AEGIS

SEA LORD CONTAINERS LIMITED

39 TH ANNUAL REPORT 2018–19

39TH ANNUAL REPORT

2018-2019

Board of Directors	Mr. Raj K. Chandaria (Chairman) Mr. Anish K. Chandaria Mr. Kanwaljit S. Nagpal Mr. Jaideep D. Khimasia
Registered Office	502, Skylon, G.I.D.C., Char Rasta, Vapi-396 195, Dist. Valsad, Gujarat
Corporate Office	1202, Tower B, Peninsula Business Park, G.K.Marg, Lower Parel (W), Mumbai - 400 013
Works	Ambapada, Village Mahul, Taluka Kurla, Dist. Mumbai.
Auditors	M/s. CNK & Associates LLP, Chartered Accountants Mumbai
Bankers	Bank of Baroda Axis Bank Ltd.
Registrar & Share Transfer Agents	M/s. Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400 083 Tel : 022-4918 6270 Toll Free: 1800220878 Fax : 022-4918 6060 Email : rnt.helpdesk@linkintime.co.in

DIRECTORS'S REPORT

To the Members of the Company

The Directors have pleasure in presenting the 39th Annual Report and Audited Statement of Accounts of the Company for the year ended 31st March, 2019.

FINANCIAL PERFORMANCE

(Rs. in Lacs)

	2018-19	**2017-18**
Revenue from Operation	**4248.39**	**5323.37**
Profit before Finance cost (as mentioned below), Depreciation and Tax	**3207.35**	**4651.11**
Finance Cost	**1.34**	**0.70**
Depreciation and amortisation expense	**447.76**	**451.01**
Profit before tax	**2758.25**	**4199.40**
Income Tax Expense		
Current Tax -For the year	583.51	896.07
-For earlier years	(40.39)	12.28
-MAT Credit for the earlier year	41.92	(1.79)
-MAT Credit	(583.51)	(896.07)
Deferred Tax	30.09	61.84
Total Tax Expense	**31.62**	**72.33**
Profit for the year	**2726.63**	**4127.07**
Retained Earnings at the beginning of the year	**13925.27**	**9805.72**
Payment of Dividend on Equity/Preference shares	**(6.25)**	**(6.25)**
Payment of distribution tax on Equity/Preference shares	**(1.28)**	**(1.27)**
Transfer to General Reserves	-	-
Transfer to Capital Redemption Reserves	-	-
Retained Earnings at the end of the year	**16644.37**	**13925.27**

OPERATIONS

During the year under review, the Company's Bulk Liquid terminal continued operations at full capacity.

The Company recorded a Turnover of Rs. 4,248.39 Lakhs (Previous year Rs. 5,323.37 Lakhs) and Net Profit after Tax was recorded at Rs. 2,726.63 Lakhs (Previous year Rs. 4,127.07 Lakhs).

OUTLOOK FOR THE COMPANY

The oil, gas and chemical logistics business continues to show good potential as India's import and exports of oil products and chemicals increase in line with the growth of the Indian economy. In this context, the outlook for the Company remains positive.

The Company continues to be a significant contributor in providing logistics services at Mumbai Port.

DIVIDEND

During the previous year 2017-2018 the Board had recommended Final Dividend on equity shares @ 5% i.e Re. 0.50 per share (face value of Re. 10 each) which was approved by the Members at the 38th Annual General Meeting.

The Board of Directors of the Company at its meeting held on 28th May, 2019 has recommended Final Dividend on equity shares @ 5 % i.e Re. 0.50 per share (face value of Rs. 10/- each) which is subject to the approval of members at the ensuing Annual General Meeting.

FIXED DEPOSITS

The Company has not accepted any deposits pursuant to section 73 of the Companies Act, 2013 and the Rules made thereunder.

EQUITY SHARES

During the year under review, the Aegis Logistics Limited which held 92.46% of equity shares of Sea Lord Containers Limited, in compliance with the provisions of section 236 of the Companies Act, 2013 dispatched the respective consideration amount to all the minority public shareholders of the Company and acquired remaining equity shares aggregating 7.54 % of the total share capital of the Company. Accordingly, the Company has become the wholly owned subsidiary of the Aegis Logistics Limited with effect from 31st December, 2018.

DIRECTORS & KEY MANAGEMENT PERSONNEL

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

Your Directors recommend the re-appointment of the Director at the ensuing Annual General Meeting.

DISCLOSURE FROM INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 134 of the Companies Act, 2013 with respect to the declaration given by the Independent Director of the Company under Section 149(6) of the Companies Act, 2013, the Board hereby confirms that all the Independent Directors have given declarations and further confirms that they meet the criteria of Independence as per the provisions of Section 149(6) for the year under review.

However, in view of inapplicability of the provisions of the Companies Act, 2013 for appointment of Independent Directors w.e.f 1st April, 2019, the resolutions for change in appointment of Mr. Kanwaljit Nagpal (DIN No. 00012201) and Mr. Jaideep Khimasia (DIN No. 07744224) from Independent Directors to Non-executive directors liable to retirement by rotation was passed by the members at the 38th Annual General Meeting of the Company.

AUDITORS

As per the provisions of sections 139, 141 of the Companies Act, 2013 and rules made thereunder (hereinafter referred to as “The Act”), the Company at its Annual General Meeting (“AGM”) held on 10th August, 2017 (“37th AGM”) approved the appointment of M/s. P. D. Kunte & Co., Chartered Accountants, (Firm Registration No.: 105479W) as statutory auditors for a period of 5 years commencing from the conclusion of 37th AGM till the conclusion of the 42th AGM.

During the year, M/s. P. D. Kunte & Co., chartered accountants had intimated the Company that they were merging their professional practice with another firm of Chartered Accountants M/s. CNK & Associates LLP. Hence, they had tendered their resignation as Statutory Auditors of the Company w.e.f. 31st October, 2018. In view of the same, the Company obtained approval from shareholders at the Extra-Ordinary General Meeting held on 24th January, 2019 for appointment of M/s. CNK and Associates LLP, Chartered Accountants (Firm Regn. No.101961W/W-100036) as the Statutory Auditors of the Company in casual vacancy, who shall hold office up to the conclusion of the ensuing Annual General Meeting of the Company.

OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENT

The Company is holding ISO-9001 (2008), ISO-14001 (2004) and OHSAS-18001 (2007) certifications and thereby meets all quality, environmental and safety standards specified under these Certifications.

The company carries out a monthly review of health, safety and environment compliance for all sites and carries out regular mock drills and emergency preparedness tests. The company carried out various competitions like slogans, posters, 'spotting the hazards' to create awareness of safety amongst all levels of employees, contract workmen and also transporters. The Company from time to time carries out internal audits to implement & strengthen gaps thus identified. To control VOC Emission Company has installed Internal Floating Roof on Closed roof tanks and installed Vapour absorption chillers on loading points. We have undertaken zero spillage policy in all the terminals & under this various hardware modifications are carried out to reduce the VOC emissions

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

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of section 134 of Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, the extent as are applicable to the Company, are given **in Annexure 'A'** to the Directors' Report.

PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors would like to inform the Members that the Audited Accounts for the financial year ended 31st March, 2019 are in full conformity with the requirement of the Companies Act, 2013. The Financial Accounts are audited by the Statutory Auditors, M/s. CNK & Associates LLP.

The Directors further confirm that:

a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. The Directors had prepared the annual accounts on a going concern basis;

e. The Directors, had laid down adequate internal financial controls to be followed by the company and that such internal financial controls including with reference to Financial Statements are adequate and were operating effectively; and

f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an effective internal control and risk-mitigation system, which is constantly assessed and strengthened. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to Messrs. Natvarlal Vyapari and Company, a reputed firm of Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS

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

EXTRACT OF THE ANNUAL RETURN AS PROVIDED UNDER SUB-SECTION (3) OF SECTION 92

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

DISCLOSURE OF COMPOSITION OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Disclosure of composition of the Corporate Social Responsibility Committee, contents of the CSR Policy and the format as provided under section 135 of Companies Act, 2013 read along with Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in **Annexure 'C'** to the Directors' Report.

Composition, Meetings & Attendance

The terms of reference of the Corporate Social Responsibility Committee (CSR) broadly comprises:

- formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

- To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

The composition of the Corporate Social Responsibility Committee and the details of Members' participation at the Meetings of the Committee are as under:

Members	**Category**	**No. of Meetings Attended**
Mr. Anish K. Chandaria (Chairman)	NED – NI	1
Mr. Jaideep D. Khimasia	NED - I	1
Mr. Kanwaljit S. Nagpal	NED - I	1

NED–NI: Non-Executive Director –Non-Independent
NED-I: Non-Executive Director - Independent

The Corporate Social Responsibility Committee Meeting was held on 8th August, 2018.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company is engaged in the business of providing infrastructural facilities as specified under section 186(11)(a) of the Companies Act, 2013. The details of Loans, Guarantees and Investments are given in the notes to the Financial Statements.

DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with the related parties are in the ordinary course of business and are on arm's length basis.

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

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

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

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year ended 31st March, 2019, 4 Board Meetings were held on the following dates:

1. 30/05/2018
2. 08/08/2018
3. 05/11/2018
4. 31/01/2019

The Company has complied with applicable Secretarial Standards (as amended from time to time) on meetings of the Board of Directors issued by The Institute of the Company

Secretaries of India and approved the Central Government under section 118(10) of the Companies Act, 2013.

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

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

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

During the year ended 31st March, 2019 there were nil complaints recorded pertaining to sexual harassment.

COST AUDITOR

During the year, maintenance of cost record as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, was not applicable to the company.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 134(3) and section 204 of Companies Act, 2013 read along with the rules made thereunder, the Board of Directors of the Company appointed Mr. Prasen Naithani of P. Naithani & Associates, Company Secretaries in Practice, to conduct the Secretarial Audit. The Secretarial Audit Report for the financial year ended 31st March, 2019 forms part of this Report and is annexed herewith as **Annexure - 'D'**.

APPRECIATION

Your Directors place on the record their appreciation of the contribution made by the employees at all levels who, through their competence, diligence, solidarity, co-operation and support, have enabled the Company to achieve the desired results during the year.

The Board of Directors gratefully acknowledge the assistance and co-operation received from the authorities of Port Trust, Bankers, Central and State Government Departments, Shareholders, Suppliers and Customers.

For and on behalf of the Board

RAJ K. CHANDARIA
CHAIRMAN
DIN: 00037518

Place: Mumbai
Dated: 28th May, 2019

Annexure 'A' to the Directors' Report

(Information under Section 134 of Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2018)

(A) Conservation of energy

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

The Company has taken following measures for energy conservation at the factories:

a) The Company has Converted fixed roof tank T206 into a Floating roof tank;

b) The Company has replaced conventional bulbs to LED (Light emitting diode) Light fittings.

c) Replaced the old air conditioners (without star ratings) to new energy efficient models.

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

The Company is studying feasibility of Alternate power source through Solar energy/Wind power.

(iii) The capital investment on energy conservation equipment's;

The Company has incurred cost of Rs. 15 Lakhs for converting fixed roof tank into floating roof tank .

(B) Technology absorption

(i) The efforts made towards technology absorption:

The Company is taking various measures towards technology up-gradation and innovation from time to time, viz. Installation of Internal floating roof provided for Tank T206, Mass flow meter etc.

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

Is not applicable as the nature of business is terminal operations.

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

(a) the details of technology imported: VOC analyser system installed at the Mahul Terminal.

(b) the year of import: 2018

(c) whether the technology been fully absorbed: Yes

(*d*) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable.

(iv) The expenditure incurred on Research and Development

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

(C) Foreign exchange earnings and Outgo

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

Foreign Exchange Earnings & Outgo are provided in the Notes forming part of the Accounts.

For and on behalf of the Board

Raj K. Chandaria
Chairman
DIN: 00037518

Place: Mumbai
Dated: 28h May, 2019

ANNEXURE 'B' TO THE DIRECTORS' REPORT
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31/03/2019

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

I. REGISTRATION AND OTHER DETAILS

1	CIN	U21029GJ1979PLC034027
2	Name of the company	SEA LORD CONTAINERS LIMITED
3	Registration Date	19/05/1979
4	Category / Sub-Category of the	Company limited by shares
5	Address of the Registered office	502, 5th floor, Skylon, GIDC, Char Rasta, Vapi-396195, Dist. Valsad, Gujarat State, India
6	Corporate & Administrative Office	1202, 12th Floor, Tower B, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel (West), Mumbai-400 013 Tel : 022-6666 3666 Fax : 022-6666 3777 Email : secretarial@sealordindia.net Website : www.aegisindia.com
8	Whether listed company	Unlisted
9	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Link Intime India Pvt. Ltd., C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400 083 Tel : 022-4918 6270 Fax : 022-4918 6060 Email : rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Storage and warehousing n.e.c.[Includes general merchandise warehouses and warehousing of furniture, automobiles, gas and oil, chemicals, textiles etc. Also included is storage of goods in foreign trade zones]	52109 - Storage and warehousing n.e.c. [Includes general merchandise warehouses and warehousing of furniture, automobiles, gas and oil, chemicals, textiles etc. Also included is storage of goods in foreign trade zones]	99.90

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Aegis Logistics Limited 502, 5th Floor, Skylon, GIDC, Char Rasta, Vapi – 396 195, Dist Valsad, Gujarat, India	L63090GJ1956PLC001032	Holding Company	100.00%	2(87)

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

i) Category-wise Share Holding

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A.	**Promoter**									
1	**Indian**									
	Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
	Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
	State Govt	0	0	0	0.00	0	0	0	0.00	0.00
	Bodies Corp.	1154706	1100	1155806	92.46	3619	1246381	1250000	100.00	7.54
	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total A(1)	1154706	1100	1155806	92.46	3619	1246381	1250000	100.00	7.54
2	**Foreign**									
	NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
	Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
	Any other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total A(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total shareholding of Promoter= (A)=(A)(1)+(A)(2)	1154706	1100	1155806	92.46	3619	1246381	1250000	100.00	7.54
B.	**Public Shareholding**									
1	**Institutions**									
a	Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b	Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
c	Central / State Government	0	0	0	0.00	0	0	0	0.00	0.00
d	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
f	Foreig Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
g	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
h	Foreign Portfolio Corp.	0	0	0	0.00	0	0	0	0.00	0.00
i	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
2	**Non-Institutions**									
a	a) Bodies Corp.									
i	Indian	540	0	540	0.04	0	0	0	0.00	-0.04
ii	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b	Individuals									
i	Individual shareholders holding nominal share capital upto Rs. 1 lakh	12513	80741	93254	7.46	0	0	0	0.00	-7.46
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	0	0	0.00	0	0	0	0.00	0.00
c	Others									
	OCB/Non Domestic Company	0	0	0	0.00	0	0	0	0.00	0.00
	Non-Resident Individuals	0	400	400	0.03	0	0	0	0.00	-0.03
	Any Other - Trust	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B)(2)	13053	81141	94194	7.54	0	0	0	0.00	-7.54
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	13053	81141	94194	7.54	0	0	0	0.00	-7.54
C.	**Shares held by Custodian for GDRs & ADRs**	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A+B+C)	**1167759**	**82241**	**1250000**	**100.00**	**3619**	**1246381**	**1250000**	**100.00**	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	Aegis Logistics Limited	1155806	92.46	0	1250000	100.00	0	7.54
	Total	**1155806**	**92.46**	**0**	**1250000**	**100.00**	**0**	**7.54**

* 2 folios

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

Sl. No.		Date	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			Aegis Logistics Limited		Aegis Logistics Limited	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the beginning of the year	01/04/2018	1155806	92.46	1155806	92.46
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons (*) for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	13 Apr 2018	100	0.008	1155906	92.47248
	Transfer	19 Oct 2018	200	0.02	1156106	92.48848
	Transfer	05 Oct 2018	150	0.01	1156256	92.50048
	Transfer	30 Nov 2018	250	0.02	1156506	92.52048
	Transfer	14 Dec 2018	1000	0.08	1157506	92.60048
	Transfer	21 Dec 2018	50	0.00	1157556	92.60448
	Transfer	28 Dec 2018	220	0.02	1157776	92.62208
	Acquisition of Physical Shares under Section 236	17 Dec 2018	75491	6.04	1233267	98.66136
	Acquisition of Demat Shares under Section 236	31 Dec 2018	16733	1.34	1250000	100.00
	At the end of the year				**1250000**	**100**
	*** Purchase**					

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as

			Shareholding at the beginning of the year		Cumulative Shareholding at the during the year	
Sl. No.	**For Each of the Top 10 Shareholders**	**Date**	**No. of Shares**	**% of total Shares of the Company**	**No. of Shares**	**% of total Shares of the Company**
	At the beginning of the year	01/04/2018	1155806	92.46	The Company is a 100% susbsidiary of Aegis Logistics Limited	
	Date wise Increase / Decrease in Share holding during the year specifying the reasons (*)for increase /decrease		The Company is a 100% susbsidiary of Aegis Logistics Limited			
	At the end of the year (or on the date of separation, if separated during the year)	31/03/2019				

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Date	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of Shares	**% of total Shares of the company**	**No. of Shares**	**% of total Shares of the company**
	At the beginning of the year	4/1/2018	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)		0	0.00	0	0.00
	At the end of the year	3/31/2019	0	0.00	0	0.00

V. INDEBTEDNESS

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

(Rs. In Lacs)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Rs. in Lacs

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
		-	
1	Gross salary	Nil	Nil
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission		
	- as % of profit	Nil	Nil
	- Others, specify	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total (A)	Nil	Nil
	Ceiling as per the Act (Being 5% of net profits of the Company calculated as per section 198 of the Companies Act, 2013 for each Managing Director	Nil	Nil

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				
		Raj K. Chandaria	Anish K. Chandaria	Jaideep D. Khimasia	Kanwaljit S. Nagpal	**Total Amount**
		NED-NI-C	NED-NI	NED-I	NED-I	
1	Independent Directors					
	Fee for attending board / committee meetings	0	0	0	340,000	340000
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (1)	0	0	0	340,000	340000
						0
2	Other Non-Executive Directors					0
	Fee for attending board / committee meetings	0	0	0	0	0
	Commission	0	0	0	0	0
	Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total Managerial Remuneration - Total (B) = (1) + (2)	0	0	0	340,000	340000
	Overall Ceiling as per section 197(5) of Companies Act, 2013 & Rule 4 of Companies (Appointment & Remuneration) Rules, 2014	Sitting fees upto Rs.1,00,000 as per the Act.				

NED–NI-C: Non-Executive Director - Non Independent - Chairman
NED-NI: Non-Executive Director - Non Independent
NED–I: Non-Executive Director - Independent

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Sr. No	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A.	**COMPANY**	There have been no penalties levied on the Company. The Company is generally in compliance of provisions of all applicable laws.				
	Penalty					
	Punishment					
	Compounding					
B.	**DIRECTORS**					
	Penalty					
	Punishment					
	Compounding					
C.	**OTHER OFFICERS IN DEFAULT**					
	Penalty					
	Punishment					
	Compounding					

For and behalf of the Board
Raj K. Chandaria
Chairman
DIN:00037518

Place : Mumbai
Date: 28th May, 2019

Annexure 'C' to the Directors Report

Disclosure of composition of the Corporate Social Responsibility Committee and contents of the CSR Policy in the form of an annual report on CSR as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company's CSR activities pre-date the coinage of the phrase "Corporate Social Responsibility". The Company is committed to make a sustainable positive impact on the communities it operates by actively contributing to their social and economic development. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's Human Development Index.

The Company's aim is to be one of the most respected Companies in India, delivering superior and sustainable value to all its customers, business partners, shareholders, employees. The Company's CSR initiatives focus on holistic development of communities and create social, environmental and economic value to the society.

The CSR Committee's Vision is "changing lives in pursuit of collective development and environmental sustainability". This vision should encompass all CSR activities of the Company.

The Company is a proud sponsor of ANARDE Foundation, which was established in 1979 and currently works in Gujarat and Maharashtra.
It has evolved over the years, implementing sustainable projects in the following areas :

1) Water : - Clean Drinking Water
    - Water Management (Drip Irrigation for Farming Crops)
    - Water Conservation (Checkdam and Pond deepening)

2) Low Cost Infrastructure : -
    - Sanitation (Individual & School) & STP (Sewage Treatment Plant) and Recycle water and Manure
    - Housing
    - Cattle shed

3) Skill Development :-
    - Women, Youth & Farmers for income generation/enhancement activities and credit worthiness with Linkages

In the FY 2018-19, over 92,252 lives have been imported across Gujarat and Maharashtra.

Their focus is not just to ensure the above reaches out to the marginalized communities but also in conducting Behaviour Change Communication by IEC activity (Information Education & Counselling and Studying Social Impact Assessment (SIA) for the same). We intend to continue our support to Anarde Foundation's endeavour towards rural development.

2. The CSR Committee of the company comprises of the following Members:

    1. Mr. Anish Chandaria (Chairman)
    2. Mr. Kanwaljit S. Nagpal
    3. Mr. Jaideep D. Khimasia

3. The Average net profit of the Company for last three financial years: **Rs. 3697.35 Lakhs**

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

   Prescribed CSR expenditurefor FY 2018-19: **Rs. 73.95 Lakhs**

5. Details of CSR spent during the financial year:

   (a) Total amount spent for the financial year 2018-19:**Rs. 28.33 Lakhs**

   (b) Amount unspent, if any: **Rs.45.62 Lakhs**

   (c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs **Sub-heads :** (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through Implementing agency *
1	Water Management Development Prog.	Conservation of Natural Resources	Villages of Gujarat& Maharashtra	2	-	42.27	Amount spent through Anarde Foundation
2	Rural Housing & Sanitation Prog.	Rural Development		2	-	30.52	
3	Training of Rural Youth / Women / farmers	Skill development &Livelihood		-	-	21.75	
4	Salary	Project Management		1	-	6.08	
5	Insurance	Rural Development Projects		-	-	9.38	
6	Contribution towards Health Impact Environment Assessment Study	Promoting HealthCare	Local area operations (Trombay)	39	-	38.87	Direct expenditure
7	Promoting Education by teaching the underprivileged members of the society residing in the nearby locality.	Promoting Education		5	7.5	10.87	
8	Contribution Towards Odor and VOC Monitoring	Promoting HealthCare		25	20.83	20.83	
			Total	**74**	**28.33**	**180.57**	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report –

   The Company has spent Rs.28.33 Lakhs towards CSR as required under section 135 of the Companies Act, 2013.

   However, the Company intends to spend the Balance CSR amount in the subsequent years.

7. CSR Committee, in its Responsibility Statement has mentioned that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Raj K. Chandaria	**Anish K. Chandaria**
(Chairman)	(Chairman of the Corporate Social Responsibility Committee)
DIN: 00037518	DIN: 00296538

Place: Mumbai
Date: 28th May, 2019

Annexure ‘D’ to the Directors Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

To,
The Members,
SEA LORD CONTAINERS LIMITED

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sea Lord Containers Ltd.** (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 **Sea Lord Containers Ltd.** 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 31st March, 2019, 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 31st March, 2019, according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made there under;
2) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder are not applicable, as company being unlisted.
3) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
4) 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 are not applicable to the Company, for the year ended on 31st March, 2019.
5) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) are not applicable as company being unlisted.
6) Bombay Shops & Establishment Act, 1948
7) Income Tax Act, 1961
8) The Factories Act, 1948
9) The Petroleum Act, 1934
10) Explosives Act, 1884
11) The Indian Wireless Telegraphy Act, 1933
12) The Environment (Protection) Rules, 1986
13) The Electricity Act, 2003
14) Major Port Trust Act, 1963/
15) The Contract Labour (Regulation and Abolition) Act, 1970
16) Goods & Services Tax Act, 2017
17) The Indian Wireless Telegraphy Act, 1933
18) Development Control Regulations for Greater Mumbai, 1991
19) The Mumbai Municipal Corporation Act, 1888

I have also examined compliance with the applicable clause of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted during the period under review. 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 notices are given to all directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance 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.

Majority decision is carried through while the dissenting members' (if any) views are captured and recorded as part of the minutes.

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 audit period there were no instances of:

(i) Public/Right/Preferential Issue of Shares / Debentures/Sweat Equity, etc.
(ii) Redemption / Buy-Back of Securities
(iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
(iv) Merger and Amalgamation etc.
(v) Foreign technical collaborations

For P. Naithani & Associates
Company Secretaries

Prasen Naithani
FCS No.: 3830
CP No.: 3389

Place: Mumbai
Date: 28th May, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of
Sealord Containers Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion
We have audited the accompanying Standalone Ind AS Financial Statements of Sealord Containers Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the Standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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, and other accounting principles generally accepted in India of the state of affairs (financial position) of the Company as at 31st March 2019, the profit and total comprehensive income (financial performance), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion
We conducted our audit of the Standalone Ind AS Financial Statements" in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 independence requirements that are relevant to our audit of Standalone Ind AS 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on Standalone Ind AS 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 Ind AS 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 matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How the matter was addressed in the Audit
1.	**Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (New Revenue Accounting Standard)** The adoption of the new Accounting Standard involves key judgments relating to identification of the contracts and performance obligations, determination of transaction prices and costs related thereto and also involves enhanced qualitative and quantitative disclosures. (Refer Note 26 of the Standalone Ind AS Financial Statements)	We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Selected a sample of continuing and new contracts and performed the following procedures: ▪ Analysed and identified the distinct rights and performance obligations arising out of these contracts and compared them with those identified and recorded by the Company ▪ Considered the terms of the contracts to determine the transaction price including any variable consideration, if any and the costs related thereto. ▪ Samples in respect of revenue recorded were tested including customer acceptances, subsequent invoicing and historical trend of collections and disputes. ▪ We also tested the access and change management controls relating to recording of revenue. ▪ Disaggregation of revenue by type and service offerings was tested with the performance obligations specified in the underlying contracts. ▪ We reviewed the collation of information used for preparation of the disclosures required to be made.
2.	**Uncertain Tax Positions including Deferred Tax and Minimum Alternate Tax Credit (MAT Credit)** There are various complexities involved in recognition and measurement of deferred tax such as assessing the availability of future profits, ability of the Company to utilise MAT credit in future etc. Further, uncertain tax positions including matters under dispute involve significant judgment to ascertain the possible outcome. On account of the complexities	▪ Obtained detailed breakup of the amount of tax provisions / payments for various years. ▪ Verified the same with the tax returns filed / assessments completed. ▪ Obtained details of completed assessments and appeals filed and verified the current status of these appeals including the managements expectation of the outcome of these disputes based on past years as well as rulings of various appellate authorities. ▪ Obtained and verified the working of deferred tax and its appropriateness. ▪ In the case of deferred tax asset created in respect of unutilised tax credits (including MAT), obtained and verified the basis of the management's assertion as to the availability of profits to offset these credits. ▪ Verified the accuracy of the calculation of the tax provisions – both current and deferred tax.

	involved in significant judgment thereof, this is considered as a key audit matter.	

Other Information
The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including Annexures to Directors' Report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS 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 Ind AS Financial Statements" that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act.

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 Standalone Ind AS 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 Ind AS Financial Statements", the Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements
Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Ind AS Financial Statements”.

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone Ind AS Financial Statements” 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 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 Ind AS 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 Ind AS Financial Statements”, including the disclosures, and whether the Standalone Ind AS Financial Statements” represent the underlying transactions and events in a manner that achieves fair presentation.

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 Ind AS 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 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 A"** a statement on the matters specified in paragraphs 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 with reference to Standalone Ind AS Financial Statement of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

   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:

      No managerial remuneration has been paid/ provided by the Company.

   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 Ind AS Financial Statements – **Refer Note 32** to the Standalone Ind AS Financial Statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For C N K & Associates LLP
Chartered Accountants
Firm Registration Number: 101961W/W-100036

Diwakar Sapre
Partner
Membership No.: 040740

Place: Mumbai
Date: 28th May, 2019

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Sealord Containers Limited ("the Company") on the Standalone Ind AS Financial Statements for the year ended 31st March 2019]

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

(b) The Company has a regular program of physical verification of fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification;

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

(ii) As explained to us, the inventories were physically verified during / at the end of the year by the management. In our opinion, the frequency of the physical verification is reasonable and no material discrepancies were noticed on physical verification;

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable for the year under audit;

(iv) According to the information and explanations given to us, the Company has not made any investments, given any security, neither accepted deposit nor provided guarantee. Therefore the provisions of Section 185 and 186 of the Act are not applicable to the Company for the year under audit.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from public within the provisions of Sections 73 to 76 of the Act read with The Companies (Acceptance of Deposits) Rules, 2014 and other relevant provisions of the Act and therefore, provisions of paragraph 3(v) of the Order are not applicable to the Company for the year under audit;

(vi) According to the information and explanations given to us, the company is not required to maintain cost records pursuant to Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, service tax, Goods and Service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it to the appropriate authorities. As on the date of the balance sheet, there were no undisputed statutory dues outstanding for a period exceeding six months from the date they were payable.

(b) There were no dues pending to be deposited on account of any dispute in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, Goods and Service Tax or cess as on March 31, 2019.

(viii) According to the information and explanations given to us, based on our examination of books and records, the Company has not defaulted in the repayment of loans or borrowing to banks, Financial Institution, Government or dues to debenture holders.

(ix) Based on the audit procedures performed and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly the provisions of clause 3(ix) of the Order are not applicable to the Company for the year under audit.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, no instances of fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year;

(xi) No managerial remuneration has been paid/provided. Hence, clause 3(xi) of the said Order is not applicable to the Company for the year under audit;

(xii) The Company is not a Nidhi Company. Accordingly, and therefore the provisions of paragraph 3(xii) of the Order are not applicable to the Company for the year under audit.

(xiii) In our opinion, provisions of Section 177 relating to Audit Committee are not applicable to the Company for the year under Audit. The transactions with related party are in compliance with section 188 of the Companies Act 2013 and the details of the said transactions have been disclosed in the Financial Statements as required by the applicable accounting standards;

(xiv) Based on the audit procedures performed and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company for the year under audit;

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, during the year, the Company has not entered into non-cash transactions with directors or persons connected with them;

(xvi) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly the provisions of clause 3(xvi) of the Order are not applicable on the Company for the year under audit.

For C N K & Associates LLP
Chartered Accountants
Firm Registration Number: 101961W/W-100036

Diwakar Sapre
Partner
Membership No.:040740

Place: Mumbai
Date: 28th May, 2019

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Sealord Containers Limited ("the Company") on the Standalone Ind AS Financial Statements for the year ended 31st March 2019]

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

We have audited the internal financial controls with reference to Standalone Ind AS Financial Statement of **Sealord Containers Limited** ("the Company") as of 31st March 2019 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls with reference to Standalone Ind AS Financial Statement 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Ind AS Financial Statement 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 specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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 with reference to Standalone Ind AS Financial Statement were 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 with reference to Standalone Ind AS Financial Statement and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Ind AS Financial Statement included obtaining an understanding of internal financial controls with reference to Standalone Ind AS Financial Statement , 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 with reference to Standalone Ind AS Financial Statement .

Meaning of Internal Financial Controls with reference to Standalone Ind AS Financial Statement

A company's internal financial controls with reference to Standalone Ind AS Financial Statement 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 with reference to Standalone Ind AS Financial Statement 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 with reference to Standalone Ind AS Financial Statement

Because of the inherent limitations of internal financial controls with reference to Standalone Ind AS Financial Statement , 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 with reference to Standalone Ind AS Financial Statement to future periods are subject to the risk that the internal financial control with reference to Standalone Ind AS Financial Statement 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 with reference to Standalone Ind AS Financial Statement and such internal financial controls with reference to Standalone Ind AS Financial Statement were operating effectively as at 31st March 2019, based on the internal control with reference to Standalone Ind AS Financial Statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the ICAI.

For C N K & Associates LLP
Chartered Accountants
Firm Registration Number: 101961W/W-100036

Diwakar Sapre
Partner
Membership No.:040740

Place: Mumbai
Date: 28th May, 2019

SEA LORD CONTAINERS LIMITED - Financial Statements
(All amounts are in INR lakhs, unless stated otherwise)

Balance Sheet as at March 31, 2019

	Note	As at March 31, 2019	As at March 31, 2018
Assets			
Non current assets			
Property, plant and equipment	7A	9,016.60	9,341.33
Capital work-in-progress		2.64	44.30
Other intangible assets	8	0.33	0.50
Financial assets			
i. Investments			
a) Investments in fellow subsidary	9	2,626.20	2,538.59
b) Other investments		-	-
ii. Other financial assets	10	251.08	151.08
Deferred Tax Asset	38	3,940.63	3,429.10
Current tax assets (net)		97.10	64.50
Other non current assets	11	871.07	919.04
Total non current assets		**16,805.65**	**16,488.45**
Current assets			
Inventories	12	74.58	87.78
Financial assets			
i. Investments	13	1,030.15	-
ii. Trade receivables	14	613.49	1,112.12
iii. Cash and cash equivalents	15	3,144.30	1,377.37
iv. Bank balances other than (ii) above	16	262.20	-
v. Other financial assets	17	10.22	-
Other current assets	18	388.45	402.88
Total current assets		**5,523.39**	**2,980.15**
Total assets		**22,329.04**	**19,468.60**
Equity and liabilities			
Equity			
Equity share capital	19	125.00	125.00
Other equity	20	21,647.61	18,930.73
Total equity		**21,772.61**	**19,055.73**
Liabilities			
Non-current liabilities			
Provisions	21	28.53	28.04
Total non-current liabilities		**28.53**	**28.04**
Current liabilities			
Financial liabilities			
i. Borrowings	22	-	-
ii. Trade payables			
Total outstanding dues of creditors other than micro enterprises and small enterprises	23	95.39	104.21
iii. Other financial liabilities	24	11.66	12.68
Provisions	21	18.60	14.39
Other current liabilities	25	402.25	253.55
Total current liabilities		**527.90**	**384.83**
Total liabilities		**556.43**	**412.87**
Total equity and liabilities		**22,329.04**	**19,468.60**

See accompanying notes to the financial statements

For C N K & Associates LLP
Chartered Accountants
Firm Registration Number:101961W/W-100036

For and on behalf of the Board of Directors

D.P. Sapre
Partner
Membership No.: 40740
Mumbai, 28th May, 2019

Raj K. Chandaria
Chairman
DIN : 00037518

Kanwaljit S. Nagpal
Director
DIN : 00012201

SEA LORD CONTAINERS LIMITED - Financial Statements
(All amounts are in INR lakhs except for earning per share information)

Statement of Profit and Loss for the period ended March 31, 2019

		Note	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from operations	26	4,248.39	5,323.37
II	Other income	27	75.83	227.18
III	**Total income (I + II)**		**4,324.22**	**5,550.55**
IV	**Expenses**			
	Employee benefits expenses	28	126.78	126.29
	Depreciation and amortisation expense	7B	447.76	451.01
	Finance costs	29	1.34	0.70
	Other expenses	30	990.09	773.15
	Total expenses		**1,565.97**	**1,351.15**
V	**Profit before tax (III- IV)**		**2,758.25**	**4,199.40**
VI	**Income tax expense**	38		
	Current tax - For the year		583.51	896.07
	- For the earlier year		(40.39)	12.28
	- MAT credit for the earlier year		41.92	(1.79)
	- MAT credit		(583.51)	(896.07)
	Deferred tax		30.09	61.84
	Total tax expense		**31.62**	**72.33**
VII	**Profit for the year (V- VI)**		**2,726.63**	**4,127.07**
VIII	**Other comprehensive income/(loss)**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit obligations		2.22	4.38
	Other comprehensive (loss) (Net of tax)		(2.22)	(4.38)
IX	**Total comprehensive income(VII+VIII) (Comprising profit and other comprehensive income for the year)**		**2,724.41**	**4,122.69**
X	**Earnings per equity share for profit from continuing operation attributable to owners of SCL**	31		
	Basic earnings per share (Rs.)		218.13	330.17
	Diluted earnings per share (Rs.)		218.13	330.17

See accompanying notes to the financial statements

For C N K & Associates LLP
Chartered Accountants
Firm Registration Number:101961W/W-100036

For and on behalf of the Board of Directors

D.P. Sapre
Partner
Membership No.: 40740
Mumbai, 28th May, 2019

Raj K. Chandaria
Chairman
DIN : 00037518

Kanwaljit S. Nagpal
Director
DIN : 00012201

SEA LORD CONTAINERS LIMITED - Financial Statements
(All amounts are in INR lakhs, unless stated otherwise)

Cash Flow Statement for the period ended March 31, 2019

	For the year ended March 31, 2019	For the year ended March 31, 2018
<u>Cash flow from operating activities</u>		
Profit before tax	2,758.25	4,199.40
<u>Adjustments for:</u>		
Depreciation and amortisation	447.76	451.01
Fair Valuation of Investment	(39.64)	(177.29)
Finance costs	1.34	0.70
Interest income	(0.22)	(6.71)
Dividend Income - Current	(11.76)	(10.72)
Sundry Debit/(Credit) Balances written back	-	0.93
Actuarial loss recognised in other comprehensive income	(2.22)	(4.38)
Operating profit before working capital changes	**3,153.51**	**4,452.94**
Adjustments for changes in working capital:		
(Increase) in inventories	13.20	11.63
Decrease / (Increase) in trade receivables	488.45	(157.44)
Decrease / (Increase) in other financial asset	(100.00)	-
(Increase) in short term provisions	4.21	11.56
(Increase)/ decrease in non-current assets	-	0.83
Decrease / (Increase) in current assets	14.43	12.80
(Decrease) / Increase in trade payables	(8.84)	65.32
(Decrease) / Increase in long term provisions	0.49	(2.88)
(Decrease) / Increase in other current liabilities	147.68	29.13
Cash generated from operations	**3,713.13**	**4,423.89**
Income tax paid	(575.76)	(874.62)
Net cash from operating activities	**3,137.38**	**3,549.26**
<u>Cash flow from investing activities</u>		
Purchase of property, plant and equipment including capital advances	(81.19)	(64.69)
Purchase of intangible assets	-	0.06
Sale of property, plant and equipment	-	-
Sale of investments in subsidiary company	-	-
Purchase of investment in Fellow subsidiary company	-	(2,325.00)
Purchase of Mutual Fund Investment	(1,030.15)	-
Sale of investment	4,127.72	4,127.72
Purchase of investment	(4,127.72)	(4,127.72)
Dividend Received - Non-Current investments	-	-
Dividend Received- Current Investments	11.76	10.72
Loan given to subsidiary Company	-	-
Loan received back from subsidiary Company	-	-
Bank balance not considered as cash and cash equivalents	(262.20)	-
Interest received	0.22	6.71
Net cash flow from / (used in) investing activities	**(1,361.56)**	**(2,372.20)**
Cash flow from financing activities		
Dividend paid	(7.53)	(7.52)
Interest paid	(1.34)	(0.70)
Net cash generated from / (used in) financing activities	**(8.87)**	**(8.22)**

SEA LORD CONTAINERS LIMITED - Financial Statements
(All amounts are in INR lakhs, unless stated otherwise)

Cash Flow Statement for the period ended March 31, 2019

	For the year ended March 31, 2019	For the year ended March 31, 2018
Net increase/ (decrease) in cash and cash equivalents	1,766.95	1,168.84
Cash and cash equivalents as at the beginning of the year	1,377.00	208.16
Cash and cash equivalents as at the end of the year	3,143.94	1,377.00
Cash and cash equivalents includes:		
Cash and cash equivalents (refer note 15)		
Bank balances		
In current accounts	3,144.30	1,377.37
In margin accounts	(0.36)	(0.37)
	3,143.94	**1,377.00**

1. Figures in bracket indicate cash outflow

For C N K & Associates LLP
Chartered Accountants
Firm Registration Number:101961W/W-100036

D.P. Sapre
Partner
Membership No.: 40740
Mumbai, May, 2019

For and on behalf of the Board of Directors

Raj K. Chandaria
Chairman
DIN : 00037518

Kanwaljit S. Nagpal
Director
DIN : 00012201

SEA LORD CONTAINERS LIMITED - Financial Statements
(All amounts are in INR lakhs, unless stated otherwise)

Statement of changes in equity
A. Equity share capital

Particulars	Balance as at April 1, 2017	Issue of share	Balance as at March 31, 2018	Issue of share	Balance as at March 31, 2019
Equity share capital	125.00	-	125.00	-	125.00

B. Other equity

Particulars	Reserves and surplus						Other comprehensive income	Total equity
	Securities premium	Capital reserves	Capital redemption reserves	General Reserves	Debenture Redemption Reserves	Retained earnings/ (accumulated deficit)	Remeasurement of defined benefit obligations	
Balance as at April 1, 2017	**-**	**1.21**	**5,000.00**	**9.78**	**-**	**9,805.72**	**(1.15)**	**14,815.56**
Profit for the year	-	-	-	-	-	4,127.07	-	4,127.07
Addition/ reduction during the year	-	-	-	-	-	(7.52)	-	(7.52)
Other comprehensive income	-	-	-	-	-	-	(4.38)	(4.38)
Balance at March 31, 2018	**-**	**1.21**	**5,000.00**	**9.78**	**-**	**13,925.27**	**(5.53)**	**18,930.73**
Profit for the year	-	-	-	-	-	2,726.63	-	2,726.63
Addition/ reduction during the year	-	-	-	-	-	(7.53)	-	(7.53)
Other comprehensive income	-	-	-	-	-	-	(2.22)	(2.22)
Balance at March 31, 2019	**-**	**1.21**	**5,000.00**	**9.78**	**-**	**16,644.37**	**(7.75)**	**21,647.61**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For C N K & Associates LLP
Chartered Accountants
Firm Registration Number:101961W/W-100036

D.P. Sapre
Partner
Membership No.: 40740
Mumbai, 28th May, 2019

For and on behalf of the Board of Directors

Raj K. Chandaria
Chairman
DIN : 00037518

Kanwaljit S. Nagpal
Director
DIN : 00012201

Notes to Financial Statements

1 General information

Sealord Containers Limited ('the Company') having its registered office at 502, 5th Floor, Skylon, G.I.D.C., Char Rasta, Vapi-396195, Dist. Valsad, Gujarat, India was incorporated on 19th May,1979 vide certificate of incorporation No. (CIN) U21029GJ1979PLC034027 issued by the Registrar of Companies, Gujarat.

The Company is in the business of Storage and Terminalling of Oil, Chemical and Petroleum Products.

2 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards(Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015.

3 Basis of preparation and presentation

The Financial Statements have been 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 below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement or disclosure purposes in these standalone financial statements is determined on such a basis, except for share based payment transactions that are within scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3 inputs are unobservable inputs for the asset or liability.

4 Functional and presentation currency

These standalone financial statements are presented in Indian rupees, which is the Company's functional currency. All amounts have been rounded to the nearest lakh, unless otherwise indicated.

5 <u>Statement of significant accounting policies</u>

I) <u>Foreign currencies</u>

i) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent measurement

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at the fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

ii) Embedded derivatives

Embedded derivatives are carried at fair value and the resultant gains and losses are recorded in the Statement of Profit and Loss.

II) **Property, plant and equipment**

i) Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises

a) the purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.,

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in Statement of Profit and Loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any 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 recognised in Statement of Profit and Loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest, if any.

ii) **Subsequent expenditure:**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

iii) **Depreciation / amortization**

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their estimated useful lives, using the straight line method. Useful life of the asset is taken, as specified in Schedule II of the Companies Act, 2013, as under:

Assets	Useful life
Buildings (Other than factory building)	60 years
Factory building	30 years
Servers and computer networks	6 years
Office equipment	5 years
Furniture and fixtures	10 years
Plant and machinery	15 ears
Vehicles	8 years
Computers	3 years

Leasehold assets are amortized over the primary period of lease or its useful life, whichever is shorter.

III) Intangible assets

Intangible assets are recognized, only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortised so as to reflect the pattern in which the asset's economic benefits are consumed over a period of 5 to 7 years.

Company capitalises the cost incurred to develop computer software for internal use during the application development stage of the software whereas cost incurred during the preliminary project stage along with post-implementation stages of internal use computer software are expensed as incurred.

Transition to IND AS

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

IV) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in Statement of Profit and Loss.

V) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transactions 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 Statement of Profit and Loss.

Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

i) Classification of financial assets

Debt Instruments at Amortised Cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt Instruments at FVOCI

A 'debt instrument' is measured at the fair value through other comprehensive income(FVOCI) if both the following conditions are met:

a) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

For assets classified as subsequently measured at FVOCI, interest revenue, expected credit losses and foreign exchange gains or losses are recognised in Statement of Profit and Loss. Other gains and losses on remeasurement to fair value are recognised in OCI. On derecognition, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

ii) Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

iii) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain of loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of the transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

iv) Impairment of financial assets

Financial assets of the company comprise of trade receivable and other receivables consisting of debt instruments e.g., loans, debt securities, deposits, and bank balance. An impairment loss for trade and other receivables 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. Impairment losses if any, are recognised in Statement of Profit and Loss for the year.

Financial liabilities and equity instruments

Financial instruments with a contractual obligation to deliver cash or another financial assets is recognised as financial liability by the Company.

i) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii) Equity Instruments

An equity instrument is any 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 recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

iii) Financial liabilities

All financial liabilities are subsequently measured at amoritsed cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short term profit taking; or
- it is derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminated or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives and Ind AS 109 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

iv) Derecognition

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. 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.

v) 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.

VI) Borrowing cost

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at EIR and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to acquisition or construction of qualifying assets are capitalized as a part of cost of such assets till the time the asset is ready for its intended use. A qualifying assets is the one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recorded as an expense in the Profit and loss account in the year in which they are incurred.

VII) Leases

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Rental expenses from operating leases is generally recognised on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, such increase are recognised in the year in which such benefit accrue. Contingent rentals arising under operating lease are recognised as an expenses in the period in which they are incurred.

Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

VIII) Inventories

Inventories are carried at lower of cost and net realizable value. Cost of raw materials, finished goods, stock in trade and packing materials is determined on weighted average basis.

Costs comprise all cost of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods include costs of raw material, direct labour and other directly attributable expenses incurred in bringing such goods to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

IX) 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 an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

X) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates.

Income from Services

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

XI) Other income

Dividend and Interest income

Dividend income is recognised in statement of profit and loss on the date on which the company's right to receive payment is established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. 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.

Rental Income

Rental income arising from operating leases on investment properties is accounted for on an accrual basis as per the terms of the lease contract and is included in other income in the Statement of Profit and Loss.

XII) Retirement and other employee benefits

i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Post Employment Employee Benefits

Retirement benefits to employees comprise payments to government provident funds, gratuity fund, leave encashment and superannuation fund.

Defined contribution plans

Retirement benefits in the form of provident fund and superannuation fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Defined benefit plans

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

The Company’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short term compensated absences are provided for based on estimates.

Other long term benefits

Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method. Actuarial gains/losses are recognized in the other comprehensive income.

XIII) Taxation

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

i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the 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. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 assets 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 is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

iii) Current and deferred tax for the year

Current and deferred tax are recognised in Statement of 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 for a business combination, the tax effect is included in the accounting for the business combination.

iv) Minimum alternate tax credit

Minimum alternate tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

XIV) Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes to the financial statements. Contingent assets are not recognized in the financial statements

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

6.1 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the balance sheet and statement of profit and loss. The actual amounts realised may differ from these estimates.

Key source of estimation uncertainity

The following are the key assumption concerning the future and other key sources of estimations uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

a) Property, plant and equipment :

Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

b) Inventories :

The measurement of inventory including the determination of its net realizable value, involves the use of estimates. The significant sources of estimation uncertainty include diamond prices, production grade and expenditure and determining the remaining costs of completion to bring inventory into its saleable form. The Company uses historical data on prices achieved, grade and expenditure in forming its assessment.

c) Recognition and measurement of defined benefit obligations :

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

(All amounts are in INR lakhs, unless stated otherwise)

d) Recognition of deferred tax assets :

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assesses that there will be sufficient taxable profits against which to utilise the benefits of temporary differences and they are expected to reverse in the foreseeable future.

6.2 Recent accounting pronouncements

a) **Standards issued but not yet effective:**

Ind AS 116 Leases was notified on 28th March, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Management is currently evaluating the potential impact of the application of the Standard.

b) **Amendments to Existing issued Ind As**

The MCA has also carried out amendments of the following accounting standards:

Particulars	**Remarks**
Amendments to Ind AS 103	The amendment clarifies when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business.
Amendments to Ind AS 109	Amendments correspond to 'prepayment features with negative compensation'.
Amendments to Ind AS 111	The amendments clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.
Amendments to Ind AS 12	The amendments clarify that all income tax consequences of dividends (,i.e., distribution of profits) should be recognised in profit or loss, regardless of how the tax arises. The amendments also insert a new Appendix–C relating to 'uncertainty over tax treatments' and its consequential amendments to Ind AS 101.
Amendments to Ind AS 19	If a plan amendment, curtailment or settlement occurs, it would now be mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.
Amendments to Ind AS 23	If any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.
Amendments to Ind AS 28	A new paragraph 14A has been added to clarify that an entity also applies Ind AS 109 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. In applying Ind AS 109, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying this Standard.

The Company is in process of evaluating the impact of the same on the Company's Financial Statements.

SEA LORD CONTAINERS LIMITED - Financial Statements
(All amounts are in INR lakhs, unless stated otherwise)
Notes to Financial Statements

Note 7A
Property, plant and equipment - As at March 31, 2019

	Gross block				Accumulated depreciation				Net block
	As at April 1, 2018	Additions/ adjustments	Deductions / adjustments	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions/ adjustments	As at March 31, 2019	As at March 31, 2019
Freehold	1,138.37	-		1,138.37	-	-	-	-	1,138.37
Leasehold improvements	1.53	-	-	1.53	-	-	-	-	1.53
Building	328.53	2.76	-	331.29	55.78	22.23	-	78.01	253.28
Plant and machinery	8,688.73	110.73	-	8,799.46	815.13	413.70	-	1,228.83	7,570.63
Office equipment	13.75	9.25	-	23.00	6.87	2.88	-	9.75	13.25
Furniture and fixtures	66.10	0.11	-	66.21	17.90	8.78	-	26.68	39.53
Vehicles	-	-	-	-	-	-	-	-	-
Total	**10,237.02**	**122.85**	**-**	**10,359.87**	**895.68**	**447.59**	**-**	**1,343.27**	**9,016.60**

Property, plant and equipment - As at March 31, 2018

	Gross block				Accumulated depreciation				Net block
	As at April 1, 2017	Additions/ adjustments	Deductions/ adjustments	As at March 31, 2018	As at April 1, 2017	Charge for the year	Deductions/ adjustments	As at March 31, 2018	As at March 31, 2018
Freehold	1,138.37	-		1,138.37	-	-	-	-	1,138.37
Leasehold improvements	1.53	-	-	1.53	-	-	-	-	1.53
Building	328.53	-	-	328.53	27.89	27.89	-	55.78	272.75
Plant and machinery	8,669.32	19.41	-	8,688.73	404.22	410.91	-	815.13	7,873.60
Office equipment	12.77	0.98	-	13.75	4.18	2.69	-	6.87	6.88
Furniture and fixtures	66.10	-	-	66.10	8.95	8.95	-	17.90	48.20
Vehicles	-	-	-	-	-	-	-	-	-
Total	**10,216.62**	**20.40**	**-**	**10,237.02**	**445.24**	**450.44**	**-**	**895.68**	**9,341.33**

Note 7B
Property, plant and equipment
0.1 Depreciation and amortisation for the year

Particulars	**For the period ending March 31, 2019**	**For the year ended March 31, 2018**
Depreciation on property, plant and equipment	447.59	450.44
Amortisation (Refer note 9)	0.17	0.58
Total	447.76	451.02

SEA LORD CONTAINERS LIMITED - Financial Statements
(All amounts are in INR lakhs, unless stated otherwise)
Notes to Financial Statements

Note 8.1

Intangible assets - March 31, 2019

ws	Gross block				Accumulated amortisation/ impairment				Net block
	As at April 1, 2018	Additions/ adjustment	Deductions/ adjustment	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions/ adjustment	As at March 31, 2019	As at March 31, 2019
Computer software	1.59	-	-	1.59	1.09	0.17	-	1.26	0.33
Total	**1.59**	**-**	**-**	**1.59**	**1.09**	**0.17**	**-**	**1.26**	**0.33**

Intangible assets - As at March 31, 2018

	Gross block				Accumulated amortisation/ impairment				Net block
	As at April 1, 2017	Additions/ adjustment	Deductions/ adjustment	As at March 31, 2018	As at April 1, 2017	Charge for the year	Deductions/ adjustment	As at March 31, 2018	As at March 31, 2018
Computer software	1.65	(0.06)	-	1.59	0.51	0.58	-	1.09	0.50
Total	**1.65**	**(0.06)**	**-**	**1.59**	0.51	**0.58**	**-**	**1.09**	**0.50**

SEA LORD CONTAINERS LIMITED - Financial Statements

(All amounts are in INR lakhs, unless stated otherwise)

Notes to Financial Statements

Note 9.1

Non current investments

Particulars	As at March 31, 2019	As at March 31, 2018
Non current trade investments (Unquoted at cost)		
Pref Shares		
In fellow subsidiary company (KCPL)	2,626.20	2,538.59
(Refer note 9.1)		
Total	**2,626.20**	**2,538.59**

Note 9.1

Details of non current investments - Preferance shares as at March 31, 2019

Name of the subsidiaries	Number of shares	Face value	Total	Principal activities
32,75,000 7% Non-Cumulative Redeemable shares of Rs.100 each of Konkan Storage Systems (Kochi) Pvt. Ltd.	3275000	100	2,626.20	Storage and Warehousing
			2,626.20	

Details of non current investments - Preferance shares as at March 31, 2018

Name of the subsidiaries	Number of shares	Face value	Total	Principal activities
32,75,000 7% Non-Cumulative Redeemable shares of Rs.100 each of Konkan Storage Systems (Kochi) Pvt. Ltd.	3275000	100	2,538.59	Storage and Warehousing
			2,538.59	

SEA LORD CONTAINERS LIMITED - Financial Statements
(All amounts are in INR lakhs, unless stated otherwise)
Notes to Financial Statements

Note 10
Non current financial assets - Others
(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with statutory authorities	251.08	151.08
Total	**251.08**	**151.08**

Note 11
Other non-current assets
(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advances	5.33	5.33
Others	865.74	913.71
Total	**871.07**	**919.04**

Note 12
Inventories
(At lower of cost and net realisable value)

Particulars	As at March 31, 2019	As at March 31, 2018
Consumables, stores & spares and others	74.58	87.78
	74.58	**87.78**

Note 13
Current Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Current Investments (Quoted)		
Investment in Debt MutualFunds	1,030.15	-
	1,030.15	**-**

Note 13.1

(a) Aggregate amount of quoted investments and market value thereof	**1,030.15**
(b) Aggregate amount of unquoted investments and	**Nil**
(c) Aggregate amount of impairmentin value of investments	**Nil**

Note 14
Trade receivables
(Unsecured)

Particulars	As at March 31, 2019	As at March 31, 2018
Considered Good-Unsecured	612.97	1,111.60
Trade Receivables which have significant increase in credit risk		
Trade Receivables Credit Impaired	0.52	0.52
Less: Loss allowance		
Total	**613.49**	**1,112.12**

14.1
The carrying amounts of trade receivables as at the reporting date approximate fair value. Trade receivables are non-interest bearing.

(All amounts are in INR lakhs, unless stated otherwise)

Notes to Financial Statements

Note 15
Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Bank balances		
- Unpaid Dividend account	0.36	0.37
- Current accounts	3,143.94	1,377.00
Cheques on hand	-	-
Cash on hand	-	-
Cash and cash equivalents as presented in the balance sheet	**3,144.30**	**1,377.37**

Note 16
Other bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
Bank deposits with maturity from 3-12 months	262.20	-
Total	**262.20**	**-**

Note 17
Other Current Financial Assets
(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Receivable from related parties:		
- Aegis Logistics Limited	10.22	-
Total	**10.22**	**-**

Note 18
Other current assets
(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance to suppliers	0.23	0.39
Prepaid expenses	10.09	1.89
Balance with government authorities	378.13	400.60
	388.45	**402.88**

(All amounts are in INR lakhs, unless stated otherwise)

Note 19

Equity share capital

Particulars	As at March 31, 2019 Number of Shares	As at March 31, 2019 Amount	As at March 31, 2018 Number of Shares	As at March 31, 2018 Amount
[a] Authorised share capital				
Equity shares of the par value of Rs 10 each	17,000,000	1,700.00	17,000,000	1,700.00
6% Cumulative Redeemable Preference shares of the par value of Rs 100 each	1,200,000	1,200.00	1,200,000	1,200.00
8% Non Cumulative Redeemable Preference shares of the par value of Rs 100 each	3,800,000	3,800.00	3,800,000	3,800.00
Total	**22,000,000**	**6,700.00**	**22,000,000**	**6,700.00**
[b] Issued, subscribed and paid up				
Equity shares of Rs.10 each	1,250,000	125.00	1,250,000	125.00
Total	**1,250,000**	**125.00**	**1,250,000**	**125.00**

[c] Reconciliation of number of shares outstanding at the beginning and end of the year :

Equity :	As at March 31, 2019 Number of Shares	As at March 31, 2019 Amount	As at March, 2018 Number of Shares	As at March, 2018 Amount
At the beginning of the year	1,250,000	125.00	1,250,000	125.00
Issued during the year	-	-	-	-
At the end of the year	**1,250,000**	**125.00**	**1,250,000**	**125.00**

[d] Rights, preferences and restrictions attached to equity shares :

The Company has one class of equity shares having a par value of Rs 1 per share. Each shareholder is eligible for one vote per share held and to dividend, if declared and paid by the Company. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities, in proportion to their shareholding.

[e] Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of the shareholder	As at March 31, 2019 Number of Shares	As at March 31, 2019 Percentage	As at March 31, 2018 Number of Shares	As at March 31, 2018 Percentage
Equity shares of Rs.10/- each fully paid				
Aegis Logistics Limited and its Nominees	1,250,000	100.00%	1,155,806	92.46%

(All amounts are in INR lakhs, unless stated otherwise)

Note 20

Capital reserve

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Balance as at the beginning of the year	1.21	1.21
Addition during the year	-	-
Balance as at the end of the year	**1.21**	**1.21**

Capital redemption reserve

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Balance as at the beginning of the year	5,000.00	5,000.00
Addition during the year	-	-
Balance as at the end of the year	**5,000.00**	**5,000.00**

The Company is required to create a capital redemption reserve out of the profits when any capital is redeemed. Capital Redemption Reserve can be utilized only for issuing fully paid bonus shares. No dividend can be distributed out of this reserve.

General Reserve

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Balance as at the beginning of the year	9.78	9.78
Addition during the year	-	-
Balance as at the end of the year	**9.78**	**9.78**

Retained earnings

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Balance as at the beginning of the year	13,925.27	9,805.72
Profit for the year	2,726.63	4,127.07
Transferred to Capital Redemption Reserve	-	-
Dividend on Equity Shares	(6.25)	(6.25)
Corporate Dividend Tax thereon	(1.28)	(1.27)
Revaluation of Freehold Land	-	-
Deferred Tax on Revaluation of Deferred Tax	-	-
Balance as at the end of the year	**16,644.37**	**13,925.27**

Other comprehensive income

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Balance as at the beginning of the year	(5.53)	(1.15)
(Reduction) during the year	(2.22)	(4.38)
Balance as at the end of the year	**(7.75)**	**(5.53)**

(All amounts are in INR lakhs, unless stated otherwise)

Note 21
Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Employee benefits		
Gratuity (Refer note 35)	19.99	19.76
Compensated absences	8.54	8.28
(A)	**28.53**	**28.04**
Current		
Employee benefits		
Gratuity (Refer note 35)	14.61	10.84
Compensated absences	3.99	3.55
(B)	**18.60**	**14.39**
Total (A)+(B)	**47.13**	**42.43**

Note 22
Current financial liability - Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Unsecured Loans		
From related parties	-	-
Total	**-**	**-**

Note 22.1
Terms of borrowings
a. Rate of interest

Particulars	As at March 31, 2019	As at March 31, 2018
-	-	-

b. Date of maturity

Particulars	As at March 31, 2019	As at March 31, 2018
-	-	-

(All amounts are in INR lakhs, unless stated otherwise)

Note 23
Current Financial Liability-Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables		
Total outstanding dues of creditors other than micro enterprises and small enterprises	95.39	104.21
Total	**95.39**	**104.21**

The carrying amount of trade payables as at reporting date approximates fair value.

Note 23.1 Disclosure for Micro, Small and Medium Enterprises
On the basis of the information and records available with the management there are no dues payable to Micro, Small and Medium Enterprises. Further, disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 are not applicable.

Note 24
Current Financial Liability-Others

Particulars	As at March 31, 2019	As at March 31, 2018
Amount payable under Capital contracts	9.66	10.68
Other	2.00	2.00
Total	**11.66**	**12.68**

Note 25
Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Storage Rentals	121.72	93.96
Advance from customers	215.99	103.55
Statutory dues	64.54	56.04
Total	**402.25**	**253.55**

(All amounts are in INR lakhs, unless stated otherwise)

Note 26
Revenue from operations

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Service Revenue:		
- Liquid Terminal Division	4,244.29	5,323.37
Other operating revenue		
- Scrap Sales	4.10	25.15
Total	**4,248.39**	**5,348.52**

Note 27
Other Income

Particulars	Nature	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income from fixed deposits		0.22	6.71
Fair value gain/ loss on Investment		39.64	177.30
Dividend on Investments		11.76	10.72
Sundry Credit Balances Written Back		6.81	-
Other non-operating income		17.40	7.30
Total		**75.83**	**202.03**

Note 28
Employee benefits expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	102.53	102.68
Contribution to provident and other funds	10.85	10.15
Staff welfare expenses	13.40	13.46
Total	**126.78**	**126.29**

SEA LORD CONTAINERS LIMITED - Financial Statements
(All amounts are in INR lakhs, unless stated otherwise)
Notes to Financial Statements

Note 29
Finance costs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on borrowings	0.40	0.58
Other borrowing costs	0.94	0.12
Total	**1.34**	**0.70**

Note 30
Other expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	0.06	0.06
Lease Rentals	224.58	218.11
Rates and taxes	(3.86)	(40.47)
Professional fees (Refer note 30.1)	221.55	74.74
Printing and Stationery	4.42	4.03
Traveling expenses	3.89	3.82
Communication Expenses	6.01	2.91
Loss on sale of investment(current-quoted)	0.05	-
Advertising / sales promotion	0.22	0.04
Labour and Other Charges	52.95	40.60
Way Leave Fees	106.63	102.66
Tankage Charges	96.00	96.12
Commission on Sales	21.80	46.56
Directors' Sitting Fees	3.40	2.80
Electricity expenses	63.43	65.54
Consumables	40.03	32.75
Repair- Buildings	11.11	3.30
Repair- Machinery	24.02	17.98
Repair- Others	21.47	10.31
Insurance	43.67	57.25
Donation	28.33	13.67
Sundry Debit Balances written off	-	0.93
Miscellaneous operating expenses	20.33	19.44
Total	**990.09**	**773.15**

Note 30.1
Payment to auditors

(Previous year paid to a firm, where some of the partners of the firm of auditors are partners)		
As auditor	2.55	1.31
For certifications	0.86	0.60
	3.41	**1.91**

Note 30.2
Donation represents amount spent by the company towards Corporate Social Responsibility as per Section 135 of the Companies Act,2013.

(a) Gross amount required to be spent by the company during the year	**73.95**	61.94
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	**28.33**	13.67
(iii) The company had committed the balance amount towards contribution for health impact Environment assessment study . However the said demand for the year was not raised. Hence we will pay this amount in the next year or as and when the demand for it has been raised.	**-**	-

(All amounts are in INR lakhs, unless stated otherwise)

Notes to Financial Statements

Note 31

Earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average of equity shares outstanding during the year.

Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Profit for basic and diluted earnings per share	2,726.63	4,127.07
Weighted average number of equity shares	12.50	12.50
Basic and diluted /earnings per share (Rs.)	218.13	330.17

Reconciliation of weighted average number of equity shares:

Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Equity shares outstanding at the beginning of the year	1,250,000	1,250,000
Equity shares issued during the year	-	-
Equity shares outstanding at the end of the year	1,250,000	1,250,000
Total weighted average number of shares	**1,250,000**	**1,250,000**

Note: There is no dilution to the basic EPS as there are no outstanding potentially dilutive equity shares.

Note 32

Contingent Liabilities and Commitments.

Sr. No.	**Particulars**	**As at March 31, 2019**	**As at March 31, 2018**
	Claim not acknowledged as debts:		
1	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances)	9.02	8.42

SEA LORD CONTAINERS LIMITED - Financial Statements
(All amounts are in INR lakhs, unless stated otherwise)
Notes to Financial Statements

Note 33
Related party transactions

a) Names of related parties and nature of relationship

Name of the Related Patry	Relationship
Aegis Logistics Limited	Holding Company
Konkan Storage Systems (Kochi) Pvt. Ltd.	Fellow Subsidiary

b) Details of transactions with related parties:

		Transactions		Balances	
Sr.	Name of the related party	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
a)	Lease Rent Paid/Expenses recovered				
	ALL	50.60	50.67	-	-
b)	Storage Revenue/Tankage Charges Received				
	ALL	129.90	130.06	-	-
c)	Storage Revenue/Tankage Charges paid				
	ALL	96.00	96.12	-	-
d)	Dividend paid				
	ALL	5.78	5.77	-	-
e)	Amount paid on our behalf				
	ALL	10.56	14.84	-	-
f)	Purchase of Goods/Spares				
	ALL	11.43	-	-	-
g)	Trade Receivable				
	ALL	-	-	-	149.71
h)	Other Receivable				
	ALL	-	-	10.22	-
i)	Transfer of License				
	ALL	10.22	-	-	-
j)	Investments made /Purchased				
	Fellow Subsidiary company				
	KCPL	-	2,325.00	3,275.00	3,275.00

Note 34
Segment reporting

a) **Segment information for primary reporting (by Business segment)**
The Company has only one reportable business segment i.e Storage and Warehousing service.
Hence information for primary business segement is not given. Since the Company does not have more than one business segment, no separate disclosure for segment information is required to be made.

b) **Segment information for secondary segment reporting (by geographical segment)**
There is no reportable secondary segment.

c) Segment revenue reported represents revenue generated from external Customers.

d) Customers who contributed 10% or more of the revenue for the year are:

1	Customer A	11.96% *(P.Y. 23.81%)*
2	Customer B	09.31% *(P.Y. 12.91%)*

(All amounts are in INR lakhs, unless stated otherwise)

Note 35
Employee Benefits

Defined contribution plan
The Company makes provident fund and superannuation fund contributions to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage / fixed amount of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund set up by the government authority.

Defined benefit plan - Gratuity
The Company has non-funded defined benefit plan for eligible employees. The scheme provides payment to vested employees at retirement, death or on resignation/termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

Leave plan
This scheme provides payment to all eligible employees can carry forward and avail / encash leave as per Company's rules subject to a maximum accumulation of 90 days in case of privileged leave as per Company's rules.
The present value of the defined benefit plans and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date.
The following table sets out unfunded status of the gratuity plan and the amounts recognised in the statement of profit and loss.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Present value of unfunded defined benefit obligation	34.60	30.60
Net deficit/ (assets) are analysed as:		
Net defined benefit liability / (assets) recognized in balance sheet	34.60	30.60
Net defined benefit liability / (assets) is bifurcated as follows:		
Current	14.61	10.84
Non-current	19.99	19.76

(All amounts are in INR lakhs, unless stated otherwise)

Note 35
Employee Benefits

Fair value of the plan assets and present value of the defined benefit liabilities

The amount included in the Balance sheet arising from the Company's obligations and plan assets in respect of its defined benefit schemes is as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Movement in defined benefit obligations:		
At the beginning of the year	30.60	22.60
Current service cost	2.57	2.03
Interest cost	1.95	1.59
Remeasurements :		
(Gain)/loss from change in financial assumptions	0.94	0.67
(Gain)/loss from change in demographic assumptions	(0.01)	1.19
Experience (gains)/losses	1.29	2.52
Benefits paid	(2.73)	-
At the end of the year	**34.60**	**30.60**

The components of defined benefit plan cost are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Recognised in Income Statement		
Current service cost	2.57	2.03
Interest cost / (income) (net)	1.95	1.59
Total	**4.52**	**3.62**
Recognised in Other Comprehensive Income		
Remeasurement of net defined benefit liability/(asset)	2.22	4.38
Cumulative post employment (gains) recognised in the SOCI	6.74	8.00

The principal actuarial assumptions used for estimating the Company’s benefit obligations are set out below (on a weighted average basis):

Particulars	As at March 31, 2019	As at March 31, 2018
Rate of increase in salaries	6.00%	6.00%
Discount rate	7.05%	7.75%
Attrition rates	15% at younger ages reducing to 2% at older ages	15% at younger ages reducing to 2% at older ages

(All amounts are in INR lakhs, unless stated otherwise)

Note 35
Employee Benefits

Notes:
1. Discount rate
The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.
2. Salary escalation rate
The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
3. Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

Sensitivity of the defined benefit obligation :

Particulars	Change in Assumption	Effect of Gratuity Obligation (Liability)	
		As at March 31, 2019	As at March 31, 2018
Discount rate	Minus 50 basis points	71,011.00	74,699.00
Rate of increase in salaries	Plus 50 basis points	71,387.00	75,598.00

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects to others. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

The weighted average duration of the defined benefit obligation is 4.72 years.

The Company makes payment of liabilities from its cash balances whenever liability arises.

(All amounts are in INR lakhs, unless stated otherwise)

Note 36

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

For the purpose of the Company's capital management, capital includes issued capital and other equity reserves . The primary objective of the Company's Capital Management is to maximize shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances.

	As at March 31, 2019	As at March 31, 2018
Current borrowings	-	-
Gross debt	**-**	**-**
Less - Cash and cash equivalents	(3,144.30)	(1,377.37)
Less - Other bank deposits	(262.20)	-
Adjusted net debt	**(3,406.50)**	**(1,377.37)**
Total equity	21,772.61	19,055.73
Adjusted net debt to equity ratio	(0.16)	(0.07)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in financial covenants would permit the bank to immediately call loans and borrowings.

(All amounts are in INR lakhs, unless stated otherwise)

Note 37

Financial instruments – Fair values and risk management

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

A. Accounting classification and fair values

	Carrying amount			Fair value			
As at March 31, 2019	**FVTPL**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets							
Cash and cash equivalents	-	3,144.30	3,144.30	-	-	-	-
Non-current investments	3,275.00	(648.80)	2,626.20	-	3,275.00	-	3,275.00
Current Loans	-	-	-	-	-	-	-
Trade receivables	-	613.49	613.49	-	-	-	-
Other Non-current financial asset	-	251.08	251.08	-	-	-	-
Other bank balances	-	262.20	262.20	-	-	-	-
Other current financial asset	10.22	-	10.22	-	-	-	-
	3,285.22	3,622.27	6,907.49	-	3,275.00	-	3,275.00
Financial liabilities							
Short term borrowings	-	-	-	-	-	-	-
Trade payables	-	95.39	95.39	-	-	-	-
Other Current financial liabilities	-	11.66	11.66	-	-	-	-
	-	107.05	107.05	-	-	-	-

	Carrying amount			Fair value			
As at March 31, 2018	**FVTPL**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets							
Cash and cash equivalents	-	1,377.37	1,377.37	-	-	-	-
Non-current investments	3,275.00	(736.41)	2,538.59	-	3,275.00	-	3,275.00
Current Loans	-		-	-	-	-	-
Trade receivables	-	1,193.88	1,193.88	-	-	-	-
Other Non-current financial asset	-	10.19	10.19	-	-	-	-
Other Bank balances	-	-	-	-	-	-	-
Other Current financial asset	-	-	-	-	-	-	-
	3,275.00	1,845.03	5,120.03	-	3,275.00	-	3,275.00
Financial liabilities							
Short term borrowings	-	-	-	-	-	-	-
Trade payables	-	105.57	105.57	-	-	-	-
Other Non-Current financial liabilities	-	-	-				-
Other Current financial liabilities	-	12.68	12.68	-	-	-	-
	-	118.25	118.25	-	-	-	-

B. Measurement of fair values

The following tables show the valuation techniques used in measuring Level 2 fair values as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique and key inputs
Non-current investments - preference shares	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk (including currency risk and interest rate risk)

Risk management framework

The Company has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(All amounts are in INR lakhs, unless stated otherwise)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of following financial assets represents the maximum credit exposure.

Trade and other receivables

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The average credit period on sale of goods ranges from 1 to 60 days. No interest is charged on trade receivables which are overdue. The Company has a credit management policy for customer onboarding, evaluation, credit assessment and setting up of credit limits.

Credit risk on its receivables is recognised on the statement of financial position at the carrying amount of those receivable assets, net of any provisions for doubtful debts. Receivable balances and deposit balances are monitored on a monthly basis with the result that the Company’s exposure to bad debts is not considered to be material. The Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

Impairment

The ageing of trade and other receivables that were not impaired was as follows:

	March 31, 2019	**March 31, 2018**
Not past due	117.64	657.40
Past due 1–180 days	107.25	42.37
More than 180 days	388.60	494.10
Carrying amount of receivables	**613.49**	**1,193.88**

Management believes that the unimpaired amounts that are past due by more than 180 days are collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers’ credit ratings wherever available.

(All amounts are in INR lakhs, unless stated otherwise)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Ultimate responsibility for liquidity risk rest with the management, which has established an appropriate liquidity risk framework for the management of the Company's short term, medium-term and long term funding and liquidity management requirements. 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.

Exposure to liquidity risk

The following table details the Company's remaining contractual maturity for its financial liabilities. The table has been drawn up to reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	Contractual cash flows					
March 31, 2019	**Carrying amount**	**Total**	**0-1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Non interest bearing						
Trade payables	95.39	95.39	95.39	-	-	-
Other current financial liabilities	11.66	11.66	11.66	-	-	-
Sub total	107.05	107.05	107.05	-	-	-
Total	**107.05**	**107.05**	**107.05**	**-**	**-**	**-**
Financial Assets						
Cash and cash equivalents	3,144.30	3,144.30	3,144.30	-	-	-
Current investments	1,030.15	1,030.15	1,030.15	-	-	-
Trade Receivables	613.49	613.49	613.49	-	-	-
Other Non-current financials asset	251.08	251.08	-	-	-	251.08
Other bank balances	262.20	262.20	-	262.20	-	-
Other current financial asset	10.22	10.22	10.22	-	-	-
	5,311.44	**5,311.44**	**4,798.16**	**262.20**	**-**	**251.08**

(All amounts are in INR lakhs, unless stated otherwise)

		Contractual cash flows				
March 31, 2018	**Carrying amount**	**Total**	**0-1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Non interest bearing						
Trade payables	105.57	105.57	105.57	-	-	-
Other current financial liabilities	12.68	12.68	12.68	-	-	-
Sub total	118.25	118.25	118.25	-	-	-
Total	**118.25**	**118.25**	**118.25**	**-**	**-**	**-**
Financial Assets						
Cash and cash equivalents	1,377.37	1,377.37	1,377.37	-	-	-
Current investments	-	-	-	-	-	-
Trade Receivables	1,112.12	1,112.12	1,112.12	-	-	-
Other Non-current financials asset	151.08	151.08	-	-	-	151.08
Other bank balances	-	-	-	-	-	-
Other current financial asset	-	-	-	-	-	-
	2,640.57	**2,640.57**	**2,489.49**	**-**	**-**	**151.08**

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

Market risk
The Company does not have significant market risk.

Currency risk
The Company has no transactions denominated in foreign currencies.

Interest rate risk
The Company has no borrowings and so is not exposed to interest risk.

SEA LORD CONTAINERS LIMITED - Financial Statements
(All amounts are in INR lakhs, unless stated otherwise)
Notes to Financial Statements

Note: 38
Taxation:

Income tax recognised in Statement of Profit and Loss	**Year ended 31.03.2019**	**Year ended 31.03.2018**
Current tax - For the year	583.51	896.07
- For the earlier year	(40.39)	12.28
- MAT credit for the earlier year	41.92	(1.79)
- MAT credit	(583.51)	(896.07)
Deferred tax	30.09	61.84
Total income tax expenses recognised in the current year	**31.62**	**72.33**
Income tax expense for the year reconciled to the accounting profit:		
Profit before tax	2,758.25	4,199.40
MAT rate	21.5488%	21.3416%
Income tax expense	592.44	896.22
Tax Effect of:		
Tax on transition provisions of MAT for IndAS opening adjustments		-
Effect of income that is exempt from tax in MAT	(11.08)	(2.29)
Effect of expenses that are not deductible in determining taxable profits	2.15	2.13
MAT Credit	(583.51)	(896.07)
Adjustment in respect of earlier years (net)	1.52	10.49
Deferred tax impact mainly in respect of Depreciation, provision of gratuity & leave encashment	30.09	61.84
Income tax expense recognised in profit and loss	**31.62**	**72.33**

For the Year ended March 31, 2019

Deferred tax (asset) / liability	**Opening balance**	**Recognised in profit or loss (Expense) / Income**	**Recognised in other comprehensive income**	**Recognised in equity**	**Closing balance**
Deferred tax (asset) / liability					
Fiscal allowance on fixed assets	598.39	33.06	-	-	631.45
Section 43B and 40A(7) items	(15.15)	(2.97)	-	-	(18.12)
MAT Credit	(4,012.37)	(541.59)	-	-	(4,553.96)
Total	**(3,429.10)**	**(511.50)**	**-**	**-**	**(3,940.63)**

Note 39
Other Disclosures:

39.1 **Imported and indigenous consumables consumed**

Description	**%**	**Amount**
Year ended March 31, 2019		
Indigenous	100%	74.58
Total	**100%**	**74.58**
Year ended March 31, 2018		
Indigenous	100%	87.78
Total	**100%**	**87.78**

(All amounts are in INR lakhs, unless stated otherwise)

Note 40

The Board of Directors of the Company has recommended a final dividend of Rs. 0.50 per equity share for the year ended March 31, 2019 (Previous Year Rs. 0.50 per equity share). The said dividend will be paid after the approval of shareholders at the ensuing Annual General Meeting.

Note 41

Approval of financial statements:

The financial statements were approved for issue by the Board of Directors on 28th May, 2019.

For C N K & Associates LLP	**For and on behalf of the Board of Directors**	
Chartered Accountants		
Firm Registration Number:101961W/W-100036		
D.P. Sapre	**Raj K. Chandaria**	**Kanwaljit S. Nagpal**
Partner	**Chairman**	**Director**
Membership No.: 40740	**DIN : 00037518**	**DIN : 00012201**
Mumbai, 28th May, 2019		