

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TM HARBOUR SERVICES PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **TM HARBOUR SERVICES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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



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relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements


1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the 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.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) 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:



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- i. The Company has disclosed the impact of pending litigations on its financial position in financial statements - Refer Note 22 (b) to the 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 302009E)



Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

KOLKATA, 16 April, 2015

ANNEXURE TO THE AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's business/activities/result clauses (iii), (v), (vi) and (viii) of paragraph 3 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the management in accordance with a regular program of verification, which, in our opinion, provides for physical verification of all the fixed assets at regular intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (iii) In respect of its inventories:
 - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit we have not observed any major weaknesses in the internal control system.
- (v) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed dues, including Income-tax, Service Tax, duty of Customs, Duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Income tax, Service tax, Duty of Customs, Duty of Excise and Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable



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- (b) There were no dues of Income tax, Service tax, Duty of Customs, Duty of Excise, Value and cess which have not been deposited as at March 31, 2015 on account of any dispute
- (c) There were no amount which were required to be transferred to investor education an protection fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules made thereunder.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks or financial institutions.
- (vii) In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (viii) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loan have been applied by the Company during the year for the purposes for which they were obtained.
- (ix) To best of our knowledge an according to the information and explanations given to us, no fraud by the Company and no fraud on the Company was noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 302009E)



Abhijit Bandyopadhyay
Partner
Membership No. 054785

KOLKATA, 16 April, 2015

TM Harbour Services Private Limited
Balance Sheet as at 31st March, 2015


| | Note No | As at 31st March 2015 ₹ | As at 31st March 2014 ₹ |
|------------------------------------|---------|----------------------------|----------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 2 | 576,921,550 | 346,152,930 |
| (b) Reserves and Surplus | 3 | 407,954,781 | 219,904,149 |
| | | 984,876,331 | 566,057,079 |
| (2) Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 4 | - | 349,326,286 |
| (b) Long-Term Provisions | 5 | 456,020 | 356,804 |
| | | 456,020 | 349,683,090 |
| (3) Current Liabilities | | | |
| (a) Trade Payables | 6 | 12,880,638 | 6,730,028 |
| (b) Other Current Liabilities | 7 | 1,132,579 | 92,650,195 |
| (c) Short-Term Provisions | 8 | 7,670 | 6,830 |
| | | 14,020,887 | 99,387,053 |
| Total | | 999,353,238 | 1,015,127,222 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | 9 | 739,056,806 | 827,428,631 |
| (b) Long-term Loans and Advances | 10 | 48,158,683 | 33,381,265 |
| | | 787,215,489 | 860,809,896 |
| (2) Current Assets | | | |
| (a) Current Investments | 11 | 146,827,006 | 77,568,625 |
| (b) Inventories | 12 | 15,662,303 | 14,888,843 |
| (c) Trade Receivables | 13 | 26,110,429 | 23,419,834 |
| (d) Cash and Bank Balances | 14 | 6,567,908 | 7,579,188 |
| (e) Short-Term Loans and Advances | 15 | 16,970,103 | 30,860,836 |
| | | 212,137,749 | 154,317,326 |
| Total | | 999,353,238 | 1,015,127,222 |

See accompanying notes forming part of the financials statements

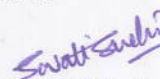
In terms of our report attached

For and on behalf of Board of Directors


For Deloitte Haskins & Sells
Chartered Accountants


Abhijit Bandyopadhyay
Partner




Swati Sheth
Asst. Company Secretary




Anand Chand
Chief Financial Officer


R N Murthy
Managing Director

Capt. S R Patnaik
Director

Kolkata, 16 April, 2015

Kolkata, 16th April, 2015

TM Harbour Services Private Limited
Statement of Profit & Loss for year ended 31st March, 2015


| | Note No | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|--|---------|--|--|
| | | ₹ | ₹ |
| I. Revenue From Operations | 16 | 278,120,633 | 270,082,045 |
| II. Other Income | 17 | 15,857,379 | 9,745,405 |
| III. Total Revenue (I +II) | | 293,978,012 | 279,827,450 |
| IV. Expenses: | | | |
| (a) Operational expenses | 18 | 42,158,736 | 30,318,250 |
| (b) Employee benefits expense | 19 | 6,397,905 | 7,445,323 |
| (c) Financial costs | 20 | 29,931,895 | 56,422,426 |
| (d) Depreciation expense | 9 | 88,516,717 | 79,030,102 |
| (e) Other expenses | 21 | 51,404,547 | 18,314,442 |
| Total Expenses | | 218,409,800 | 191,530,543 |
| V. Profit Before Tax (III - IV) | | 75,568,212 | 88,296,907 |
| VI. Tax Expense: | | 2,901,890 | 1,459,200 |
| Current tax | | 2,901,890 | 1,459,200 |
| VII. Profit For The Year (V - VI) | | 72,666,322 | 86,837,707 |
| VIII. Earning Per Equity Share: | 29 | | |
| (1) Basic | | 1.73 | 2.51 |
| (2) Diluted | | 1.73 | 2.51 |

See accompanying notes forming part of the financial statements


In terms of our report attached

For and on behalf of Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants


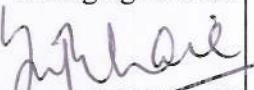

Abhijit Bandyopadhyay
Partner




Swati Sheth
Asst. Company Secretary




Anand Chand
Chief Financial Officer


R N Murthy
Managing Director

Capt. S R Patnaik
Director

Kolkata, 16 April, 2015

Kolkata, 16th April, 2015


TM Harbour Services Private Limited
Cash Flow Statement for year ended 31st March, 2015

| | For the year ended | For the year ended |
|---|--------------------|--------------------|
| | 31st March, 2015 | 31st March, 2014 |
| | ₹ | ₹ |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit Before Tax | 75,568,212 | 88,296,907 |
| Adjustments for: | | |
| Depreciation | 88,516,717 | 79,030,102 |
| Profit on Sale of current investments (net) | (943,166) | (2,286,687) |
| Interest income | (9,213,696) | (4,501,836) |
| Loss on Assets discarded | 11,703 | 69,221 |
| Interest expense | 29,931,895 | 56,422,426 |
| Provision for Diminution in value of Investments | - | - |
| Dividend income | (5,677,017) | (2,919,522) |
| Operating profit before Working Capital changes | 178,194,648 | 214,110,611 |
| Changes in Working Capital: | | |
| Adjustments for (increase) / decrease in Operating Assets: | | |
| (Increase)/Decrease in Inventories | (773,460) | (6,727,756) |
| (Increase) /Decrease in Trade receivables | (2,690,595) | 24,474,628 |
| (Increase)/Decrease in Short term loans & advances | (1,109,267) | 553,210 |
| (Increase)/Decrease in Long term loans & advances | 15,000 | (15,000) |
| Adjustments for Increase/ (Decrease) in Operating Liabilities: | | |
| Increase/ (Decrease) in Trade payables | 6,150,610 | (808,131) |
| Increase/(Decrease) in Other current liabilities | 605,602 | (148,405) |
| Increase/(Decrease) in Short term provisions | 840 | 1,550 |
| Increase/(Decrease) in Long term provisions | 99,216 | 130,434 |
| Cash generated from Operations | 180,492,594 | 231,571,141 |
| Direct taxes paid (net of Income tax refund) | (7,694,308) | (5,267,210) |
| Net Cash from Operating Activities | 172,798,286 | 226,303,931 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (156,595) | (139,845) |
| Loan given to intermediate holding company | - | (30,000,000) |
| Loan realised from Intermediate holding company | 5,000,000 | 10,000,000 |
| (Purchase)/Sale of current investments(Net) | (68,315,215) | (17,106,424) |
| Dividend income | 5,677,017 | 2,919,522 |
| Interest received | 9,213,696 | 4,501,836 |
| Net Cash used in Investing Activities | (48,581,097) | (29,824,911) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of Equity Shares | 346,152,930 | - |
| Repayment of long term borrowings - Term loan | (331,620,419) | (124,165,846) |
| Repayment of long term borrowings - Unsecured loan | (106,000,000) | (13,518,072) |
| Interest paid | (33,760,980) | (57,733,683) |
| Net Cash used in Financing Activities | (125,228,469) | (195,417,601) |
| Net increase/(decrease) in Cash & Cash equivalents(A+B+C) | (1,011,280) | 1,061,419 |
| Cash and Cash equivalents at the beginning of the year | 7,579,188 | 6,517,769 |
| Cash and Cash equivalents at the end of the year | 6,567,908 | 7,579,188 |

Additional notes to cash flow statement:

1. Figures in brackets indicate outflows.
2. Cash and Cash equivalents represent Cash and Bank balances (Refer Note 14)
3. Previous year figures have been regrouped/restated wherever necessary.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants


Abhijit Bandyopadhyay
Partner





Swati Sheth
Asst. Company Secretary

For and on behalf of the Board of Directors




Anand Chand
Chief Financial Officer

R N Murthy
Managing Director

Capt. S R Patnaik
Director

Kolkata, 16 April, 2015

Kolkata, 16 April, 2015

TM Harbour Services Private Limited
Notes forming part of the financials statements

1. ACCOUNTING POLICIES:

(a) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amount of income & expenses for the period presented. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. During the current year, the Company has revised its estimates of useful life of its fixed assets as prescribed in Part C of Schedule II of the Companies Act, 2013.

(c) Revenue Recognition

i.) Sale of Services

Income from Services is recognised on completion of the relevant shipping activities and related service.

ii.) Dividend and Interest Income

Dividend income is recognised when the Company's right to receive Dividend is established. Interest Income is recognised on accrual basis, based on Interest rate implicit in the transaction.

(d) Tangible Assets

Tangible assets are valued at cost less depreciation and net of impairment, if any. The cost of an item of tangible asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Interest on borrowings used to finance the construction of tangible assets are capitalised as part of the cost of the assets until such time that the asset is ready for its intended use.

(e) Borrowing Cost

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets . A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing cost are recognised as an expense in the period in which they are incurred.

(f) Depreciation

Depreciable amount of an asset is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets. During the current period , the Company has revised its estimates of useful life of its fixed assets as prescribed in Part C of Schedule II of the Companies Act, 2013 except for certain assets for which different useful life has been considered.

The details of estimated life for each category of assets are as under:

| Type of Asset | Estimated life |
|------------------------|----------------|
| Ships ⁽¹⁾ | 10 - 14 years |
| Plant and Equipment | 10 years |
| Office Equipment | 5 years |
| Furniture and Fixtures | 10 years |
| Vehicles | 10 years |
| Computers | 3 years |

⁽¹⁾ During the current year the company has componentised its fixed assets considering the cost of the component being significant to the total cost of the asset and having different useful life. Accordingly few components of ship have been identified having useful life other than those prescribed in part C of Schedule II of the Companies Act 2013, whose useful life have been derived based on technical advise taking into account the nature of the assets, the estimated uses of the assets, the oprating condition of the asset, past history of replacement, antipated technological changes, manufacturing warranties, maintenace support etc.



TM Harbour Services Private Limited
Notes forming part of the condensed financial statements

(g) Investments

Long term investments are carried at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment. Current investments are carried at lower of cost or fair value.

(h) Inventories

Inventories comprising of stores and spares are carried at or below cost. Necessary provision is made and charged to revenue in case of identified obsolete and non-moving items. Cost of Inventories is generally ascertained on "weighted average" basis.

(i) Foreign Exchange Transactions

Foreign Currency transactions are recorded on initial recognition in the reporting currency i.e. Indian rupees, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in currencies other than the reporting currency are remeasured at the rates of exchange prevailing at the balance sheet date. Exchange difference arising on the settlement of monetary items, and on the re measurement of monetary items, are included in the statement of profit and loss. In respect of foreign exchange contracts, premium/discount is amortised over the period of contract.

(j) Provision

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

(k) Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of notes to the accounts.

(l) Employee Benefits

Short Term Employee Benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the period in which the related service is rendered.

Defined Benefit Plans

The Company provides Gratuity and Leave Encashment benefits to its employees. Gratuity liabilities are funded through a separate trust, funds of which are managed by Life Insurance Corporation of India. The liability towards leave encashment is not funded. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per the requirement of Accounting Standards 15 - Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in the statement of Profit and Loss in full in the period in which they occur.

(m) Taxes on Income

Current tax is calculated on the taxable income as determined in accordance with the applicable tax rates and the provisions of Income Tax Act, 1961 and other applicable tax laws.

To make the Indian Shipping Industry more competitive a tonnage tax scheme (the Scheme) for taxation of shipping profit has been introduced in the Income Tax Act, 1961. A company owning at least one qualifying ship may join the scheme. The company has opted for Tonnage Tax scheme. Order approving Tonnage Tax Scheme has been issued by Income Tax Department. It is a scheme of presumptive taxation whereby the notional income arising from the operation of ship is determined based on the tonnage of the ship which is taxed at the normal rate applicable for the year.

Pursuant to introduction of section 115VA under the Income Tax Act, 1961, the company has opted for computation of its income from shipping activities under the tonnage tax scheme. Thus, income from the business of operating qualifying ships is assessed on the basis of deemed tonnage income of the company and no deferred tax is applicable to such income as there are no timing differences.

(n) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. The estimated future cash flows considered for determining the value in use, are discounted to their present value at the weighted average cost of capital

(o) Dry dock expenditure

Dry-dock expenditure is recognized in the Statement of Profit and Loss on completion of dry-dock.



TM Harbour Services Private Limited
Notes forming part of the financials statements

| 2: SHARE CAPITAL | As at 31st March, 2015 ₹ | As at 31st March, 2014 ₹ |
|--|--------------------------------|--------------------------------|
| I Authorised | | |
| 80,000,000 Equity Shares of ₹ 10/- each (31.03.2014: 40,000,000 Equity Shares of ₹ 10/- each) | 800,000,000 | 400,000,000 |
| II Issued, Subscribed and Paid-up | | |
| 57,692,155 Equity Shares of ₹ 10/- each (31.03.2014: 34,615,293 Equity Shares of ₹ 10/- each) | 576,921,550 | 346,152,930 |
| | 576,921,550 | 346,152,930 |

| III Reconciliation of shares | No. of shares | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2015 | As at 31st March, 2014 |
| Equity Shares of ₹ 10/- each | | |
| Opening balance at beginning of the year | 34,615,293 | 34,615,293 |
| Shares allotted during the year | 23,076,862 | - |
| Closing Balance at end of the year | 57,692,155 | 34,615,293 |

| IV Details of shareholders holding more than 5% of outstanding shares | | | |
|---|-------|---------------------------|---------------------------|
| Details of Shareholder | % | As at 31st March, 2015 | As at 31st March, 2014 |
| | | No. of eq. shares | No. of eq. shares |
| TKM Global GmbH, Germany | 74.18 | 42,798,820 | 25,679,292 |
| International Shipping & Logistics FZE, Dubai | 25.82 | 14,893,335 | 8,936,001 |
| | | 57,692,155 | 34,615,293 |

The Company issued 23,076,862 Ordinary Shares of Rs. 10 each at a premium of Rs. 5 per share, to the existing equity shareholders of the Company on a rights basis in the ratio of 2:3 as on the record date i.e. 24th November, 2014.

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

| 3: RESERVES & SURPLUS | As at 31st March, 2015 ₹ | As at 31st March, 2014 ₹ |
|--|--------------------------------|--------------------------------|
| 1 RESERVES | | |
| (i) Tonnage Tax Reserve u/s 115 VT of the Income Tax Act, 1961 (To be utilised only for the purposes specified therein) | | |
| Balance at the commencement of the year | 45,581,000 | 29,581,000 |
| Add: Transfer from Statement of Profit & Loss | 12,000,000 | 16,000,000 |
| Closing Balance | 57,581,000 | 45,581,000 |
| (ii) Securities Premium Reserve | | |
| Balance at the commencement of the year | - | - |
| Add: Premium on issue of shares during the year | 115,384,310 | - |
| Closing Balance | 115,384,310 | - |
| 2 SURPLUS | | |
| Statement of Profit & Loss | | |
| Balance at the commencement of the year | 174,323,149 | 103,485,442 |
| Add: Profit for the year | 72,666,322 | 86,837,707 |
| Less: Transfer to Tonnage Tax Reserve account | 12,000,000 | 16,000,000 |
| Closing Balance | 234,989,471 | 174,323,149 |
| | 407,954,781 | 219,904,149 |



TM Harbour Services Private Limited

Notes forming part of the financials statements

| 4: LONG TERM BORROWINGS | As at 31st March, 2015 ₹ | As at 31st March, 2014 ₹ |
|---|--------------------------------|--------------------------------|
| <p><u>SECURED</u></p> <p>Term Loan HDFC Bank Limited (Secured by way of hypothecation of assets financed and by way of first charge on all present and future goods and book debts)</p> <p>The repayment of Term Loan commenced from FY 2011-12 which was repayable in quarterly instalments over a period of 9 years starting from June, 2011. The entire outstanding amount has been repaid on 5th December 2014.</p> | - | 259,808,214 |
| <p><u>UNSECURED</u></p> <p>Loans from Related Party Intermediate Holding Company- TM International Logistics Limited</p> <p>The repayment of loan commenced from FY 2011-12 which was repayable in quarterly instalments over a period of 9 years starting from June, 2011. The entire outstanding amount has been repaid on 12th December 2014.</p> | - | 89,518,072 |
| | - | 349,326,286 |
| 5. LONG TERM PROVISIONS | As at 31st March, 2015 ₹ | As at 31st March, 2014 ₹ |
| Provision for employee benefits | | |
| - Post Retirement Benefits | - | 48,944 |
| - Other Long Term Employee Benefits | 456,020 | 307,860 |
| | 456,020 | 356,804 |
| 6. TRADE PAYABLES | As at 31st March, 2015 ₹ | As at 31st March, 2014 ₹ |
| Creditors for supplies and services | 11,686,340 | 5,457,528 |
| Creditors for accrued wages and salaries | 1,194,298 | 1,272,500 |
| | 12,880,638 | 6,730,028 |
| 7. OTHER CURRENT LIABILITIES | As at 31st March, 2015 ₹ | As at 31st March, 2014 ₹ |
| Current maturities of long-term debt (Refer note 4 for details of securities) | - | 88,294,133 |
| Interest accrued but not due on borrowings | - | 3,829,085 |
| Other payables | | |
| (i) Statutory Dues | 890,392 | 284,790 |
| (ii) Payable on purchase of fixed assets | 242,187 | 242,187 |
| | 1,132,579 | 92,650,195 |
| 8. SHORT TERM PROVISIONS | As at 31st March, 2015 ₹ | As at 31st March, 2014 ₹ |
| Provision for employee benefits - Other Long Term Employee Benefits | 7,670 | 6,830 |
| | 7,670 | 6,830 |



T.M Harbour Services Private Limited

Notes forming part of the financials statements

9: TANGIBLE ASSETS :-

| PARTICULARS | GROSS BLOCK (AT COST) | | | | DEPRECIATION | | | | NET BLOCK |
|--------------------------|---|-----------------------------|---------------------------|---|-------------------------------------|-----------------------------------|---------------------------|-------------------------------------|-------------------------------------|
| | AS AT 1ST APRIL 2014 | ADDITIONS | DELETIONS | AS AT 31ST MARCH 2015 | AS AT 1ST APRIL 2014 | FOR THE YEAR | DELETIONS | AS AT 31ST MARCH 2015 | |
| - Ships | 1,126,656,353 (1,126,656,353) | - | - | 1,126,656,353 (1,126,656,353) | 300,079,677 (221,213,734) | 88,333,640 (78,865,943) | - | 388,413,317 (300,079,677) | 738,243,036 (826,576,676) |
| - Plant and Equipment | 767,155 (746,973) | 116,475 (87,990) | - | 883,630 (767,155) | 124,803 (53,707) | 84,215 (79,519) | - | 209,018 (124,803) | 674,612 (642,352) |
| - Furniture and Fixtures | 55,254 (49,254) | 24,120 (6,000) | - | 79,374 (55,254) | 12,989 (9,801) | 7,381 (3,188) | - | 20,370 (12,989) | 59,004 (42,265) |
| - Vehicle | 51,646 (51,646) | - | - | 51,646 (51,646) | 26,855 (16,526) | 3,311 (10,329) | - | 30,166 (26,855) | 21,480 (24,791) |
| - Office Equipment | 312,105 (284,250) | 16,000 (45,855) | 37,700 (18,000) | 290,405 (312,105) | 169,558 (106,599) | 88,170 (71,123) | 25,997 (8,164) | 231,731 (169,558) | 58,674 (142,547) |
| TOTAL | 1,127,842,513 (1,127,788,476) | 156,595 (139,845) | 37,700 (85,808) | 1,127,961,408 (1,127,842,513) | 300,413,882 (221,400,367) | 88,516,717 (79,030,102) | 25,997 (16,587) | 388,904,602 (300,413,882) | 739,056,806 (827,428,631) |
| Previous Year | | | | | | | | | |

Figures in brackets relate to previous year comparatives



TM Harbour Services Private Limited
Notes forming part of the financial statements

| 10. LONG TERM LOANS AND ADVANCES | As at 31st March, 2015 ₹ | As at 31st March, 2014 ₹ |
|--|--------------------------------|--------------------------------|
| Advance payment of Income Tax [Net of Provisions : ₹6,979,341 (31.03.2014 ₹ 4,077,450)] | 14,845,323 | 10,052,905 |
| Taxes paid under protest (Refer Note 22(b)) | 3,267,110 | 3,267,110 |
| Loans and advances to Related party (Unsecured, Considered Good) -Intermediate Holding Company- TKM Global Logistics Ltd. | 30,000,000 | 20,000,000 |
| Security deposits | 25,000 | 25,000 |
| Other advances | 21,250 | 36,250 |
| | 48,158,683 | 33,381,265 |

| 11. CURRENT INVESTMENTS | As at 31st March, 2015 ₹ | As at 31st March, 2014 ₹ |
|---|--------------------------------|--------------------------------|
| Investments in Units of Mutual Funds (Unquoted) - At lower of cost and fair value In units of ₹ 1,000/- each | | |
| Tata Liquid Fund - Plan A Daily Dividend 18,865 (31.03.2014: NIL) Units | 21,025,843 | - |
| SBI Magnum Instacash Fund - Regular Plan- Daily Dividend 14,557 (31.03.2014: NIL) Units | 24,382,722 | - |
| SBI Magnum Instacash Fund - Direct Plan- Daily Dividend 0,033 (31.03.2014: NIL) Units | 56 | |
| SBI Magnum Instacash Fund Liquid Floater - Direct- Daily Dividend NIL (31.03.2014: 5,963) Units | - | 6,021,867 |
| UTI Money Market Fund - Institutional Plan - Daily Dividend Reinvestment 20,662 (31.03.2014: NIL) Units | 20,731,996 | - |
| In units of ₹ 10/- each | | |
| Sundaram Money Fund - Regular - Daily Dividend 2,190,038 (31.03.2014: NIL) Units | 22,109,090 | - |
| JPMorgan India Treasury Fund - Direct Plan Daily Dividend Reinvestment NIL (31.03.2014: 1,929,410) Units | - | 19,366,567 |
| JPMorgan India Treasury Fund - Super Institutional Daily Dividend Reinvestment 3,136,911 (31.03.2014: NIL) Units | 31,397,108 | - |
| DSP Black Rock Income Opportunities Fund - Regular Plan - Growth 1,590,871 (31.03.2014: 1,590,871) Units | 27,180,191 | 27,180,191 |
| DSP Blackrock Bond Fund - Direct Plan - Growth NIL (31.03.2014: 655,056) Units | - | 25,000,000 |
| | 146,827,006 | 77,568,625 |

| 12. INVENTORIES | As at 31st March, 2015 ₹ | As at 31st March, 2014 ₹ |
|-------------------------------------|--------------------------------|--------------------------------|
| Inventory - at or below cost | | |
| - Stores and Spares | 15,662,303 | 14,888,843 |
| | 15,662,303 | 14,888,843 |



TM Harbour Services Private Limited
Notes forming part of the financials statements

| 13. TRADE RECEIVABLES | As at 31st March, 2015 ₹ | As at 31st March, 2014 ₹ |
|---|--------------------------------|--------------------------------|
| Trade Receivable | | |
| (i) Debts outstanding for a period exceeding six months | - | 49,000 |
| (ii) Other Debts | 26,110,429 | 23,419,834 |
| | 26,110,429 | 23,468,834 |
| Less : Provision for Doubtful Debts | | |
| (i) For a period exceeding six months | - | 49,000 |
| (ii) Other Debts | - | - |
| | 26,110,429 | 23,419,834 |
| Secured considered good | - | - |
| Unsecured considered good | 26,110,429 | 23,419,834 |
| Doubtful | - | 49,000 |

| 14. CASH AND BANK BALANCES | As at 31st March, 2015 ₹ | As at 31st March, 2014 ₹ |
|----------------------------------|--------------------------------|--------------------------------|
| Cash and Cash Equivalents | | |
| Balances with Banks | 6,565,910 | 7,577,630 |
| Cash on hand | 1,998 | 1,558 |
| | 6,567,908 | 7,579,188 |

The above cash and bank balance does not include investment in liquid funds amounting to ₹ 146,827,006 (31.03.14 ₹ 46,546,758)

| 15. SHORT TERM LOANS & ADVANCES | As at 31st March, 2015 ₹ | As at 31st March, 2014 ₹ |
|--|--------------------------------|--------------------------------|
| Loans and advances to Related party | | |
| -Intermediate Holding Company- TKM Global Logistics Ltd. | 15,000,000 | 30,000,000 |
| Balances with Excise/Service Tax authorities | 1,681,049 | 479,723 |
| Other advances | 289,054 | 381,113 |
| | 16,970,103 | 30,860,836 |
| Secured, considered good | - | - |
| Unsecured, considered good | 16,970,103 | 30,860,836 |



TM Harbour Services Private Limited
Notes forming part of the financials statements

| 16. REVENUE FROM OPERATIONS | For the year ended 31st March, 2015 ₹ | For the year ended 31st March, 2014 ₹ |
|--|--|--|
| Income from Port related services [Net of Service tax of ₹ 34,375,710 (Previous year ₹ 33,382,141)] [Tax deducted at Source ₹ 6,249,922 (Previous year ₹ 6,508,784)] | 278,120,633 | 270,082,045 |
| | 278,120,633 | 270,082,045 |

| 17. OTHER INCOME | For the year ended 31st March, 2015 ₹ | For the year ended 31st March, 2014 ₹ |
|---|--|--|
| Dividend on Investments | 5,677,017 | 2,919,522 |
| Interest income from Loans and Advances [Tax deducted at Source ₹ 516,227 (Previous year ₹ 414,706)] | 5,163,680 | 4,157,206 |
| Interest Income From Delayed Receipt of Tug Hire Charges | 4,050,016 | - |
| Interest on refund from Income Tax | - | 344,630 |
| Profit on Sale of Current Investments | 943,166 | 2,286,687 |
| Miscellaneous Income | 23,500 | 37,360 |
| | 15,857,379 | 9,745,405 |

| 18. OPERATIONAL EXPENSES | For the year ended 31st March, 2015 ₹ | For the year ended 31st March, 2014 ₹ |
|--|--|--|
| Crew Manning | 29,908,408 | 27,427,930 |
| O&M Consultancy and on board Training Expenses | 2,985,613 | 2,890,320 |
| Charter Hire charges | 9,264,715 | - |
| | 42,158,736 | 30,318,250 |

| 19. EMPLOYEE BENEFITS EXPENSE | For the year ended 31st March, 2015 ₹ | For the year ended 31st March, 2014 ₹ |
|-------------------------------------|--|--|
| Salaries and wages, including bonus | 6,184,575 | 7,182,673 |
| Contribution to gratuity fund | 111,780 | 109,500 |
| Staff welfare expenses | 101,550 | 153,150 |
| | 6,397,905 | 7,445,323 |

| 20. FINANCE COST | For the year ended 31st March, 2015 ₹ | For the year ended 31st March, 2014 ₹ |
|--------------------------------------|--|--|
| Interest on Term Loan-HDFC Bank Ltd. | 22,450,107 | 44,429,121 |
| Interest on Loan from Related Party | 7,481,788 | 11,993,305 |
| | 29,931,895 | 56,422,426 |

| 21. OTHER EXPENSES | For the year ended 31st March, 2015 ₹ | For the year ended 31st March, 2014 ₹ |
|---|--|--|
| Vessel Survey & Certification | 2,708,501 | 2,825,519 |
| Loss on foreign currency transactions (Net) | 24,465 | 41,007 |
| Auditors Remuneration | | |
| -as Auditor | 285,000 | 285,000 |
| -for Taxation Matters | 105,000 | 105,000 |
| -for Out of Pocket Expenses | 1,900 | 9,000 |
| Consumption of stores & spare parts | 16,082,212 | 5,566,182 |
| Repairs to Machinery | 20,469,609 | 3,239,672 |
| Insurance | 3,173,187 | 3,383,521 |
| Rates & Taxes | 2,500 | 2,500 |
| Filing Fees | 3,023,365 | 3,480 |
| Loss on Asset Discarded | 11,703 | 69,221 |
| Expenses for CSR Activity | 1,318,932 | - |
| Miscellaneous Expenses | 4,198,173 | 2,784,340 |
| | 51,404,547 | 18,314,442 |



TM Harbour Services Private Limited
Notes forming part of the financial statements

- 22 (a) Contingent liabilities not provided for: Bank Guarantee: ₹ 13,988,106. (31.03.2014 - ₹ 83,389,277)
(b) The Company has received a demand of ₹ 3,267,110 (31.03.2014 : ₹ 3,267,110) for AY 11-12 in respect of assessment done under section 143(3) of the Income Tax Act, 1961, against which the Company appealed to CIT(A). The company had deposited the demanded amount in full. Presently the matter is pending with CIT (A).

23 Value of Imported and Indigenous Stores Consumed

| Particulars | For the year ended | For the year ended | For the year ended | For the year ended |
|-----------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 31 st March, 2015 | 31 st March, 2014 | 31 st March, 2015 | 31 st March, 2014 |
| | Amount (₹) | | Percentage | |
| Imported | 1,590,804 | 69,541 | 10% | 12% |
| Indigenously obtained | 14,491,408 | 4,870,771 | 90% | 88% |

24 Expenditure in Foreign Currency :

| Particulars | Amount (₹) | |
|--|--------------------|--------------------|
| | For the Year ended | For the Year ended |
| | 31st March, 2015 | 31st March, 2014 |
| Technical fees including . NIL. (Previous Year ₹. NIL.) on capital account | - | - |
| Professional fees including ₹ NIL (Previous Year ₹ NIL) on capital account | - | - |
| Other matters including ₹ NIL (Previous Year ₹ NIL) on capital account | 879,417 | 859,785 |
| | 879,417 | 859,785 |

25 Value of Imports on C.L.F Basis:

| Particulars | Amount (₹) | |
|--------------------------|--------------------|--------------------|
| | For the Year ended | For the Year ended |
| | 31st March, 2015 | 31st March, 2014 |
| Components & spare parts | 1,947,887 | 5,073,138 |
| | 1,947,887 | 5,073,138 |

26 The company operates post retirement defined benefit plans as follows:

- i. Funded
Post Retirement Gratuity

a) Details of the gratuity plan are as follows:

| Description | For the year ended | For the year ended |
|--|------------------------------|------------------------------|
| | 31 st March, 2015 | 31 st March, 2014 |
| | (Amount in ₹) | (Amount in ₹) |
| 1. Reconciliation of opening and closing balances of obligation | | |
| a. Obligation as at 01.04.2014 | 323,380 | 196,650 |
| b. Current Service Cost | 105,170 | 90,440 |
| c. Interest Cost | 29,100 | 15,730 |
| d. Acquisitions | - | - |
| e. Actuarial (gain)/loss | 1,110 | 20,560 |
| f. Benefits paid | - | - |
| g. Obligation as at 31.03.2015 | 458,760 | 323,380 |
| 2. Change in Plan Assets (Reconciliation of opening & closing balances) | | |
| a. Fair Value of plan assets as at 01.04.2014 | 274,300 | 196,650 |
| b. Expected return on plan assets | 21,940 | 15,730 |
| c. Actuarial gain/(loss) | 1,660 | 1,500 |
| d. Contributions | 160,860 | 60,420 |
| e. Benefits paid | - | - |
| f. Fair Value of plan assets as at 31.03.2015 | 458,760 | 274,300 |
| 3. Reconciliation of fair value of assets and obligations | | |
| a. Fair value of plan assets as on 31.03.2015 | 458,760 | 274,300 |
| b. Present value of obligation as at 31.03.2015 | 458,760 | 323,380 |
| c. Amount recognized in the balance sheet | - | -49,080 |
| 4. Expense recognized during the year | | |
| a. Current service cost | 105,170 | 90,440 |
| b. Interest cost | 29,100 | 15,730 |
| c. Expected return on plan assets | -21,940 | -15,730 |
| d. Actuarial (gain)/loss | -550 | 19,060 |
| e. Expense recognized in the period | 111,780 | 109,500 |
| 5. Assumptions | 31.03.2015 | 31.03.2014 |
| a. Discount rate (per annum) | 7.90% | 9.00% |
| b. Estimated rate of return on plan assets (per annum) | 8.00% | 8.00% |
| c. Rate of escalation in salary (per annum) | 9.00% | 9.00% |

| 6. Information for current and previous financial years | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 |
|---|---------|---------|---------|---------|---------|
| I. a) Present value of defined benefit obligation | 458,760 | 323,380 | 196,650 | 84,630 | 41,980 |
| b) Fair value of Plan Assets | 458,760 | 274,300 | 196,650 | 84,630 | 41,980 |
| c) Surplus / (Deficit) in Plan Assets | - | -49,080 | - | - | - |
| II a) Experience gain/(loss) adjustment on plan liabilities | 75,430 | -20,540 | -8,630 | 8,240 | -20,980 |
| b) Experience gain/(loss) adjustment on plan assets | 1,660 | 1,500 | - | - | - |
| c) Actuarial gain/(loss) due to change in assumption | -76,540 | -20 | -25,500 | 4,770 | - |

- b) The estimate of future salary increases take into account inflation, seniority, promotion and other relevant factors.



TM Harbour Services Private Limited
Notes forming part of the financial statements

- 27 Based on and to the extent of information obtained from the suppliers regarding their status as Micro, Small & Medium Enterprises Development Act, 2006 there are no amounts due to them at the end of the year.

28 SEGMENT REPORTING

a. Business Segment

The Company is engaged in providing tugging & towage service at Ports, which in the context of Accounting Standard 17 of the Companies (Accounting Standard) Rules, 2006 issued by the Ministry of Corporate Affairs, is considered as the only business segment.

b. Geographical Segment

The company renders Tugging & Towage service only within India and there are no exports. The conditions prevailing in India being uniform no separate geographical segment disclosure is considered necessary.

| EPS | For the year ended 31st March, 2015 | For the year ended 31st March, 2014 |
|--|--|--|
| Profit after tax (₹) | 72,666,322 | 86,837,707 |
| Profit attributable to Shareholders (₹) | 72,666,322 | 86,837,707 |
| Weighted average No. of Shares for Basic EPS & Diluted EPS | 42,012,534 | 34,615,293 |
| Nominal value of Ordinary Shares (₹) | 10.00 | 10.00 |
| Basic/Diluted Earnings per Share (₹) | 1.73 | 2.51 |

30 LIST OF RELATED PARTIES & RELATIONSHIPS

Ultimate Parent company
Tata Steel Limited

Intermediate Holding Company
TM International Logistics Limited
TKM Global Logistics Limited

Holding Company
TKM Global GmbH

Fellow Subsidiary holding more than 20% of equity
International Shipping and Logistics FZE

Key Managerial Personnel
Mr. R.N.Murthy, Managing Director
Mr. Tamal Roy, Director
Mr. Anand Chand, Chief Finance Officer
Ms Swati Sheth, Assistant Company Secretary



TM Harbour Services Private Limited
Notes forming part of the financial statements

Transaction with Related Party

| Particulars | Holding Company | Intermediate Holding Company | Fellow Subsidiary | Key Managerial Personnel |
|--|-----------------|------------------------------|-------------------|--------------------------|
| Transactions | | | | |
| Equity Contribution | 256,792,920 | - | 89,360,010 | |
| | - | - | - | |
| Remuneration paid/ payable to Assistant Company Secretary | | | | 944,776 (883,720) |
| Receiving of Services | - | 865,158 (12,000) | - | - |
| Repayment of Loan to Intermediary Holding Company - TM International Logistics Limited | - | 106,000,000 (13,518,072) | - | - |
| Loan Given to Intermediate Holding Company - TKM Global Logistics Limited | - | - | - | - |
| | - | (30,000,000) | - | - |
| Repayment of Loan by Intermediary Holding Company - TKM Global Logistics Limited | - | 5,000,000 (10,000,000) | - | - |
| Reimbursement Paid | - | 1,845,404 (2,271,868) | - | - |
| Reimbursement Received | - | 277,275 | - | - |
| | - | - | - | - |
| Interest Income | - | 5,162,258 (4,147,066) | - | - |
| Interest Expense | - | 7,481,788 (11,993,305) | - | - |
| Debit Balance Outstanding as on 31.03.2015 | | | | |
| Loan Given | - | 45,000,000 (50,000,000) | - | - |
| Credit Balance Outstanding as on 31.03.2015 | | | | |
| Interest accrued but not due on loans | - | - | - | - |
| | - | (871,758) | - | - |
| Outstanding payables | - | 1,307,972 (193,242) | - | - |
| Loan Taken | - | - | - | - |
| | - | (106,000,000) | - | - |

31 During the current year, the company has incurred ₹ 38,219,396 for dry dock of its three tugs viz. MV Bahuda, MV Brahmani, and MV Baitrani. The same has been charged to respective head in the statement of profit & loss.


32 In accordance to section 135 of Companies Act 2013, the company has incurred ₹ 1,318,932 as CSR expenditure. Under the CSR activities, the company has provided safe drinking water to 604 households of poor fishermen families in the villages around Dhamra port and also contribution to corpus fund of Ramkrishna Mission Boys Home, Rahara, for supporting the livelihood, cost of education, food and medicines of 600 orphan destitute Adivasi boys.

33 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.


Signatures to Accounting Policies and Notes 1 to 33

For and on behalf of Board of Directors


Swati Sheth
Asst. Company Secretary


Anand Chand
Chief Financial Officer


R N Murthy
Managing Director


Capt. S R Patnaik
Director

