana Logistek Limited. (Formerly known as Shreyas Relay Systems Limited)   |
| <b>Joint venture company</b>        | Shreyas-Suzue Logistics (India) Private limited   |
| <b>Fellow subsidiary companies*</b> | Avana Global FZCO (Formerly known as Balaji Shipping Line FZCO)<br>Transworld Feeders FZCO<br>Orient Express Lines INC.<br>Transworld Integrated Logistek Private Limited (formerly known as BSL Freight Solutions Private Limited)   |
| <b>Key management personnel*</b>    | S. Ramakrishnan (Chairman & Managing Director)<br>L.B. Culas (Director)<br>Ritesh Ramakrishnan (Director)<br>Capt. Manmohan Saggi (Director)<br>S. Ragothaman (Director)<br>D.T. Joseph (Director)<br>Deepak Shetty(Director)<br>Maya Sinha (Director)<br>Mr. Satish Pillania (Director)<br>Mr. Mannil Venugopalan (Director) |

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

Mr. Amitabha Ghosh (Director)  
 Mr. Utpal Gokhale (Director)  
 Captain Vivek Kumar Singh (Chief Executive Officer)  
 Rajesh Desai (Chief Financial Officer)  
 Namrata Malushte (Company Secretary) (till May 7, 2018)  
 Asha Prakash (Company Secretary) (w.e.f May 8, 2018 till January 22, 2020)  
 Mr Nupur Burman (w.e.f. January 22, 2020 to March 2, 2020)  
 Harshit Garg (w.e.f March 2, 2020)

### Relatives of key management personnel\*

Geeta Ramakrishnan  
 Anisha Ramakrishnan  
 Manita Vivek Kumar Singh

### Other related parties\*

Sivaswamy Holdings Private Limited  
 Orient Express Ship Management Limited  
 TW Ship Management Limited  
 Lanka Orient Express Lines Limited  
 Transworld Feeders Lanka (Pvt) Limited  
 Transworld Shipping Agencies Private Limited  
 Transworld Shipping and Logistics LLC  
 Transworld Shipping and Logistics WLL  
 SRS Freight Management Limited

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

## 37 B. TRANSACTIONS WITH RELATED PARTIES

(₹ in lac)

| Particulars  | Holding company * | Associate Company* | Fellow subsidiaries* | Other related parties* | Key Management personnel* | Relatives of Key Management personnel* | Total         |
|--|-------------------|--------------------|----------------------|------------------------|---------------------------|--|---------------|
| <b>Ocean freight income</b>  | -                 | <b>26,972</b>      | <b>1,904</b>         | -                      | -                         | -                                      | <b>28,876</b> |
|  | -                 | 28,331             | 2,610                | -                      | -                         | -                                      | 30,941        |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | -                 | <b>26,972</b>      | -                    | -                      | -                         | -                                      | <b>26,972</b> |
|  | -                 | 28,331             | -                    | -                      | -                         | -                                      | 28,331        |
| Avana Global FZCO (Formerly known as Balaji Shipping Line FZCO)          | -                 | -                  | <b>1,620</b>         | -                      | -                         | -                                      | <b>1,620</b>  |
|  | -                 | -                  | 1,372                | -                      | -                         | -                                      | 1,372         |
| Transworld Feeders FZCO  | -                 | -                  | <b>284</b>           | -                      | -                         | -                                      | <b>284</b>    |
|  | -                 | -                  | 1,238                | -                      | -                         | -                                      | 1,238         |
| <b>Purchases of Property</b>   | -                 | <b>2,044</b>       | -                    | -                      | -                         | -                                      | <b>2,044</b>  |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -             |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | -                 | <b>2,044</b>       | -                    | -                      | -                         | -                                      | <b>2,044</b>  |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -             |
| <b>Incidental expense related to purchase of property</b>                | -                 | <b>28</b>          | -                    | -                      | -                         | -                                      | <b>28</b>     |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -             |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | -                 | <b>28</b>          | -                    | -                      | -                         | -                                      | <b>28</b>     |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -             |

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

(₹ in lac)

| Particulars  | Holding company * | Associate Company* | Fellow subsidiaries* | Other related parties* | Key Management personnel* | Relatives of Key Management personnel* | Total |
|--|-------------------|--------------------|----------------------|------------------------|---------------------------|--|-------|
| <b>Sale of Vessel</b>  | -                 | -                  | 2,496                | -                      | -                         | -                                      | 2,496 |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
| Orient Express Lines INC.  | -                 | -                  | 2,496                | -                      | -                         | -                                      | 2,496 |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
| <b>Rental Income</b>   | -                 | -                  | -                    | 60                     | -                         | -                                      | 60    |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
| Transworld Shipping Agencies Private Limited                             | -                 | -                  | -                    | 26                     | -                         | -                                      | 26    |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
| TW Ship Management Limited   | -                 | -                  | -                    | 34                     | -                         | -                                      | 34    |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
| <b>Charter hire and ocean freight charges</b>                            | -                 | -                  | 557                  | -                      | -                         | -                                      | 557   |
|  | -                 | -                  | 1,247                | -                      | -                         | -                                      | 1,247 |
| Orient Express Lines INC.  | -                 | -                  | 144                  | -                      | -                         | -                                      | 144   |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
| Transworld Feeders FZCO  | -                 | -                  | 413                  | -                      | -                         | -                                      | 413   |
|  | -                 | -                  | 1,247                | -                      | -                         | -                                      | 1,247 |
| <b>Dividend received on equity shares</b>                                | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
|  | -                 | 53                 | -                    | -                      | -                         | -                                      | 53    |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
|  | -                 | 53                 | -                    | -                      | -                         | -                                      | 53    |
| <b>Vessel management and agency fees paid</b>                            | -                 | -                  | -                    | 1,219                  | -                         | -                                      | 1,218 |
|  | -                 | -                  | -                    | 1,270                  | -                         | -                                      | 1,270 |
| TW Ship Management Limited   | -                 | -                  | -                    | 760                    | -                         | -                                      | 760   |
|  | -                 | -                  | -                    | 764                    | -                         | -                                      | 764   |
| Transworld Feeders Lanka (Pvt) Limited                                   | -                 | -                  | -                    | 121                    | -                         | -                                      | 121   |
|  | -                 | -                  | -                    | 51                     | -                         | -                                      | 51    |
| Lanka Orient Express Lines Limited                                       | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
|  | -                 | -                  | -                    | 120                    | -                         | -                                      | 120   |
| Transworld Shipping Agencies Private Limited                             | -                 | -                  | -                    | 261                    | -                         | -                                      | 261   |
|  | -                 | -                  | -                    | 272                    | -                         | -                                      | 272   |
| Transworld Shipping and Logistics LLC                                    | -                 | -                  | -                    | 77                     | -                         | -                                      | 77    |
|  | -                 | -                  | -                    | 63                     | -                         | -                                      | 63    |
| <b>Vehicle lease rent paid</b>   | -                 | -                  | -                    | -                      | 10                        | -                                      | 10    |
|  | -                 | -                  | -                    | -                      | 11                        | -                                      | 11    |
| Mrs Manita vivek Kumar Singh   | -                 | -                  | -                    | -                      | 10                        | -                                      | 10    |
|  | -                 | -                  | -                    | -                      | 11                        | -                                      | 11    |
| <b>Transportation charges</b>  | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
|  | -                 | 292                | -                    | -                      | -                         | -                                      | 292   |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
|  | -                 | 292                | -                    | -                      | -                         | -                                      | 292   |

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

(₹ in lac)

| Particulars  | Holding company * | Associate Company* | Fellow subsidiaries* | Other related parties* | Key Management personnel* | Relatives of Key Management personnel* | Total |
|--|-------------------|--------------------|----------------------|------------------------|---------------------------|--|-------|
| <b>Handling &amp; Forwarding Expenses</b>                                | -                 | -                  | -                    | 15                     | -                         | -                                      | 15    |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
| Transworld Shipping & Logistic Pvt Ltd                                   | -                 | -                  | -                    | 2                      | -                         | -                                      | 2     |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
| Transworld Integrated Logistek Pvt Ltd                                   | -                 | -                  | -                    | 13                     | -                         | -                                      | 13    |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
| <b>Other miscellaneous expense</b>                                       | -                 | 30                 | -                    | -                      | -                         | -                                      | 30    |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | -                 | 30                 | -                    | -                      | -                         | -                                      | 30    |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
| <b>Rent</b>  | -                 | 27                 | -                    | 6                      | -                         | -                                      | 33    |
|  | -                 | -                  | -                    | 37                     | -                         | -                                      | 37    |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | -                 | 27                 | -                    | -                      | -                         | -                                      | 27    |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
| Sivaswamy Holdings Private Limited                                       | -                 | -                  | -                    | 6                      | -                         | -                                      | 6     |
|  | -                 | -                  | -                    | 37                     | -                         | -                                      | 37    |
| <b>Remuneration to key management personnel</b>                          | -                 | -                  | -                    | -                      | 451                       | -                                      | 451   |
|  | -                 | -                  | -                    | -                      | 448                       | -                                      | 448   |
| Mr. S. Ramakrishnan  | -                 | -                  | -                    | -                      | 266                       | -                                      | 266   |
|  | -                 | -                  | -                    | -                      | 266                       | -                                      | 266   |
| Capt Vivek Kumar Singh   | -                 | -                  | -                    | -                      | 106                       | -                                      | 106   |
|  | -                 | -                  | -                    | -                      | 108                       | -                                      | 108   |
| Mr Rajesh Desai  | -                 | -                  | -                    | -                      | 56                        | -                                      | 56    |
|  | -                 | -                  | -                    | -                      | 54                        | -                                      | 54    |
| Mrs Asha Parkash   | -                 | -                  | -                    | -                      | 21                        | -                                      | 21    |
|  | -                 | -                  | -                    | -                      | 17                        | -                                      | -     |
| Mr Nupur Burman  | -                 | -                  | -                    | -                      | 1                         | -                                      | 1     |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
| Harshit Garg   | -                 | -                  | -                    | -                      | 1                         | -                                      | -     |
|  | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
| Mrs. Namarata Malushte   | -                 | -                  | -                    | -                      | -                         | -                                      | -     |
|  | -                 | -                  | -                    | -                      | 3                         | -                                      | 3     |
| <b>Director sitting fees</b>   | -                 | -                  | -                    | -                      | 76                        | -                                      | 76    |
|  | -                 | -                  | -                    | -                      | 48                        | -                                      | 48    |
| Mr. Ritesh S.Ramakrishnan  | -                 | -                  | -                    | -                      | 8                         | -                                      | 8     |
|  | -                 | -                  | -                    | -                      | 4                         | -                                      | 4     |
| Mr. Deepak Shetty  | -                 | -                  | -                    | -                      | 10                        | -                                      | 10    |
|  | -                 | -                  | -                    | -                      | 7                         | -                                      | 7     |
| Mr. L.B. Culas   | -                 | -                  | -                    | -                      | 5                         | -                                      | 5     |
|  | -                 | -                  | -                    | -                      | 3                         | -                                      | 3     |

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

(₹ in lac)

| Particulars                             | Holding company * | Associate Company* | Fellow subsidiaries* | Other related parties* | Key Management personnel* | Relatives of Key Management personnel* | Total      |
|---|-------------------|--------------------|----------------------|------------------------|---------------------------|--|------------|
| Mr. Utpal Gokhale                       | -                 | -                  | -                    | -                      | 5                         | -                                      | 5          |
|   | -                 | -                  | -                    | -                      | -                         | -                                      | -          |
| Mr. Amitabha Ghosh                      | -                 | -                  | -                    | -                      | -                         | -                                      | -          |
|   | -                 | -                  | -                    | -                      | 2                         | -                                      | 2          |
| Capt. Manmohan Saggi                    | -                 | -                  | -                    | -                      | 10                        | -                                      | 10         |
|   | -                 | -                  | -                    | -                      | 6                         | -                                      | 6          |
| Ms. Maya Sinha                          | -                 | -                  | -                    | -                      | 10                        | -                                      | 10         |
|   | -                 | -                  | -                    | -                      | 7                         | -                                      | 7          |
| Mr. S. Ragothaman                       | -                 | -                  | -                    | -                      | 10                        | -                                      | 10         |
|   | -                 | -                  | -                    | -                      | 7                         | -                                      | 7          |
| Mr. Satish Pillania                     | -                 | -                  | -                    | -                      | 6                         | -                                      | 6          |
|   | -                 | -                  | -                    | -                      | 3                         | -                                      | 3          |
| Mr. D.T. Joseph                         | -                 | -                  | -                    | -                      | 8                         | -                                      | 8          |
|   | -                 | -                  | -                    | -                      | 6                         | -                                      | 6          |
| Mr. Mannil Venugopalan                  | -                 | -                  | -                    | -                      | 4                         | -                                      | 4          |
|   | -                 | -                  | -                    | -                      | 3                         | -                                      | 3          |
| <b>Dividend to equity shareholders</b>  | <b>148</b>        | -                  | -                    | -                      | <b>21</b>                 | <b>11</b>                              | <b>180</b> |
|   | 185               | -                  | -                    | -                      | 26                        | 14                                     | 225        |
| Transworld Holdings Limited., Mauritius | <b>148</b>        | -                  | -                    | -                      | -                         | -                                      | <b>148</b> |
|   | 185               | -                  | -                    | -                      | -                         | -                                      | 185        |
| Mr. S. Ramakrishnan                     | -                 | -                  | -                    | -                      | 19                        | -                                      | 19         |
|   | -                 | -                  | -                    | -                      | 23                        | -                                      | 23         |
| Mrs. Geeta Ramakrishnan                 | -                 | -                  | -                    | -                      | -                         | 2                                      | 2          |
|   | -                 | -                  | -                    | -                      | -                         | 3                                      | 3          |
| Mr. Ritesh S.Ramakrishnan               | -                 | -                  | -                    | -                      | 2                         | -                                      | 2          |
|   | -                 | -                  | -                    | -                      | 3                         | -                                      | 3          |
| Ms. Anisha Ramakrishnan                 | -                 | -                  | -                    | -                      | -                         | 9                                      | 9          |
|   | -                 | -                  | -                    | -                      | -                         | 11                                     | 11         |

**NOTE:**

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

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

### 37.C. CLOSING BALANCES OF RELATED PARTIES

(₹ in lac)

| Name of the company  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>Trade receivables</b>   |                         |                         |
| <b>Associates company:</b>   |                         |                         |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | 10,439                  | 9,303                   |
| <b>Fellow subsidiaries:</b>  |                         |                         |
| Avana Global FZCO (Formerly known as Balaji Shipping Lines FZCO)         | 502                     | 390                     |
| Transworld Feeders FZCO  |                         | 143                     |
| <b>Other related parties:</b>  |                         |                         |
| Lanka Orient Express Lines Limited                                       | -                       | 101                     |
| SRS Freight Management Limited   | -                       | 1                       |
| <b>Other assets</b>  |                         |                         |
| <b>Other related parties:</b>  |                         |                         |
| Transworld Shipping Agencies Private Limited                             | 857                     | 449                     |
| TW Ship Management Limited   | 17                      | -                       |
| Sivaswamy Holdings Private Limited                                       | 4                       | -                       |
| Relay Shipping Agency Limited  | -                       | 2                       |
| <b>Other Financial assets</b>  |                         |                         |
| <b>Fellow subsidiaries:</b>  |                         |                         |
| Transworld Feeders FZCO  | 44                      | -                       |
| <b>Joint venture</b>   |                         |                         |
| Shreyas-Suzue Logistics (India) Private Limited                          | -                       | 18                      |
| <b>Trade payables</b>  |                         |                         |
| <b>Fellow subsidiaries:</b>  |                         |                         |
| Orient Express Lines INC   | 67                      | -                       |
| Transworld Shipping and Logistics LLC                                    | -                       | 40                      |
| <b>Other related parties:</b>  |                         |                         |
| SRS Freight Management Limited   | 6                       | -                       |
| TW Ship Management Limited   | -                       | 81                      |
| Transworld Integrated Logistek Pvt Ltd                                   | 8                       | -                       |
| Transworld Feeders Lanka (Pvt) Limited                                   | 81                      | 48                      |
| Transworld Shipping & Logistics Limited                                  | 2                       | -                       |
| Orient Express Ship Management Limited                                   | 1                       | 1                       |

### 38. INCOME TAX EXPENSE / (BENEFITS)

(₹ in lac)

| Particulars                    | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--------------------------------|------------------------------|------------------------------|
| Profit or loss section:        |                              |                              |
| (i) Current tax                |                              |                              |
| In respect of the current year | 127                          | 124                          |
| In respect of previous year    | (6)                          | (72)                         |
|                                | <b>121</b>                   | <b>52</b>                    |
| (ii) Deferred tax              |                              |                              |
| In respect of the current year | (56)                         | 15                           |
|                                | <b>(56)</b>                  | <b>15</b>                    |
| <b>Total tax expense</b>       | <b>65</b>                    | <b>67</b>                    |

## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

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

| Particulars  | (₹ in lac )             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| a) Profit before tax (a)   | 911                     | 3,432                   |
| b) Corporate tax rate (b)  | 25.17%                  | 34.94%                  |
| c) Tax on accounting profit (c = a x b)                                    | 229                     | 1,199                   |
| d) Tax impact of exempt income (dividend on mutual funds and an associate) | 8                       | 34                      |
| f) Impact of tax ordinance (refer note a below)                            | (12)                    | -                       |
| g) Impact of difference in rate of tax as per Tonnage Tax Scheme           | (160)                   | (1,166)                 |
| h) Income tax recognised during the year (d)                               | 65                      | 67                      |
| i) Effective tax rate (d/ a)   | 7%                      | 2%                      |

Note:

- a. The Company, after evaluating the impact of Taxation Law (Amendment) Ordinance 2019 ('Ordinance') issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 which is effective from April 01, 2019, has prepared its financial statements on the basis that it would opt for the lower tax rate under Section 115BAA of the Income Tax Act, 1961, on and from the financial year ending March 31, 2020. As a result (a) the provision for current and deferred tax has been determined at the rate of 25.17%, (b) the deferred tax assets and deferred tax liabilities as on April 1, 2019 have been restated at the rate of 25.17% and written back amount of ₹ 12 lac to the Standalone financial statements for the year ended March 31, 2020.

### 39. DISCLOSURE IN CONNECTION WITH REVENUE FROM CONTRACT WITH CUSTOMERS

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

#### 39.1. RECONCILIATION WITH SEGMENT REVENUE

| Revenue disaggregation as per Statement of Profit and Loss | (₹ in lac)                   |                              |                                  |
|--|------------------------------|------------------------------|----------------------------------|
|  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 | Timing of revenue<br>recognition |
| Ocean freight income                                       | 54,032                       | 56,109                       | Services transferred over time   |
| Charter hire income  | 6,827                        | 4,759                        | Services at a point in time      |
| Multimodal freight income                                  | -                            | 1,358                        | Services transferred over time   |
| Income from export credit entitlements                     | -                            | 115                          | Services at a point in time      |
| Other operating income                                     | 387                          | 138                          | Services at a point in time      |
| <b>Total revenue from contract with customers</b>          | <b>61,246</b>                | <b>62,479</b>                |                                  |

#### 39.2. CONTRACT BALANCES

|   | (₹ in lac )             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Contract liability (unfinished voyage income) | 483                     | 618                     |

- 39.3. Revenue of ₹ 618 lac recognised during the year ended March 31, 2020 out of unfinished voyage income as on March 31, 2019.



## Notes forming part of Standalone Financial Statements for the year ended March 31, 2020

### 39.4. RECONCILIATION OF REVENUE AS PER STATEMENT OF PROFIT AND LOSS AND CONTRACTED PRICE

(₹ in lac )

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| <b>Revenue as per contracted price</b>                        | <b>61,902</b>                | <b>63,552</b>                |
| Adjustments :   |                              |                              |
| Rebate  | (173)                        | (455)                        |
| Unfinished Voyage income                                      | (483)                        | (618)                        |
| <b>Revenue recognised as per Statement of Profit and Loss</b> | <b>61,246</b>                | <b>62,479</b>                |

40. There are no subsequent events till the date the financial statements authorised for issue which requires additional adjustments or disclosures in these financial statements.

For and on behalf of the Board

**Capt. Vivek Kumar Singh**  
 Managing Director  
 DIN : 07835635

**Maya Sinha**  
 Director  
 (DIN: 03056226)

**Rajesh Desai**  
 Chief Financial Officer

**Harshit Garg**  
 Company Secretary  
 (Mem. No. A38321)

Mumbai, July 21, 2020

## INDEPENDENT AUDITOR'S REPORT

To The Members of Shreyas Shipping and Logistics Limited  
Report on the Audit of the Consolidated Financial Statements

### OPINION

We have audited the accompanying consolidated financial statements of **Shreyas Shipping and Logistics Limited** (the "Company"/ "Parent") which includes Parent's share of losses in its associate and a joint venture, which comprise the Consolidated Balance Sheet as at 31 March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of the joint venture referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Parent as at 31 March 2020, and its consolidated loss, consolidated total comprehensive loss, its consolidated cash flows and consolidated changes in equity for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Parent, its associate and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

### DESCRIPTION OF KEY AUDIT MATTER

#### 1. Impairment assessment of investments in an associate

As at 31 March 2020, the Company holds 29.22% equity stake in its associate namely Avana Logistek Limited.

In view of subdued economic performance and losses in the recent financial years, Management has reassessed the recoverable amount of its aforesaid investment using discounted cash flow (DCF) method.

Estimation of recoverable amount is based on certain management estimates and judgements relating to forecasted operational volume, sales price, margins, discount rate and terminal growth rate.

[Refer note 28(i) to the consolidated financial statements for exceptional item arising on account of impairment of investment in an associate]

#### Principle audit procedures:

Our audit approach is a combination of test of internal controls and substantive procedures as follows:

- Evaluated and tested the design, implementation and operating effectiveness of the internal controls relating to impairment assessment of investments in an associate
- Assessed the internal and external indicators of impairment considered by management while evaluation the carrying value of the investments in an associate

- Assessed the appropriateness of the valuation methodology used and challenged the key assumptions relating to operational volumes, forecasted sales price, margins and terminal growth rate of the underlying operations considered in the valuation for reasonableness and management bias
- Engaged the internal experts to assess the reasonableness of the discount rate used in the DCF model
- Evaluated the adequacy of provision and appropriateness of the disclosures relating impairment of investments in an associate in the consolidated financial statements.

## 2. Ocean freight income from related parties

The Company, during the year, has earned ocean freight income of ₹28,876 lac from related parties.

The assessment of whether a transaction is at arm's length requires consideration of several factors such as benefits/ consideration for each of the parties to enter into the agreement, the prevailing market/industry practice, economic circumstances, similar contracts executed between other unrelated parties etc.

Arm's length assessment of ocean freight service transactions with related parties is deemed to be key audit matter as the management is required to exercise judgements while evaluating the aforesaid factors.

[Refer note 37B to the consolidated financial statements for related party transactions]

### Principle audit procedures:

Our audit approach is a combination of test of internal controls and substantive procedures as follows:

- Evaluated and tested the design, implementation and the operating effectiveness of internal controls relating to review of Arm's length assessment of ocean freight service transactions with related parties
- Obtained and reviewed the Board approved framework for assessment of whether the transaction with related parties are at arm's length or not vis-à-vis the suggested method in use under transfer pricing mechanism for the purpose of Income Tax Act, 1961
- Engaged the experts to evaluate the relevance of the method used and appropriateness of its application
- Obtained and reviewed the contracts with related parties including subsequent revisions thereto, to confirm the contractual terms as per which the underlying transactions are recorded.
- Verified the selected third party ocean freight service transaction with the underlying evidences to corroborate the relevance / comparability of third party transactions with related parties

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the joint venture audited by the other auditors, to the extent it relates to joint venture and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the joint venture, is traced from their financial statements audited by the other auditor.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive loss, consolidated cash flows and consolidated changes in equity of the Parent including its associate and joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the Parent and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Parent and its associate and its joint venture 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Parent and of its associate and joint venture are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Parent and of its associate and joint venture are also responsible for overseeing the financial reporting process of the Parent and of its associate and joint venture.

### AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Parent and its associate and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent and its associate and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Parent and its associate and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## OTHER MATTERS

The consolidated financial statements include the Parent's share of net profit of ₹ 2 lac and total comprehensive profit of ₹ 2 lac for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint venture is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the joint venture referred to in the Other Matters section above we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the report of the other auditor.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Parent as on 31 March 2020 taken on record by the Board of Directors of the Parent Company and an associate, and the report of the statutory auditor of the joint venture, incorporated in India, none of the directors of the Parent, its associate and joint venture, incorporated in India is disqualified as on 31 March 2020 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors'

reports of the Parent and its associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Parent, its associate and joint venture;
  - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent except for an amount of ₹ 2.03 lac pertaining to dividend declared on 21 July 2012 and transferred to IEPF on 26 September 2019 and there were no amounts required to be transferred to the said fund by the associate and joint venture, companies incorporated in India.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Mehul Parekh**

Partner  
(Membership No. 121513)  
(UDIN: 20121513AAAAAI2712)

Mumbai 21 July, 2020

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of Shreyas Shipping and Logistics Limited (hereinafter referred to as "Parent") and its associate company, which are companies incorporated in India, as of that date. Reporting on the Internal Financial Controls Over Financial Reporting is not applicable to the joint venture company incorporated in India.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Parent and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 internal financial controls system over financial reporting of the Parent and its associate company, which are companies incorporated in India.

### 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.

## 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.

## OPINION

In our opinion to the best of our information and according to the explanations given to us, the Parent and its associate company, which are companies incorporated in India, have, 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 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Mehul Parekh**

Partner  
(Membership No. 121513)  
(UDIN: 20121513AAAAAI2712)

Mumbai 21 July, 2020



## Consolidated Balance Sheet as at March 31, 2020

| Particulars  | Notes | (₹ in lac)              |                         |
|--|-------|-------------------------|-------------------------|
|  |       | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>ASSETS</b>  |       |                         |                         |
| <b>(1) Non-current assets</b>  |       |                         |                         |
| (a) Property, plant and equipment  | 5     | 39,965                  | 40,946                  |
| (b) Intangible assets under development  |       | 102                     | 27                      |
| (c) Capital work-in-progress   |       | -                       | 271                     |
| (d) Investments accounted for using the equity method                                      | 6     | 5,472                   | 14,661                  |
| (e) Financial assets   |       |                         |                         |
| (i) Investments  | 6     | 198                     | 1,533                   |
| (ii) Other financial assets  | 7A    | 351                     | 630                     |
| (f) Advance income tax (net)   |       | 2,674                   | 1,972                   |
| <b>Total non-current assets</b>  |       | <b>48,762</b>           | <b>60,040</b>           |
| <b>(2) Current assets</b>  |       |                         |                         |
| (a) Inventories  | 9     | 1,300                   | 2,278                   |
| (b) Financial assets   |       |                         |                         |
| (i) Investments  | 6     | -                       | 19                      |
| (ii) Trade receivables   | 10    | 15,498                  | 14,900                  |
| (iii) Cash and cash equivalents  | 11    | 538                     | 880                     |
| (iv) Bank balances other than Cash and cash equivalents                                    | 12    | 1,055                   | 140                     |
| (v) Other financial assets   | 7B    | 185                     | 3,379                   |
| (c) Advance income tax (net)   |       | 438                     | -                       |
| (d) Other current assets   | 8     | 4,614                   | 3,648                   |
| <b>Total current assets</b>  |       | <b>23,628</b>           | <b>25,244</b>           |
| <b>Total assets</b>  |       | <b>72,390</b>           | <b>85,284</b>           |
| <b>EQUITY AND LIABILITIES</b>  |       |                         |                         |
| <b>Equity</b>  |       |                         |                         |
| (a) Equity share capital   | 13    | 2,196                   | 2,196                   |
| (b) Other equity   | 14    | 34,842                  | 42,183                  |
| <b>Total equity</b>  |       | <b>37,038</b>           | <b>44,379</b>           |
| <b>Liabilities</b>   |       |                         |                         |
| <b>(1) Non-current liabilities</b>   |       |                         |                         |
| (a) Financial liabilities  |       |                         |                         |
| (i) Borrowings   | 15    | 10,994                  | 17,260                  |
| (ii) Other financial liabilities   | 16    | 57                      | 4                       |
| (b) Provisions   | 17    | 16                      | 3                       |
| (c) Deferred tax liabilities (net)   | 18    | 931                     | 2,899                   |
| <b>Total non-current liabilities</b>   |       | <b>11,998</b>           | <b>20,166</b>           |
| <b>(2) Current liabilities</b>   |       |                         |                         |
| (a) Financial Liabilities  |       |                         |                         |
| (i) Borrowings   | 15    | 8,150                   | 7,547                   |
| (ii) Trade payables  |       |                         |                         |
| (A) Total outstanding dues of micro enterprises and small enterprises                      | 19    | -                       | 117                     |
| (B) Total outstanding dues of creditors other than micro enterprises and small enterprises | 19    | 6,062                   | 6,090                   |
| (iii) Other financial liabilities  | 16    | 8,214                   | 5,892                   |
| (b) Provisions   | 17    | 86                      | 87                      |
| (c) Other current liabilities  | 20    | 842                     | 1,006                   |
| <b>Total current liabilities</b>   |       | <b>23,354</b>           | <b>20,739</b>           |
| <b>Total liabilities</b>   |       | <b>35,352</b>           | <b>40,905</b>           |
| <b>Total equity and liabilities</b>  |       | <b>72,390</b>           | <b>85,284</b>           |

The notes 1 - 42 form an integral part of the consolidated financial statements  
 In terms of our report attached.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Mehul Parekh**

Partner

Mumbai, July 21, 2020

**For and on behalf of the Board**

**Capt. Vivek Kumar Singh**

Managing Director

DIN : 07835635

**Maya Sinha**

Director

(DIN: 03056226)

**Rajesh Desai**

Chief Financial Officer

Mumbai, July 21, 2020

**Harshit Garg**

Company Secretary

(Mem. No. A38321)

## Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(₹ In lac)

| Particulars   | Notes | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|-------|------------------------------|------------------------------|
| I Revenue from operations   | 21    | 61,246                       | 62,479                       |
| II Other income   | 22    | 355                          | 230                          |
| <b>III Total income (I + II)</b>  |       | <b>61,601</b>                | <b>62,709</b>                |
| <b>IV Expenses</b>  |       |                              |                              |
| (a) Employee benefits expense   | 23    | 7,284                        | 7,378                        |
| (b) Fuel, lube oil and fresh water  | 24    | 21,653                       | 21,385                       |
| (c) Port and marine dues  |       | 8,604                        | 8,964                        |
| (d) Charter hire and ocean freight charges  |       | 11,550                       | 10,334                       |
| (e) Stores and spares   |       | 2,295                        | 2,552                        |
| (f) Other operation cost  | 25    | 3,762                        | 3,948                        |
| (g) Depreciation expense  | 5     | 1,792                        | 2,087                        |
| (h) Finance costs   | 26    | 1,948                        | 1,893                        |
| (i) Other expenses  | 27    | 1,802                        | 883                          |
| <b>Total expenses (IV)</b>  |       | <b>60,690</b>                | <b>59,424</b>                |
| <b>V Profit before exceptional items and tax (III - IV)</b>                           |       | <b>911</b>                   | <b>3,285</b>                 |
| VI Exceptional items  |       |                              |                              |
| - Provision for impairment  | 28    | (8,558)                      | (3,060)                      |
| - Insurance claim receivable  |       |                              | 3,155                        |
| <b>VII Profit / (loss) after exceptional items but before tax (V-VI)</b>              |       | <b>(7,647)</b>               | <b>3,380</b>                 |
| Share of Profit / (loss) of an associates and a joint venture                         | 40    | (862)                        | (368)                        |
| <b>VIII Profit / (loss) before tax</b>  |       | <b>(8,509)</b>               | <b>3,012</b>                 |
| <b>IX Tax expense:</b>  | 38    |                              |                              |
| (i) Current tax   |       | 121                          | 52                           |
| (ii) Deferred tax   |       | (2,016)                      | (17)                         |
|   |       | <b>(1,895)</b>               | <b>35</b>                    |
| <b>X Profit / (loss) for the year (VIII - IX)</b>                                     |       | <b>(6,614)</b>               | <b>2,977</b>                 |
| <b>XI Other comprehensive income</b>  |       |                              |                              |
| A (i) Items that will not be reclassified to profit or loss                           |       |                              |                              |
| a) Re-measurements of the defined benefits plans                                      |       | (11)                         | (53)                         |
| b) Share of other comprehensive income of an associate                                |       | (5)                          | (4)                          |
| c) Income tax on above  |       | 1                            | -                            |
| B (i) Items that will be reclassified to profit or loss                               |       |                              |                              |
| a) Effective portion of gains/(loss) on hedging instruments                           |       | (581)                        | (599)                        |
| b) Share of other comprehensive income of an associate                                |       | 236                          | 214                          |
| c) Income tax on above  |       | (49)                         | -                            |
| <b>XII Total other comprehensive income / (loss) for the year [(XI)(A) + (XI)(B)]</b> |       | <b>(409)</b>                 | <b>(442)</b>                 |
| <b>XIII Total comprehensive income / (loss) for the year (XII + XIII)</b>             |       | <b>(7,023)</b>               | <b>2,535</b>                 |
| <b>Profit / (loss) for the year attributable to:</b>                                  |       |                              |                              |
| Owners of the Company   |       | (6,614)                      | 2,977                        |
| Non-controlling interests   |       | -                            | -                            |
|   |       | <b>(6,614)</b>               | <b>2,977</b>                 |
| <b>Other comprehensive income / (loss) attributable to:</b>                           |       |                              |                              |
| Owners of the Company   |       | (409)                        | (442)                        |
| Non-controlling interests   |       | -                            | -                            |
|   |       | <b>(409)</b>                 | <b>(442)</b>                 |
| <b>Total comprehensive income / (loss) attributable to:</b>                           |       |                              |                              |
| Owners of the Company   |       | (7,023)                      | 2,535                        |
| Non-controlling interests   |       | -                            | -                            |
|   |       | <b>(7,023)</b>               | <b>2,535</b>                 |
| <b>XIV Earnings per equity share of Rs. 10/- each</b>                                 |       |                              |                              |
| Basic and diluted   | 30    | (30.12)                      | 13.56                        |

The notes 1 - 42 form an integral part of the consolidated financial statements

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Mehul Parekh

Partner

Mumbai, July 21, 2020

For and on behalf of the Board

Capt. Vivek Kumar Singh

Managing Director

DIN : 07835635

Maya Sinha

Director

(DIN: 03056226)

Rajesh Desai

Chief Financial Officer

Mumbai, July 21, 2020

Harshit Garg

Company Secretary

(Mem. No. A38321)

## Statement of Consolidated Cash Flows for the year ended March 31, 2020

(₹ in lac)

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| <b>A Cash flow from operating activities</b>                                       |                              |                              |
| <b>Profit/(loss) before tax</b>  | <b>(8,510)</b>               | <b>3,012</b>                 |
| Adjusted for non cash/ non operating item  |                              |                              |
| Depreciation expense   | 1,792                        | 2,087                        |
| Finance costs  | 1,948                        | 1,893                        |
| Allowance for doubtful debts (expected credit loss)                                | 340                          | 77                           |
| Effective portion of cash flow hedge reclassified to profit and loss               | -                            | 250                          |
| Interest income earned on financial assets that are not designated as at FVTPL     | (76)                         | (52)                         |
| Dividend income from mutual funds  | (30)                         | (45)                         |
| Insurance claim receivable   | -                            | (3,155)                      |
| Loss on vessel derecognition and related cost                                      | -                            | 2,883                        |
| Provision for impairment in associate  | 8,558                        | -                            |
| Profit/loss on sale of assets  | (46)                         | -                            |
| Share in loss of an associate/joint venture (net)                                  | 862                          | 368                          |
| Hedge ineffectiveness of cash flow hedge   | 184                          | 66                           |
| Interest on income tax refund  | (54)                         | (76)                         |
| Net loss/(gain) on disposal of mutual fund investments designated as at FVTPL      | (6)                          | 9                            |
| Gain arising on interest rate swap not designated in hedge accounting relationship | -                            | (15)                         |
| Liabilities no longer payable written back   | (76)                         | -                            |
| (Gain) /loss arising on on mutual funds/equity investments designated as at FVTPL  | 14                           | (36)                         |
| Allowance for write down of inventories  | 102                          | -                            |
| Rental income  | (66)                         | -                            |
|  | <b>4,937</b>                 | <b>7,266</b>                 |
| <b>Adjustments for increase/(decrease) in working capital</b>                      |                              |                              |
| (Increase)/decrease in assets:   |                              |                              |
| Trade receivables  | (861)                        | (902)                        |
| Inventories  | 876                          | (135)                        |
| Other financial assets (current and non current)                                   | 3,304                        | 284                          |
| Other assets (current and non current)   | (966)                        | (1,519)                      |
| Increase/(decrease) in liabilities:  |                              |                              |
| Trade payables   | (68)                         | 1,018                        |
| Other financial liabilities (current and non current)                              | (38)                         | (72)                         |
| Provisions   | 1                            | (31)                         |
| Other liabilities (current )   | (164)                        | 518                          |
| <b>Net increase/(decrease) in working capital</b>                                  | <b>2,084</b>                 | <b>(839)</b>                 |
| <b>Cash generated from operations</b>  | <b>7,021</b>                 | <b>6,427</b>                 |
| Less: taxes paid (net)   | (1,262)                      | (499)                        |
| <b>NET CASH GENERATED FROM OPERATING ACTIVITIES - (A)</b>                          | <b>5,759</b>                 | <b>5,928</b>                 |

(₹ in lac)

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| <b>B Cash flow from investing activities</b>                      |                              |                              |
| Additions to property, plant and equipment                        | (2,671)                      | (7,034)                      |
| Sale of property, plant and equipment                             | 2,490                        | -                            |
| Purchase of units of mutual funds                                 | (960)                        | (1,090)                      |
| Proceeds from redemption of mutual funds                          | 2,306                        | 2,405                        |
| Interest income   | 13                           | 104                          |
| Dividend income   | 30                           | 45                           |
| Dividend from an associate company                                | -                            | 52                           |
| Changes in other balances with bank deposits (net)                | (640)                        | (93)                         |
| <b>NET CASH GENERATED FROM/(USED) IN INVESTING ACTIVITIES (B)</b> | <b>568</b>                   | <b>(5,611)</b>               |
| <b>C Cash flow from financing activities</b>                      |                              |                              |
| Proceeds from long term borrowings                                | 1,840                        | 4,489                        |
| Repayment of long term borrowings                                 | (6,855)                      | (5,290)                      |
| Movement of short term borrowings (net)                           | 603                          | 2,918                        |
| Equity dividend including dividend distribution tax               | (319)                        | (395)                        |
| Finance costs paid  | (1,938)                      | (1,882)                      |
| <b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>                  | <b>(6,669)</b>               | <b>(160)</b>                 |
| <b>NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)</b>           | <b>(342)</b>                 | <b>157</b>                   |
| Cash and cash equivalents at the beginning of the year            | 880                          | 723                          |
| Add : Net change in cash and cash equivalents as above            | (342)                        | 157                          |
| <b>Cash and cash equivalents at the end of the year</b>           | <b>538</b>                   | <b>880</b>                   |
| Closing cash and cash equivalents consists of:                    |                              |                              |
| Cash on hand  | 9                            | 10                           |
| Balance with banks in current account                             | 495                          | 870                          |
| In deposit accounts (Original maturity of less than 3 months)     | 34                           | -                            |
| <b>TOTAL</b>  | <b>538</b>                   | <b>880</b>                   |

**Note:**

The Statement Consolidated of cash flows have been prepared under Indirect Method as set out in Ind AS 7 -Statement of cash flows notified under Section 133 of the Company Act, 2013, read together with Companies (Indian Accounting Standard) Rules 2015.

The notes 1 - 42 form an integral part Consolidated of the financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Mehul Parekh**

Partner

Mumbai, July 21, 2020

**For and on behalf of the Board**

**Capt. Vivek Kumar Singh**

Managing Director

DIN : 07835635

**Maya Sinha**

Director

(DIN: 03056226)

**Rajesh Desai**

Chief Financial Officer

Mumbai, July 21, 2020

**Harshit Garg**

Company Secretary

(Mem. No. A38321)

## Consolidated Statement of changes in equity for the year ended March 31, 2020

### (A) Equity share capital:

|   | (₹ in lac ) |
|---|-------------|
| Balance at April 01, 2018                       | 2,196       |
| Changes in equity share capital during the year | -           |
| Balance at March 31, 2019                       | 2,196       |
| Changes in equity share capital during the year | -           |
| Balance at March 31, 2020                       | 2,196       |

### (B) Other equity:

(₹ in lac )

| Particulars  | Reserves and surplus       |                            |                     |                                 |                 |                   | Other comprehensive income           |                           | Total   |
|--|----------------------------|----------------------------|---------------------|---------------------------------|-----------------|-------------------|--------------------------------------|---------------------------|---------|
|  | Capital redemption reserve | Securities premium reserve | Tonnage tax reserve | Tonnage tax utilization reserve | General reserve | Retained earnings | Foreign currency translation reserve | Cash flow hedging reserve |         |
| Balance as at April 01, 2018   | 1,300                      | 3,823                      | 1,550               | 6,000                           | 1,717           | 26,536            | (18)                                 | (864)                     | 40,044  |
| Profit for the year  | -                          | -                          | -                   | -                               | -               | 2,977             | -                                    | -                         | 2,977   |
| Other comprehensive income/(loss) for the year, net of taxes, excluding actuarial gain/ losses   | -                          | -                          | -                   | -                               | -               | -                 | (599)                                | -                         | (599)   |
| Foreign currency translation difference, net of taxes  | -                          | -                          | -                   | -                               | -               | -                 | 214                                  | -                         | 214     |
| Re-measurement of defined benefit plans  | -                          | -                          | -                   | -                               | -               | (57)              | -                                    | -                         | (57)    |
| <b>Total comprehensive income for the year</b>   | -                          | -                          | -                   | -                               | -               | 2,921             | 214                                  | (599)                     | 2,536   |
| Dividend including dividend distribution tax and others  | -                          | -                          | -                   | -                               | -               | (396)             | -                                    | -                         | (396)   |
| Transfer from retained earnings  | -                          | -                          | 630                 | -                               | -               | (630)             | -                                    | -                         | -       |
| Transfer to tonnage tax reserve  | -                          | -                          | (1,123)             | 1,123                           | -               | -                 | -                                    | -                         | -       |
| Balance as at March 31, 2019   | 1,300                      | 3,823                      | 1,057               | 7,123                           | 1,717           | 28,430            | 196                                  | (1,463)                   | 42,183  |
| Profit / (loss) for the year   | -                          | -                          | -                   | -                               | -               | (6,614)           | -                                    | -                         | (6,614) |
| Other comprehensive income / (loss) for the year, net of taxes, excluding actuarial gain/ losses | -                          | -                          | -                   | -                               | -               | -                 | (581)                                | -                         | (581)   |
| Foreign currency translation difference, net of taxes  | -                          | -                          | -                   | -                               | -               | -                 | 187                                  | -                         | 187     |
| Re-measurement of defined benefit plans, net of taxes  | -                          | -                          | -                   | -                               | -               | (15)              | -                                    | -                         | (15)    |
| <b>Total comprehensive income / (loss) for the year</b>  | -                          | -                          | -                   | -                               | -               | (6,629)           | 187                                  | (581)                     | (7,023) |
| Dividend including dividend distribution tax   | -                          | -                          | -                   | -                               | -               | (318)             | -                                    | -                         | (318)   |
| Transfer from retained earnings  | -                          | -                          | 120                 | -                               | -               | (120)             | -                                    | -                         | -       |
| Balance as at March 31, 2020   | 1,300                      | 3,823                      | 1,177               | 7,123                           | 1,717           | 21,363            | 383                                  | (2,044)                   | 34,842  |

The notes 1 - 42 form an integral part of the financial statements  
 In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

**Mehul Parekh**  
 Partner  
 Mumbai, July 21, 2020

For and on behalf of the Board

**Capt. Vivek Kumar Singh**  
 Managing Director  
 DIN : 07835635

**Maya Sinha**  
 Director  
 (DIN: 03056226)

**Rajesh Desai**  
 Chief Financial Officer  
 Mumbai, July 21, 2020

**Harshit Garg**  
 Company Secretary  
 (Mem. No. A38321)

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

### 1. Corporate information

Shreyas Shipping and Logistics Limited (the "Company" or "SSLL") is a public limited company incorporated in India on 16th August, 1988 under the Companies Act, 1956. The registered office of the Company is at D-301-305, E-312A, F301-302, Level 3, Tower II, Seawoods Grand Central, Plot NO R1, Sector-40, Nerul Node, Navi Mumbai – 400 706.

SSLL is India's first container feeder owning and operating company. The Company started its operations in 1993 primarily to fill the gap for feeding of containers between Indian ports and internationally renowned Asian transshipment ports. SSLL's shares are listed on both Bombay Stock Exchange and National Stock Exchange. At present, the Company along with its associate and a joint venture company (together referred to as the "Group") is a leading player in coastal shipping sector.

### 2.1. Statement of compliance

These Consolidated Financial Statements comprising the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended March 31, 2020 and summary of the significant accounting policies and selected notes (together hereinafter referred to as "Consolidated Financial Statements") have been prepared under Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and guidelines issued by Securities and Exchange Board of India (SEBI).

### 2.2. Basis of preparation and presentation

The Consolidated Financial Statements are prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies given below. Presentation requirements of Division II of Schedule III to the Companies Act, 2013, as applicable to the Consolidated Financial Statements have been followed. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Consolidated Financial Statements are presented in Indian Rupees ('INR') which is functional and presentation currency of the Company and all values are rounded to the nearest lac, except otherwise indicated.

### 2.3: Applicability of new and revised Ind AS

#### I. Amendments to Ind AS that are notified and adopted by the Company

The Ministry of Corporate Affairs ("MCA") has notified the following new Ind AS /amendments to Ind ASs on March 30, 2019 which is effective from financial year beginning on or after April 1, 2019.

#### a. Ind AS 116 – Leases

Ind AS 116 Leases replaced Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees. The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, using the modified retrospective approach. (refer note no. 3(k) and 31)

#### b. Appendix C to Ind AS 12 – Uncertainty over income tax treatment:

The amendment requires an entity to assess whether it is probable that the relevant tax authority will accept an uncertain tax treatment used or proposed to be used, by the entity in its tax filings. The Group has currently carried out an assessment using the most likely amount or the expected value method, as applicable, for better predicting the resolution of uncertain tax positions.

#### c. Ind AS 12 – Income taxes:

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

#### d. Ind AS 19 – Employee Benefits:

The amendment addresses the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments require an entity:

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

- i. to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- ii. to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The adoption of the above new standards / amendments has not resulted into any material impact on the Consolidated Financial Statements of the Company.

### II. Ind AS / Amendments to existing Ind AS issued but not yet effective

MCA notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

### 3. Significant accounting policies

#### (a) Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and its associate and joint venture.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these Consolidated Ind AS Financial Statements using the equity method of accounting from the date on which the investee becomes an associate or a joint venture. Under the equity method, an investment in an associate or a joint venture is initially recognised in the Consolidated Balance Sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

#### (b) Revenue recognition

Revenue is recognised upon transfer of control of promised services to customer at an amount that reflects the consideration expected to be received in exchange for those services.

##### (i) Revenue from logistics service operations

- a) Ocean freight, charter hire income from transportation of cargo by inland and international waterways respectively is recognised following the proportionate completion method on time basis.
- b) Income from transportation of cargo by road / rail is recognised upon delivery to load port or final place of delivery, as applicable.
- c) In case of end-to end logistics services under multimodal transport, the revenue is recognised following the proportionate completion method on time basis for each mode.
- d) Terminal handling charges and ancillary income related to load port and discharge port are recognised on loading / unloading of the container at the load port and discharge port respectively.
- e) Other operating income from documentation charges and crane handling charges is recognised upon delivery of such services to the customers.

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

### (ii) Dividend income

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

### (iii) Interest income

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

### (c) Property, plant and equipment

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

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

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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

| Class of assets             | Useful lives in years |
|-----------------------------|-----------------------|
| Dry-dock component of fleet | 5 years*              |
| Containers                  | 15 years              |
| Trailers                    | 10 years              |
| Mobile handsets             | 3 years               |
| Computers                   | 3-6 years             |

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

### (d) Intangible assets

Intangible assets purchased are carried at cost as of the date of acquisition less accumulated amortisation and accumulated impairment losses, if any. Intangible asset in the nature of computer software is amortised on a straight line basis over the estimated useful life of 4 to 6 years.



## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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

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

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as of the transition date.

### (e) Foreign exchange transactions

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

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

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

Exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognized in the consolidated financial statements for the year ended March 31, 2017 prepared under Previous GAAP, are capitalized as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the foreign subsidiaries of an associate company are translated into INR using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Group's share in exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

### (f) Borrowing costs

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

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

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

### (g) Taxation

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

#### Current tax:

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

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

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

### Deferred tax:

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised.

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

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

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

### (h) Provisions and contingent liabilities

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

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

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

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

### (i) Employee benefits

#### (i) Short-term employee benefits:

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

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

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

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

### (ii) Retirement benefit costs and termination benefits

#### Defined contribution plans:

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

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

#### Defined benefit plans:

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

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

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

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

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

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

### (j) Earnings per share

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

### (k) Leases:

The Group has applied Ind AS 116 using the Retrospective Modified Approach and therefore comparative information has not been restated and is presented as per Ind AS 17. Details of accounting policies under both Ind AS 17 and Ind AS 116 are presented separately below.

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

### Policy applicable from April 1, 2019:

#### The Group as a lessor:

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

#### The Group as a lessee:

The Group assesses whether a contract is or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset; (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease, and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these short term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is presented as a separate line in the Balance sheet. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets are presented as a separate line balance sheet. Right-of-use assets are depreciated on a straight line basis over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

For a contract that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate stand-alone price of the non-lease components.

### Policy applicable prior to April 1, 2019:

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

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

### **The Group as a lessor:**

Amount due from the lessee under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Lease receipts are apportioned between finance income and reduction of the revenue so as to achieve a constant rate of interest on the remaining balance of the finance lease receivable. Finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

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

### **The Group as a lessee:**

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Consolidated Statement of Profit or Loss.

Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### **(l) Government grant**

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

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

### **(m) Accounting and reporting of information for Operating Segments**

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") in the Group to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

### **(n) Inventories**

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

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

### **(o) Cash and cash equivalents**

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

### **(p) Financial instruments**

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

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

### (a) Non-derivative financial instruments:

#### i) Cash and cash equivalents

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

#### ii) Financial assets carried at amortised cost

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

#### iii) Financial assets at fair value through other comprehensive income

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

#### iv) Financial assets at fair value through profit or loss

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

#### v) Equity instruments

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

#### vi) Financial liabilities at amortized cost

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

### (b) Impairment:

#### i) Financial assets:

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

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

#### ii) Non-financial assets:

##### Property, plant and equipment and intangible asset:

Property, plant and equipment and intangible assets with finite lives are evaluated for recoverability wherever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

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

### (c) De-recognition of financial assets

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

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

### (d) Derivative financial instruments

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

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

### (e) Offsetting of financial instruments:

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

### (f) Fair value of financial instruments:

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

### (g) Hedge accounting

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

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

#### (i) Fair value hedges

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

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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

### (ii) Cash flow hedges

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

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

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

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

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

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

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

### i. Impairment of investment in an associate:

Determining whether impairment in the value of investment in Avana Logistek Limited requires an estimation of the value in use of its underlying business. In considering the value in use, the Management has made assumption relating to volume and rate of container cargo, proportion of reefer container cargo volume, slot cost, other operational and administrative costs, closure of non-performing dedicated freight arrangements and terminal growth rate etc. for arriving at the future cash flows expected to arise from the cash-generating units, and discount rates in order to calculate the present value of such cash flows. Any subsequent changes to the cash flows due to changes in the above mentioned factors could impact the carrying value of the investment.

### ii. Revenue recognition:

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



## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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

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

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

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

### iv. Contingencies:

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in note 34 to the Consolidated Financial Statements but are not recognized. The management decides whether the matters needs to be classified as 'remote,' 'possible' or 'probable' based on expert advice, past judgements, terms of the contract etc. Group's assessment of exposure to contingencies could change as new developments occur or more information becomes available. The outcome of the contingencies could vary significantly and could materially impact the Group's results and financial position.

### v. Expected credit losses:

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

### vi. Defined benefit plans:

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

### vii. Fair value measurements

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

### viii. Estimation of uncertainties relating to the global health pandemic from COVID - 19 (COVID-19)

As the Company's activities were classified as essential services, the lockdown imposed on account of the COVID 19 pandemic, had limited impact on Group's operations during the year ended March 31, 2020. Based on its assessments, the Group believes that it will be able to recover the carrying amount of its assets. Also, the Company has not identified any significant uncertainty with regard to its ability to fulfil its obligations during the period of 12 months subsequent to the year end.

However, the actual impact of COVID 19 on the Consolidated Financial Statements may differ from that estimated and the Group will continue to closely monitor any material changes to future economic conditions.

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

## 5. Property, plant and equipment

| Particulars                                     | (₹ in lac)    |                             |                 |                        |                  |           |            |               |
|---|---------------|-----------------------------|-----------------|------------------------|------------------|-----------|------------|---------------|
|   | Fleet         | Dry dock component of fleet | Land & Building | Furniture and fixtures | Office equipment | Computers | Vehicles   | Total         |
| At cost (deemed cost refer footnote (i) below)  |               |                             |                 |                        |                  |           |            |               |
| Balance as at April 01, 2018                    | 37,112        | 3,512                       | -               | 62                     | 14               | 17        | 97         | 40,814        |
| Additions                                       | 4,913         | 1,752                       | -               | 1                      | -                | 3         | 17         | 6,686         |
| Disposals                                       | (2,729)       | (257)                       | -               | -                      | -                | -         | -          | (2,986)       |
| Effect of foreign currency exchange differences | 663           | -                           | -               | -                      | -                | -         | -          | 663           |
| <b>Balance as at March 31, 2019</b>             | <b>39,959</b> | <b>5,007</b>                | <b>-</b>        | <b>63</b>              | <b>14</b>        | <b>20</b> | <b>114</b> | <b>45,177</b> |
| Additions                                       | 480           | -                           | 2,233           | 88                     | 68               | -         | -          | 2,868         |
| Disposals                                       | (2,462)       | (369)                       | -               | -                      | -                | -         | -          | (2,831)       |
| Effect of foreign currency exchange differences | 388           | -                           | -               | -                      | -                | -         | -          | 388           |
| <b>Balance as at March, 2020</b>                | <b>38,365</b> | <b>4,638</b>                | <b>2,233</b>    | <b>150</b>             | <b>82</b>        | <b>20</b> | <b>114</b> | <b>45,602</b> |
| Accumulated depreciation and impairment         |               |                             |                 |                        |                  |           |            |               |
| Balance as at April 01, 2018                    | 1,279         | 1,055                       | -               | 18                     | 12               | 6         | 6          | 2,376         |
| Depreciation expense                            | 702           | 1,360                       | -               | 9                      | 1                | 3         | 12         | 2,087         |
| Elimination on disposal of assets               | (94)          | (137)                       | -               | -                      | -                | -         | -          | (231)         |
| <b>Balance as at March 31, 2019</b>             | <b>1,887</b>  | <b>2,278</b>                | <b>-</b>        | <b>27</b>              | <b>13</b>        | <b>9</b>  | <b>18</b>  | <b>4,232</b>  |
| Depreciation expense                            | 909           | 824                         | 18              | 13                     | 12               | 2         | 14         | 1,792         |
| Elimination on disposal of assets               | (225)         | (162)                       | -               | -                      | -                | -         | -          | (387)         |
| <b>Balance as at March 31, 2020</b>             | <b>2,571</b>  | <b>2,940</b>                | <b>18</b>       | <b>40</b>              | <b>25</b>        | <b>11</b> | <b>32</b>  | <b>5,637</b>  |
| Carrying amount                                 |               |                             |                 |                        |                  |           |            |               |
| Balance as at March 31, 2019                    | 38,072        | 2,729                       | -               | 36                     | 1                | 11        | 97         | 40,946        |
| Balance as at March 31, 2020                    | 35,794        | 1,698                       | 2,215           | 110                    | 57               | 9         | 82         | 39,965        |

## Footnotes :

- (i) Certain property, plant and equipment have been pledged against borrowings, the details relating to which have been described in Note 15.
- (ii) During the year, the Company has purchased the office premises (14,244 sq. ft.) from Avana Logistek Limited, a related party, at a fair value of ₹ 2,072 lac determined based on the recent market price of similar property in the same location.

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

### 6. Investments

| Particulars  | As at March 31, 2020 |              | As at March 31, 2019 |               |
|--|----------------------|--------------|----------------------|---------------|
|  | No of shares         | (₹ in lac )  | No of shares         | (₹ in lac )   |
| <b>(A) Non-current</b>   |                      |              |                      |               |
| (i) Investment in equity instruments accounted using equity method                 |                      |              |                      |               |
| Unquoted   |                      |              |                      |               |
| <b>(a) Investment in an associate (refer note 28)</b>                              |                      |              |                      |               |
| Avana Logistek Limited (formerly known as Shreyas Relay Systems Limited)           | 10,500,000           | 13,988       | 10,500,000           | 14,620        |
| Less Provision for impairment  |                      | (8,558)      |                      | -             |
| Net Investment in an associate   |                      | 5,430        |                      | 14,620        |
| <b>(b) Investment in a joint venture (at cost):</b>                                |                      |              |                      |               |
| Shreyas-Suzue Logistics (India) Private Limited                                    | 500,000              | 42           | 500,000              | 41            |
| <b>Total investments accounted for using the equity method [ (i a) + (i b) ]</b>   |                      | <b>5,472</b> |                      | <b>14,661</b> |
| (ii) Investment measured at fair value through profit or loss                      |                      |              |                      |               |
| <b>(a) Investment in other equity shares</b>                                       |                      |              |                      |               |
| Orient Express Ship Management Ltd.  | 15,000               | 5            | 15,000               | 9             |
| <b>(ii) Investment in mutual funds:</b>  |                      |              |                      |               |
| Total investment measured at fair value through profit or loss [ (ii a) + (ii b) ] |                      | 193          |                      | 1,524         |
| <b>TOTAL</b>   |                      | <b>5,670</b> |                      | <b>16,194</b> |
| <b>(B) Current</b>   |                      |              |                      |               |
| Investment in mutual funds   |                      |              |                      | 19            |
| (At fair value through profit or loss)   |                      |              |                      |               |
| <b>TOTAL</b>   |                      |              |                      | <b>19</b>     |
| <b>Aggregate carrying amount of unquoted investments</b>                           |                      | <b>5670</b>  |                      | <b>16213</b>  |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

## 7. Other financial assets

(₹ in lac )

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>(A) Non-current</b>   |                         |                         |
| Bank deposits with maturity of more than 12 months as of the balance sheet date including interest accrued thereon (restricted cash) |                         |                         |
| - Lien against borrowings  | 345                     | 593                     |
| - Others (pledged with customs authorities)  | -                       | 20                      |
| In deposit accounts (Original maturity more than 12 months of the balance sheet date)  | -                       | 7                       |
| Security deposits  | 6                       | 10                      |
|  | <b>351</b>              | <b>630</b>              |
| <b>(B) Current</b>   |                         |                         |
| Claims receivable  | -                       | 3,155                   |
| Interest accrued on fixed deposits   | 69                      | 6                       |
| Unbilled revenue   | 19                      | -                       |
| Interest receivable on Income Tax refund   | 54                      | -                       |
| Other receivables  | 120                     | 218                     |
| Less: Allowance for doubtful receivables   | (77)                    | -                       |
|  | 43                      | 218                     |
|  | <b>185</b>              | <b>3,379</b>            |

## 8. Other assets

(₹ in lac )

| Particulars                                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Advances to related parties (refer note 37C) | 857                     | 451                     |
| Prepaid expenses                             | -                       | 26                      |
| Unfinished voyage expenses*                  | -                       | 136                     |
| Export credit entitlements                   | 111                     | 117                     |
| Advances to others - considered good         | 2,089                   | 1,664                   |
| GST Input Tax Credit (Net of tax)            | 1,444                   | 1,200                   |
| Others                                       | 113                     | 54                      |
|  | <b>4,614</b>            | <b>3,648</b>            |

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

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

### 9. Inventories

(₹ in lac)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>Inventories ( at lower of cost and net realisable value)</b> |                         |                         |
| Fuel oil  | 957                     | 1,791                   |
| Less: Allowance for write down of inventories                   | (102)                   | -                       |
|   | <b>855</b>              | <b>1,791</b>            |
| Lube oil  | 408                     | 460                     |
| Victualling stock   | 37                      | 27                      |
| <b>Total</b>  | <b>1,300</b>            | <b>2,278</b>            |

- i. The cost of inventories recognised as an expense includes ₹ 102 lac (as at March 31, 2019: Nil) in respect of write-down of inventory to net realisable value on account of decrease in fuel prices
- ii. Inventory with a carrying value of ₹ 1,300 lac (as at March 31, 2019: ₹ 2,278 lac) have been pledged as security of the Company's working capital loans from banks.

### 10. Trade receivables

(₹ in lac)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>Trade receivables</b>  |                         |                         |
| a) Trade receivables considered good - Secured                      | -                       | -                       |
| b) Trade receivables considered good - Unsecured                    | 15,498                  | 14,900                  |
| c) Trade receivables which have significant increase in credit risk | -                       | -                       |
| d) Trade receivables - Credit impaired                              | 375                     | 112                     |
|   | <b>15,873</b>           | <b>15,012</b>           |
| Less: Allowance for doubtful debts (expected credit loss allowance) | (375)                   | (112)                   |
|   | <b>15,498</b>           | <b>14,900</b>           |

#### Movement of allowance for expected credit loss

(₹ in lac)

| Particulars                      | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------------------------|-------------------------|-------------------------|
| Balance at beginning of the year | 112                     | 35                      |
| Recognised during the year       | 263                     | 77                      |
| Balance at end of the year       | <b>375</b>              | <b>112</b>              |

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

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

### 11. Cash and cash equivalents

(₹ in lac)

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Cash in hand  | 9                       | 10                      |
| Balances with banks   |                         |                         |
| In current accounts   | 495                     | 870                     |
| In deposit accounts (original maturity of less than 3 months) | 34                      | -                       |
|   | <b>538</b>              | <b>880</b>              |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

## 12. Other bank balances

(₹ in lac )

| Particulars   | As at          |                |
|---|----------------|----------------|
|   | March 31, 2020 | March 31, 2019 |
| Unclaimed dividend accounts   | 30             | 31             |
| In deposit accounts (Original maturity more than 3 months but due within 12 months of the balance sheet date) | 1,025          | 109            |
|   | <b>1,055</b>   | <b>140</b>     |

## 13. Equity share capital

| Particulars  | As at March 31, 2020 |             | As at March 31, 2019 |             |
|--|----------------------|-------------|----------------------|-------------|
|  | Number of shares     | (₹ in lac ) | Number of shares     | (₹ in lac ) |
| <b>Authorised share capital</b>                          |                      |             |                      |             |
| Equity shares of ₹ 10 each                               | 24,000,000           | 2,400       | 24,000,000           | 2,400       |
| <b>Issued, subscribed and fully paidup share capital</b> |                      |             |                      |             |
| Equity shares of ₹ 10 each                               | 21,957,533           | 2,196       | 21,957,533           | 2,196       |

## 13.1 Reconciliation of number of equity shares and share capital

|  | Year ended March 31, 2020 |             | Year ended March 31, 2019 |             |
|--|---------------------------|-------------|---------------------------|-------------|
|  | Number of shares          | (₹ in lac ) | Number of shares          | (₹ in lac ) |
| Issued, subscribed and fully paidup equity shares outstanding at the beginning of the year | 21,957,533                | 2,196       | 21,957,533                | 2,196       |
| Movements during the year  | -                         | -           | -                         | -           |
| Issued, subscribed and fully paidup equity shares outstanding at the end of the year       | 21,957,533                | 2,196       | 21,957,533                | 2,196       |

## 13.2 Terms of/rights attached to equity shares

- (a) The Company has only one class of equity shares having a par value of ₹10 each. Each shareholder of equity shares is entitled to one vote per share. Dividend proposed by the Board of Directors, if any, is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend.
- (b) In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their share holding.

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

|   | As at March 31, 2020  |                            | As at March 31, 2019  |                            |
|---|-----------------------|----------------------------|-----------------------|----------------------------|
|   | Number of shares held | % holding of equity shares | Number of shares held | % holding of equity shares |
| <b>Fully paid equity shares</b>                       |                       |                            |                       |                            |
| (a) Transworld Holdings Limited (the Holding Company) | 12,351,650            | 56.25%                     | 12,351,650            | 56.25%                     |
| (b) Sivaswamy Ramakrishnan Iyer                       | 1,557,550             | 7.09%                      | 1,557,550             | 7.09%                      |

13.4 No shares have been issued for consideration other than cash in last five years.

13.5 No shares have been reserved for issue under options and contracts/ commitments for sale of shares/disinvestments

13.6 No shares have been bought back during the last five years

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

### 14. Other equity

(₹ in lac )

| Particulars                           | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------------------------------------|-------------------------|-------------------------|
| <b>(a) Reserves and surplus:</b>      |                         |                         |
| Capital redemption reserve            | 1,300                   | 1,300                   |
| Securities premium reserve            | 3,823                   | 3,823                   |
| Tonnage tax reserve                   | 1,177                   | 1,057                   |
| Tonnage tax utilisation reserve       | 7,123                   | 7,123                   |
| General reserve                       | 1,717                   | 1,717                   |
| Retained earnings                     | 21,363                  | 28,430                  |
| <b>(b) Other comprehensive income</b> |                         |                         |
| Cash flow hedging reserve             | (2,044)                 | (1,463)                 |
| Foreign currency translation reserve  | 383                     | 196                     |
|                                       | <b>34,842</b>           | <b>42,183</b>           |

#### Footnotes:

- (a) **Capital redemption reserve:** The Companies Act provides that companies redeeming preference shares at face value or nominal value is required to transfer an equivalent amount into capital redemption reserve. This reserve can be used to issue fully paid-up bonus shares to the shareholders of the Company.
- (b) **Securities premium reserve:** The amount received in excess of face value of equity shares is recognised in securities premium reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.
- (c) **Tonnage tax reserve:** The reserve is a statutory reserve as per requirements of section 115VT of the Income Tax Act, 1961 for the purpose of complying with the conditions of tonnage tax scheme.
- (d) **Tonnage tax utilisation reserve:** The tonnage tax utilised reserve represents the utilisation of tonnage tax reserve created as per requirements of section 115VT of the Income Tax Act, 1961 for the purpose of purchase of vessel.
- (e) **General reserve:** The Company created a general reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to general reserve before declaring dividends. The provision of the Companies Act 2013, do not mandate transfer of profits to general reserve. General reserve is a free reserve available for distribution subject to compliance with the Companies (Declaration and Payment of Dividend) Rules, 2014.
- (f) **Retained earnings:** Retained earnings comprise balances of accumulated (undistributed) profit and loss at each year end.
- (g) **Cash flow hedging reserve:** Cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated hedging instruments entered into for cash flow hedges, which shall be reclassified to Consolidated Statement of Profit and Loss only when the hedged transaction affects the profit or loss.
- (h) **Foreign currency translation reserve:** Exchange differences relating to translation of the reserves and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e INR) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

## 15. Borrowings

(₹ in lac)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>(A) Non-current (at amortised cost)</b>                       |                         |                         |
| Secured - (refer note (a) below)                                 |                         |                         |
| Term loans from banks  | 18,454                  | 22,373                  |
| Less: current maturities of long-term borrowings                 | (7,460)                 | (5,113)                 |
| <b>Total non-current borrowings</b>                              | <b>10,994</b>           | <b>17,260</b>           |
| <b>(B) Current (at amortised cost)</b>                           |                         |                         |
| Working capital loans from banks (secured, refer note (b) below) | 8,150                   | 7,547                   |
| <b>Total current borrowings</b>                                  | <b>8,150</b>            | <b>7,547</b>            |

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

(₹ in lac)

| Sr. No. | Particulars         | Terms of repayment   | Security  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---------|---------------------|--|---|-------------------------|-------------------------|
| 1       | Term loan from bank | 6 month LIBOR + 350 bps, foreign currency term loan repayable in equal quarterly installments till December, 2022  | First charge on vessel - SSL Mumbai   | 671                     | 799                     |
| 2       | Term loan from bank | 3 month LIBOR + 330 bps, foreign currency term loan repayable in equal quarterly installments till January, 2021   | First charge on vessel - SSL Kochi  | 344                     | 1,641                   |
| 3       | Term loan from bank | 6 month LIBOR + 425 bps, foreign currency term loan repayable in equal quarterly installments till January, 2022   | First charge on vessel - SSL Gujarat and extension of charge on the vessels SSL Brahamaputra, SSL Delhi, SSL Balaji & SSL Chennai | 804                     | 1,262                   |
| 4       | Term loan from bank | 6 month LIBOR + 350 bps, foreign currency term loan repayable in equal quarterly installments till July, 2023      | First charge on vessel - SSL Bharat   | 1,694                   | 2,065                   |
| 5       | Term loan from bank | 3 month LIBOR + 320 bps, foreign currency term loan repayable in equal quarterly installments till September, 2021 | First charge on vessel - SSL Visakhapatnam  | 375                     | 548                     |
| 6       | Term loan from bank | 6 month LIBOR + 325 bps, foreign currency term loan repayable in equal quarterly installments till May, 2022       | First charge on vessel - SSL Delhi and extension of charge on the vessels SSL Brahamaputra, SSL Gujarat, SSL Balaji & SSL Chennai | 789                     | 1,238                   |
| 7       | Term loan from bank | 6 month LIBOR + 350 bps, foreign currency term loan repayable in equal quarterly installments till March, 2024     | First charge on vessel - SSL Kolkata  | -                       | 1,428                   |



## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

(₹ in lac)

| Sr. No. | Particulars             | Terms of repayment  | Security  | As at March 31, 2020 | As at March 31, 2019 |
|---------|-------------------------|---|---|----------------------|----------------------|
| 8       | Term loan from bank     | 6 months LIBOR + 400 bps, foreign currency term loan repayable in equal quarterly installments till September, 2023   | Exclusive charge on Seawood Property  | 1,830                | -                    |
| 9       | Term loan from bank     | 6 month LIBOR + 325 bps, foreign currency term loan repayable in equal quarterly installments till March, 2025  | First charge on vessel - SSL Balaji and SSL Brahmaputra and extension of charge on the vessels SSL Gujarat, SSL Delhi & SSL Chennai | 4,457                | 5,041                |
| 10      | Buyers' Credit Facility | 12 month LIBOR + 67 bps, Buyer's credit facility for three years to be converted into FCTL repayable in equal quarterly installments from Oct, 2020 till July, 2023 | First charge on vessel - SSL Ganga  | 2,007                | 1,927                |
| 11      | Term loan from bank     | Interest I- Base + 290 bps Rupees term loan repayable in equal quarterly installment till July 2020.  | First charge on vessel - SSL Kochi and SSL Kutch.   | -                    | 326                  |
| 12      | Term loan from bank     | 6 month LIBOR + 325 bps, foreign currency term loan repayable in equal quarterly installments till May, 2021  | First charge on vessel - SSL Krishna  | 3,772                | 4,007                |
| 13      | Term loan from bank     | Interest I-Base+290 bps, Rupees term Loan repayable in equal quarterly installments till March, 2025  | First charge on vessel - SSL Sabarimalai  | 1,656                | 2,018                |
| 14      | Term loan from bank     | Rupee term loan repayable in equal monthly installments till October, 2022  | Audi Q7   | 45                   | 60                   |
| 15      | Term loan from bank     | Rupee term loan repayable in equal monthly installments till December, 2021   | Mahindra Marazzo M8   | 9                    | 13                   |
|         |                         |   |   | <b>18,454</b>        | <b>22,373</b>        |

- b) Working capital loans are secured by hypothecation of all current assets (present and future) of the Company.
- c) Non-current portion of ₹ 3,421 lac of term loan from a bank has been classified as current upon breach of certain financial covenants prescribed in the underlying term loan arrangement, as at the balance sheet date.
- d) Reconciliation of liabilities arising from financing activities**

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

(₹ in lac)

| Particulars           | As at March 31, 2019 | Financing cash flows - (net) | Foreign exchange rate difference | As at March 31, 2020 |
|-----------------------|----------------------|------------------------------|----------------------------------|----------------------|
| Term loans from banks | 22,373               | (5,015)                      | 1,096                            | 18,454               |
| Working capital loans | 7,547                | 603                          | -                                | 8,150                |
|                       | <b>29,920</b>        | <b>(4,412)</b>               | <b>1,096</b>                     | <b>26,604</b>        |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

(₹ in lac )

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

## 16. Other financial liabilities

(₹ in lac )

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>(A) Non-current</b>  |                         |                         |
| a) Foreign currency forward contracts designated in hedge accounting relationship | 57                      | 4                       |
|   | <b>57</b>               | <b>4</b>                |
| <b>(B) Current</b>  |                         |                         |
| a) Current maturities of term loans from banks ( refer note a & note 15)          | 7,460                   | 5,113                   |
| b) Interest accrued but not due on borrowings                                     | 158                     | 148                     |
| c) Unclaimed dividend   | 30                      | 31                      |
| d) Payable for capital purchases  | 183                     | 183                     |
| e) Employee related liabilities   | 383                     | 417                     |
|   | <b>8,214</b>            | <b>5,892</b>            |

## Note:

- a) Relates to term loans in respect of which the Company has opted to avail moratorium on payment of all instalments (principal and interest component) falling due between 01st March 2020 to 31st August 2020, from respective banks on account of COVID 19 under the RBI guidelines and accordingly, interest accrued as on 31 March 2020 is payable after completion of moratorium period.

## 17. Provisions

(₹ in lac )

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>(A) Non-current</b>                             |                         |                         |
| Employee benefits                                  |                         |                         |
| Provision for Gratuity (refer note 29)             | 16                      | 3                       |
|  | <b>16</b>               | <b>3</b>                |
| <b>(B) Current</b>                                 |                         |                         |
| Provision for compensated absences (refer note 29) | 86                      | 87                      |
|  | <b>86</b>               | <b>87</b>               |

## 18. Deferred tax liabilities

(₹ in lac )

| Particulars                    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--------------------------------|-------------------------|-------------------------|
| Deferred tax liabilities (net) | 931                     | 2,899                   |
|                                | <b>931</b>              | <b>2,899</b>            |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

(₹ in lac )

| Deferred tax balances in relation to  | As at<br>March 31, 2018 | Recognised / (reversed)<br>through profit or loss | As at<br>March 31, 2019 |
|---|-------------------------|---|-------------------------|
| Unrealised gain/(loss) on mutual funds carried at fair value through profit or loss | 37                      | 15  | 52                      |
| Fair valuation of investment in an associate upon gaining significant influence     | 2,879                   | (32)  | 2,847                   |
|   | <b>2,916</b>            | <b>(17)</b>                                       | <b>2,899</b>            |

(₹ in lac )

| Deferred tax balances in relation to  | As at<br>March 31, 2019 | Recognised / (reversed)<br>through profit or loss | As at<br>March 31, 2020 |
|---|-------------------------|---|-------------------------|
| Unrealised gain/(loss) on mutual funds carried at fair value through profit or loss | 52                      | (56)  | (4)                     |
| Fair valuation of investment in an associate upon gaining significant influence     | 2,847                   | (1,912)   | 935                     |
|   | <b>2,899</b>            | <b>(1,968)</b>                                    | <b>931</b>              |

### 19. Trade payables

(₹ in lac )

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Due to micro and small enterprises (refer note 36)                           | -                       | 117                     |
| Due to creditors other than micro and small enterprises (refer note a below) | 6,062                   | 6,090                   |
|  | <b>6,062</b>            | <b>6,207</b>            |

- a. The average credit period for creditors is between 30 to 60 days, in case of any delay in payment no interest is charged from any vendors.

### 20. Other current liabilities

(₹ in lac )

| Particulars                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|------------------------------|-------------------------|-------------------------|
| (a) Statutory liabilities    | 359                     | 388                     |
| (b) Unfinished voyage income | 483                     | 618                     |
|                              | <b>842</b>              | <b>1,006</b>            |

### 21. Revenue from operations

(₹ in lac )

| Particulars                                | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| <b>Sales of services</b>                   |                              |                              |
| (a) Ocean freight income                   | 54,032                       | 56,109                       |
| (b) Charter hire income                    | 6,827                        | 4,759                        |
| (c) Multimodal freight income              | -                            | 1,358                        |
| (d) Income from export credit entitlements | -                            | 115                          |
| (e) Other operating income                 | 387                          | 138                          |
|  | <b>61,246</b>                | <b>62,479</b>                |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

## 22. Other income

(₹ in lac )

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| (a) Interest income earned on financial assets that are not designated as at FVTPL     | -                            | -                            |
| -Interest income on deposits with banks  | 76                           | 52                           |
| (b) Interest income on income tax refund   | 54                           | 76                           |
| (c) Dividend from mutual fund investments  | 30                           | 45                           |
| (d) Profit on Sale of Assets   | 46                           | -                            |
| (e) Gain arising on mutual fund designated as at FVTPL                                 | -                            | 36                           |
| (f) Net gain on disposal of mutual fund investments designated as at FVTPL             | 6                            | -                            |
| (g) Liabilities no longer payable written back   | 76                           | -                            |
| (h) Rental Income  | 66                           | -                            |
| (i) Gain arising on Interest rate swap not designated in hedge accounting relationship | -                            | 15                           |
| (j) Other miscellaneous income   | -                            | 6                            |
|  | <b>355</b>                   | <b>230</b>                   |

## 23. Employee benefits expense

(₹ in lac )

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| <b>Off-shore staff</b>   |                              |                              |
| (a) Salaries, wages and other allowances                           | 6,140                        | 6,202                        |
| (b) Contribution to provident and other funds (refer note no.29)   | 171                          | 176                          |
| (c) Staff welfare for floating staff                               | 30                           | 46                           |
| <b>On-shore staff</b>  |                              |                              |
| (a) Salaries and bonus   | 843                          | 868                          |
| (b) Contribution to provident fund and gratuity (refer note no.29) | 61                           | 57                           |
| (c) Staff welfare  | 39                           | 29                           |
|  | <b>7,284</b>                 | <b>7,378</b>                 |

## 24. Fuel, lube oil and fresh water

(₹ in lac )

| Particulars     | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|-----------------|------------------------------|------------------------------|
| (a) Fuel oil    | 19,416                       | 19,191                       |
| (b) Gas oil     | 901                          | 882                          |
| (c) Lube oil    | 1,217                        | 1,169                        |
| (d) Fresh water | 119                          | 143                          |
|                 | <b>21,653</b>                | <b>21,385</b>                |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

### 25. Other operation cost

(₹ in lac)

| Particulars                           | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---------------------------------------|------------------------------|------------------------------|
| (a) Vessel management and agency fees | 1,231                        | 1,342                        |
| (b) Insurance and protection club fee | 1,076                        | 714                          |
| (c) Repairs and maintenance of fleet  | 532                          | 512                          |
| (d) Crew victualling                  | 473                          | 423                          |
| (e) Other operating expenses          | 446                          | 416                          |
| (f) Transportation expenses           | -                            | 505                          |
| (g) Brokerage / commission            | 4                            | 36                           |
|                                       | <b>3,762</b>                 | <b>3,948</b>                 |

### 26. Finance costs

(₹ in lac)

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| <b>Interest expenses on financial liabilities not classified as FVTPL:-</b> |                              |                              |
| (a) Interest on bank loans  | 1,655                        | 1,739                        |
| (b) Other borrowing cost  | 133                          | 154                          |
| (c) Exchange differences arising from foreign currency borrowings           | 160                          | -                            |
|   | <b>1,948</b>                 | <b>1,893</b>                 |

### 27. Other expenses

(₹ in lac)

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| (a) Allowance for doubtful debts (expected credit loss)                   | 340                          | 77                           |
| (b) Professional and consultancy fees                                     | 129                          | 127                          |
| (c) Rent  | 34                           | 40                           |
| (d) Advertisement and business promotion                                  | 28                           | 72                           |
| (e) Travelling and conveyance   | 51                           | 62                           |
| (f) Communication expenses  | 32                           | 25                           |
| (g) Auditors remuneration (refer footnote A)                              | 48                           | 45                           |
| (h) Repairs and maintenance- other assets                                 | 59                           | 15                           |
| (i) Vehicle lease rent  | 10                           | 11                           |
| (j) Director's sitting fees   | 76                           | 48                           |
| (k) Loss on sale of mutual fund investments                               | -                            | 9                            |
| (l) Insurance expenses  | 14                           | 16                           |
| (m) Rates and taxes   | 20                           | 3                            |
| (n) Net loss on foreign currency transactions and translation             | 653                          | 66                           |
| (o) Corporate social responsibility expenditure (refer footnote B)        | 27                           | 23                           |
| (p) Loss arising on mutual fund/equity investments designated as at FVTPL | 14                           | -                            |
| (q) Hedge ineffectiveness of cash flow hedge                              | 184                          | 66                           |
| (r) Other expenses  | 83                           | 178                          |
|   | <b>1,802</b>                 | <b>883</b>                   |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

## Footnotes:

| (₹ in lac )   |                              |                              |
|---|------------------------------|------------------------------|
| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
| <b>A) Auditor's remuneration (excluding taxes):</b> |                              |                              |
| Audit fees  | 39                           | 37                           |
| In other capacity                                   |                              |                              |
| - Tax audit fees                                    | 3                            | 3                            |
| - Fees for certification                            | 3                            | 2                            |
| Out of pocket expenses                              | 3                            | 3                            |
| <b>Total</b>  | <b>48</b>                    | <b>45</b>                    |

| (₹ in lac )  |                              |                              |
|--|------------------------------|------------------------------|
| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
| <b>B) Details of Corporate Social Responsibility ('CSR') Expenditure</b> |                              |                              |
| (a) Gross amount required to be spent                                    | 81                           | 91                           |
| (b) Amount spent during the year   |                              |                              |
| (i) On construction/ acquisition of any asset                            |                              | -                            |
| (ii) On purpose other than stated above                                  | 27                           | 23                           |

## 28. Exceptional items

| (₹ in lac )  |                              |                              |
|--|------------------------------|------------------------------|
| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
| (a) Provision for impairment (refer note (i) below)                        | (8,558)                      |                              |
| (b) Loss on vessel derecognition and related costs (refer note (ii) below) | -                            | (3,060)                      |
| (c) Insurance claim receivable (refer note (ii) below)                     | -                            | 3,155                        |
|  | <b>(8,558)</b>               | <b>95</b>                    |

- (i) In view of subdued economic performance and losses in the recent financial years, the Management has reassessed the recoverable amount of investment in its associate namely, Avana Logistek Limited, using the Discounted cash flow model (DCF) at ₹ 5,430 lac and recognized the provision for impairment of ₹ 8,558 lac as an exceptional item. While estimating the value in use, management has considered future projections predicated upon the estimates relating to volume and rate of container cargo, proportion of reefer container cargo volume, slot cost, other operational and administrative costs, closure of non-performing dedicated freight arrangements and terminal growth rate, which are considered to be reasonable by the management.
- (ii) During the year ended 31 March 2019, the Company had recognised loss of ₹ 3,060 lacs due to explosion on its vessel MV SSL KOLKATA with the corresponding receivable of ₹ 3,155 lacs from the insurer, as exceptional items. The recoverable amount has been realised in full from the insurer in June 2019.

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

### 29. Employee benefit plan

#### 29.1 Defined contribution plan

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

(₹ in lac)

| Nature of benefit                       | Deposited with                                | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|---|--------------------------------------|--------------------------------------|
| (a) On-shore employees (refer note 23)  |   |                                      |                                      |
| (i) Provident fund                      | Employee's Provident fund organisation        | 54                                   | 47                                   |
| (b) Off-shore employees (refer note 23) |   |                                      |                                      |
| (i) Provident fund                      | The Commission Seamen's Provident Fund office | 101                                  | 104                                  |
| (ii) Annuity                            | The Commission Seamen's Provident Fund office | 24                                   | 27                                   |
| (iii) Gratuity                          | Seafarers Welfare Fund Society                | 46                                   | 45                                   |
| <b>Total</b>                            |   | <b>225</b>                           | <b>223</b>                           |

#### 29.2. Defined benefit plans

##### a) Gratuity (funded)

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

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

(₹ in lac)

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Present value of funded defined benefit obligation                           | 302                     | 287                     |
| Fair value of plan assets  | 286                     | 284                     |
| Amount not recognized due to asset limit                                     | -                       | -                       |
| <b>Net liability arising from defined benefit obligation (Refer Note 17)</b> | <b>16</b>               | <b>3</b>                |

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

(₹ in lac)

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| Service cost  |                              |                              |
| Current service cost  | 8                            | 12                           |
| Interest on net defined benefit liability/(assets)                                      | (1)                          | (2)                          |
| <b>Components of defined benefit costs recognised in profit or loss (refer note 23)</b> | <b>7</b>                     | <b>10</b>                    |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

(₹ in lac)

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| <b>Remeasurement on the net defined benefit liability due to:</b>                   |                              |                              |
| Actual return on plan assets less interest on plan assets                           | 2                            | (2)                          |
| Actuarial (Gains)/losses arising from changes in financial assumptions              | 6                            | 2                            |
| Actuarial (Gains)/losses arising from experience assumptions                        | 3                            | 55                           |
| Adjustment to recognise the effect of asset ceiling                                 | -                            | (2)                          |
| <b>Components of defined benefit costs recognised in other comprehensive income</b> | <b>11</b>                    | <b>53</b>                    |

The current service cost and the net interest expense for the year are included in the "Employee benefits expense" line item in the Consolidated Statement of Profit and Loss. (refer note 23)

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

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

(₹ in lac)

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Opening defined benefit obligations                                    | 287                          | 217                          |
| Current service cost   | 8                            | 12                           |
| Interest Cost  | 12                           | 10                           |
| Actuarial (gains)/losses arising from changes in financial assumptions | 6                            | 2                            |
| Actuarial (Gains)/losses arising from experience assumptions           | 3                            | 55                           |
| Benefits paid  | (14)                         | -                            |
| Liabilities assumed / (settled)  | -                            | (9)                          |
| <b>Closing defined benefit obligation</b>                              | <b>302</b>                   | <b>287</b>                   |

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

(₹ in lac)

| Particulars   | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|---|------------------------------|------------------------------|
| Opening fair value of plan assets                         | 284                          | 242                          |
| Contribution from the employer                            | 5                            | 40                           |
| Interest income   | 13                           | 12                           |
| Remeasurement gains/(losses)                              | -                            | -                            |
| Actual return on plan assets less interest on plan assets | (2)                          | 2                            |
| Benefits paid   | (14)                         | -                            |
| Assets acquired / (settled)                               | -                            | (12)                         |
| <b>Closing fair value of plan assets</b>                  | <b>286</b>                   | <b>284</b>                   |

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

(₹ in lac)

| Particulars                                     | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| Insurer managed funds (managed by LIC of India) | 286                     | 284                     |
|   | <b>286</b>              | <b>284</b>              |



## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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

| Particulars                             | Valuation as at |                |
|---|-----------------|----------------|
|   | March 31, 2020  | March 31, 2019 |
| Discount rate (p.a.)                    | 5.60%           | 6.90%          |
| Expected rate of salary increase (p.a.) | 5.00%           | 5.00%          |

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

The Company expects to contribute ₹ 10 lac (for the year ended March 31, 2019: ₹ 10 lac ) to its gratuity plan for the next year.

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

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

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

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

Sensitivity analysis of significant actuarial assumptions:

| Particulars                     | March 31, 2020 |          | March 31, 2019 |          |
|---------------------------------|----------------|----------|----------------|----------|
|                                 | Increase       | Decrease | Increase       | Decrease |
| Discount rate (-/+ 50 bps)      | (3)            | 3        | (3)            | 3        |
| Salary growth rate (-/+ 50 bps) | 3              | (3)      | 3              | (3)      |

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

In presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

### b) Compensated absences (unfunded)

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

| Particulars   | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Present value of funded defined benefit obligation (₹ in lac) | 86             | 87             |
| Discounted Rate (p.a.)  | 5.60%          | 6.90%          |
| Salary escalation rate (p.a.)                                 | 5.00%          | 5.00%          |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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

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

In respect of the plans, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2020 by Mr. Arpan N. Thanawala, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation and the related current service costs and past service cost, are measured using the projected unit credit method.

### 30. Earnings per share

| Particulars  | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--|------------------------------|------------------------------|
| Profit/(loss) after taxes for the year attributable to equity shareholders<br>(₹ in lac) | (6,614)                      | 2,977                        |
| Weighted average number of equity shares outstanding during the year                     | 21,957,533                   | 21,957,533                   |
| Earnings per equity share of ₹ 10/- each - Basic and diluted (₹)                         | (30.12)                      | 13.56                        |

### 31. Lease

Ind AS 116 - Leases has become applicable effective annual reporting period beginning April 1, 2019. The Company has adopted the standard beginning April 1, 2019, using the modified retrospective approach for transition. Accordingly, the Company has not restated the comparative information. The company has entered into short term cancellable lease arrangement for vehicle and office lease rent

The lease rental charged to the consolidated Statement of Profit or Loss in respect of vehicle and office premises lease arrangements are summarised here under.

| Particulars         | (₹ in lac )                  |                              |
|---------------------|------------------------------|------------------------------|
|                     | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
| Office lease rent   | 34                           | 40                           |
| Vehicles lease rent | 10                           | 11                           |
|                     | <b>44</b>                    | <b>51</b>                    |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

### 32. Segment information

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

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

**a) Revenue from operations:**

| Particulars   | (₹ in lac )             |                         |
|---------------|-------------------------|-------------------------|
|               | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Within India  | 50,441                  | 49,452                  |
| Outside India | 10,805                  | 13,027                  |
|               | <b>61,246</b>           | <b>62,479</b>           |

**b) Non-current assets:**

All non-current assets of the Company are located in India.

**c) Information about major customers**

Revenue from operations include revenues of ₹ 26,972 lac (for the year March 31,2019: ₹ 28,331 lac) from the single largest customer of the Company (refer note 37B). No other single customer contributed 10% or more to the Company's revenue for the current and previous year.

### 33. Financial instruments

#### 33.1 Capital Management

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

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

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

### Gearing ratio:

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

(₹ in lac )

| Particulars   | Note No. | As at March 31, 2020 | As at March 31, 2019 |
|---|----------|----------------------|----------------------|
| Non current borrowings  | 15       | 10,994               | 17,260               |
| Current maturities of long term borrowings  | 15       | 7,460                | 5,113                |
| Current borrowings  | 15       | 8,150                | 7,547                |
|   |          | <b>26,604</b>        | <b>29,920</b>        |
| Less: cash and cash equivalents   | 11       | 538                  | 880                  |
| Less: bank balances other than cash and cash equivalents (other than restricted cash) | 12       | 1,025                | 109                  |
| <b>Net debt</b>   |          | <b>25,041</b>        | <b>28,931</b>        |
| <b>Total equity</b>   |          | <b>37,038</b>        | <b>44,379</b>        |
| <b>Gearing ratio (Net debt/Total equity)</b>  |          | <b>0.68</b>          | <b>0.65</b>          |

### 33.2 Categories of financial instruments

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

(₹ in lac )

| Particulars  | As at March 31, 2020 | As at March 31, 2019 |
|--|----------------------|----------------------|
| <b>Financial assets (other than investment in associate joint venture)</b>       |                      |                      |
| <b>Financial assets measured at amortised cost</b>                               |                      |                      |
| Cash and cash equivalents  | 538                  | 880                  |
| Bank balances other than cash and cash equivalents                               | 1,055                | 140                  |
| Trade receivables  | 15,498               | 14,900               |
| Other financial assets   | 536                  | 4,009                |
| <b>Total financial assets measured at amortised cost</b>                         | <b>17,627</b>        | <b>19,929</b>        |
| <b>Financial assets measured at FVTPL</b>  |                      |                      |
| Investment in equity shares  | 5                    | 9                    |
| Investment in mutual funds   | 193                  | 1,543                |
| <b>Total financial assets measured at FVTPL</b>                                  | <b>198</b>           | <b>1,552</b>         |
| <b>Total financial assets</b>  | <b>17,825</b>        | <b>21,481</b>        |
| <b>Financial liabilities</b>   |                      |                      |
| <b>Financial liabilities measure at amortised cost</b>                           |                      |                      |
| Non current borrowings (including current maturities)                            | 18,454               | 22,373               |
| Current borrowings   | 8,150                | 7,547                |
| Trade payables   | 6,062                | 6,207                |
| Other financial liabilities (excludes current maturities of long term borrowing) | 754                  | 779                  |
| <b>Total financial liabilities measured at amortised cost</b>                    | <b>33,420</b>        | <b>36,906</b>        |
| <b>Financial liabilities measured at FVTOCI</b>                                  |                      |                      |
| Foreign currency forward contracts designated in hedge accounting relationship   | 57                   | 4                    |
| <b>Total financial liabilities measured at FVTOCI</b>                            | <b>57</b>            | <b>4</b>             |
| <b>Total financial liabilities</b>   | <b>33,477</b>        | <b>36,910</b>        |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

### 33.3 Fair value hierarchy of financial instruments

Fair values of the Company's financial assets and financial liabilities

This section explains the judgements and estimates made in determining the fair values of financial instruments that are:

#### a) Recognised and measured at fair value

(₹ in lac)

| Financial assets / financial liabilities   | Fair value hierarchy | Fair value as at |                | Valuation technique(s) and key input(s) |
|--|----------------------|------------------|----------------|---|
|  |                      | March 31, 2020   | March 31, 2019 |   |
| <b>(A) Financial assets and liabilities measured at fair value on recurring basis</b>                      |                      |                  |                |   |
| Investment in mutual funds   | Level 1              | 193              | 1,543          | Closing NAV of the mutual fund schemes  |
| Foreign currency forward contracts designated in hedge accounting relationship                             | Level 2              | 57               | 4              |   |
| Investment in equity shares  | Level 3              | 5                | 9              | Net asset value method                  |
| <b>(B) Financial assets and liabilities measured at amortised cost for which fair values are disclosed</b> |                      |                  |                |   |
| Non current borrowings (including current maturities)  | Level 3              | 54               | 73             | Refer note (b) below                    |

#### Footnotes:

- Discounted cash flow. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk on various counter parties
- Generally accepted pricing model based on discounted cash flow analysis with most significant input being the discounting rate that reflects the credit risk of counterparties.
- The management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements, other than as detailed in table above, approximate their fair values.

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

(₹ in lac)

| Particulars   | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---------------------------|---------------------------|
| Balance at the beginning of the year  | 9                         | 9                         |
| Fair value changes recognised through Consolidated Statement of Profit and Loss | (4)                       | -                         |
| <b>Balance at the end of the year</b>   | <b>5</b>                  | <b>9</b>                  |

### 33.4 Details of financial assets pledged as collateral

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

(₹ in lac)

| Particulars                    | As at March 31, 2020 | As at March 31, 2019 |
|--------------------------------|----------------------|----------------------|
| <b>Financial assets</b>        |                      |                      |
| Investments                    | -                    | 1,247                |
| Trade receivables              | 15,498               | 14,900               |
| Cash and cash equivalents      | 538                  | 880                  |
| Bank balances other than above | 1,055                | 140                  |
| Other financial assets         | 536                  | 4,009                |
| <b>Total</b>                   | <b>17,627</b>        | <b>21,176</b>        |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

### 33.5 Financial risk management objectives

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

### 33.6 Market risk

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

### 33.7 Foreign currency risk management

The Company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Particulars                      | (₹ in lac )             |                         |
|----------------------------------|-------------------------|-------------------------|
|                                  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| <b>Financial assets</b>          |                         |                         |
| Receivables                      |                         |                         |
| USD                              | 4,135                   | 3,979                   |
| <b>Advances to related party</b> |                         |                         |
| USD                              | 90                      | -                       |
| <b>Financial liabilities</b>     |                         |                         |
| Payables                         |                         |                         |
| DHS                              | 73                      | 130                     |
| EURO                             | 50                      | 68                      |
| SGD                              | 5                       | 93                      |
| USD                              | 2,392                   | 1,118                   |
| YEN                              | 41                      | 37                      |
| SLR                              | 87                      | 49                      |
| FCNR Loan - USD                  | 25,029                  | 27,644                  |

### 33.8 Foreign currency sensitivity analysis

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

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

| Particulars                      | (₹ in lac )               |                               |
|----------------------------------|---------------------------|-------------------------------|
|                                  | Weakening of<br>INR by 5% | Strengthening<br>of INR by 5% |
| <b>As at March 31, 2020</b>      |                           |                               |
| <b>Receivables</b>               |                           |                               |
| USD                              | 207                       | (207)                         |
| <b>Advances to related party</b> |                           |                               |
| USD                              | 5                         | (5)                           |
| <b>Payables</b>                  |                           |                               |
| USD                              | (1,371)                   | 1,371                         |
| DHS                              | (4)                       | 4                             |
| EURO                             | (3)                       | 3                             |
| SGD*                             | (0)                       | 0                             |
| YEN                              | (2)                       | 2                             |
| SLR                              | (4)                       | 4                             |
|                                  | <b>(1,173)</b>            | <b>1,173</b>                  |

| Particulars                 | (₹ in lac )               |                               |
|-----------------------------|---------------------------|-------------------------------|
|                             | Weakening of<br>INR by 5% | Strengthening<br>of INR by 5% |
| <b>As at March 31, 2019</b> |                           |                               |
| <b>Receivables</b>          |                           |                               |
| USD                         | 199                       | (199)                         |
| <b>Payables</b>             |                           |                               |
| USD                         | (1,438)                   | 1,438                         |
| DHS                         | (7)                       | 7                             |
| EURO                        | (3)                       | 3                             |
| SGD                         | (5)                       | 5                             |
| YEN                         | (2)                       | 2                             |
| SLR                         | (2)                       | 2                             |
|                             | <b>(1,258)</b>            | <b>1,258</b>                  |

\* Amount represent less than ₹ 0.5 lac

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

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

- i) Foreign currency borrowings are designated as hedging instruments in cash flow hedges of forecast sales in US Dollar. These forecast transactions are highly probable. The balance of foreign currency borrowings varies with changes in foreign exchange rates.
- ii) Carrying amount of foreign currency borrowings designated as hedging instruments is ₹ 12,733 lac as at March 31, 2020 (as at March 31, 2019: ₹ 12,896 lac) with maturity upto September 2026. Net unrealised loss of ₹ 1,555 Lac (for the year ended March 31, 2019 : ₹ 732 lac ) relating to effectiveness of cash flow hedges of expected future sales is included in other comprehensive income and the hedge ineffectiveness of ₹ 184 lac (for the year ended March, 31 2019 ₹ 66 lacs) is recognised in the Consolidated Statement of Profit and Loss.
- iii) The loss accumulated in Cash Flow Hedge Reserve of Rs. 556 lac comprises the losses on pre-mature termination of the designated hedging instruments (principal only swap and foreign currency borrowings) of Rs. 379 lac and Rs. 177 lac pertaining to the prior years and current year, respectively. Of this sum, Rs. 274 lac pertaining to the previously forecasted sales hedged against such terminated hedging instrument which occurred during the current year has been recycled to the Statement of Profit and Loss from Other Comprehensive Income. The loss of ₹ 282 lac as on March 31, 2020 will be recycled to the Statement of Profit and Loss in the period in which the balance forecasted cash flows will occur.

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

### 33.9 Interest rate risk management

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

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

| Particulars              | (₹ in lac )             |                         |
|--------------------------|-------------------------|-------------------------|
|                          | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Fixed rate borrowings    | 54                      | 73                      |
| Floating rate borrowings | 26,550                  | 29,847                  |
| <b>Total borrowings</b>  | <b>26,604</b>           | <b>29,920</b>           |

#### Interest rate sensitivity analysis

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended March 31, 2020 would decrease/increase by ₹ 132 lac (2018-19: ₹ 149 lac)

The loss accumulated in Cash Flow Hedge Reserve of ₹ 191 lac pertains to loss on pre-mature termination of interest rate swap designated as hedging instruments. Of this sum, ₹ 41 lac pertaining to the previously forecasted floating rate interest outflow hedged against such terminated hedging instrument which occurred during the current year has been recycled to the Statement of Profit and Loss from Other Comprehensive Income. The loss of ₹ 150 lac as on March 31, 2020 will be recycled to the Consolidated Statement of Profit and Loss in the period in which the balance forecasted floating rate interest cash flows will occur.

### 33.10 Other price risks

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

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

If the Net Asset Value of mutual fund scheme has been 5% higher / lower, profit for the year ended March 31, 2020 would increase / decrease by ₹ 10 lac (for the year ended March 31, 2019 : increase / decrease by ₹ 77 lac ) as a results of the changes in the fair values of mutual fund investments.

### 33.11 Credit risk management

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

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

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

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

Of the trade receivables balance as at March 31, 2020 : ₹ 10,439 lac (as at March 31, 2019: ₹ 9,303 lac is due from Avana Logistek Limited (formerly known as Shreyas Relay Systems Ltd.). There are no other customers who represent more than 10% of total balance of trade receivables.

### 33.12 Liquidity risk management

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

### 33.13 Liquidity and interest rate tables

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



## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

(₹ in lac )

| Particulars   | Carrying amount | Less than 1 year | 1-5 years     | More than 5 years | Total         |
|---|-----------------|------------------|---------------|-------------------|---------------|
| <b>As at March 31, 2020</b>                                     |                 |                  |               |                   |               |
| Trade payables  | 6,062           | 6,062            | -             | -                 | 6,062         |
| Borrowings including current maturities of loan term borrowings | 26,604          | 13,565           | 16,882        | 1,230             | 31,677        |
| Other financial liabilities                                     | 754             | 754              | -             | -                 | 754           |
| <b>Total</b>  | <b>33,420</b>   | <b>20,381</b>    | <b>16,882</b> | <b>1,230</b>      | <b>38,493</b> |
| <b>As at March 31, 2019</b>                                     |                 |                  |               |                   |               |
| Trade payables  | 6,207           | 6,207            | -             | -                 | 6,207         |
| Borrowings  | 29,920          | 15,189           | 15,996        | 2,251             | 33,436        |
| Other financial liabilities                                     | 779             | 779              | -             | -                 | 779           |
| <b>Total</b>  | <b>36,906</b>   | <b>22,175</b>    | <b>15,996</b> | <b>2,251</b>      | <b>40,422</b> |

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

(₹ in lac )

| Particulars  | Carrying Amount | Less than 1 year | 1-5 years    | More than 5 years | Total         |
|--|-----------------|------------------|--------------|-------------------|---------------|
| <b>As at March 31, 2020:</b>   |                 |                  |              |                   |               |
| Cash and cash equivalents  | 538             | 538              | -            | -                 | 538           |
| Bank balances other than cash and cash equivalents and restricted cash | 1,055           | 1,055            | -            | -                 | 1,055         |
| Trade receivables  | 15,498          | 15,498           | -            | -                 | 15,498        |
| Other financial assets   | 536             | 185              | 345          | 6                 | 536           |
| Investment in equity shares  | 5               | -                | -            | 5                 | 5             |
| Investment in mutual funds   | 193             | -                | 193          | -                 | 193           |
| <b>Total</b>   | <b>17,825</b>   | <b>17,276</b>    | <b>538</b>   | <b>11</b>         | <b>17,825</b> |
| <b>As at March 31, 2019</b>  |                 |                  |              |                   |               |
| Cash and cash equivalents  | 880             | 880              | -            | -                 | 880           |
| Bank balances other than cash and cash equivalents and restricted cash | 140             | 140              | -            | -                 | 140           |
| Trade receivables  | 14,900          | 14,900           | -            | -                 | 14,900        |
| Other financial assets   | 4,009           | 3,379            | 505          | 125               | 4,009         |
| Investment in equity shares  | 9               | -                | -            | 9                 | 9             |
| Investment in mutual funds   | 1,543           | 19               | 1,524        | -                 | 1,543         |
| <b>Total</b>   | <b>21,481</b>   | <b>19,318</b>    | <b>2,029</b> | <b>134</b>        | <b>21,481</b> |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

## 33.14 Financing facilities

(₹ in lac )

| Particulars    | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|----------------|-------------------------|-------------------------|
| -amount used   | 8,494                   | 7,891                   |
| -amount unused | 206                     | 309                     |

## 34. Contingent liabilities and Commitments

(₹ in lac )

| Particulars   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|---|-------------------------|-------------------------|
| <b>(A) Continent liabilities</b>  |                         |                         |
| (a) Claims against the Company not acknowledged as debt:                          |                         |                         |
| - Differential custom duty on conversion of fleet from foreign run to coastal run | 53                      | 53                      |
| (b) Bank guarantees   | 344                     | 344                     |
| (b) Share of contingent liability of an associate                                 | 5,093                   | 3,218                   |
| <b>Total</b>  | <b>5,490</b>            | <b>3,615</b>            |
| <b>(B) Commitments</b>  | <b>53</b>               | <b>160</b>              |

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

- (i) parties are yet to raise claims on account of damages to the cargo, and
- (ii) there is uncertainty as to the outcome of pending appeals or motions or settlement proceedings;

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

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

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

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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

|     |  | (₹ in lac )             |                         |
|-----|--|-------------------------|-------------------------|
|     |  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| (a) | The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;   | Principal- ₹ Nil        | Principal- ₹ 117 lac    |
| (b) | The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;  | Nil                     | Nil                     |
| (c) | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;  | Nil                     | Nil                     |
| (d) | The amount of interest accrued and remaining unpaid at the end of each accounting year; and  |                         |                         |
| (e) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | Nil                     | Nil                     |

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

#### Nature of relationship

**Holding company**

**Associate company**

**Joint venture company**

**Fellow subsidiary companies\***

**Key management personnel\***

#### Name of the related parties

Transworld Holdings Limited, Mauritius

Avana Logistek Limited. (Formerly known as Shreyas Relay Systems Limited)

Shreyas-Suzue Logistics (India) Private limited

Avana Global FZCO (Formerly known as Balaji Shipping Line FZCO)

Transworld Feeders FZCO

Orient Express Lines INC.

Transworld Integrated Logistek Private Limited (formerly known as BSL Freight Solutions Private Limited)

S.Ramakrishnan (Chairman & Managing Director)

L.B. Culas (Director)

Ritesh Ramakrishnan (Director)

Capt. Manmohan Saggi (Director)

S. Ragothaman (Director)

D.T. Joseph (Director)

Deepak Shetty(Director)

Maya Sinha (Director)

Mr. Satish Pillania (Director)

Mr. Mannil Venugopalan (Director)

Mr. Amitabha Ghosh (Director)

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

|   |  |
|---|--|
|   | Mr. Utpal Gokhale (Director)   |
|   | Captain Vivek Kumar Singh (Chief Executive Officer)  |
|   | Rajesh Desai (Chief Financial Officer)   |
|   | Namrata Malushte (Company Secretary) (till May 7, 2018)  |
|   | Asha Prakash (Company Secretary) (w.e.f May 8, 2018 till January 22, 2020)   |
|   | Mr Nupur Burman (w.e.f. January 22, 2020 to March 2, 2020)   |
|   | Harshit Garg (w.e.f March 2, 2020)   |
| <b>Relatives of key management personnel*</b> | Geeta Ramakrishnan<br>Anisha Ramakrishnan<br>Manita Vivek Kumar Singh  |
| <b>Other related parties*</b>                 | Sivaswamy Holdings Private Limited<br>Orient Express Ship Management Limited<br>TW Ship Management Limited<br>Lanka Orient Express Lines Limited<br>Transworld Feeders Lanka (Pvt) Limited<br>Transworld Shipping Agencies Private Limited<br>Transworld Shipping and Logistics LLC<br>Transworld Shipping and Logistics WLL<br>SRS Freight Management Limited |

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

## 37 B. Transactions with related parties

(₹ in lac)

| Particulars  | Holding company * | Associate Company * | Fellow subsidiaries * | Other related parties* | Key Management personnel* | Relatives of Key Management personnel* | Total  |
|--|-------------------|---------------------|-----------------------|------------------------|---------------------------|--|--------|
| Ocean freight income   | -                 | 26,972              | 1,904                 | -                      | -                         | -                                      | 28,876 |
|  | -                 | 28,331              | 2,610                 | -                      | -                         | -                                      | 30,941 |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | -                 | 26,972              | -                     | -                      | -                         | -                                      | 26,972 |
|  | -                 | 28,331              | -                     | -                      | -                         | -                                      | 28,331 |
| Avana Global FZCO (Formerly known as Balaji Shipping Line FZCO)          | -                 | -                   | 1,620                 | -                      | -                         | -                                      | 1,620  |
|  | -                 | -                   | 1,372                 | -                      | -                         | -                                      | 1,372  |
| Transworld Feeders FZCO  | -                 | -                   | 284                   | -                      | -                         | -                                      | 284    |
|  | -                 | -                   | 1,238                 | -                      | -                         | -                                      | 1,238  |
| Purchases of Property  | -                 | 2,044               | -                     | -                      | -                         | -                                      | 2,044  |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -      |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | -                 | 2,044               | -                     | -                      | -                         | -                                      | 2,044  |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -      |
| <b>Incidental expense related to purchase of property</b>                | -                 | 28                  | -                     | -                      | -                         | -                                      | 28     |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -      |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | -                 | 28                  | -                     | -                      | -                         | -                                      | 28     |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -      |
| Sale of Vessel   | -                 | -                   | 2,496                 | -                      | -                         | -                                      | 2,496  |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -      |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

(₹ in lac)

| Particulars  | Holding company * | Associate Company * | Fellow subsidiaries * | Other related parties* | Key Management personnel* | Relatives of Key Management personnel* | Total |
|--|-------------------|---------------------|-----------------------|------------------------|---------------------------|--|-------|
| Orient Express Lines INC.  | -                 | -                   | 2,496                 | -                      | -                         | -                                      | 2,496 |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
| <b>Rental Income</b>   | -                 | -                   | -                     | 60                     | -                         | -                                      | 60    |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
| Transworld Shipping Agencies Private Limited                             | -                 | -                   | -                     | 26                     | -                         | -                                      | 26    |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
| TW Ship Management Limited   | -                 | -                   | -                     | 34                     | -                         | -                                      | 34    |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
| <b>Charter hire and ocean freight charges</b>                            | -                 | -                   | 557                   | -                      | -                         | -                                      | 557   |
|  | -                 | -                   | 1,247                 | -                      | -                         | -                                      | 1,247 |
| Orient Express Lines INC.  | -                 | -                   | 144                   | -                      | -                         | -                                      | 144   |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
| Transworld Feeders FZCO  | -                 | -                   | 413                   | -                      | -                         | -                                      | 413   |
|  | -                 | -                   | 1,247                 | -                      | -                         | -                                      | 1,247 |
| <b>Dividend received on equity shares</b>                                | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
|  | -                 | 53                  | -                     | -                      | -                         | -                                      | 53    |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
|  | -                 | 53                  | -                     | -                      | -                         | -                                      | 53    |
| <b>Vessel management and agency fees paid</b>                            | -                 | -                   | -                     | 1,219                  | -                         | -                                      | 1,219 |
|  | -                 | -                   | -                     | 1,270                  | -                         | -                                      | 1,270 |
| TW Ship Management Limited   | -                 | -                   | -                     | 760                    | -                         | -                                      | 760   |
|  | -                 | -                   | -                     | 764                    | -                         | -                                      | 764   |
| Transworld Feeders Lanka (Pvt) Limited                                   | -                 | -                   | -                     | 121                    | -                         | -                                      | 121   |
|  | -                 | -                   | -                     | 51                     | -                         | -                                      | 51    |
| Lanka Orient Express Lines Limited                                       | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
|  | -                 | -                   | -                     | 120                    | -                         | -                                      | 120   |
| Transworld Shipping Agencies Private Limited                             | -                 | -                   | -                     | 261                    | -                         | -                                      | 261   |
|  | -                 | -                   | -                     | 272                    | -                         | -                                      | 272   |
| Transworld Shipping and Logistics LLC                                    | -                 | -                   | -                     | 77                     | -                         | -                                      | 77    |
|  | -                 | -                   | -                     | 63                     | -                         | -                                      | 63    |
| <b>Vehicle lease rent paid</b>   | -                 | -                   | -                     | -                      | 10                        | -                                      | 10    |
|  | -                 | -                   | -                     | -                      | 11                        | -                                      | 11    |
| Mrs Manita vivek Kumar Singh   | -                 | -                   | -                     | -                      | 10                        | -                                      | 10    |
|  | -                 | -                   | -                     | -                      | 11                        | -                                      | 11    |
| <b>Transportation charges</b>  | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
|  | -                 | 292                 | -                     | -                      | -                         | -                                      | 292   |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
|  | -                 | 292                 | -                     | -                      | -                         | -                                      | 292   |
| <b>Handling &amp; Forwarding Expenses</b>                                | -                 | -                   | -                     | 15                     | -                         | -                                      | 15    |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
| Transworld Shipping & Logistic Pvt Ltd                                   | -                 | -                   | -                     | 2                      | -                         | -                                      | 2     |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -     |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

(₹ in lac)

| Particulars  | Holding company * | Associate Company * | Fellow subsidiaries * | Other related parties* | Key Management personnel* | Relatives of Key Management personnel* | Total |
|--|-------------------|---------------------|-----------------------|------------------------|---------------------------|--|-------|
| Transworld Integrated Logistek Pvt Ltd                                   | -                 | -                   | -                     | 13                     | -                         | -                                      | 13    |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
| <b>Other miscellaneous expense</b>                                       | -                 | 30                  | -                     | -                      | -                         | -                                      | 30    |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | -                 | 30                  | -                     | -                      | -                         | -                                      | 30    |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
| <b>Rent</b>  | -                 | 27                  | -                     | 6                      | -                         | -                                      | 33    |
|  | -                 | -                   | -                     | 37                     | -                         | -                                      | 37    |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | -                 | 27                  | -                     | -                      | -                         | -                                      | 27    |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
| Sivaswamy Holdings Private Limited                                       | -                 | -                   | -                     | 6                      | -                         | -                                      | 6     |
|  | -                 | -                   | -                     | 37                     | -                         | -                                      | 37    |
| Provision for impairment of investment                                   | -                 | 8,558               | -                     | -                      | -                         | -                                      | 8,558 |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | -                 | 8,558               | -                     | -                      | -                         | -                                      | 8,558 |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
| <b>Remuneration to key management personnel</b>                          | -                 | -                   | -                     | -                      | 451                       | -                                      | 451   |
|  | -                 | -                   | -                     | -                      | 448                       | -                                      | 448   |
| Mr. S. Ramakrishnan  | -                 | -                   | -                     | -                      | 266                       | -                                      | 266   |
|  | -                 | -                   | -                     | -                      | 266                       | -                                      | 266   |
| Capt Vivek Kumar Singh   | -                 | -                   | -                     | -                      | 106                       | -                                      | 106   |
|  | -                 | -                   | -                     | -                      | 108                       | -                                      | 108   |
| Mr Rajesh Desai  | -                 | -                   | -                     | -                      | 56                        | -                                      | 56    |
|  | -                 | -                   | -                     | -                      | 54                        | -                                      | 54    |
| Mrs Asha Parkash   | -                 | -                   | -                     | -                      | 21                        | -                                      | 21    |
|  | -                 | -                   | -                     | -                      | 17                        | -                                      | 17    |
| Mr Nupur Burman  | -                 | -                   | -                     | -                      | 1                         | -                                      | 1     |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
| Harshit Garg   | -                 | -                   | -                     | -                      | 1                         | -                                      | 1     |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
| Mrs. Namarata Malushte   | -                 | -                   | -                     | -                      | -                         | -                                      | -     |
|  | -                 | -                   | -                     | -                      | 3                         | -                                      | 3     |
| <b>Director sitting fees</b>   | -                 | -                   | -                     | -                      | 76                        | -                                      | 76    |
|  | -                 | -                   | -                     | -                      | 48                        | -                                      | 48    |
| Mr. Ritesh S.Ramakrishnan  | -                 | -                   | -                     | -                      | 8                         | -                                      | 8     |
|  | -                 | -                   | -                     | -                      | 4                         | -                                      | 4     |
| Mr. Deepak Shetty  | -                 | -                   | -                     | -                      | 10                        | -                                      | 10    |
|  | -                 | -                   | -                     | -                      | 7                         | -                                      | 7     |
| Mr. L.B. Culas   | -                 | -                   | -                     | -                      | 5                         | -                                      | 5     |
|  | -                 | -                   | -                     | -                      | 3                         | -                                      | 3     |
| Mr. Utpal Gokhale  | -                 | -                   | -                     | -                      | 5                         | -                                      | 5     |
|  | -                 | -                   | -                     | -                      | -                         | -                                      | -     |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

(₹ in lac)

| Particulars                             | Holding company * | Associate Company * | Fellow subsidiaries * | Other related parties* | Key Management personnel* | Relatives of Key Management personnel* | Total      |
|---|-------------------|---------------------|-----------------------|------------------------|---------------------------|--|------------|
| Mr. Amitabha Ghosh                      | -                 | -                   | -                     | -                      | -                         | -                                      | -          |
|   | -                 | -                   | -                     | -                      | 2                         | -                                      | 2          |
| Capt. Manmohan Saggi                    | -                 | -                   | -                     | -                      | 10                        | -                                      | 10         |
|   | -                 | -                   | -                     | -                      | 6                         | -                                      | 6          |
| Ms. Maya Sinha                          | -                 | -                   | -                     | -                      | 10                        | -                                      | 10         |
|   | -                 | -                   | -                     | -                      | 7                         | -                                      | 7          |
| Mr. S. Ragothaman                       | -                 | -                   | -                     | -                      | 10                        | -                                      | 10         |
|   | -                 | -                   | -                     | -                      | 7                         | -                                      | 7          |
| Mr. Satish Pillania                     | -                 | -                   | -                     | -                      | 6                         | -                                      | 6          |
|   | -                 | -                   | -                     | -                      | 3                         | -                                      | 3          |
| Mr. D.T. Joseph                         | -                 | -                   | -                     | -                      | 8                         | -                                      | 8          |
|   | -                 | -                   | -                     | -                      | 6                         | -                                      | 6          |
| Mr. Mannil Venugopalan                  | -                 | -                   | -                     | -                      | 4                         | -                                      | 4          |
|   | -                 | -                   | -                     | -                      | 3                         | -                                      | 3          |
| <b>Dividend to equity shareholders</b>  | <b>148</b>        | -                   | -                     | -                      | <b>21</b>                 | <b>11</b>                              | <b>180</b> |
|   | <i>185</i>        | -                   | -                     | -                      | <i>26</i>                 | <i>14</i>                              | <i>225</i> |
| Transworld Holdings Limited., Mauritius | <b>148</b>        | -                   | -                     | -                      | -                         | -                                      | <b>148</b> |
|   | <i>185</i>        | -                   | -                     | -                      | -                         | -                                      | <i>185</i> |
| Mr. S. Ramakrishnan                     | -                 | -                   | -                     | -                      | 19                        | -                                      | 19         |
|   | -                 | -                   | -                     | -                      | 23                        | -                                      | 23         |
| Mrs. Geeta Ramakrishnan                 | -                 | -                   | -                     | -                      | -                         | 2                                      | 2          |
|   | -                 | -                   | -                     | -                      | -                         | 3                                      | 3          |
| Mr. Ritesh S.Ramakrishnan               | -                 | -                   | -                     | -                      | 2                         | -                                      | 2          |
|   | -                 | -                   | -                     | -                      | 3                         | -                                      | 3          |
| Ms. Anisha Ramakrishnan                 | -                 | -                   | -                     | -                      | -                         | 9                                      | 9          |
|   | -                 | -                   | -                     | -                      | -                         | 11                                     | 11         |

### NOTE:

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

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

## 37.C. Closing balances of related parties

(₹ in lac )

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| <b>Trade receivables</b>   |                         |                         |
| <b>Associates company:</b>   |                         |                         |
| Avana Logistek Limited (Formerly known as Shreyas Relay Systems Limited) | 10,439                  | 9,303                   |
| <b>Fellow subsidiaries:</b>  |                         |                         |
| Avana Global FZCO (Formerly known as Balaji Shipping Lines FZCO)         | 502                     | 390                     |
| Transworld Feeders FZCO  | -                       | 143                     |
| <b>Other related parties:</b>  |                         |                         |
| Lanka Orient Express Lines Limited                                       | -                       | 101                     |
| SRS Freight Management Limited   | -                       | 1                       |
| <b>Other assets</b>  |                         |                         |
| <b>Other related parties:</b>  |                         |                         |
| Transworld Shipping Agencies Private Limited                             | 857                     | 449                     |
| TW Ship Management Limited   | 17                      | -                       |
| Sivaswamy Holdings Private Limited                                       | 4                       | -                       |
| Relay Shipping Agency Limited  | -                       | 2                       |
| <b>Other Financial assets</b>  |                         |                         |
| <b>Fellow subsidiaries:</b>  |                         |                         |
| Transworld Feeders FZCO  | 44                      | -                       |
| <b>Joint venture</b>   |                         |                         |
| Shreyas-Suzue Logistics (India) Private Limited                          | -                       | 18                      |
| <b>Trade payables</b>  |                         |                         |
| <b>Fellow subsidiaries:</b>  |                         |                         |
| Orient Express Lines INC   | 67                      | -                       |
| Transworld Shipping and Logistics LLC                                    | -                       | 40                      |
| <b>Other related parties:</b>  |                         |                         |
| SRS Freight Management Limited   | 6                       | -                       |
| TW Ship Management Limited   | -                       | 81                      |
| Transworld Integrated Logistek Pvt Ltd                                   | 8                       | -                       |
| Transworld Feeders Lanka (Pvt) Limited                                   | 81                      | 48                      |
| Transworld Shipping & Logistics Limited                                  | 2                       | -                       |
| Orient Express Ship Management Limited                                   | 1                       | 1                       |

## 38. Income tax expense / (benefits)

(₹ in lac )

| Particulars                    | Year ended<br>March 31, 2020 | Year ended<br>March 31, 2019 |
|--------------------------------|------------------------------|------------------------------|
| Profit or loss section:        |                              |                              |
| (i) Current tax                |                              |                              |
| In respect of the current year | 127                          | 124                          |
| In respect of previous year    | (6)                          | (72)                         |
|                                | <b>121</b>                   | <b>52</b>                    |
| (ii) Deferred tax              |                              |                              |
| In respect of the current year | (2,016)                      | (17)                         |
|                                | (2,016)                      | (17)                         |
| <b>Total tax expense</b>       | <b>(1,895)</b>               | <b>35</b>                    |



## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

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

| Particulars   | (₹ in lac )             |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| a) Profit/(loss) before tax (a)   | (8,509)                 | 3,012                   |
| b) Corporate tax rate (b)   | 25.17%                  | 34.94%                  |
| c) Tax on accounting profit (c = a x b)                                 | (2,142)                 | 1,053                   |
| d) Expenses not deductible in determining taxable profit                |                         |                         |
| Tax on income chargeable to tax at different rate                       | 411                     | 96                      |
| Tax impact of exempt income (dividend on mutual funds and an associate) | 8                       | 52                      |
| Impact of tax ordinance (refer note a below)                            | (12)                    | -                       |
| Impact of difference in rate of tax as per Tonnage Tax Scheme           | (160)                   | (1,166)                 |
| e) Income tax recognised during the year (d)                            | (1,895)                 | 35                      |
| f) Effective tax rate (d/ a)  | 22%                     | 1.16%                   |

Note:

- a. The Company, after evaluating the impact of Taxation Law (Amendment) Ordinance 2019 ('Ordinance') issued by Ministry of Law and Justice (Legislative Department) on September 20, 2019 which is effective from April 01, 2019, has prepared its consolidated financial statements on the basis that it would opt for the lower tax rate under Section 115BAA of the Income Tax Act, 1961, on and from the financial year ending March 31, 2020. As a result (a) the provision for current and deferred tax has been determined at the rate of 25.17%, (b) the deferred tax assets and deferred tax liabilities as on April 1, 2019 have been restated at the rate of 25.17% and written back amount of ₹ 12 lac to the consolidated financial statements for the year ended March 31, 2020.

### 39 Associate and Joint Venture

#### (A) Associate

Details of Group's material associate at the end of the reporting period as are follows:

| Name of associate  | Principal activity                  | Place of incorporation | Proportion of ownership interest/ voting rights held by the Group |                         |
|--|-------------------------------------|------------------------|---|-------------------------|
|  |                                     |                        | As at<br>March 31, 2020   | As at<br>March 31, 2019 |
| Avana Logistek Limited (formerly known as Shreyas Relay Systems Limited) | Non-vessel operating common carrier | India                  | 29.22%  | 29.22%                  |

The above associate is accounted for using equity method in the consolidated financial statements.

Reconciliation of carrying amount of interest in 'Avana Logistek Limited' recognised in the consolidated financial statements:

| Particulars  | (₹ in lac )             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
| Fair value of equity of Avana Logistek Limited as of the date on which the Group lost control but acquired significant influence | 45,789                  | 45,789                  |
| Movement in net asset of the associate   | 2,081                   | 4,245                   |
| <b>Total</b>   | <b>47,870</b>           | <b>50,034</b>           |
| Proportion of the Group ownership interest in Avana Logistek Limited   | 29.22%                  | 29.22%                  |
| Carrying amount of the Group's interest in Avana Logistek Limited  | 13,988                  | -                       |
| Impairment on investment   | (8,558)                 | -                       |
| <b>Net carrying amount of the Group's interest in Avana Logistek Limited</b>   | <b>5,430</b>            | <b>14,620</b>           |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

Summarised financial information in respect of associate company is set out below, which represents amount shown in the associate's consolidated financial statements prepared in accordance with Ind As adjusted by the group for equity accounting purpose.

(₹ in lac )

| Particulars                                      | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Non current assets                               | 31,960                  | 27,171                  |
| Current assets                                   | 32,564                  | 28,621                  |
| Non current liabilities                          | 11,275                  | 8,195                   |
| Current liabilities                              | 40,476                  | 33,057                  |
| Revenue  | 134,268                 | 144,629                 |
| Profit / (loss) from continuing operations       | (2,890)                 | (1,095)                 |
| Profit / (loss) for the year                     | (2,890)                 | (1,095)                 |
| Other comprehensive income / (loss) for the year | 835                     | 747                     |
| Total comprehensive income / (loss) for the year | (2,056)                 | (348)                   |
| Dividend received from associate during the year | -                       | 52                      |

### (B) Joint Venture

Details of joint venture at the end of the reporting period:

| Name of joint venture                                      | Principal activity | Place of incorporation | Proportion of ownership interest/<br>voting rights held by the Group |                         |
|--|--------------------|------------------------|--|-------------------------|
|  |                    |                        | As at<br>March 31, 2020  | As at<br>March 31, 2019 |
| Shreyas-Suzue Logistics Limited<br>(India) Private Limited | Logistics services | India                  | 50%  | 50%                     |

The above joint venture is accounted using the equity method in the consolidated financial statements.

(₹ in lac )

| Particulars  | As at<br>March 31, 2020 | As at<br>March 31, 2019 |
|--|-------------------------|-------------------------|
| Original amount of Group's investment in joint venture | 50                      | 50                      |
| Group's share of loss                                  | (8)                     | (9)                     |
| Carrying amount of Group's interest in joint venture   | 42                      | 41                      |

**Notes forming part of the consolidated financial statements for the year ended March 31, 2020**
**40. Disclosure of additional information as required by the Schedule III:**

| Name of the Entity                                      | Net assets (total assets - total liabilities) |                | Share in profit or loss               |                | Share in other comprehensive income               |              | Share in total comprehensive income               |                |
|---|---|----------------|---------------------------------------|----------------|---|--------------|---|----------------|
|   | As a % of consolidated net assets             | ₹ In lac       | As a % of consolidated profit or loss | ₹ In lac       | As a % of consolidated other comprehensive income | ₹ In lac     | As a % of consolidated total comprehensive income | ₹ In lac       |
| <b>As at and for the year ended March 31, 2020:</b>     |   |                |                                       |                |   |              |   |                |
| <b>Parent group</b>                                     |   |                |                                       |                |   |              |   |                |
| Shreyas Shipping and Logistics Limited                  | 90%   | 33,501         | -13%                                  | 846            | 145%  | (592)        | -4%   | 254            |
| <b>Associates (Investment as per equity method)</b>     |   |                |                                       |                |   |              |   |                |
| Avana Logistek Limited                                  | 15%   | 5,430          | -10%                                  | (684)          | -45%  | 183          | 7%  | (501)          |
| <b>Joint Venture (Investment as per equity method)</b>  |   |                |                                       |                |   |              |   |                |
| Shreyas-Suzue Logistics Limited (India) Private Limited | 0%  | 42             | 0%                                    | 2              | -   | -            | 0%  | 2              |
| <b>Total (A)</b>  | <b>105%</b>                                   | <b>38,973</b>  | <b>-2%</b>                            | <b>164</b>     | <b>100%</b>                                       | <b>(409)</b> | <b>3%</b>   | <b>(245)</b>   |
| <b>Adjustments arising out of consolidation (B)</b>     | <b>-9%</b>                                    | <b>(1,935)</b> | <b>102%</b>                           | <b>(6,778)</b> | <b>1%</b>   | <b>-</b>     | <b>-1%</b>  | <b>(6,778)</b> |
| <b>Grand Total (A+B)</b>                                | <b>100%</b>                                   | <b>37,038</b>  | <b>100%</b>                           | <b>(6,614)</b> | <b>100%</b>                                       | <b>(409)</b> | <b>100%</b>                                       | <b>(7,023)</b> |
| <b>As at and for the year ended March 31, 2019:</b>     |   |                |                                       |                |   |              |   |                |
| <b>Parent group</b>                                     |   |                |                                       |                |   |              |   |                |
| Shreyas Shipping and Logistics Limited                  | 76%   | 33,564         | 113%                                  | 3,365          | 148%  | (652)        | 107%  | 2,713          |
| <b>Associates (Investment as per equity method)</b>     |   |                |                                       |                |   |              |   |                |
| Avana Logistek Limited                                  | 33%   | 14,620         | -12%                                  | (364)          | -49%  | 215          | -6%   | (149)          |
| <b>Joint Venture (Investment as per equity method)</b>  |   |                |                                       |                |   |              |   |                |
| Shreyas-Suzue Logistics Limited (India) Private Limited | 0%  | 41             | 0%                                    | (4)            | -   | -            | 0%  | (4)            |
| <b>Total (A)</b>  | <b>109%</b>                                   | <b>48,225</b>  | <b>101%</b>                           | <b>2,997</b>   | <b>99%</b>  | <b>(437)</b> | <b>101%</b>                                       | <b>2,560</b>   |
| <b>Adjustments arising out of consolidation (B)</b>     | <b>-9%</b>                                    | <b>(3,846)</b> | <b>-1%</b>                            | <b>(20)</b>    | <b>1%</b>   | <b>(5)</b>   | <b>-1%</b>  | <b>(25)</b>    |
| <b>Grand Total (A+B)</b>                                | <b>100%</b>                                   | <b>44,379</b>  | <b>100%</b>                           | <b>2,977</b>   | <b>100%</b>                                       | <b>(442)</b> | <b>100%</b>                                       | <b>2,535</b>   |

## Notes forming part of the consolidated financial statements for the year ended March 31, 2020

## 41. Disclosure in connection with revenue from contract with customers

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

## 41.1. Reconciliation with Segment revenue

(₹ in lac)

| Revenue disaggregation as per Statement of Profit and Loss | Year ended March 31, 2020 | Year ended March 31, 2019 | Timing of revenue recognition  |
|--|---------------------------|---------------------------|--------------------------------|
| Ocean freight income                                       | 54,032                    | 56,109                    | Services transferred over time |
| Charter hire income  | 6,827                     | 4,759                     | Services at a point in time    |
| Multimodal freight income                                  | -                         | 1,358                     | Services transferred over time |
| Income from export credit entitlements                     | -                         | 115                       | Services at a point in time    |
| Other operating income                                     | 387                       | 138                       | Services at a point in time    |
| <b>Total revenue from contract with customers</b>          | <b>61,246</b>             | <b>62,479</b>             |                                |

## 41.2. Contract balances

(₹ in lac)

|   | As at March 31, 2020 | As at March 31, 2019 |
|---|----------------------|----------------------|
| Contract liability (unfinished voyage income) | 483                  | 618                  |

41.3. Revenue of ₹ 618 lac recognised during the year ended March 31, 2020 out of unfinished voyage income as on March 31, 2019.

## 41.4. Reconciliation of revenue as per Consolidated Statement of Profit and Loss and contracted price

(₹ in lac)

| Particulars   | Year ended March 31, 2020 | Year ended March 31, 2019 |
|---|---------------------------|---------------------------|
| Revenue as per contracted price                               | 61,902                    | 63,552                    |
| Adjustments :   |                           |                           |
| Rebate  | (173)                     | (455)                     |
| Unfinished Voyage income                                      | (483)                     | (618)                     |
| <b>Revenue recognised as per Statement of Profit and Loss</b> | <b>61,246</b>             | <b>62,479</b>             |

42. There are no subsequent events till the date the consolidated financial statements authorised for issue which requires additional adjustments or disclosures in these consolidated financial statements.

For and on behalf of the Board

Capt. Vivek Kumar Singh  
Managing Director  
DIN : 07835635

Maya Sinha  
Director  
(DIN: 03056226)

Rajesh Desai  
Chief Financial Officer  
Mumbai, July 21, 2020

Harshit Garg  
Company Secretary  
(Mem. No. A38321)

FORM NO. AOC-1

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs Lacs )

| Name of the subsidiary | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries | Share capital | Reserves & surplus | Total assets | Total Liabilities | Investments | Turnover | Profit before taxation | Provision for taxation | Profit after taxation | Proposed Equity Dividend | % of shareholding |
|------------------------|---|---|---------------|--------------------|--------------|-------------------|-------------|----------|------------------------|------------------------|-----------------------|--------------------------|-------------------|
| NA                     | NA  | NA  | NA            | NA                 | NA           | NA                | NA          | NA       | NA                     | NA                     | NA                    | NA                       | NA                |
| NA                     | NA  | NA  | NA            | NA                 | NA           | NA                | NA          | NA       | NA                     | NA                     | NA                    | NA                       | NA                |

Part "B": Associates and Joint Ventures

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

(₹ in lac)

| Name of Associates/Joint Ventures   | AVANA LOGISTEK LTD           | SHREYAS-SUZUE LOGISTICS (INDIA) PVT. LTD. |
|---|------------------------------|---|
| <b>1. Latest audited Balance Sheet Date</b>   | 31 <sup>st</sup> March, 2020 | 31 <sup>st</sup> March, 2020              |
| <b>2. DATE OF INCORPORATION/ACQUISITION</b>   | 27 <sup>th</sup> March, 2017 | 12 <sup>th</sup> September, 2017          |
| <b>3. Shares of Associate/Joint Ventures held by the company on the year end</b>    |                              |   |
| No.   | 1,05,00,000                  | 5,00,000                                  |
| Amount of Investment in Associates/Joint Venture                                    | 5,430                        | 42  |
| Extend of Holding %   | 29.22%                       | 50%                                       |
| <b>4. Description of how there is significant influence</b>                         | Shareholding                 | Shareholding                              |
| <b>5. Reason why the associate/joint venture is not consolidated</b>                | NA                           | NA  |
| <b>6. Networth attributable to Shareholding as per latest audited Balance Sheet</b> | 3,587                        | 42  |
| <b>7. Profit / Loss for the year</b>  |                              |   |
| i. Considered in Consolidation  | (864)                        | 2   |
| i. Not Considered in Consolidation  | NIL                          | NIL                                       |

As per our report of even date

**FOR AND ON BEHALF OF THE BOARD**











If undelivered please return to:  
Shreyas Shipping & Logistics Ltd.  
D - 301-305, Level 3, Tower - II  
Seawoods Grand Central,  
Plot No. R1, Sector - 40,  
Nerul Node  
Navi Mumbai - 400 706, India.

<https://www.transworld.com/shreyas>