

INDEPENDENT AUDITORS' REPORT**To****The Members of SULOLOG TRANSSHIPMENT SERVICES LIMITED (Formerly known as Sulog Transshipment Services Pvt. Ltd.)****Report on the Financial Statements**

We have audited the accompanying financial statements of **SULOLOG TRANSSHIPMENT SERVICES LIMITED (Formerly known as Sulog Transshipment Services Pvt. Ltd.)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Statement of Change in Equity and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018 and its losses and its cash flows for the year ended on that date.


Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-1** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Change in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 **Annexure-2**.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations as on 31st March, 2018;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and



iii. There is no amount payable towards investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N


G.K. Aggarwal
Partner
Membership No. 086622
Date: 23rd May, 2018
Place: New Delhi



ANNEXURE-1 TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in our report of even date to the members of **SULOG TRANSSHIPMENT SERVICES LIMITED (Formerly known as Sulog Transshipment Services Pvt. Ltd.)** on the accounts for the year ended 31st March, 2018)

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

(b) A major portion of the fixed assets has been physically verified by the Management in accordance with a phased programmed of verification once in two years adopted by the company. In our opinion, the frequency of the verification is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.

(c) The Company does not own any immovable property. Hence, para 1(c) of the order for reporting on title deed of immovable property held in name of the Company is not applicable.
2. The company does not have inventory. Accordingly, the provision of clause 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
3. According to the information and the explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the order are not applicable to the company and hence not commented upon.
4. The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company and hence not commented upon.
5. According to the information given to us, the Company has not accepted any deposits under the provisions of section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the companies Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time. No order has been passed with respect to Section 73 to 76, by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.
6. To the best of our knowledge and as explained, the maintenance of cost records as specified by the Central Government under sub-section (I) of section 148 of the Companies Act, 2013 is not applicable to the company.
7. (a) Undisputed statutory dues including provident fund, employee' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, as applicable have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.



(b) According to the information and explanations given to us, there are no material dues in respect of income tax and sales tax which have not been deposited with the appropriate authorities on account of any dispute. To the best of our knowledge and as explained, the Company does not have any other statutory dues i.e. wealth tax, service tax, duty of customs, duty of excise and value added tax as mentioned in para (vii) (b) of the Order.

8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken loans or borrowing from financial institution, bank, government or issued any debentures. Accordingly, the provisions of clause 3(viii) of the order are not applicable to the company.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, provisions of clause 3 (ix) of the Order are not applicable to the Company.
10. According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, we have been informed that no case of frauds has been committed on or by the Company or by its officers or employees during the year.
11. The Company has not paid any managerial remuneration under the provisions of Section 197 read with Schedule V of the Companies Act, 2013. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.
12. The company is not a Nidhi Company. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us, all transactions with the related parties are in compliance with section 188 of Act, and where applicable the details have been disclosed in the Financial Statements as required by the applicable accounting standards. However, the provisions of Section 177 of the companies act are not applicable on the company.
14. The Company has not made any preferential allotment or private allotment of shares or fully or partly convertible debentures during the year. Accordingly, provisions of clause 3 (xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with the directors or persons connected with him as covered under Section 192 of the Companies Act, 2013. Accordingly, provisions of clause 3 (xv) of the Order are not applicable to the Company.



16. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Accordingly, provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N



G.K. Aggarwal
Partner
Membership No. 086622
Date: 23rd May, 2018
Place: New Delhi



ANNEXURE-2 TO INDEPENDENT AUDITORS' REPORT

Annexure referred to in our report of even date to the members of SULOLOG TRANSSHIPMENT SERVICES LIMITED (Formerly known as Sulog Transshipment Services Pvt. Ltd.) on the accounts for the year ended 31st March, 2018

Report on the Internal Financial Controls 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 SULOLOG TRANSSHIPMENT SERVICES LIMITED (Formerly known as Sulog Transshipment Services Pvt. Ltd.) ("the Company") as of 31st March, 2018 in conjunction with our audit of the 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 control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 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 31st March, 2018, based on the internal control over financial reporting criteria established by the Company and the components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For N.C. Aggarwal & Co.
Chartered Accountants
Firm Registration No. 003273N



G.K. Aggarwal
Partner
Membership No. 086622
Date: 23rd May, 2018
Place: New Delhi



SULOG TRANSSHIPMENT SERVICES LIMITED**(Formerly known as Sulog Transshipment Services Pvt. Ltd.)****Balance Sheet as at 31st March, 2018****CIN NO.U61200UP2011FLC089538**

Particulars		Note No.	As at 31st March, 2018	As at 31st March, 2017
I. ASSETS				
(1)	Non-current assets			
	(a) Property, Plant and Equipment	1	1,356,788,794	1,432,313,999
	(b) Financial Assets			
	(i) Other Financial Assets	2	144,000	144,000
			1,356,932,794	1,432,457,999
(2)	Current assets			
	(a) Financial Assets			
	(i) Trade receivables	3	1,730,064	1,730,064
	(ii) Cash and Cash Equivalents	4	125,955	541,431
	(b) Other current assets	5	3,324,931	6,716,405
			5,180,950	8,987,900
TOTAL ASSETS			1,362,113,744	1,441,445,899
II. EQUITY AND LIABILITIES				
Equity				
(1)	(a) Equity Share capital	6	269,005,710	269,005,710
	(b) Other Equity		430,317,015	514,803,634
			699,322,725	783,809,344
LIABILITIES				
(2)	Non-current liabilities			
	(a) Provisions	7	68,979	68,979
			68,979	68,979
Current liabilities				
(3)	(a) Financial Liabilities			
	(i) Borrowings	8	448,075,618	445,841,084
	(ii) Trade payables	9	152,418,321	152,458,072
	(iii) Other financial liabilities	10	60,000,000	57,777,654
	(b) Other current liabilities	11	2,228,101	1,490,765
			662,722,040	657,567,576
TOTAL EQUITY AND LIABILITIES			1,362,113,744	1,441,445,899

Significant accounting policies and notes to the

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As per our report of even date attached

For N.C. AGGARWAL & CO.

Chartered Accountants

Firm Registration No. 003273N

G.K. Aggarwal

Partner

M.No.086622



Place: New Delhi

Dated: 23rd May, 2018

**For and on behalf of the Board of Directors of
SULOG TRANSSHIPMENT SERVICES LIMITED****Sunil Kumar Trehan**

Director

DIN - 00700888

**Megha Gupta**

Director

DIN - 07256603

Nitish Kumar

CS & CFO

M.No. 33380

SULOG TRANSSHIPMENT SERVICES LIMITED**(Formerly known as Sulog Transshipment Services Pvt. Ltd.)****Statement of Profit and Loss for the year ended 31st March, 2018****(Amount in Rs.)**

	Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I	Revenue From Operations			
	Other Income		-	-
	Total Revenue (I)		-	-
II	EXPENSES			
	Operational Expenses	12	-	453,586
	Employee benefits expenses	13	1,562,808	1,414,727
	Finance costs	14	135,640	145,278
	Depreciation	15	75,525,205	75,587,566
	Other expenses	16	7,262,967	(7,557,696)
	Total expenses (II)		84,486,620	70,043,461
III	Profit/(loss) before tax (I-II)		(84,486,620)	(70,043,461)
IV	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
	Total Tax expense(IV)		-	-
V	Profit (Loss) for the year(III-IV)		(84,486,620)	(70,043,461)
VI	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Remeasurement gain(losses) on defined benefit plan		-	-
	Income tax effect on above			
	Total Other Comprehensive income		-	-
VII	Total Comprehensive income for the year(V+VI) (Comprising profit and Other Comprehensive Income for the year)		(84,486,620)	(70,043,461)
VIII	Earnings per equity share of face value of Rs. 10/- each			
	(1)Basic		(3.14)	(2.60)
	(2)Diluted		(3.14)	(2.60)

Significant accounting policies and notes to the financial statements

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As per our report of even date attached

For N.C. AGGARWAL & CO.

Chartered Accountants

Firm Registration No. 003273N

G.K. Aggarwal

Partner

M.No.086622



Place: New Delhi

Dated: 23rd May, 2018

For and on behalf of the Board Of Directors of
SULOG TRANSSHIPMENT SERVICES LIMITED

Sunil Kumar Trehan
Director
DIN - 00700888

Megha Gupta
Director
DIN - 07256603



Nitish Kumar
CS & CFO
M.No. 33380

SULOG TRANSSHIPMENT SERVICES LIMITED**(Formerly known as Sulog Transshipment Services Pvt. Ltd.)****CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2018****(Amount in Rs.)**

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A.	Cash flow from operating activities:		
	Net profit before tax, extraordinary items and prior period adjustments	(84,486,620)	(70,043,461)
	Adjustments for:		
	Depreciation and amortization	75,525,205	75,587,566
	Interest expenses/Finance cost	135,640	145,278
	Tonnage Tax	1,039,130	471,450
	Unrealised Foreign Exchange Fluctuation	2,992,508	(12,928,559)
		79,692,484	63,275,735
	Operating profit before change in working capital	(4,794,136)	(6,767,726)
	Adjustments for:		
	Increase/(decrease) in working capital		
	Loans and advances	3,391,474	676,019
	Trade and Other payables	2,161,956	3,431,967
	Cash earned from operations	5,553,430	4,107,986
	Direct tax paid	(1,039,130)	(471,450)
	Net cash from operating activities	(279,837)	(3,131,189)
B.	Cash flow from financing activities:		
	Interest payment	(135,640)	(145,278)
	Net cash from financing activities	(135,640)	(145,279)
	Net increase/(decrease) in cash and cash equivalents	(415,476)	(3,276,468)
	Cash & Cash bank balance at the beginning of the year	541,431	3,817,899
	Cash & Cash bank balance at the end of the year	125,955	541,431

As per our report of even date attached hereto.

For N.C. AGGARWAL & CO.

Chartered Accountants

Firm Registration No. 003273N

G.K. Aggarwal
Partner
M.No.086622



Place: New Delhi
Dated: 23rd May, 2018

For and on behalf of the Board of Directors of
SULOG TRANSSHIPMENT SERVICES LIMITED

Sunil Kumar Trehan
Director
DIN - 00700888

Megha Gupta
Director
DIN - 07256603



Nitish Kumar
CS & CFO
M.No. 33380

STATEMENT OF CHANGES IN EQUITY
SULOG TRANSSHIPMENT SERVICES LIMITED
(Formerly known as Sulog Transshipment Services Pvt. Ltd.)
Statement of Changes in Equity for the year ended 31st March, 2018

(Amount in Rs.)		(Amount in Rs.)		(Amount in Rs.)		
A. Equity Share Capital		B. Other Equity		Total		
Particulars	Balance as at 1st April, 2017	Changes in equity share capital during the year	Balance at the end of the 31st March, 2018	Reserves and Surplus	Items of Other Comprehensive Income	Total
	269,005,710	-	269,005,710	Retained Earnings	Remeasurements of the net defined benefit Plans	
				Securities Premium Reserve		
Balance as at April 1, 2017	514,803,634	-	514,803,634	-	-	514,803,634
Total Comprehensive Income for the year 2017-18	-	-	(84,486,620)	(84,486,620)	-	(84,486,620)
Balance as at March 31, 2018	-	-	430,317,015	430,317,015	-	430,317,015

Significant Accounting Policies and Notes to Financial Statements

For N.C. AGGARWAL & CO.
 Chartered Accountants
 Firm Registration No. 003273N



G.K. Aggarwal
 Partner
 M.No.086622


Place: New Delhi
 Dated: 23rd May, 2018

For and on behalf of the Board of Directors of
SULOG TRANSSHIPMENT SERVICES LIMITED


Sunil Kumar Trehan
 Director
 DIN - 00700888




Megha Gupta
 Director
 DIN - 07256603


Nitish Kumar
 CS & CFO
 M.No. 33380

SULOG TRANSSHIPMENT SERVICES LIMITED**(Formerly known as Sulog Transshipment Services Pvt. Ltd.)****Notes forming part of Balance sheet****Property, Plant and Equipment****Note-1**

Particulars	(Amount in Rs.)			
	Plant and Equipment	Vessels	Vehicle	Total
Gross Block				
As of April 1, 2016	2,747,367	1,533,474,600	681,610	1,536,903,577
Additions	-	44,413,549	-	44,413,549
Disposal/Adjustments	-	-	-	-
As of March 31, 2017	2,747,367	1,577,888,149	681,610	1,581,317,126
Additions	-	-	-	-
Disposal/Adjustments	-	-	-	-
As of March 31, 2018	2,747,367	1,577,888,149	681,610	1,581,317,126
Accumulated Depreciation				
As of April 1, 2016	448,517	72,840,043	127,001	73,415,561
Charge for the year	448,517	75,012,049	127,001	75,587,566
Disposal/Adjustments	-	-	-	-
As of March 31, 2017	897,034	147,852,092	254,001	149,003,127
Charge for the year	448,517	74,949,687	127,001	75,525,205
Disposal/Adjustments	-	-	-	-
As of March 31, 2018	1,345,551	222,801,779	381,002	224,528,332
Net carrying amount				
As of March 31, 2017	1,850,333	1,430,036,057	427,609	1,432,313,999
As of March 31, 2018	1,401,816	1,355,086,370	300,608	1,356,788,794



SULOG TRANSSHIPMENT SERVICES LIMITED
(Formerly known as Sulog Transshipment Services Pvt. Ltd.)
Notes forming part of Balance sheet

DESCRIPTION	As at 31st March, 2018	As at 31st March, 2017
2 Other Non Current Financial Assets		
Unsecured, Considered good		
Security Deposits	144,000	144,000
Total Other Non Current Financial Assets	144,000	144,000
3 Trade Receivables		
Unsecured, Considered good	1,730,064	1,730,064
Total Trade Receivables	1,730,064	1,730,064
4 Cash and Cash Equivalents		
Balances with Banks		
In Current Accounts	122,066	538,860
Cash on Hand	3,889	2,571
Total Cash and Cash Equivalents	125,955	541,431
5 Other Current Assets		
Other Receivable*	2,430,132	5,032,502
Prepaid Expenses	-	144,299
Advance to vendors	-	560,660
Tonnage Taxation (Net)	894,799	978,944
Total Other Current Assets	3,324,931	6,716,405
<i>*Cenvat Receivable, other receivable etc</i>		
6 SHARE CAPITAL		
(a) AUTHORISED SHARE CAPITAL		
27,000,000 Equity Shares of 10/-each	270,000,000	270,000,000
	270,000,000	270,000,000
(b) ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
Equity shares (fully paid up)		
26,900,571 (Previous year 26,900,571) Equity Shares of 10/-each fully paid up	269,005,710	269,005,710
	269,005,710	269,005,710
(c) RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE YEAR		
Equity Shares		
Shares outstanding at the beginning of the year	26,900,571	26,900,571
Shares outstanding at the end of the year	26,900,571	26,900,571
(d) SHARE OF THE COMPANY HELD BY HOLDING COMPANY:-		
Jindal ITF Limited*	26,900,571	26,900,571
* - Including 6 shares held by persons as nominee of Jindal ITF Limited		
(e) SHARES IN THE COMPANY HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5% SHARES ARE AS UNDER:		
Name of the Shareholder	No. of Shares Held	
Jindal ITF Limited*	26,900,571	26,900,571
% of Holding	100%	100%



SULOG TRANSSHIPMENT SERVICES LIMITED
(Formerly known as Sulog Transshipment Services Pvt. Ltd.)
Notes forming part of Balance sheet

DESCRIPTION	As at 31st March, 2018	As at 31st March, 2017
(f) Terms/Rights attached to Equity Shares		
The Company has only one class of equity shares having a par value of Rs.10/- per equity share. Each equity shareholder is entitled to one vote per share.		
7 NON CURRENT PROVISIONS		
For Employee Benefits		
Gratuity	16,979	16,979
Leave Encashment	52,000	52,000
Provision for Income Tax	-	-
Total Non current Provisions	68,979	68,979
8 CURRENT BORROWINGS		
Loan repayable on Demand		
Secured		
Mariac Leasing Services B.V	448,075,618	445,841,084
Total Current Borrowings	448,075,618	445,841,084
Total Short Term Borrowings	448,075,618	445,841,084
Note 1		
The company is availing secured seller's credit facility from foreign supplier i.e. Mariac Leasing Services B.V for purchase of vessel M.V Vighnharta ("the Vessel")		
9 TRADE PAYABLES*		
Dues to other than Micro and Small enterprises	152,418,321	152,458,072
Total Trade Payables	152,418,321	152,458,072
*There are no Micro and Small Enterprises, to whom the Company owes dues as at 31st March 2018. This Information as Required to be disclosed under 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 available with the Company.		
10 Other Current Financial Liabilities		
Security deposits*	60,000,000	57,500,000
Other Liabilities	-	277,654
Total other current Financial Liabilities	60,000,000	57,777,654
*From related party (refer note no 10 of notes to accounts)		
11 OTHER CURRENT LIABILITIES		
Advance from customer	300,000	-
Other payable	1,897,459	1,393,185
Statutory Dues	30,642	97,580
Total Other Current Liabilities	2,228,101	1,490,765



SULOG TRANSSHIPMENT SERVICES LIMITED
(Formerly known as Sulog Transshipment Services Pvt. Ltd.)
Notes forming part of Statement of Profit and Loss

(Amount in Rs.)

DESCRIPTION	For the Year ended 31st March 2018	For the Year ended 31st March 2017
12 Operational Expenses		
Consumables	-	453,586
Total Operational Expenses	-	453,586
13 Employee Benefits Expense		
Salaries and Wages	1,413,021	1,329,001
Contribution to provident and other funds	121,859	62,686
Staff Welfare Expenses	27,928	23,040
Total Employee Benefits Expense	1,562,808	1,414,727
14 Finance Costs		
Bank Charges	6,568	3,440
Other Interest	129,072	141,838
Total Finance Costs	135,640	145,278
15 Depreciation		
Depreciation	75,525,205	75,587,566
Total Depreciation	75,525,205	75,587,566



SULOG TRANSSHIPMENT SERVICES LIMITED**(Formerly known as Sulog Transshipment Services Pvt. Ltd.)****Notes forming part of Statement of Profit and Loss****(Amount in Rs.)**

DESCRIPTION	For the Year ended 31st March 2018	For the Year ended 31st March 2017
16 Other Expenses		
Advertisement and Business Promotion	-	3,853
Communication Expenses	29,998	25,675
Conveyance and Travelling	177,168	683,937
Directors Meeting Fee	60,600	40,200
Insurance Expenses	143,853	3,150,015
Legal and professional Expenses	48,067	88,373
Payment to Auditors	100,000	100,000
Printing and Stationery	3,908	1,085
Postage and Courier	1,530	414
Rates and Taxes	20,245	683,696
Tonnage Tax	1,039,130	471,450
Rent	-	90,000
Sundry Balances Written Off	2,645,961	-
Net foreign currency (gain)/ Loss- Operating expenses	2,992,508	(12,928,559)
Miscellaneous Expenses	-	32,165
Total Other Expenses	7,262,967	(7,557,696)



SULOG TRANSSHIPMENT SERVICES LTD (FORMERLY KNOWN AS SULOG TRANSSHIPMENT SERVICES PVT. LTD.)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

Note no: 17

1. Corporate and General Information

Sulog Transshipment Services Ltd (Formerly known as Sulog Transshipment Services Pvt. Ltd.) is a Company incorporated on 10th June, 2011 with the main object to carry on the business of international surface and sea transport agents and cargo booking agents, third party logistics and to facilitate and provide transportation of cargo whether in India or abroad and to act as shippers, shipbrokers, agents, loading breakers and to provide consultancy and infrastructure for port and marine including coastal, ocean going and coastal transport.

To provide transport management logistics and solutions for marine and non-marine segments of transport companies.

To carry on the business as a ship owner and ship management including ship crewing, commercial ship management, technical management, chartering, sale and purchase of ships and offshore vessels, inspections and marine consultancy.

2. Basis of preparation

The financial statements provide comparative information in respect to the previous year. In addition, the company presents additional statement of Balance Sheet as at the beginning of the previous year, which is the transition date to IND AS.

The significant accounting policies used in preparing the financial statements are set out in Note no. 3 of the Notes to the Financial Statements.

The preparation of the financial statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 4 on critical accounting estimates, assumptions and judgements).

3.0 Significant Accounting Policies

3.1 Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- financial assets and liabilities except borrowings carried at amortised cost,

3.2 Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets are depreciated to the residual values on a straight line basis over the estimated useful lives based on technical estimates, except, moulds which are depreciated based on units of production. Assets residual values and useful lives are reviewed at each financial year end considering the physical condition of the assets and benchmarking analysis or whenever there are indicators for review of residual value and useful life. Freehold land is not depreciated. Estimated useful lives of the assets are as follows:

Category of Assets	Years
- Vessel	20
- Plant and Machinery	15
- Vehicles	



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SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

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The 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 recognised in the Statement of Profit and Loss on the date of disposal or retirement.

3.3 Impairment of non-current assets

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

3.4 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents include, outstanding bank overdrafts shown within the borrowings in current liabilities in the Balance Sheet and which are considered an integral part of the Company's cash management.

3.5 Inventories

Inventories of fuel oil and stores and spares are carried at cost or net realisable value whichever is lower. Cost is determined on first in first out basis.

3.6 Employee benefits

- a) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.
- b) Leave encashment being a short term benefit is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.
- c) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.
- d) The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

The Company operates a defined benefit plan for gratuity, which requires contributions to be made to a separately administered fund. The fund is managed by a trust. The trust has taken policies from an insurance company. These benefits are partially funded.

3.7 Foreign currency reinstatement and translation

(a) Functional and presentation currency

These financial statements have been presented in Indian Rupees which is the Company's functional and presentation currency.



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Note no: 17

(b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognised in profit or loss. Differences arising on settlement of monetary items are also recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. Exchange component of the gain or loss arising on fair valuation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to such exchange difference.

3.8 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial Assets

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Investment in equity shares

Investment in equity securities are initially measured at fair value. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in equity securities are held for trading purposes. The fair value gains or losses of all other equity securities are recognized in Other Comprehensive Income.

a) Financial Liabilities

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.



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SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

Note no: 17

Financial liabilities are classified in two categories; subsequent measurement of financial assets is depended on initial categorisation. These categories and their classification are as below:

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

ii. Financial liabilities measured at amortized cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.9 Equity share capital

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

3.10 Taxation

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.



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SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

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The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

3.11 Revenue recognition and other operating income

Sale of goods

Revenue is recognized at the fair value of consideration received or receivable and represents the net invoice value of goods supplied to third parties after deducting discounts, volume rebates and outgoing sales tax and are recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods. Revenue is inclusive of excise duty and excise duty is presented separately to present revenue net of excise duty.

Freight and demurrage earnings are recognized on completed voyage basis/ upon loading/unloading of the Vessel depending upon the risk and rewards transferred. Time Charter earning are recognized on accrual basis except where the charter party agreements have not been renewed/ finalized, in which case it is recognized on provisional bases.

Other Income

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

3.12 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

3.13 Provisions and contingencies

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

i). Gratuity and leave encashment provision

Refer Note no 3.6 for provision relating to gratuity and leave encashment.

Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.



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Note no: 17

3.14 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,
- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.15 Recent accounting pronouncements

Standards issued but not yet effective:

Ind AS 115 - Revenue from Contracts with Customers

In March 2018, the Ministry of Corporate Affairs had notified Ind AS 115 (Revenue from Contracts with Customers) which would be applicable for accounting periods beginning on or after 1 April 2018. This Standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. Revenue is recognised when a customer obtains control of a promised good or service. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The Company is in the process of assessing the detailed potential impact of Ind AS 115, Revenue from Contracts with Customer on its financial statements and related disclosures. Presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements..

Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

In March, 2018, the Ministry of Corporate Affairs (MCA) has notified Appendix B to Ind AS 21, foreign currency transactions and advance consideration which would be applicable for accounting periods beginning on or after 1 April 2018. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

Presently the Company is not able to reasonably estimate the impact of the application of the appendix B on the financial statements.



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4. Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

(a) Property, plant and equipment

External adviser or internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

On transition to IND AS, the Company has adopted exception for fair valuation of property, plant and equipment, impact of fair valuation is provided in Note no 12, subsequent to fair valuation depreciation has been charged on fair valued amount less estimated salvage value. On transition to IND AS, the Company has revisited useful life of various categories of assets, impact of revision in estimate of useful life of various assets is provided in Note no 1. Property, plant and equipment also represent a significant proportion of the asset base of the Company. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company's financial position and performance.

(b) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.

(c) Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

(d) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

(e) Insurance claims

Insurance claims are recognised when the Company have reasonable certainty of recovery. Subsequently any change in recoverability is provided for.

5. Financial risk management

5.1 Financial risk factors

The Company's principal financial liabilities, comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, and cash that arise directly from its operations. The Company's activities expose it to a variety of financial risks:



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i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: interest rate risk and other price risks such as commodity risk. Financial instruments affected by market risk include loans and borrowings and investments. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as of March 31, 2018 and March 31, 2017.

ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

iii) Liquidity risk.

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Market Risk

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks.

(a) Foreign exchange risk and sensitivity

The Company transacts business primarily in Indian Rupee. However, certain expenditures are incurred in foreign currency. The Company has foreign currency trade payables and is therefore, exposed to foreign exchange risk.

The following table demonstrates the sensitivity in the USD to the Indian Rupee with all other variables held constant. The impact on the Company's profit before tax due to changes in the fair value of monetary assets and liabilities is given below:

Foreign Currency Sensitivity

Particulars	Net monetary items in respective currency outstanding on reporting date	Change in currency exchange rate	Effect on profit/(Loss) before tax
For the year ended March 31, 2018			
USD	(9,207,719)	+ 5%	(30,003,353)
		- 5%	30,003,353
For the year ended March 31, 2017			
USD	(9,207,719)	+ 5%	(29,853,728)
		- 5%	29,853,728

The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment. Summary of exchange difference accounted in Statement of Profit and Loss:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Currency Fluctuations		
Net foreign exchange (gain)/loss shown as other expenses	2,992,508	(12,928,559)
Total	2,992,508	(12,928,559)



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(a) Interest rate risk and sensitivity

The company has not any floating rate borrowing. Therefore there is no interest rate sensitivity.

Credit risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, and other financial instruments.

- Trade Receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has also taken advances and security deposits from its customers & distributors, which mitigate the credit risk to an extent.

The ageing of trade receivable is as below:

As at 31st March, 2018

(Amount in Rs.)

Particulars	Not due	Due Ageing			Total
		<6 months	6-12 months	1 years & Above	
Trade receivable Unsecured		-	-	1,730,064	1,730,064
Total	-	-	-	1,730,064	1,730,064

As at 31st March, 2017

(Amount in Rs.)

Particulars	Not due	Due Ageing			Total
		<6 months	6-12 months	1 years & Above	
Trade receivable Unsecured		-	-	1,730,064	1,730,064
Total	-	-	-	1,730,064	1,730,064

Liquidity risk

The Company's objective is to; at all times maintain optimum levels of liquidity to meet its cash and collateral requirements.. In case of temporary short fall in liquidity to repay the bank borrowing/operational short fall , the company uses mix of capital infusion and borrowing from its holding company. However, the company envisage that such short fall is temporary and the company would generate sufficient cash flows as per approved projections.

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.



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(Amount in Rs.)					
Particulars	As at March 31, 2018				
	Carrying amount	On Demand/ Overdue	< 6Months	6-12 Months	>1 Year
Interest bearing borrowings	448,075,618	-	448,075,618	-	-
Other financial liabilities	60,000,000	-	60,000,000	-	-
Trade Payable	152,418,321	-	152,418,321	-	-
TOTAL	660,493,939	-	660,493,939	-	-
(Amount in Rs.)					
Particulars	As at March 31, 2017				
	Carrying amount	On Demand/Over	< 6Months	6-12 Months	>1 Year
Interest bearing borrowings	445,841,084	-	445,841,084	-	-
Other financial liabilities	57,777,654	-	57,777,654	-	-
Trade Payable	152,458,072	-	152,458,072	-	-
TOTAL	656,076,810	-	656,076,810	-	-

Interest rate & currency of borrowings

The below table demonstrate the borrowing of fixed and floating rate of interest

(Amount in Rs.)			
Particulars	Total borrowings	Floating rate borrowings	Fixed rate borrowings
INR	448,075,618		448,075,618
Total as at March 31, 2018	448,075,618	-	448,075,618
INR	445,841,084		445,841,084
Total as at March 31, 2017	445,841,084	-	445,841,084

Capital risk management

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is calculated as loans and borrowings less cash and cash equivalents.

The Gearing ratio for FY 2017-18 and 2016-17 is an under:

Particulars	As of 31st March 2018	As of 31st March 2017
Loans and borrowings	448,075,618	445,841,084
Less : Cash and cash equivalents	125,955	541,431
Net Debt	447,949,663	445,299,653
Total Capital	699,322,725	783,809,344
Capital and net Debt	1,147,272,388	1,229,108,997
Gearing Ratio	39.04%	36.23%



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6. Fair value of financial assets and liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair Value	Carrying amount	Fair Value
(Amount in Rs.)				
Financial assets designated at amortised cost				
Fixed deposits with banks	-	-	-	-
Cash and bank balances	125,955	125,955	541,431	541,431
Trade and other receivables	1,430,064	1,430,064	1,730,064	1,730,064
Other financial assets	144,000	144,000	144,000	144,000
	1,700,019	1,700,019	2,415,495	2,415,495
Financial liabilities designated at amortised cost				
Borrowings- fixed rate	448,075,618	448,075,618	445,841,084	445,841,084
Trade & other payables	152,418,321	152,418,321	152,458,072	152,458,072
Other financial liabilities	60,000,000	60,000,000	57,777,654	57,777,654
	660,493,939	660,493,939	656,076,810	656,076,810

Fair Valuation technique

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. Fair value of variable interest rate borrowings is not material different from carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

The fair value of fixed interest bearing loans, borrowings and deposits is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

IND AS 101 allow Company to fair value property, plant and machinery on transition to IND AS, the Company has fair valued property, plant and equipment, and the fair valuation is based on replacement cost approach.

Fair Value hierarchy

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Quoted prices / published NVA (unadjusted) in active markets for identical assets or liabilities (level 1). It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value (NAV) is published mutual fund operators at the balance sheet date.



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Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable. Derivatives included interest rate swaps and foreign currency forwards.

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Assets / Liabilities for which fair value is disclosed

(Amount in Rs.)

Particulars	As at March 31, 2018		
	Level 1	Level 2	Level 3
Financial liabilities			
Borrowings- fixed rate		448,075,618	
Other financial liabilities		60,000,000	

Particulars	As at March 31, 2017		
	Level 1	Level 2	Level 3
Financial liabilities			
Borrowings- fixed rate		445,841,084	
Other financial liabilities		57,777,654	

During the year ended March 31, 2018 and March 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

Following table describes the valuation techniques used and key inputs to valuation within level 2 and 3, and quantitative information about significant unobservable inputs for fair value measurements within Level 3 of the fair value hierarchy as of March 31, 2017 and March 31, 2016, respectively:

a) **Assets / Liabilities for which fair value is disclosed**

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Financial liabilities			
Other borrowings- fixed rate	Level 2	Discounted Cash Flow	Prevailing interest rates in market, Future payouts
Other financial liabilities	Level 2	Discounted Cash Flow	Prevailing interest rates to discount future cash flows



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7. Income tax expense

Provision for current income tax is made on the basis of special provisions relating to income of shipping companies as contained in chapter XII-G of the Income tax Act-1961 and provisions for current income tax on income other than covered above are made as per the normal provisions of the income tax act, 1961. For the year ended March 31, 2018 and March 31, 2017 there is tonnage tax liability which has been disclosed as tonnage tax in other expenditure schedule.

8. Retirement Benefit obligations

1. Current and non-current provision for Gratuity and leave encashment

For the year ended March 31, 2018

Particulars	Gratuity	Leave Encashment
Curret provision	-	-
Non current provision	16,979	52,000
Total Provision	16,979	52,000

For the year ended March 31, 2017

Particulars	Gratuity	Leave Encashment
Curret provision	-	-
Non current provision	16,979	52,000
Total Provision	16,979	52,000

2. Employee benefit expenses

Employee benefit expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and Wages	1,413,021	1,329,001
Costs-defined benefit plan		
Costs-defined contribution plan	121,859	62,686
Welfare expenses	27,928	23,040
Total	1,562,808	1,414,727

(Figures in no.)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Average no of people employed	2	2

Presentation in Statement of Profit & Loss and Balance Sheet

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss.

IND AS 19 do not require segregation of provision in current and non-current, however net defined liability (Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.



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When there is surplus in defined benefit plan, company is required to measure the net defined benefit asset at the lower of; the surplus in the defined benefit plan and the assets ceiling, determined using the discount rate specified, i.e. market yield at the end of the reporting period on government bonds, this is applicable for domestic companies, foreign company can use corporate bonds rate.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

9. Other disclosures

a) Auditors Remuneration

(Amount in Rs.)

Particulars	For year ended March 31, 2018	For year ended March 31, 2017
Statutory Auditors		
a) Audit Fees	1,00,000	1,00,000
Total	1,00,000	1,00,000

b) Details of loans given, investment made and Guarantees given, covered U/S 186(4) of the Companies Act 2013.

10. Related party transactions

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are:

Related party name and relationship

1. Key Management personnel

- a) Mr. Nitish Kumar (CS & CFO)
- b) Mr. Puran Singh Bisht (Manager)

2. Related parties

Holding Company

- a) Jindal ITF Limited w.e.f. 29.06.2016
- b) Jindal Saw Limited w.e.f. 29.06.2016 (Ultimate Holding Company)
- c) Sulog Holdings (Netherlands) B.V. upto 28.06.2016



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Fellow Subsidiaries:

S. No.	Name of the Entity
1	IUP Jindal Metals & Alloys Limited from 29.06.2016
2	S.V. Trading Limited from 29.06.2016
3	Quality Iron and Steel Limited from 29.06.2016
4	Ralael Holdings Limited from 29.06.2016
5	Jindal Saw Holdings FZE from 29.06.2016
6	Greenray Holdings Limited from 29.06.2016
7	Jindal Saw Espana,S.L. (from 29.06.2016 Upto 10.03.2017)
8	Jindal Tubular (India) Ltd. from 29.06.2016
9	Jindal Quality Tubular Limited from 29.06.2016
10	JITF Shipyards Limited -(Name changed from JITF Waterways Ltd. w.e.f 5th August, 2016) from 29.06.2016
11	JITF Shipyards Limited -from 29.06.2016 Upto 5th August, 2016
12	JITF Shipping & Logistics (Singapore) Pte. Limited from 29.06.2016 upto 17.03.2017
13	Jindal Saw USA, LLC from 29.06.2016
14	Jindal Saw Italia S.P.A. from 29.06.2016
15	Jindal Saw Middle East FZC from 29.06.2016
16	Derwent Sand SARL from 29.06.2016
17	Jindal Saw Gulf L.L.C. from 29.06.2016
18	Jindal International FZE from 29.06.2016
19	Jindal Intellicom Limited from 29.06.2016
20	Icom analytics Limited from 29.06.2016
21	Jindal Tubular U.S.A. LLC from 29.06.2016 upto 30.03.2017
22	World Transload & Logistics LLC from 29.06.2016
23	5101 Boone LLP from 29.06.2016
24	Tube Technologies INC from 29.06.2016
25	Helical Anchors INC from 29.06.2016
26	Boone Real Property Holding LLC from 29.06.2016
27	Drill Pipe International LLC from 29.06.2016
28	JITF Commodity Tradex Ltd. (formerly JITF Coal Logistics Limited (from 29.06.2016 Upto 30.06.2016)

Related Party Transactions

Particulars	Holding Company	
	Current year	Previous year
Security deposits Received Jindal ITF Limited	2,500,000	57,500,000
Advance Repaid Jindal ITF Limited	-	9,196,953



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Related party Balances

Balances as on 31st March, 2018		
Share Capital including Share Premium		
Jindal ITF Limited	269,005,710	269,005,710
Amount Payable to		
Jindal ITF Limited	1,745,759	1,393,186
Security Deposit Payable:		
Jindal ITF Limited	60,000,000	57,500,000

Key Management Remuneration (KMP)

(Amount in Rs.)

Particulars	Year Ended	Year Ended
	March 31, 2018	March 31, 2017
Short-Term employee benefits*	1,413,021	1,321,306
Post-Employment benefits		
- Defined contribution plan\$	121,859	62,686
- Defined benefit plan#		
Total	1,534,880	1,383,992

* including bonus, setting fee, commission on accrual basis and value of perquisites

including leave encashment, gratuity and any other benefits

\$ including PF and any other benefits

11. Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

(Number of shares)

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Issued equity shares	26,900,571	26,900,571
Weighted average shares outstanding - Basic and Diluted - A	26,900,571	26,900,571

Net profit available to equity holders of the Parent used in the basic and diluted earnings per share was determined as follows:

(Amount in Rs.)

Particulars	Year ended	Year ended
	March 31, 2018	March 31, 2017
Profit and loss after tax - B	(84,486,620)	(70,043,461)
Basic Earnings per share (B/A)	(3.14)	(2.60)
Diluted Earnings per share (B/A)	(3.14)	(2.60)

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.



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12. The memorandum of understanding (MOU) between the Holding company & business partner acknowledged the existence of certain liability to group entity of business partner. The inter se, MOU between the two parties agreed to discharge these liabilities to group entity once the company starts generating sufficient cash flow to discharge its obligations. Based on understanding, the company has not discharged the liability nor provided any interest on such liabilities for the year ended 31st March 2018.
13. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.
14. Notes 1 to 13 are annexed and form integral part of Financial Statements.

For N.C. AGGARWAL & CO.

Chartered Accountants

Firm Registration No. 003273N



G.K. Aggarwal

Partner

M.No.086622

Place: New Delhi

Dated: 23rd May, 2018



**For and on behalf of the Board of Directors of
SULOG TRANSSHIPMENT SERVICES LIMITED**



Sunil Kumar Trehan

Director

DIN - 00700888



Megha Gupta

Director

DIN - 07256603



Nitish Kumar

CS & CFO

M.No. 33380