INDIRA CONTAINER TERMINAL PRIVATE LIMITED

DIRECTORS' REPORT

To
The Members of
Indira Container Terminal Private Limited

Your Directors have pleasure in presenting herewith their Eleventh Annual Report on the business and operations of the Company together with the Audited Statements of Accounts of the Company for the year ended March 31, 2018 ("**Financial Year**").

FINANCIAL HIGHLIGHTS

The financial highlights of the Company for the Financial Year ended are as under:

(Rupees in Lakhs)

Particulars	Financial Year ended March 31, 2018	Financial Year ended March 31, 2017
Income	4,458.78	4,076.00
Finance Expenses	8,572.78	5,596.52
Depreciation and Amortization	3,796.04	2,764.84
Profit / (Loss) before Taxes	(8,618.82)	(5,140.19)
Profit / (Loss) after Taxes	**(8,649.38)**	**(5,140.19)**

OPERATIONS

During the year, ICTPL has handled 121 Roll-On-Roll-Off ("**RORO**") vessels and 227,750 units during the Financial Year. The net revenue earned during the year is Rs. 9,890 Lakhs from RORO operations.

PROJECT STATUS

Pursuant to detailed negotiation with Mumbai Port Trust ("**MbPT**") on the Concession Agreement for the Offshore Container Terminal ("**OCT**"), the parties have finally agreed in principle to enter into a joint supplementary agreement between the Board of Trustees of MbPT, ICTPL and the Lenders. The draft supplementary agreement is subject to clearance from the Ministry of Shipping. The proposal for re-bid and the draft supplementary agreement provides for a mix of cargo of containers, steel and RORO. As per terms of the re-bid, ICTPL has a Right of First Refusal ("**ROFR**") to match the winning bid and is hopeful that it will successfully match the bid and win the concession and continue to operate the facility. Gammon Infrastructure Projects Limited has during the Financial Year acquired further stake from the JV partner and has obtained control over ICTPL and holds 74% of the total equity shares of ICTPL.

PBS

DIVIDEND / TRANSFER TO RESERVE(S)

On account of the loss incurred during the Financial Year, your Directors express their inability to recommend any dividend for the Financial Year. No amount is transferred to any reserves.

SHARE CAPITAL

The paid up share capital as at March 31, 2018 is Rs. 1,01,56,60,000/-. During the Financial Year, the Company has not issued any shares nor has granted any stock option or sweat equity.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year, five (5) Board Meetings were duly convened and held on 17th April 2017, 17th June 2017, 4th September 2017, 2nd January 2018 and 30th March 2018 and the intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

Details of attendance by each Director at the said Board meetings are as under:

Name of Director(s)	Board meetings attended during Financial Year
Mr. Ragam Kishore	2
Mr. Francisco Reinoso*	Nil
Mr. C. S. Sangitrao	5
Mr. Mineel Mali	5
Ms. Renuka Shitut**	2
Ms. Poonam Sabnis***	2

*Mr. Francisco Reinoso resigned w. e. f. 5th April 2017

**Ms. Renuka Shitut was appointed as an additional director w. e. f. June 17, 2017 and resigned w. e. f. December 28, 2017

***Ms. Poonam Sabnis was appointed as an additional director w. e. f. January 2, 2018

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business during the year under review.

SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

The Company does not have any subsidiary/associate or Joint Venture

EXTRACT OF ANNUAL RETURN

The details forming part of the extracts of Annual Return in Form MGT-9 as per Section 92 of the Companies Act, 2013 is annexure herewith as **Annexure "A"**.

PBS

BOARD OF DIRECTORS

In accordance with the provisions of the Companies Act, 2013, Mr. Mineel Mali retires by rotation at the next Annual General Meeting ("**AGM**") and has offered himself for re-appointment.

Ms. Poonam Sabnis was appointed as an additional director w. e. f. January 2, 2018. Ms. Sabnis shall hold office as such up to the date of next AGM. The Board of Directors have, at their Meeting held on 5th September 2018, recommended the appointment of Ms. Sabnis as a Director of the Company at the ensuing annual general meeting of the Company.

Mr. Francisco Reinoso resigned as a Director of the Company w. e. f. 5th April 2017. Ms. Renuka Shitut was appointed as an additional director w. e. f. June 17, 2017 and resigned w. e. f. December 28, 2017.

Presently, the Board of Directors comprises of Mr. Ragam Kishore, Mr. C. S. Sangitrao, Mr. Mineel Mali and Ms. Poonam Sabnis.

COMMITTEES OF THE BOARD

Pursuant to notification of the Ministry of Corporate Affairs dated 5th July 2017, unlisted public company which is a joint venture company shall not be required to have an Audit Committee and the Nomination and Remuneration Committee. Accordingly, the said Audit Committee and the Nomination and Remuneration Committee were dissolved.

The Company has not appointed independent directors. No formal annual evaluation was made by the Board of its own performance and that of its committees and individual directors. Remuneration Policy for directors, KMPs and other employees including criteria for determining qualifications, positive attributes and independence of a director are yet to be formulated.

KEY MANAGERIAL PERSONNEL

There was no appointment of any Key Managerial Personnel during the Financial Year.

DEPOSITS

During the Financial Year, your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the Financial Year, the Company did not grant any loan or made any investments or provide any guarantee as covered under the provisions of section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

Transactions with related parties in the ordinary course of the Company's business are detailed in Note no. 24 to the financial statements.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATIORS OR COURTS

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, your Directors confirm that –

(i) in the preparation of annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures;
(ii) 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 2017-2018 and of loss of the Company for that period;
(iii) 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;
(iv) the Directors had prepared the annual accounts on a going concern basis; and
(v) 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.

PARTICULARS OF EMPLOYEES

Being an unlisted company, provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 are not applicable to your Company.

STATUTORY AUDITORS

At the Eighth Annual General Meeting (AGM) of the Company, M/s. Natvarlal Vepari & Co., Chartered Accountants (Firm Registration No.106971W), had been appointed as the Statutory Auditors of the Company until the conclusion of the Thirteenth AGM of the Company. In terms of the provisions of the Companies Act, 2013, it is necessary to get the appointment ratified by the shareholders at every Annual General Meeting until the expiry of the period of original appointment.

Amended provisions of Section 139 of the Act vide Companies (Amendment) Act, 2017 notified from 7th May, 2018 no longer requires ratification of appointment of Auditors by members at every subsequent AGM. In view of this, the appointment of Auditors' is not proposed for ratification at ensuing AGM.

AUDITORS REPORT:

The Auditors have made a qualified opinion in their Report, which reads as below:

According to information and explanations given to us and based on documents and records produced to us, the company has not serviced interest and principal of Rs. 44,173.07 lacs for the entire year in respect of loans from banks and financial institutions. The details of the same are given in the financial statements under note no. 8.(1)g.

Management explanation to the Auditor's qualification:
The Company's project has been delayed for over 7 years due to the inability of the MbPT to fulfill their obligations laid down in the License Agreement. The project was therefore classified as a Non Performing Asset by the lenders as per the Master Circular notified by Reserve Bank India on Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances.

The Company together with the client MbPT has held several rounds of discussions to revive and restructure the project under guidance of the Prime Minister's Office and Ministry of Shipping. A Supplementary Agreement is being finalized which would help in restructuring of the project. The terms of the said Supplementary Agreement are being discussed and the same will be finalized shortly. Lenders to the project have also being made party to this Supplementary Agreement.

The broad terms of the draft supplementary agreement are as under:

1) Fresh bids will be invited for handling clean cargo from the Offshore Terminal.
2) The cost of facilities constructed by ICTPL is stated at Rs. 568 crores.
3) Liability towards the Lenders of ICTPL has been fixed at Rs. 477.11 crores.
4) Bidding parameter will be the Revenue Share with ceiling at 35.064%.
5) ICTPL has the Right of First Refusal (ROFR) to match the highest bid.
6) If ICTPL is not successful in its bid or does not exercise the ROFR, the preferred bidder will have to upfront pay Rs. 568 crores to ICTPL.
7) Out of the proceeds received, the existing Lenders of ICTPL will be paid Rs. 477.11 crores, while ICTPL will retain the balance amount of Rs. 90.89 crore.
8) ICTPL will have the right to arbitrate under the original license agreement to raise claims for losses on MbPT with a ceiling on claims of Rs. 125 crore. Out of the actual proceeds received, 80% will be retained by ICTPL and the balance 20% will be paid to the existing Lenders.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Provisions of the Companies Act, 2013 related to CSR do not apply to the Company as the Company does not meet profit, turnover or net worth criteria prescribed in this regard.

CONVERSION OF ENERGY, TECHNOLOGY ABSORBTION, FOREIGN EXCHANGE EARNINGS & OUTGO

(A) Conservation of energy- N.A.

(i) the steps taken or impact on conservation of energy;
(ii) the steps taken by the company for utilising alternate sources of energy;
(iii) the capital investment on energy conservation equipments;

(B) Technology absorption- N.A.

(i) the efforts made towards technology absorption;
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;
(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;
  (b) the year of import;
  (c) whether the technology been fully absorbed;
  (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
(iv) the expenditure incurred on Research and Development.

(C) Foreign exchange earnings and Outgo -

Foreign Exchange earned in terms of actual inflows during the year - NIL
Foreign Exchange outgo during the year in terms of actual outflows - NIL

MATERIAL CHANGES AND COMMITMENTS

No material change and commitments affecting financial position of the Company occurred between the end of financial year and the date of this report.

RISK MANAGEMENT

The Company has not developed and implemented a formal risk management policy for the Company. However, the Board of Directors periodically as a part of its review of the business consider and discuss the external and internal risk factors like Government policies, macro and micro economy factors, Company financials and operations related specific factors, foreign currency rate fluctuations and related matters that may threaten the existence of the Company.

The Board is of the opinion that there are no major risks affecting the existence of the Company except in respect of the Company's Project as discussed above.

INDIRA CONTAINER TERMINAL PRIVATE LIMITED

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company is yet to establish a vigil mechanism.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company does not have any amount / shares due to be transferred to Investor Education and Protection Fund.

SECRETARIAL STANDARDS

The Company has complied with all applicable Secretarial Standards.

DISCLOSURE ON WOMEN AT WORKPLACE

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the Financial Year, no case was reported in this regard.

INTERNAL FINANCIAL CONTROLS & THEIR ADEQUACY

Your Company's internal control systems are commensurate with the nature and size of its business operations. Your Company has adequate internal financial controls in place to ensure safeguarding of its assets, prevention of frauds and errors, protection against loss from unauthorized use or disposition and the transactions are authorised, recorded and reported diligently in the Financial Statements.

ACKNOWLEDGMENT

The Directors acknowledge with gratitude the co-operation and support received from the Company's Bankers and MbPT. They wish to place on record their sincere appreciation for the services rendered by all members of staff and employees of the Company.

For and on behalf of the Board of
Indira Container Terminal Private Limited

PBSabnis

C S Sangitrao	Poonam Sabnis
Director	Director
DIN: 03353167	DIN: 07706230

Place: Mumbai
Date: September 5, 2018

Annexure "A" to the Directors' Report

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

[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

i	Corporate Identity Number (CIN)	U63032MH2007PTC174100
ii	Registration Date	September 13, 2007
iii	Name of the Company	Indira Container Terminal Private Limited
iv	Category	Company Limited By Shares
v	Sub-Category of the Company	Indian Non-Government Company
vi	Address of the Registered office and contact details	ICT Office, Indira Dock, Green Gate, Mumbai Port, Mumbai, Maharashtra-400038. India Contact No. -91-22-66254444
vii	Whether listed company Yes/No	No
viii	Name, Address and contact details of Registrar and transfer Agent, if any	Not Applicable

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:

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Construction and maintenance of ports, roads, railways, utility projects.	42101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Gammon Infrastructure Projects Limited Reg. off.:: Gammon House, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025	L45203MH2001 PLC131728	Holding Company	74.00	2 (87) (ii)

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

i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (1)Indian									
Individual/ HUF	-	-	-	-	-	-	-	-	-
Central Gov.	-	-	-	-	-	-	-	-	-
State Govt.	-	-	-	-	-	-	-	-	-
Bodies Corp.	50783000	0	50783000	50	75158840	0	75158840	74	24
Banks/FI									
Any Other									
Sub-Total (A) (1)	**50783000**	**0**	**50783000**	**50**	**75158840**	**0**	**75158840**	**74**	**0**
(2) Foreign									
a)NRIs- Individuals	-	-	-	-	-	-	-	-	-
b)Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	50783000	-	50783000	50	26407160	-	26407160	26	(24)
d) Banks/FI e)Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	**50783000**	**0**	**50783000**	**50**	**26407160**	**-**	**26407160**	**26**	**0**
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	**101566000**	**0**	**101566000**	**100**	**101566000**	**0**	**101566000**	**100**	**0**
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a)Mutual Funds	-	-	-	-	-	-	-	-	-
b)Banks/FI	-	-	-	-	-	-	-	-	-
c)Central Govt.	-	-	-	-	-	-	-	-	-
d)State Govt.	-	-	-	-	-	-	-	-	-
e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)Insurance Companies	-	-	-	-	-	-	-	-	-
g)FIIs	-	-	-	-	-	-	-	-	-
h)Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2.Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual	-	-	-	-	-	-	-	-	-

shareholders holding nominal share capital upto Rs.1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B) **(2)**	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**101566000**	**0**	**101566000**	**100**	**101566000**	**0**	**101566000**	**100**	**0**

(ii) **Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Gammon Infrastructure Projects Limited	24375840	24.00	16.25	48751680	48.00	16.25	24
2	Gammon India Limited*	26407160	26.00	26.00	26407160	26.00	26.00	00
3	Noatum Ports, S. L.	50783000	50.00	25.50	26407160	26.00	25.50	(24)
		101566000	**100.00**	**67.75**	**101566000**	**100.00**	**67.75**	**00.00**

*Beneficial Interest in the equity shares held by Gammon Infrastructure Projects Limited

(iii) Change in Promoter's Shareholding (Please specify, if there is no change) THERE IS NO CHANGE

Sr. No.	Particulars	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

a	**Gammon Infrastructure Projects Limited**				
	At the beginning of the year	24375840	24	24375840	24
	Add: Purchase on 06-April-17	24375840	24	48751680	48
	At the End of the year	48751680	48	48751680	48
b	**Gammon India Limited**				
	At the beginning of the year	26407160	26	26407160	26
	Date wise Increase/ Decrease in Promoters Shareholding during the year	Nil	Nil	Nil	Nil
	At the End of the year	26407160	26	26407160	26
c	**Noatum Ports Sociedad Limitada**				
	At the beginning of the year	50783000	50	50783000	50
	Less: Sale on 06-April-17	24375840	24	26407160	26
	At the End of the year	26407160	26	26407160	26

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

Sr. No.	For Each of the Top 10 Shareholders	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	-	-	-	-
	Date-wise Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the End of the year	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	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	-	-	-	-
	Date-wise Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the End of the year	-	-	-	-

V. INDEBTEDNESS

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

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	47,711.25	-	-	**47,711.25**
ii) Interest due but not paid	15,696.64	247.50	-	**15,944.14**
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**63,407.89**	**247.50**	**-**	**63,655.39**
Change in Indebtedness during the financial year				
- Addition	5,257.98	-	-	**5,257.98**
- Reduction	-	247.50	-	**247.50**
Net Change	**5,257.98**	**247.50**	**-**	**5,010.48**
Indebtedness at the end of the financial year				
i) Principal Amount	47,711.25	-	-	**47,711.25**
ii) Interest due but not paid	20,954.62	-	-	**20,954.62**
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**68,665.87**	-	-	**68,665.87**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
		Not Applicable	
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
	(c)Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of Profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act		

PBS Gr

B. Remuneration to other directors :

(Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
3.	Independent Directors	Not Applicable	-
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (1)	-	-
4.	Other Non-Executive Directors	**Mr. C. S. Sangitrao**	
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Fees for Directorship Services	24.00	**24.00**
	Total (2)	24.00	**24.00**
	Total (B)=(1+2)		**24.00**
	Total Managerial Remuneration (A + B)		**24.00**
	Overall Ceiling as per the Act		**121.25**

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c)Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-	-
2	Sock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of Profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALITIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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

FOR AND ON BEHALF OF THE BOARD OF
INDIRA CONTAINER TERMINAL PRIVATE LIMITED

PBSabnis

C S Sangitrao
Director
DIN - 03353167

Poonam Sabnis
Director
DIN - 07706230

Place: Mumbai
Date: 5th September 2018

Veeraraghavan.N
Practising Company Secretary

First Maritime Private Limited
201, Gheewala Building
M.P. Road, Mulund – East
Mumbai 400081
Mob: 9821528844
Email : nvr54@ymail.com

Form No. MR – 3

SECRETRIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2018

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

To
The Members,
Indira Container Terminal Private Limited
(CIN : U63032MH2007PTC174100)

I, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indira Container Terminal Private Limited (CIN : U63032MH2007PTC174100) 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 books, papers, minute books, forms and return filed and other records maintained by the Company and also the information provided by the Company and its officers, 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 2018 complied with the statutory provisions listed hereunder (wherever applicable) 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 2018 , according to the provisions of:

(i). The Companies Act, 2013 (the "**Act**") and the rules made thereunder;

(ii). The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made thereunder;

(iii). The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

(iv). The 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;

N. VEERARAGHAVAN
COMPANY SECRETARY

(v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**"):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(h) SEBI (Share Based Employee Benefits) Regulations, 2014.

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations , 2015

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

(j) Secretarial Standard issued by The Institute of Company Secretaries of India.

(k) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited. --- *The Company being an unlisted public company, the listing agreements are not applicable to the Company.*

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

The Company has not appointed any KMP, as envisaged in Section 203 of the Act.

I further report that:

The Board of Directors of the Company is duly constituted

N. VEERARAGHAVAN
COMPANY SECRETARY

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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' views (if any) 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 insure compliance with applicable laws, rules, regulations and guidelines.

Veeraraghavan N.
ACS No: 6911
CP NO : 4334

N. VEERARAGHAVAN COMPANY SECRETARY

Place : Mumbai
Date: 29th May 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Indira Container Terminal Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of Indira Container Terminal Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as Standalone "Ind AS Financial Statement").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the

NATVARLAL VEPARI & CO.
Mumbai

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS
Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at March 31, 2018, its financial performance including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

Material Uncertainty Related to Going Concern

Attention is invited to Note no 34 relating to the going concern assumption and the status of the project including there being a possibility of re-bid of the project and the management confidence of winning the bid and continuing the port services. In case, the Company does not win the re-bid, the successful bidder will take over the Project. In that event on account of the draft settlement agreement being circulated pursuant to the discussion with the MbPT and the lenders, which includes part waiver of the dues to the bank, the management contends that the company will be able to discharge its obligations satisfactorily and also return the invested capital to the Holding Company before applying for liquidation. In such an event, the Company will not be in a position to continue any business and will be wound up. The resolution plan as detailed in the note has significant uncertainties attached to the process of re-bid which ultimately has an impact on the going concern assumption of the company. The Management is hopeful that the Project would be awarded to the company after the re-bid with the right of first refusal in its favour. As per management's estimate the Project would be viable as per terms of the proposed settlement agreement. Our report is not qualified on this account.

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 said Order.

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;

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statements of Changes in Equity 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 Accounting Standards specified under Section 133 of the Act, read with relevant rules thereon;

(e) The matters described in Material Uncertainty relating to Going Concern paragraph, in our opinion, may have an adverse effect on the functioning of the Company;

(f) On the basis of written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act.

(g) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(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, in our opinion and to the best of our information and according to the explanations given to us:

   i. There are no pending litigations on its financial position in its 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 are no amounts that are required to be transferred to the Investor Education and Protection Fund during the year.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No.106971W

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

Ruchi Tamhankar
Partner
Membership No. 136667
Mumbai, Dated: May 29, 2018

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS
Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

ANNEXURE A

To the Independent Auditors' Report on the Standalone INDAS Financial Statements of Indira Container Terminal Private Limited

(i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) Fixed assets have been physically verified by the management during the year at reasonable intervals and no material discrepancies were identified on such verification.
(c) We have verified the title deeds of the immovable property forming part of fixed assets produced before us by the Management and the same are in compliance of clause 3(i)(c) of Companies (Auditors Report) Order 2016.

(ii) The company does not hold any inventory during the year, and hence clause 3(ii)(a) and 3(ii)(b) of Companies (Auditors Report) Order 2016 are not applicable

(iii) The Company has not granted any loans to entities covered in the register maintained u/s 189 of the Companies Act 2013 and hence clauses 3(iii)(a), 3(iii)(b) & 3(iii)(c) of Companies (Auditors Report) Order 2016 are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, investments, guarantees and security given.

(v) The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. As informed to us, there is no order that has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in respect of the said sections.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to Cargo handling business, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company has been regular in depositing undisputed statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2018 for a period of more than six months from the date of becoming payable.

(b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Service Tax, or Value Added Tax which have not been deposited on account of any dispute.

(viii) *According to the information and explanations given to us and based on the documents and records produced to us, the company has not serviced interest and principle of Rs.44,173.07*

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

lacs for the entire year in respect of loans from banks and financial institutions. The details of the same are given in the financial statements under note no. 11.2. Further, the company has not obtained any borrowings by way of debentures.

(ix) The company has not raised any money by way of public issue / follow-on offer (including debt instruments). The Company has also not raised any term loans during the year. Therefore the clause 3(ix) of the Companies (Auditors Report) Order 2016 is not applicable

(x) According to the information and explanations given to us and to the best of our knowledge and belief no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) The company has not paid any managerial remuneration during the year and hence provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company and hence clause 3(xi) of Companies (Auditors Report) Order 2016 is not applicable to the Company

(xii) The Company is not a Nidhi Company hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable to the Company.

(xiii) All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 in so far as our examination of the proceedings of the meetings of the Audit Committee and Board of Directors are concerned. The details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable Accounting Standard.

(xiv) The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review and hence clause 3(xiv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him and hence the clause 3(xv) of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

(xvi) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934.

For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No.106971W

Ruchi Tamhankar
Partner
Membership No. 136667
Mumbai, Dated: May 29, 2018

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Natvarlal Vepari & Co.
CHARTERED ACCOUNTANTS
Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

Annexure - B

To the Independent Auditors' Report on the Standalone INDAS Financial Statements of Indira Container Terminal Private Limited

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

We have audited the internal financial controls **with reference to Financial Statements** of Indira Container Terminal Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statement of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, 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.

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

Oricon House, 4th Floor, 12, K. Dubash Marg, Mumbai-400 023. • Tel : 6752 7100 • Fax : 6752 7101 • E-Mail : nvc@nvc.in

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

Meaning of Internal Financial Controls with reference to the financial statements

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

Inherent Limitations of Internal Financial Controls with reference to the financial statements.

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Natvarlal Vepari & Co.
Chartered Accountants
Firm Registration No.106971W

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Ruchi Tamhankar
Partner
Membership No. 136667
Mumbai, Dated: May 29, 2018

INDIRA CONTAINER TERMINAL PRIVATE LIMITED

CIN: U63032MH2007PTC174100

BALANCE SHEET AS AT MARCH 31, 2018

(Rs. In lacs)

Particulars	Note Ref	As at March 31, 2018	As at March 31, 2017
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	70.22	84.76
(b) Other Intangible assets	4	69,793.25	73,506.44
(c) Intangible Assets Under Development	5	-	-
(d) Financial Assets	6		
(i) Trade receivables	6.1	-	-
(ii) Loans	6.2	105.20	105.18
(iii) Others	6.3	29.10	28.39
(e) Other Non-current assets	7	1,760.34	1,647.92
Total Non-current Assets (A)		**71,758.11**	**75,372.69**
(2) Current Assets			
(a) Financial Assets	6		
(i) Trade receivables	6.1	685.86	503.79
(ii) Cash and cash equivalents	6.4	2,412.39	1,618.29
(iii) Loans	6.2	-	0.01
(iv) Others	6.3	11.90	54.12
(b) Other current assets	7	103.16	66.90
Total Current Assets (B)		**3,213.32**	**2,243.10**
Total Assets (A + B)		**74,971.43**	**77,615.79**
EQUITY & LIABILITIES			
(1) Equity			
(a) Equity Share capital	8	10,156.60	10,156.60
(b) Other Equity	9	(13,268.84)	(4,619.70)
Total Equity (A)		**(3,112.24)**	**5,536.90**
(2) Liabilities			
Non-current liabilities			
(a) Financial Liabilities		-	-
(b) Provisions	10	15.55	14.43
Total Non-Current liabilities (B)		**15.55**	**14.43**
(3) Current liabilities			
(a) Financial Liabilities	11		
(ii) Trade payables	11.1	6,320.14	3,563.54
(iii) Other financial liabilities	11.2	71,671.23	68,454.44
(b) Other current liabilities	12	74.20	46.17
(c) Provisions	10	2.55	0.31
Total Current liabilities (C)		**78,068.12**	**72,064.47**
Total Equity and Liabilities (A + B + C)		**74,971.43**	**77,615.79**

As per our report of even date attached
For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

Ruchi Tamhankar
Partner
M.No. 136667

Place: Mumbai
Date: May 29, 2018

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

For and behalf of the Board of Directors
Indira Container Terminal Private Limited

Kishor Ragam
Director
DIN: 00344011

Place: Mumbai
Date: May 29, 2018

Poonam Sabnis
Director
DIN:07706230

Place: Mumbai
Date: May 29, 2018

INDIRA CONTAINER TERMINAL PRIVATE LIMITED

CIN: U63032MH2007PTC174100

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In lacs)

	Particulars	Note Ref	For the year ended March 31, 2018	For the year ended March 31, 2017
I	**Revenue from Operations**			
a)	Revenue from Operations	13	4,451.03	4,068.16
	Revenue from Operations		**4,451.03**	**4,068.16**
II	Other Income:	14	7.75	7.84
III	**Total Revenue (I + II)**		**4,458.78**	**4,076.00**
IV	**Expenses:**			
	Construction Cost	15	-	456.04
	Personnel Expenses	16	131.63	122.01
	Finance Expenses	17	8,572.78	5,596.52
	Depreciation & amortization	18	3,796.04	2,764.84
	Other Expenses	19	577.15	276.78
	Total Expenses		**13,077.60**	**9,216.19**
V	**Profit Before Tax (III-IV)**		(8,618.82)	(5,140.19)
VI	**Tax Expense**			
	1. Current Tax		-	-
	2. Short Provision for Tax		30.57	-
VII	**Profit for the period (XIV+XI)**		**(8,649.38)**	**(5,140.19)**
VIII	**Other Comprehensive Income**			
	Items that will not be reclassied to Profit and Loss			
	Remeasurement of defined benefit plans		0.24	0.51
IX	**Total Comprehensive Income**		**(8,649.14)**	**(5,139.68)**
X	Earnings per Equity Share:	21		
	Basic & Diluted		(8.52)	(5.06)
	Par Value		10.00	10.00

As per our report of even date attached
For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

Ruchi Tamhankar
Partner
M.No. 136667

Place: Mumbai
Date: May 29, 2018

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

For and behalf of the Board of Directors
Indira Container Terminal Private Limited

Kishor Ragam
Director
DIN: 00344011

Place: Mumbai
Date: May 29, 2018

Poonam Sabnis
Director
DIN:07706230

Place: Mumbai
Date: May 29, 2018

INDIRA CONTAINER TERMINAL PRIVATE LIMITED

CIN: U63032MH2007PTC174100

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

(Rs. In Lacs)

		Year ended March 31, 2018		Year ended March 31, 2017	
A	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit Before Tax As Per Profit & Loss Account		(8,618.82)		(5,140.19)
	Adjusted For : Non Cash & Non operating Expenses				
	Depreciation	3,796.04		2,764.84	
	Finance Expenses	8,572.78		5,596.52	
	Interest Income	(6.82)		(7.36)	
	Profit on Sale of asset	-		(0.04)	
	Sundry balance written back	(0.91)		(0.44)	
	Sundry balance written off	11.40			
	Loss on discarding/ Sale of asset	0.02			
			12,372.51		8,353.52
	Operating profit before working capital changes		3,753.69		3,213.33
	Operating Profit Before Working Capital Changes				
	Adjusted For :				
	Increase/(decrease) in trade payables and other financials liablity	951.97		(469.44)	
	Movement in provisions	3.36		3.41	
	Changes in other liablities	28.03		(24.03)	
	Movement in Trade receivables	(182.07)		404.80	
	Movement in financial assets	(0.72)		1.70	
	Movement in other assets	(40.67)		44.22	
			759.89		(39.34)
	Direct Tax paid		176.04		179.34
	Net Cash Flow From Operating Activities (A)		4,337.54		2,994.65
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Interest Received	49.04		1.96	
	Payments made towards purchase of tangible assets	(30.17)		(33.43)	
	Movements in Other Intangible assets and Intangible Assets Under Development	-		(58.63)	
	Amount received on sale of tangible assets	-		0.20	
	Net Cash Used in Investing Activities (B)		18.87		(89.90)
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from long-term borrowings	-		1,288.93	
	Proceeds from Inter-corporate loan	-		-	
	Interest Paid/ Capitalised	(3,562.31)		(3,207.88)	
	Net Cash Used in Financing Activities (C)		(3,562.31)		(1,918.95)
	Net Change in Cash & Cash Equivalents (A+B+C)		794.11		985.79
	Cash & Cash Equivalents at the beginning of the year		1,618.29		632.50
	Cash & Cash Equivalents at the end of the year		2,412.39		1,618.29
	Components of Cash and Cash Equivalents				
	Balances with scheduled banks in current account		2,412.31		1,618.20
	Cash on hand		0.08		0.08
	Total Components of Cash and Cash Equivalents		2,412.39		1,618.29

As per our report of even date attached
For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

Ruchi Tamhankar
Partner
M.No. 136667
Place: Mumbai
Date: May 29, 2018

For and behalf of the Board of Directors
Indira Container Terminal Private Limited

Kishor Ragam
Director
DIN: 00344011
Place: Mumbai
Date: May 29, 2018

Poonam Sabinis
Director
DIN:07706230
Place: Mumbai
Date: May 29, 2018

INDIRA CONTAINER TERMINAL PRIVATE LIMITED

Notes to financial statements for the year ended March 31, 2018

Statement of Changes in Equity for the period ended

A . Equity Share Capital

Equity Share Capital	March 31, 2018		March 31, 2017	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning of the reporting period	10,15,66,000	10,157	10,15,66,000	10,157
Add: Issue during the reporting period			-	-
Balance at end of the reporting period	**10,15,66,000**	**10,157**	**10,15,66,000**	**10,156.60**

B. Other Equity

For the year ended March 31, 2018

Particulars	Retained Earnings	Capital Contribution	Other Comprehensive Income	Total
Balance as at April 1, 2016	**(3,202.49)**	**3,722.47**	-	**519.98**
Profit for the year	(5,140.19)	-	-	(5,140.19)
Items that will not be reclassied to Profit and Loss	0.51	-		0.51
-Actuarial gain transferred to OCI			-	-
Balance as at March 31, 2017	**(8,342.17)**	**3,722.47**	-	**(4,619.70)**
Profit for the year	(8,649.38)	-	-	(8,649.38)
Items that will not be reclassied to Profit and Loss	0.24	-		0.24
-Actuarial gain transferred to OCI			-	
Balance as at March 31, 2018	**(16,991.31)**	**3,722.47**	-	**(13,268.84)**

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

INDIRA CONTAINER TERMINAL PRIVATE LIMITED

CIN: U63032MH2007PTC174100

Significant Accounting Policies for the year ended March 31, 2018

1 Corporate Information

Indira Container Terminal Private Limited ('ICTPL',or 'the Company') is domiciled in India having registered office located at Indira Dock Green Gate, Mumbai Port, Mumbai 400 038 and incorporated under the Companies Act, 1956 on September 13, 2007. The Company is promoted by Gammon India Limited ('GIL') with Gammon Infrastructure Projects Limited ('GIPL') and Noatum Ports Sociedad Limitada Unipersonal SLU ('NPSL') formerly known as Dragados Servicious Portuarios Y Logisticos S.L., Spain ('DSPL').

The Company has signed a License Agreement ('LA') with the Board of Trustees of the Port of the Mumbai ('MbPT') on December 3, 2007 for operation and management including necessary developments, modifications and augmentation of facilities, of the Ballard Pier Station Container Terminal ('BPS') and development, construction, operation and management of an Offshore Container Terminal ('OCT') in the Mumbai harbour to be implemented in accordance with the Major Port Trusts Act, 1963 and the Guidelines for Private Sector Participation through Build, Operate & Transfer (BOT) basis.

GIPL a listed subsidiary of GIL, has beneficial, controlling interest and voting rights in respect of 26,407,160 equity shares. Due to this, GIPL was a 50% joint venture in this Company. On 6th April, 2017 GIPL acquired further stake of 26,407,160 equity shares and gained control over the Company. Therefore, GIPL is the Holding Company.

Project Details:

Pursuant to detailed negotiation with Mumbai Port Trust (MbPT) on the concession agreement for the Offshore Container Terminal (OCT), the parties had agreed in principal to enter into a joint supplementary agreement between Board of Trustees of MbPT, Company and the lenders. Subsequently, the parties have agreed to enter into a Settlement Agreement which is in the draft form and is subject to clearance from the Ministry of Shipping.

The salient features of the Supplementary Agreement are:

i The project will go for a re-bid for the operations of the facility to handle container, steel and RORO at the berth.

ii The Licensor shall provide 21.25 hectares to the new licensee.

iii If the Licensor receives any bid quoting higher Revenue Share from any entity other than the Licensee, then, the Licensee will be provided 30 (thirty) days' time from the Bid Due Date (as to be defined in the bidding documents for the Modified Project Works) to match the highest bid received by the Licensor ("RoFR"). Pursuant to the completion of such bidding process, if the Settlement Agreement is executed with the company then the company will pay the Revenue Share and all other amounts as per the terms of the Supplementary Agreement.

iv In case the Company does not win the bid, it will be entitled to a fixed amount of compensation along with waiver of the interest from the banks.

v The Company will also be entitled to initiate arbitration proceedings in the matter with MbPT

vi The cash flows on not winning the bid would be sufficient to discharge the liability of the company towards the lenders , Mbpt and other creditors and the concession would be foreclosed.

vii The management is hopeful of winning the arbitration as it has all sufficient documentation to support its claim.

viii In case the Company successfully wins the Re-bid and enters into the fresh Modified License Agreement, the Company would be required to repay to the lenders an agreed amount of Rs 47,711 lacs ("Principal debt amount").

ix In case the Company is unable to repay the agreed amount of Rs 47,711 lacs, then the original terms of the lending agreement would apply and the lenders would have a right to take any recourse for recovery of their dues as per the original agreement. The management is hopeful that it will successfully match the bid and win the concession and continue to operate the facility and has the right of first refusal.

2 Significant Accounting Policies

2.1 Basis of Preparation

The Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2014 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

The standalone financial statements are presented in INR and all values are rounded to the nearest lacs, except otherwise stated.

2.2 Use of estimates

The preparation of the financial statememts in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates,judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the finacial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

2.3 Recent Accounting Pronouncements

a) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

b) Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

2.4 Summary of significant accounting policies

The operating cycle of the business of the Company is twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

a) **Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve

All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

b) **Property, Plant and Equipment (PPE)**

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. upto the date the asset is ready for its intended use.

Significant spares which have a usage period in excess of one year are also considered as part of Property, Plant and Equipment and are depreciated over their useful life.

Decomissioning costs, if any, on Property, Plant and Equipment are estimated at their present value and capitalised as part of such assets.

Borrowing costs on Property, Plant and Equipments are capitalised when the relevant recognition criteria specified in Ind AS 23 Borrowing Costs is met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as per schedule II of the Companies Act, 2013

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

c) **Intangible assets**

Intangible assets are recorded at the consideration paid for cost of acquisition or development less amortization. The cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use. Intangible assets under development are capitalized only if the Company is able to establish control over such assets and expects future economic benefit will flow to the Company.

Termination Benefits

Termination benefits are payable as a result of the company's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value.

j) **Foreign Currencies**

Transactions and Balances

Transactions in foreign currencies are initially recorded in reporting currency by the Company at spot rates at the date of transaction. The Company's functional currency and reporting currency is same i.e. INR.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

k) **Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

l) **Financial instruments**

Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

A **Non-derivative financial instruments**

Subsequent measurement

i) **Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) **Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii) **Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv) **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

m) **Revenue Recognition**

Port Operations: Revenue from port operations including cargo handling, storage and other infrastructure facilities provided are recognized after the relevant activities are performed and the right to receive revenue is established. The revenue is recognised net of the revenue share payable to Mumbai Port Trust.

In accordance with the principals laid down in Appendix A to the Ind As 11, revenue from construction services are recognized in exchange for development, construction, operation and management of an offshore container Terminal, accounted at the fair value of service rendered on Cost plus margin.

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

Interest Income

Interest income from financial asset is recognised using effective interest rate method.

n) **Taxes**

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country.Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum Alternative Tax ('MAT') credit is recognised 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. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

o) **Deferred Tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

p) **Leases**

Operating lease

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease. Operating lease payments, as per terms of the agreement, are recognised as an expense in the statement of profit and loss on a straight line basis.

q) **Earning per share**

Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r) **Dividend Distribution**

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

INDIRA CONTAINER TERMINAL PRIVATE LIMITED

Notes to Financial Statements for the year ended March 31, 2018

3 Property, Plant & Equipment

(Rs. in lacs)

Tangible assets	Land	Container yard	Office Premises	Furniture and Fixtures	Motor Car	Data Processing Equipment	Plant and Machinery	Office Equipment	Total
At cost									
At 1 April 2016	5.80	135.57	351.65	24.25	27.75	58.68	-	42.09	645.77
Additions	-	-	5.80	0.75	7.08	-	12.15	7.66	33.43
Disposals	-	-	-	-	4.84	-	-	-	4.84
At 31 March 2017	**5.80**	**135.57**	**357.45**	**25.00**	**29.98**	**58.68**	**12.15**	**49.74**	**674.36**
Additions	-	-	-	-	17.35	12.82	-	-	30.17
Disposals	-	-	-	1.98	-	-	-	3.71	5.69
At 31 March 2018	**5.80**	**135.57**	**357.45**	**23.02**	**47.33**	**71.50**	**12.15**	**46.03**	**698.84**
Depreciation									
At 1 April 2016	-	135.57	272.14	18.00	26.94	58.68	-	41.13	552.45
Charge for the year	-	-	35.56	2.37	1.27	-	0.75	1.89	41.84
Disposals	-	-	-	-	4.68			-	4.68
At 31 March 2017	-	**135.57**	**307.70**	**20.36**	**23.53**	**58.68**	**0.75**	**43.01**	**589.60**
Charge for the year	-	-	35.71	2.36	2.41	1.62	1.21	1.37	44.69
Disposals	-	-	-	1.96	-		-	3.71	5.68
At 31 March 2018	-	**135.57**	**343.41**	**20.76**	**25.94**	**60.30**	**1.97**	**40.67**	**628.62**
Net Block									
At 31 March 2017	**5.80**	-	**49.75**	**4.63**	**6.45**	-	**11.40**	**6.73**	**84.76**
At 31 March 2018	**5.80**	-	**14.04**	**2.25**	**21.39**	**11.20**	**10.18**	**5.36**	**70.22**

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

4 **Other Intangible assets**

(Rs. in lacs)

Particulars	**Software**	**Port Rights**	**Total**
At cost			
At 1 April 2016	48.65	2,500.00	2,548.65
Additions		73,729.37	73,729.37
Disposals			
At 31 March 2017	**48.65**	**76,229.37**	**76,278.02**
Additions		38.15	38.15
Disposals			
At 31 March 2018	**48.65**	**76,267.52**	**76,316.17**
Amortization			
At 1 April 2016	48.58		48.58
Charge for the year	0.07	2,722.93	2,723.00
Disposals	-	-	-
At 31 March 2017	**48.65**	**2,722.93**	**2,771.58**
Charge for the period	-	3,751.35	3,751.35
Disposals		-	-
At 31 March 2018	**48.65**	**6,474.28**	**6,522.93**
Net Block			
At 31 March 2017	**0.00**	**73,506.44**	**73,506.44**
At 31 March 2018	**0.00**	**69,793.24**	**69,793.25**

The Company has carried out the exercise of assessment of any indications of impairment to its fixed assets as on the Balance Sheet date. Pursuant to such exercise it is determined that there has been no impairment to its fixed assets during the year.

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

INDIRA CONTAINER TERMINAL PRIVATE LIMITED
CIN: U63032MH2007PTC174100

Notes to Financial Statements for the year ended March 31, 2018
(All the amounts are Rs. in lakhs unless otherwise stated)

5 Intangible Asset under Development

Particulars	As at March 31, 2018	As at March 31, 2017
Construction cost	-	36,499.14
Finance cost	-	30,728.46
License fees	-	2,728.87
Legal and professional expenses	-	1,616.59
Other administrative expenses	-	2,047.38
Depreciation	-	108.93
Total	-	**73,729.37**
Less: Capitalized during the year	-	(73,729.37)
Total intangible assets under development	-	-

6 Financial Assets

6.1 Trade Receivables

Particulars	As at March 31,2018	As at March 31,2017	As at March 31,2018	As at March 31,2017
	Non - Current		Current	
Unsecured				
Considered Good	-	-	685.86	503.79
Considered Doubtful	-	-	9.23	9.23
Less: Lifetime credit loss	-	-	9.23	9.23
Total Trade Receivables	-	-	**685.86**	**503.79**

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analyzed. The Company has no history of defaults after it started the RORO operations and therefore no provision towards expected credit loss is made.

6.2 Financial Assets - Loans

Particulars	As at March 31,2018	As at March 31, 2017	As at March 31,2018	As at March 31, 2017
	Non- Current		Current	
Margin Money Deposit	100.00	100.00	-	-
Advance to employees	-	-	-	0.01
Deposits	5.20	5.18	-	-
Total	**105.20**	**105.18**	-	**0.01**

Margin money deposit of 100 lacs (Previous year 100 lacs) was given towards a Performance Bank Guarantee issued on behalf of the Company from the non-fund based limits of Gammon Infrastructure Projects Limited in favour of MbPT as required in the L.A. The margin money deposit carries an interest of 6% p.a.

6.3 Financial Assets - Others

Particulars	As at March 31,2018	As at March 31, 2017	As at March 31,2018	As at March 31, 2017
	Non - Current		Current	
Deposits with scheduled bank (including accrued interest)	29.10	28.39	-	-
Interest Accrued & receivable from:				
Gammon Engineers & Contractors Private Limited (GECPL)	-	-	11.90	11.90
Gammon Infrastructure Projects Limited	-	-	-	42.22
Total	**29.10**	**28.39**	**11.90**	**54.12**

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

6.4 **Cash and cash equivalents**

Particulars	As at March 31,2018	As at March 31, 2017	As at March 31,2018	As at March 31, 2017
	Non - current		Current	
Balances with banks :				
Balances with scheduled banks in current account	-	-	2,412.31	1,618.20
Cash on hand	-	-	0.08	0.08
Total	-	-	**2,412.39**	**1,618.29**

7 **Other Assets**

Particulars	As at March 31,2018	As at March 31, 2017	As at March 31,2018	As at March 31, 2017
	Non - Current		Current	
Advances recoverable in cash or in Kind				
Considered doubtful	14.81	14.81		
Less: Provision for doubtful debts	14.81	14.81		
	-	-		
Advance taxes (net of provisions)	347.29	201.13	-	-
Advances towards capital expenses	-	0.20	-	-
Capital Advance to GECPL	1,326.94	1,326.95	-	-
Prepaid Expenses			37.50	5.78
Prepaid Upfront Fees	86.12	119.64	33.53	38.15
Service Tax recoverable	-	-	12.67	22.97
Advance paid to creditors	-	-	19.47	-
Total	**1,760.34**	**1,647.92**	**103.16**	**66.90**

The Company signed an EPC contract with Gammon India Limited (Pursuant to Scheme of Arrangements the project has been transferred to Gammon Engineers & Contractors Private Limited from Gammon India Limited vide NCLT order dated March 22, 2017) for construction of the OCT project on December 20, 2008. As required in the contract the Company is required to pay mobilisation advance towards the said contract which is to be recovered progressively from the bills presented by the EPC contractor. The balance amount of the said mobilisation advance to be recovered from Gammon Engineers & Contractors Private Limited stands at 1326.95 lacs (Previous year 1326.95 lacs).

8 **Equity Share Capital**

Particulars	As at March 31,2018	As at March 31, 2017
Authorised Shares:		
March 31, 2018: 12,00,00,000 shares March 31, 2017: 12,00,00,000 shares Rs.10/- each	12,000.00	12,000.00
Issued, Subscribed & Paid-up:		
March 31, 2018: 10,15,66,000 shares March 31, 2017: 10,15,66,000 shares Rs.10/- each	10,156.60	10,156.60

Reconciliation of the equity shares outstanding at the beginning and at the end of the period

Particulars	March 31,2018 Number	March 31,2018 Amount	March 31,2017 Number	March 31,2017 Amount
Balance at beginning of the period	10,15,66,000	10,156.60	10,15,66,000	10,156.60
Issued during the period			-	-
Balance at end of the period	**10,15,66,000**	**10,156.60**	**10,15,66,000**	**10,156.60**

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

i. **Terms/rights attached to equity shares:**

The Company has only one class of shares ie equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

ii. **Details of registered shareholders holding more than 5% equity shares in the Company:**

Shareholders	March 31,2018	March 31,2018	March 31,2017	March 31,2017
Equity shares of Rs 10 each paid up	**Number**	**% of holding**	**Number**	**% of holding**
Gammon India Limited	2,64,07,160	26%	2,64,07,160	26%
Gammon Infrastructure Projects Limited	4,87,51,680	48%	2,43,75,840	24%
Noatum Ports Sociedad Limitada	2,64,07,160	26%	5,07,83,000	50%
Total	**10,15,66,000**	**100%**	**10,15,66,000**	**100%**

In addition to the registered holding described above, Gammon Infrastructure Projects Limited also holds beneficial interest in shares of the Company as described in note 8(iii) below.

On April 6, 2017, the holding company, Gammon Infrastructure Projects Limited has purchased the company's shares from M/s Noatum Ports Sociedad Unipersonal SLU, thus increasing its holding from 50% to 74%. Therefore, GIPL is the holding company from the year ended March 31, 2018.

iii. **Beneficial interest in equity shares held by Gammon Infrastructure Projects Limited from registered share holders:**

Name of registered holder	March 31,2018	March 31,2018	March 31,2017	March 31,2017
	Number	Amount	Number	Amount
Equity shares of Rs 10 each paid up				
Gammon India Limited	2,64,07,160	2,640.72	2,64,07,160	2,640.72
Total	**2,64,07,160**	**2,640.72**	**2,64,07,160**	**2,640.72**

9 **Other Equity**

Name of registered holder	As at March 31, 2018	As at March 31, 2017
i) Retained Earnings	(16,991.31)	(8,342.17)
ii) Capital Contribution		
Inter-Corporate Loan received from GIPL	3,722.47	3,722.47
Balance at the end of the year	**(13,268.84)**	**(4,619.70)**

10 **Provisions**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	Non - current		Current	
Provision for gratuity	8.05	7.92	1.92	0.18
Provision for leave encashment	7.50	6.51	0.62	0.14
Total	**15.55**	**14.43**	**2.54**	**0.31**

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

Disclosure in accordance with Ind AS – 19 "Employee Benefits", of the Companies (Indian Accounting Standards) Rules, 2015.

a) Gratuity:

The company has carried out the actuarial valuation of Gratuity and Leave Encashment liability under actuarial principle, in accordance with Ind AS 19 - Employee Benefits.

Gratuity is a defined benefit plan under which employees who have completed five years or more of service are entitled to gratuity on departure from employment at an amount equivalent to 15 days salary (based on last drawn salary) for each completed year of service restricted to Rs 20 lacs (previous year Rs 10 lacs). The Company's gratuity liability is unfunded.

I The amount recognised in the balance sheet and the movements in the net defined benefit obligation over the year is as follow:

Particulars	**As at March 31, 2018 (Rs.) Gratuity (Un- Funded)**	**As at March 31, 2017 (Rs.) Gratuity (Un- Funded)**
a) Reconciliation of opening and closing balances of Defined benefit Obligation		
Defined Benefit obligation at the beginning of the year	8.10	6.77
Current Service Cost	1.50	1.31
Interest Cost	0.61	0.52
Actuarial (Gain) /Loss	(0.24)	(0.51)
Past employees Service		-
Benefits paid		-
Defined Benefit obligation at the year end	**9.96**	**8.10**
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair Value of plan assets at the beginning of the year	-	-
Expected return on Plan Assets	-	-
Actuarial Gain/ (Loss)	-	-
Employer Contribution	-	-
Benefits Paid	-	-
Fair Value of Plan Assets at the year end	-	-
Actual Return on Plan Assets	-	-
c) Reconciliation of fair value of assets and obligations		
Fair Value of Plan Assets	-	-
Present value of Defined Benefit obligation	9.96	8.10
Liability recognized in Balance Sheet	**9.96**	**8.10**
d) Expenses recognized during the year (Under the head " Employees Benefit Expenses)		
Current Service Cost	1.50	1.31
Interest Cost	0.61	0.52
Expected Rate of return on Plan Assets		-
Past employees Service		-
Actuarial (Gain)/Loss	(0.24)	(0.51)
Net Cost	**1.86**	**1.33**

ii **Actuarial assumptions**

Particulars	**As on March 31, 2018 (Rs.)**	**As on March 31, 2017 (Rs.)**
Mortality Table (LIC)	**Gratuity 2006-08 (Ultimate)**	**Gratuity 2006-08 (Ultimate)**
Discount rate (per annum)	7.75%	7.50%
Expected rate of return on Plan assets (per annum)	NA	NA
Rate of escalation in salary (per annum)	5%	5%
Withdrawal rate:		
- upto age of 34	3%	3%
- upto age of 35-44	2%	2%
- upto age 45 & above	1%	1%
Retirement age	60 years	60 years

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

There is no minimum funding requirement for a gratuity plan in India and there is no compulsion on the part of the company fully or partially pre-fund the liabilities under the plan.Since the liabilities are un funded there is no asset liability matching strategy devised for the plan.

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

III **Sensitivity analysis**

A quantitative Sensitivity analysis for significant assumption as at March 31, 2018

	Discount rate	Salary growth
Change in assumption		
March 31, 2018	1%	1%
March 31, 2017	1%	1%
Increase in assumption		
March 31, 2018	0.78	0.92
March 31, 2017	0.79	0.80
Decrease in assumption		
March 31, 2018	(0.90)	(0.81)
March 31, 2017	(0.68)	(0.70)

11 **Financial Liabilities**

11.1 **Trade Payables**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	Non - current		Current	
Trade Payables				
- Micro, Small and Medium Enterprises	-	-	-	-
- Other	-	-	6,320.14	3,563.54
Total	-	-	**6,320.14**	**3,563.54**

Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

As per the information available with the Company, there are no micro, small, and medium enterprises, as defined in the Micro, Small, and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal or interest.

The above information regarding micro, small, and medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

11.2 **Other Financial Liabilities**

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	Non - current		Current	
Current Maturities of Long Term Borrowings (Refer Notes below)				
Indian rupee term loans from banks			38,095.25	38,095.25
Indian rupee loans from a financial institution			9,616.00	9,616.00
Amounts payable to related parties				
Gammon Infrastructure Projects Limited	-	-	53.98	135.72
Noatum Ports Sociedad Limitada Unipersonal SLU	-	-	47.13	47.13
Interest accrued payable				
Interest payable to related parties:				
Gammon Infrastructure Projects Limited	-	-	0.00	247.50
Others:				
Interest accrued and due to Banks and Financial Institutions	-	-	20,954.62	15,696.64
Staff Liabilities payable	-	-	4.45	3.15
Accrued Expenses			2,899.81	4,613.05
Total	-	-	**71,671.23**	**68,454.44**

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

a) The above term loan is secured by:
i) first mortgage and charge by way of English mortgage on the immovable property, both present and future;
ii) first charge by way of hypothecation on all tangible movable assets, both present and future;
iii) a first floating charge on receivables;
iv) first charge on all intangible assets, both present and future;
v) pledge of equity share of the company aggregating to 16.24% of the paid up and voting equity share capital.

b) The balance term loan is repayable by December, 2024 in quarterly installments. The amount of repayment is determined as a percentage of original loan amount ranging from 0.125% to 3% of the loan in respect of each installment.

c) The interest rate applicable to the Company is the highest of the rates individually determined by each member of the lenders consortium. All lenders determine the interest rate at their respective Bank Prime Lending rate less 100-125 basis points. The interest rate as on the date of these financials was 13.25% p.a. (PY - 13.25% p.a.)

d) During the previous year, the company had taken a stand that repayments made by the company will be allocated first towards interest and then towards principal. Interest accrued during the year ended March 31, 2017 had thus increased by Rs.113.91 lacs.

e) The lenders have charged penal interest of Rs.1664.88 lacs till March 31, 2018, which the company has disputed and not accounted, the same is disclosed under Contingent Liabilities.

f) a) The facility is marked as a Non-Performing Asset (NPA) on December 3, 2013 and the Company is defaulting in repayment of term loan to the banks and financial institutions,
b) Also in the event of the company not winning the rebid proposal, the entire loan has to be repaid immediately.
Therefore the loan is treated as current.

h) As per the License Agreement signed with the client Mumbai Port Trust (MbPT), certain obligations were required to be completed by MbPT at various sites of the project and hand over these partially developed sites to the Company for carrying out further development work. These included capital dredging at the berth pockets, approach channel and turning circle, filling of Princess and Victoria docks, etc. MbPT till date has not completed these activities. Due to this, there has been a long delay in commencing container operations by over 5 years. The continuing delays has resulted in the lenders classifying the asset as a non performing asset. Till date, even though the Company has not drawn the full debt as sanctioned by the consortium of lenders and has not commenced the envisaged container operations, the Company was required to commence repaying the principal amount of loan instalments. Though one of the sponsor's of the Company, GIPL, has infused funds to meet part of the lenders obligations of the Company, the same was not financially sustainable over a long period. This has resulted in the Company defaulting on the payment of loan instalments on the due dates.

i) **Continuing Default Disclosure**
As at March 31, 2018

Name of the Bank	Ageing	Principal*	Interest	Facility
Canara Bank	1 - 90 days	498.75	564.27	Term Loan
Canara Bank	91 - 180 days	333.29	563.32	Term Loan
Canara Bank	181- 365 days	1,069.44	1,086.65	Term Loan
Canara Bank	> 365 days	3,990.00	2,703.58	Term Loan
Punjab National Bank	1 - 90 days	475.00	553.68	Term Loan
Punjab National Bank	91 - 180 days	317.42	552.59	Term Loan
Punjab National Bank	181- 365 days	1,018.51	1,065.37	Term Loan
Punjab National Bank	> 365 days	4,082.03	3,260.10	Term Loan
Central Bank	1 - 90 days	434.63	489.77	Term Loan
Central Bank	91 - 180 days	290.44	488.96	Term Loan
Central Bank	181- 365 days	931.94	943.28	Term Loan
Central Bank	> 365 days	3,477.00	3,014.26	Term Loan
United Bank of India	1 - 90 days	141.56	165.74	Term Loan
United Bank of India	91 - 180 days	94.11	165.40	Term Loan
United Bank of India	181- 365 days	303.32	318.86	Term Loan
United Bank of India	> 365 days	1,215.12	1,099.20	Term Loan
IIFCL	1 - 90 days	75.29	411.24	Term Loan
IIFCL	91 - 180 days	894.12	410.72	Term Loan
IIFCL	181- 365 days	536.47	792.94	Term Loan
IIFCL	> 365 days	3,040.00	2,304.69	Term Loan
		23,218.46	**20,954.62**	

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

As on March 31, 2017

Name of the Bank	Ageing	Principal*	Interest	Facility
Canara Bank	1 - 90 days	592.27	520.52	Term Loan
Canara Bank	91 - 180 days	280.67	519.34	Term Loan
Canara Bank	181- 365 days	900.58	994.91	Term Loan
Canara Bank	> 365 days	2,216.48	1,525.69	Term Loan
Punjab National Bank	1 - 90 days	564.07	509.92	Term Loan
Punjab National Bank	91 - 180 days	267.30	508.64	Term Loan
Punjab National Bank	181- 365 days	857.69	974.17	Term Loan
Punjab National Bank	> 365 days	2,392.97	2,083.14	Term Loan
Central Bank	1 - 90 days	516.12	451.88	Term Loan
Central Bank	91 - 180 days	244.58	450.87	Term Loan
Central Bank	181- 365 days	784.79	863.77	Term Loan
Central Bank	> 365 days	1,931.51	1,994.24	Term Loan
United Bank of India	1 - 90 days	168.10	152.62	Term Loan
United Bank of India	91 - 180 days	79.25	152.23	Term Loan
United Bank of India	181- 365 days	255.43	291.52	Term Loan
United Bank of India	> 365 days	712.34	745.80	Term Loan
IIFCL	1 - 90 days	89.41	380.21	Term Loan
IIFCL	91 - 180 days	752.94	379.48	Term Loan
IIFCL	181- 365 days	451.76	727.35	Term Loan
IIFCL	> 365 days	1,745.88	1,470.33	Term Loan
		15,804.15	15,696.64	

*Due as per the sanctioned repayment schedule of the loan.

During the year, the company has made part payment of interest of Rs.3314.80 lacs against the interest outstanding as on March 31, 2017. The company has not paid any interest accrued and due during the year ended March 31, 2018.

12 Other Non-Financial Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
	Non - current		Current	
Advance from customers			37.66	14.26
Duties & taxes payable			36.54	31.91
Total		-	**74.20**	**46.17**

13 Revenue from operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from Construction	-	460.60
Income from RORO operations and Wharfage charges	4,451.03	3,607.56
Total	**4,451.03**	**4,068.16**

The company has entered into a revenue sharing agreement with Mumbai Port Trust (MbPT) wherein it is required to share 55% of the revenue earned during the year with MbPT and retain the balance 45% of the revenue share. Accordingly, the revenue of 4,451.03 lacs (P.Y. 3,607.56 lacs) booked during the year is after netting out the revenue share of 5,440.14 lacs (P.Y. 4,409.24 lacs) payable to MbPT.

In accordance with the principles in Appendix A to Ind AS 11 relating to accounting for Service Concession Agreements, the company has started recognizing construction revenue in its Statement of Profit & Loss. The construction service being rendered for eventual BPS operations to be carried out by the company itself, the management has recognized the same at cost plus margin

NATVARLAL VEPARI & CO. ★ CHARTERED ACCOUNTANTS ★ Mumbai

Disclosures as required by Appendix B of Ind AS 11 relating to "Service Concession Arrangements: Disclosures"

(a) **Description of the Arrangement along with salient features of the project:**

The Company has signed a License Agreement ('LA') with the Board of Trustees of the Port of the Mumbai ('MbPT') on December 3, 2007 for operation and management including necessary developments, modifications and augmentation of facilities, of the Ballard Pier Station Container Terminal ('BPS') and development, construction, operation and management of an Offshore Container Terminal ('OCT') in the Mumbai harbour to be implemented in accordance with the Major Port Trusts Act, 1963 and the Guidelines for Private Sector Participation through Build, Operate & Transfer (BOT) basis. Pursuant to detailed negotiation with MbPT on the concession agreement for the Offshore Container Terminal, the parties have finally agreed in principal to enter into a settlement agreement between Board of Trustees of MbPT, Company and the lenders. Highlights of the draft supplementary agreement are provided in the para under Corporate Information.

(b) **Obligations of Operations and maintenance**

The Company is required to carry out operations and maintenance on the berth annually with an obligation to carry out Periodic maintenance in terms of the Concession at regular intervals.

(c) **Changes to the Concession during the period**

During the previous year, the Company has finally decided to capitalize the expenditure as intangible asset being the right to operate the berth facility for a fee. This was done pursuant to the ongoing negotiations and discussions around the fact that the project could not be commissioned as per the original plan. The concession period may get revived after the finalization of the Supplementary Agreement.

(d) **Classification of the Concession**

The Company has applied the principles enumerated in Appendix A of Ind AS – 11 titled "Service Concession Arrangement" and has classified the arrangement as a OCT arrangement resulting in recognition of an Intangible Asset. Revenue is recognised during the construction period as revenue from construction services with the corresponding debit to Intangible assets under development. Revenue is recognised on cost plus margin basis.

(e) **Recognition of Construction services revenue and costs:**

The Company has recognised the following Revenue and costs from construction services.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue	-	460.60
Costs	-	456.04
Profit/ margin earned	**-**	**4.56**

14 Other Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income on Financial Asset at amortised cost		
- From GIPL	6.00	6.00
- On Fixed Deposit	0.82	1.36
Sundry Balances written back	0.91	0.44
Profit on Sale of Assets	-	0.04
Miscellaneous Income	0.01	-
Total	**7.75**	**7.84**

15 Construction Cost

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sub-contracting expenses	-	80.40
License fees	-	361.97
Legal and professional expenses	-	-
Other administrative expenses	-	13.67
Total	**-**	**456.04**

16 Personnel Expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, allowances and bonus	107.20	101.10
Contribution to provident fund	6.14	5.56
Other benefits including Gratuity, Leave encashment, superannuation and other funds.	7.22	8.40
Staff welfare expenses	11.07	6.95
Total	**131.63**	**122.01**

NATVARLAL VEPARI & CO. CHARTERED ACCOUNTANTS Mumbai

17 **Finance Cost**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on delayed payment of TDS	-	11.59
Interest on financial liabilities at amortised cost	8,572.78	5,584.93
Total	**8,572.78**	**5,596.52**

18 **Depreciation & Amortization**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation	44.69	41.91
Amortization	3,751.35	2,722.93
Total	**3,796.04**	**2,764.84**

19 **Other Expenses**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Repairs and maintenance	224.91	5.92
Stevedoring charges	55.80	35.90
Operational expenses	11.12	21.81
Vehicle Expenses	8.29	6.95
Insurance expense	17.29	17.50
Safety equipments	0.15	0.10
Business promotion	13.02	-
Electricity expenses	17.15	18.31
Office expenses	22.31	6.55
Printing and stationery	4.10	2.39
House keeping	2.45	2.62
Water charges	6.76	4.87
Security charges	17.64	17.10
Swatchh Bharat cess	7.66	23.63
Communication costs	3.94	5.50
Legal and professional fees	49.73	63.02
Fees to Director	24.00	20.00
Motor car expenses	1.68	1.92
Travelling expenses	12.55	6.42
Bank guarantee charges	32.85	-
Bank charges	0.27	0.14
Recruitment expenses	3.00	-
Loss on discarding/ Sale of asset	0.02	-
Service Tax paid	19.23	-
Sundry balances write off	11.40	-
Remuneration to Auditor:		
Audit fees incl. tax audit	9.50	9.53
Certification and Other services	0.25	4.60
Other Miscellaneous Expenses	-	1.96
Statutory expenses	0.08	0.06
Total	**577.15**	**276.78**

20 **Reconciliation of statutory rate of tax and effective rate of tax:**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current taxes	-	-
Minimum Alternate Tax	-	-
	-	-
Accounting profit before income tax	(8,618.82)	(5,140.19)
At India's statutory income tax rate	30.90%	30.90%
Tax rate as per 115JB	19.06%	19.06%
Tax on above	(2,663.21)	(1,588.32)
Tax on profit as per 115JB	(1,642.32)	(979.46)
Effect of non-deductible expenses	-	2.31
Tax as per MAT	(1,642.32)	(977.16)
Effect of non-deductible expenses	2,721.98	2,584.55
Effect of deductible expenses and set off of losses	(4,426.87)	(5,899.93)
Ind As adjustments	-	-
Unabsorbed business losses b/fd	-	(908.24)
Tax	(4,368.10)	(5,811.93)
Tax Rounded Off	(4,370.00)	(5,810.00)

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

21 **Earnings per share ('EPS')**

Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarized below:

Particulars	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Profit during the year	(8,649.38)	(5,140.19)
Outstanding number of equity shares (Nos.)	10,15,66,000	10,15,66,000
Weighted average number of equity shares in calculated EPS (Nos)	10,15,66,000	10,15,66,000
Nominal value of equity share	10.00	10.00
Basic EPS -(Rs)	(8.52)	(5.06)
Diluted EPS -(Rs)	(8.52)	(5.06)

Reconciliation of weighted number of outstanding during the period:

Particulars	**12 months period ended March 31, 2018 (Rs. In lacs)**	**12 months period ended March 31, 2017 (Rs. In lacs)**
Nominal Value of Equity Shares (Rs per share)	10.00	10.00
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	10,15,66,000	10,15,66,000
Add : Issue of Equity Shares	-	-
Total number of equity shares outstanding at the end of the period	10,15,66,000	10,15,66,000
Weighted average number of equity shares at the end of the period	10,15,66,000	10,15,66,000

Company has not issued any instrument which will dilute the earning belong to equity shareholders, therefore Basic EPS and Diluted EPS both are the same.

22 **Deferred Tax**

The company has not recognized Deferred Tax Asset arising on account of timing difference of losses carried forward under the Income Tax Act, 1961, in the books of accounts because there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax can be realised. As a matter of prudence, the company has not recognized deferred tax asset on such losses. The Company will review the same in future years once the terms of concession agreements are renegotiated.

23 **Capital and other commitments**

Particulars	**As on 31.03.2018 (Rs.)**	**As on 31.03.2017 (Rs.)**
Commitments :		
Capital commitment	46,323.14	46,347.62
	46,323.14	**46,347.62**

24 **Contingent Liabilities**

i) The Board of Trustees of MbPT have allowed alternate use of the OCT for Ro-Ro operations on trial basis with the assumption that the company will charge 1.3 times the rate of MbPT Schedule of Rates (SOR) for alternate use of the OCT berth. The company has however, charged 1.3 times for berth hire charges and the wharfage is being charged as per MbPT SOR. The contingent liability on account of these wharfage charges is Rs.2,929.24 lacs (Previous Year: 1,610.87 lacs)

ii) Lease rentals payable to MbPT during the year are Rs. 976.56 lacs (Previous year Rs.492.15 lacs) have not been provided based on the draft supplementary agreement being entered into by the Company with MbPT and the lenders

iii) During the year, Service Tax Audit was conducted by the Service Tax Department. Total demand of Rs239.29 lacs was raised. The company has paid Rs.25.45 lacs. The assessment is under process and accordingly there is a contingent liability on account of the balance demand of Rs.87.20 lacs.

iv) Erroneous debits changed by the lenders on account of penal interest amounts to Rs.1664.88 lacs till March 31, 2018, which the company has disputed and not accounted.

25 **Disclosure in accordance with Ind AS – 17 "Leases", of the Companies (Indian Accounting Standards) Rules, 2015.**

Operating Lease:

The Company has taken offices premises under leave and license agreements. It is under 3 years leave and license basis. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognized in the Statement of Profit and Loss under Rent account.

26 **Disclosure in accordance with Ind AS – 108 "Operating Segments", of the Companies (Indian Accounting Standards) Rules, 2015.**

The Company's operations comprise only a single business and geographical segment, namely the port services in Maharashtra, India as per Ind AS 108, hence no segment disclosure is required.

No Single customer contributed for more than 10% of revenue.

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

27 **Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies (Indian Accounting Standards) Rules,**

a) **Names of the related parties and related party relationships**
Related parties where control exists :

1. Gammon India Limited, joint venture partner upto September 7, 2017
2. Gammon Infrastructure Projects Limited, joint venture partner (upto 05.04.2017)
3. Gammon Infrastructure Projects Limited, Holding Company (w.e.f. 06.04.2017)
4. Noatum Ports Sociedad Limitada Unipersonal SLU, joint venture partner

b) **Related party transactions and outstanding balance**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year and the outstanding balances at year end:

i)

EPC and other costs		**Transactions during the year**		**Closing Balance**	
Related party	**Year Ended**	**Contract expenses**	**Reimbursement of expenses**	**Mobilization Advances Given**	**Amount Payable**
Gammon India Limited	March 31, 2018	-	-	-	-
	March 31, 2017	(61.99)	34.13	(1,326.95)	(1,118.45)
Gammon Infrastructure Projects Limited	March 31, 2018	-	81.74	-	53.98
	March 31, 2017	-	(144.19)	-	(135.72)
Noatum Ports Sociedad Limitada Unipersonal SLU	March 31, 2018	-	-	-	47.13
	March 31, 2017	-	-	-	(47.13)

ii)

Deposits Given **Related Party**	**Year ended**	**Interest Income during the year**	**Total Deposit and interest outstanding**
Gammon Infrastructure Projects Limited	March 31, 2018	6.00	100.00
	March 31, 2017	(6.00)	(142.22)
Gammon India Limited	March 31, 2018	-	-
	March 31, 2017	-	(11.90)

iii)

Borrowings - Related Party	**Year ended**	**Loan Taken during the year**	**Loan Repaid during the year**	**Interest Expense during the year**	**Total Loan and Interest outstanding**
Gammon Infrastructure Projects Limited	March 31, 2018	-	-	-	3,722.47
	March 31, 2017	-	-	-	(3,722.47)

iv) **Interest Expense**

Related party	**Year ended**	**Payment during the year**	**Outstanding Balance payable**
Gammon Infrastructure Projects Limited	March 31, 2018	247.50	-
	March 31, 2017	-	(247.50)

v) Guarantee Given by Gammon Infrastructure Projects Limited on behalf of the company

Related party	**Year ended**	**Amt (Rs.)**
Gammon Infrastructure Projects Limited	March 31, 2018	3,576
	March 31, 2017	(3,576)

All the above transactions are made on terms equivalent to those that prevail in arm's length transactions.

28 **Derivative Instruments and Unhedged Foreign Currency Exposure**

There are no derivative instruments outstanding as on March 31, 2018 and as on March 31, 2017. The Company has no foreign currency exposure towards liability outstanding as on March 31, 2018 and as on March 31, 2017.

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai

29 Significant Accounting judgements, estimates & assumptions

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods .

Judgements
In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements.

Taxes
Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)
The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. For plans operated outside India, the management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is currently evaluating the requirements of the amendment and has not yet determined the impact on the financial statements.

30 Financial Instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2018 & March 31, 2017 is as follows:

Particulars	Carrying value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Financial Assets				
Amortized Cost				
Loans and advances	105.20	105.19	105.20	105.19
Trade receivables	685.86	503.79	685.86	503.79
Cash and bank balances	2,412.39	1,618.29	2,412.39	1,618.29
Others	41.00	82.51	41.00	82.51
Financial Liabilities				
Amortized cost				
Long term borrowings	-	-	-	-
Short term borrowings	-	-	-	-
Trade payable	6,320.14	3,563.54	6,320.14	3,563.54
Others	71,671.23	68,454.44	71,671.23	68,454.44

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

31 Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – 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)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

NATVARLAL VEPARI & CO. Mumbai

i) Recognised and measure at fair value

The Company has not recognised any financial instrument as on March 31, 2018 & March 31, 2017 at fair value.

ii) Measure at amortized cost for which fair value is disclosed.

The Company has determined fair value of all its financial instruments measured at amortized cost by using Level 3 inputs.

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

i) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

ii) The fair value of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

32 Financial risk management objectives and policies

Financial risk factors

The Company's activities are exposed to a variety of financial risks: credit risk, liquidity risk, and interest rate risk, regulatory risk and business risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market Risk

Business/ Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Objective of market risk management is to manage and limit exposure of the Company's earnings and equity to losses

The company is exposed to cargo volume risk from its port operations and it has to compete with other operators of MBPT. The timely conclusion of the concession and second supplementary agreement in favour of the company in a major risk faced by the company

Exchange risk

Since the operations of the company are within the country, the company is not exposed to any exchange risk directly. The company also does not take any foreign currency borrowings to fund its project and therefore the exposure directly to exchange rate changes is minimal.

However there are indirect effects on account of exchange risk changes, as the price of bitumen, which is a by-product of the crude, is dependent upon the landed price of crude in the country.

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 and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its obligations associated with its functional liabilities that are settled by delivering cash or another financial asset as they fall due. The company is exposed to this risk from its operating and financing activities. 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.

The company is already a NPA with the lenders and is in the process of negotiating the terms after securing the re-bid from MbPT.

Interest Rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates relates primarily to the company's long term and short term debt obligations.

Particulars	Increase/ Decrease in basis points	Effects on Profit before tax.
		(Rs in Lacs)
March 31, 2018	+100	(477.11)
	-100	477.11
March 31, 2017		
	+100	(477.11)
	-100	477.11

NATVARLAL VEPARI & CO. Mumbai CHARTERED ACCOUNTANTS

33 **Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

Particulars	As on March 31, 2018 (Rs.)	As on March 31, 2017 (Rs.)
Long term borrowings including ICD	47,711.25	47,711.25
Less: cash and cash equivalents	2,412.39	1,618.29
Net debt	45,298.86	46,092.97
Equity including reserve	(3,112.24)	5,536.90
Capital and net debt	42,186.62	51,629.87
Gearing ratio	107%	89%

34 **Going concern assumptions**

Attention is invited to the para under Corporate Information where the status of the Project, draft settlement agreement between the Mumbai Port Trust (MbPT), the Lenders and the Company are detailed. The credit facility with the Banks has been marked as Non-Performing Asset (NPA) by the Lenders.

The Company as detailed in the aforementioned note has the Right of First Refusal (ROFR) within a pre-defined margin.

In case, the Company does not win the re-bid, the successful bidder will take over the Project.

a. The new bidder will pay a consideration of Rs. 568 crores as an "upfront amount" to the company which would be parked in an escrow account. Out of the said escrow account, agreed amount of Rs. 477.11 crores will be repaid to the Lenders of the Company as full and final settlement towards the outstanding loan liabilities.

b. Both the parties will be entitled to arbitration proceedings with a maximum cap of Rs.125 crores award. The Management is hopeful of winning the arbitration considering the manner in which the Project has progressed and for reasons beyond the control of the Management.

c. Out of the arbitration proceeds received, maximum of 20% share will be required to be paid to the Lenders.

d. The balance amount will be available to the Company.

e. From the aforesaid net surplus, the Company will be able to discharge its obligations satisfactorily and also return the invested capital to the Holding Company before applying for liquidation.

In such an event, the Company will not be in a position to continue any business and will be wound up.

There are significant uncertainties attached to the process of re-bid which ultimately has an impact on the going concern assumption of the company. The Management is hopeful that the Project would be awarded to the company after the re-bid with the right of first refusal in its favour. As per management's estimate the Project would be viable as per terms of the proposed settlement agreement.

35 The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2018.

36 Previous year figures are regrouped / re-classified wherever necessary.

As per our report of even date attached
For Natvarlal Vepari & Co
Chartered Accountants
Firm Registration No. 106971W

Ruchi Tamhankar
Partner
M.No. 136667

Place: Mumbai
Date: May 29, 2018

For and on behalf of the Board of Directors
Indira Container Terminal Private Limited

Kishor Ragam
Director
DIN: 00344011

Place: Mumbai
Date: May 29, 2018

Poonam Sabnis
Director
DIN: 07706230

Place: Mumbai
Date: May 29, 2018

NATVARLAL VEPARI & CO. * CHARTERED ACCOUNTANTS * Mumbai