

**MALABAR COAST MARINE SERVICES
PRIVATE LIMITED**

ACCOUNTS

2019-2020

Malabar Coast Marine Services Private Limited
Balance Sheet as at 31 March 2020
 (All amounts in Indian rupees, except share data and where otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	6	6
Financial Assets			
Other Financial Assets	6	140,536	121,388
Other non-current assets	7	143,600	143,600
Income-tax assets	22	1,177,465	1,076,142
Total Non-current assets		1,461,607	1,341,136
Current assets			
Financial Assets			
Investments	4	13,891,598	28,519,057
Trade receivables	8	809,715	113,014
Cash and cash equivalents	9	4,830,474	3,762,341
Loans	5	27,500,000	27,500,000
Other Financial Assets	6	3,120,553	41,896
Other current assets	7	1,508,945	1,969,355
Total Current assets		51,661,285	61,905,663
Total Assets		53,122,892	63,246,799
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	10	500,350	500,350
Other equity			
Total Equity		48,681,272	59,284,807
Liabilities			
Non-current liabilities			
Financial Liabilities	22	75,833	706,880
Deferred tax liabilities (net)	13	1,277,610	1,068,750
Provisions			
Total Non-current liabilities		1,353,443	1,775,630
Current liabilities			
Financial Liabilities			
Trade Payables	11	-	-
- total outstanding dues of Micro Enterprises and Small Enterprises			
- total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	12	2,362,688	1,354,081
Other current liabilities	13	46,139	177,931
Provisions			
Total Current liabilities		179,000	154,000
Total Equity and Liabilities		2,587,827	1,686,012
		53,122,892	63,246,799

Significant accounting policies

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **JERRY, SUNNY & RAJESH**
Chartered Accountants
 Firm's registration number: 0011326S



Sunny Varghese
Partner

Membership Number : 028612
 ICAI UDIN : 20028612AAAAAXX8207
 Place: Kochi
 Date: 29 June 2020



for and on behalf of the Board of Directors of
Malabar Coast Marine Services Private Limited
 CIN: U05005KL1990PTC005764



T. R. Radhakrishnan
 Director
 DIN:00086627



Mohan Kurian
 Director
 DIN:03260152

Place: Kochi
 Date: 29 June 2020

Malabar Coast Marine Services Private Limited
Statement of Profit and Loss for the year ended 31 March 2020
 (All amounts in Indian rupees, except share data and where otherwise stated)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	14	15,533,064	19,686,415
Other income	15	5,279,370	4,891,066
Total income		20,812,434	24,577,481
Expenses			
Employee benefits expense	16	3,325,822	3,332,065
Finance costs	17	229	34,901
Other expenses	18	12,349,275	10,843,530
Total expenses		15,675,326	14,210,496
Profit Before Tax		5,137,108	10,366,985
Tax expense:	22		
Current tax		1,260,000	2,500,000
Income-tax credit for earlier years		-	(329,683)
Net Current tax expense		1,260,000	2,170,317
Deferred tax (credit) / expense		(622,797)	279,365
Total tax expenses		637,203	2,449,682
Profit for the year		4,499,905	7,917,303
Other Comprehensive Income			
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>			
Remeasurement of defined benefit liabilities		(31,730)	(33,880)
Income tax related to items that will not be reclassified to profit or loss	22	8,250	8,809
Total Other Comprehensive Income for the year, net of income tax		(23,480)	(25,071)
Total comprehensive income for the year		4,476,425	7,892,232
Earnings per equity share	19		
(Equity shares of face value ` 10 each)		89.94	158.24
Basic		89.94	158.24
Diluted		89.94	158.24
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **JERRY, SUNNY & RAJESH**

Chartered Accountants

Firm's registration number: 0013226S


Sunny Varghese
Partner

Membership Number : 028612


ICAI UDIN : 20028612AAAAAAX8207

Place: Kochi

Date: 29 June 2020



for and on behalf of the Board of Directors of
Malabar Coast Marine Services Private Limited
 CIN: U05005KL1990PTC005764


T.R. Radhakrishnan
 Director
 DIN:00086627


Mohan Kurian
 Director
 DIN:03260152

Place: Kochi
 Date: 29 June 2020

Malabar Coast Marine Services Private Limited
Cash Flow Statement for the year ended 31 March 2020
 (All amounts in Indian rupees, except share data and where otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flows from operating activities	5,137,108	10,366,985
Profit for the year (before taxes)	229	34,901
Adjustments for:	(3,460,482)	(3,486,459)
Finance costs	-	(45,071)
Dividend income	(576,579)	(35,562)
Net gain on sale of investments	(701,444)	(1,316,931)
Change in fair value of current investments	(190,866)	(7,043)
Liabilities / provisions no longer required written back	207,966	5,510,820
Operating profit before working capital changes	207,966	5,510,820
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(606,701)	672,916
Other current Financial Assets	(3,078,657)	(18,826)
Other current assets	460,410	(406,100)
Other non-current Financial Assets	(7,597)	(70,580)
	<u>(3,332,545)</u>	<u>177,410</u>
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,199,473	(47,305)
Other current liabilities	(131,792)	148,391
Other non-current provisions	177,130	170,660
Other current provisions	25,000	26,000
	<u>1,269,811</u>	<u>297,746</u>
Cash generated from / (used in) operating activities	(1,844,768)	5,985,976
Income taxes paid, net of refund	(1,361,323)	(2,293,513)
Net cash flow from / (used in) operating activities (A)	(3,206,091)	3,692,463
B. Cash flows from investing activities		
Interest received	3,448,931	3,476,926
Dividend received	(6,000,000)	45,071
Purchase of current investments	21,905,482	(10,097,676)
Proceeds from sale of current investments	19,354,413	7,443,738
Net cash flow from investing activities (B)	19,354,413	868,059
C. Cash flows from financing activities		
Dividend paid	(12,508,750)	(2,501,750)
Tax on dividend	(2,571,210)	(514,242)
Finance costs	(229)	(34,901)
Net cash flow used in financing activities (C)	(15,080,189)	(3,050,893)
Net increase / (decrease) in cash and cash equivalents	1,068,133	1,509,629
Cash and cash equivalents at the beginning of the year	3,762,341	2,252,712
Cash and cash equivalents at the end of the year (refer note 9)	4,830,474	3,762,341

Significant accounting policies (refer note 2)

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **JERRY, SUNNY & RAJESH**

Chartered Accountants

Firm's registration number: 001326S


Sunny Varghese
 Partner




Membership Number : 028612

ICAI UDIN : 20028612AAAAAX8207

Place: Kochi

Date: 29 June 2020

for and on behalf of the Board of Directors of
Malabar Coast Marine Services Private Limited
 CIN: U05005KL1990PTC005764


T.R.Radhakrishnan
 Director
 DIN:00088627

Mohan Kurian
 Director
 DIN:03260152

Place: Kochi

Date: 29 June 2020

Malabar Coast Marine Services Private Limited
Statement of Changes in Equity
(All amounts in Indian rupees, except share data and where otherwise stated)

For the year ended 31 March 2020

Particulars	Equity share capital	Reserves and surplus		Items of Other Comprehensive Income	Total	Total equity attributable to equity shareholders of the Company
		Retained earnings	General Reserve	Remeasurements of the net defined benefit liability		
Balance as at 1 April 2019	500,350	10,814,917	48,500,000	(30,110)	59,284,807	59,785,157
Profit for the year	-	4,499,905	-	-	4,499,905	4,499,905
Other Comprehensive Income for the year (net of tax)	-	-	-	(23,480)	(23,480)	(23,480)
Total comprehensive income for the year	-	4,499,905	-	(23,480)	4,476,425	4,476,425
Transferred to retained earnings	-	(53,590)	-	53,590	-	-
Dividend paid during the year	-	(12,508,750)	-	-	(12,508,750)	(12,508,750)
Dividend distribution tax paid during the year	-	(2,571,210)	-	-	(2,571,210)	(2,571,210)
Total contributions by and distributions to owners	-	(15,133,550)	-	53,590	(15,079,960)	(15,079,960)
Balance as at 31 March 2020	500,350	181,272	48,500,000	-	48,681,272	49,181,622

For the year ended 31 March 2019

Particulars	Equity share capital	Reserves and surplus		Items of other comprehensive income	Total	Total equity attributable to equity shareholders of the Company
		Retained earnings	General Reserve	Remeasurements of the net defined benefit liability		
Balance as at 1 April 2018	500,350	5,913,606	48,500,000	(5,039)	54,408,567	54,908,917
Profit for the year	-	7,917,303	-	-	7,917,303	7,917,303
Other Comprehensive Income for the year (net of tax)	-	-	-	(25,071)	(25,071)	(25,071)
Total comprehensive income for the year	-	7,917,303	-	(25,071)	7,892,232	7,892,232
Transferred to retained earnings	-	-	-	-	-	-
Dividend paid during the year	-	(2,501,750)	-	-	(2,501,750)	(2,501,750)
Dividend distribution tax paid during the year	-	(514,242)	-	-	(514,242)	(514,242)
Total contributions by and distributions to owners	-	(3,015,992)	-	-	(3,015,992)	(3,015,992)
Balance as at 31 March 2019	500,350	10,814,917	48,500,000	(30,110)	59,284,807	59,785,157


As per our report of even date attached

for **JERRY, SUNNY & RAJESH**
Chartered Accountants
Firm's registration number: 001326S


Sunny Varghese
Partner
Membership Number : 028612
ICAI UDIN : 20028612AAAAAX8207
Place: Kochi
Date: 29 June 2020



for and on behalf of the Board of Directors of
Malabar Coast Marine Services Private Limited
CIN: U05005KL1990PTC005764


T.R. Radhakrishnan
Director
DIN: 00086627

Place: Kochi
Date: 29 June 2020


Mohan Kurian
Director
DIN: 03260152

Malabar Coast Marine Services Private Limited
Notes forming part of the financial statements for the year ended 31st March, 2020

1 Corporate Information

Malabar Coast Marine Services Private Limited is a wholly owned subsidiary of Aspinwall and Company Limited. The main activity of this Company is Freight Forwarding, being carried out at various locations.

2 Basis of preparation and significant accounting policies:

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013, (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 29th June, 2020.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest rupees, unless otherwise indicated.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Basis
Current Investments	Fair value less cost to sell
Net defined benefit liability	Present value of defined benefit obligations



2.3 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

i. Judgements:

There are no significant judgements made in applying accounting policies that have the most material effects on the amounts recognised in the financial statements.

ii. Assumptions and estimation uncertainties:

a) Useful lives of Property, plant and equipment

Property, plant and equipment and intangible assets represent a proportion of the asset base of the Company. The charge in respect of periodic depreciation and amortisation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful life and residual values of Company's assets are determined by Management at the time the asset is acquired and reviewed periodically, including each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

b) Others:

Further information about assumptions and estimation of uncertainties that have significant risk of resulting in a material adjustment for the year 31 March 2019 is included in the following notes:

Note 23 – Deferred Tax

Note 24 – measurement of defined benefit obligations: key actuarial assumptions



2.4 Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for financial assets and liabilities.

The Company has an established frame work with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Director.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as interest rates, guarantee commission and pricing services are used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuation meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuation should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices are included in 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).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the input used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between the levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.5 Revenue recognition

Income from services

Income from Freight forwarding services is accounted on completion of jobs.



Malabar Coast Marine Services Private Limited
Notes forming part of the financial statements for the year ended 31st March, 2020

2.5 Revenue recognition (continued)

Other Income

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired).

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

2.6 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs if any, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see Note 3 on Ind AS 101).

iii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iv. Depreciation

Depreciation is provided on the cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives prescribed in Schedule II to the Companies Act, 2013 using the Straight Line Method ('SLM').



Malabar Coast Marine Services Private Limited
Notes forming part of the financial statements for the year ended 31st March, 2020

2.6 Property, plant and equipment (continued)

Depreciation on additions during the year is provided for on a pro-rata basis i.e, from the date on which asset is acquired. Depreciation on disposals is provided on a pro-rata basis i.e. upto the date on which asset is disposed off.

2.7 Financial Instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

The Company measures a financial asset or financial liability at its fair value. In the case of a financial asset or financial liability measured not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability are adjusted in the value of financial asset or financial liability.

ii. Classification and subsequent measurement

a. Financial assets:

On initial recognition, a financial asset is classified as measured at:

- amortised cost; or
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

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. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and



Malabar Coast Marine Services Private Limited
Notes forming part of the financial statements for the year ended 31st March, 2020

impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. A financial asset is subsequently measured at FVOCI 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. These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

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. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

b. Financial liabilities: Classification, subsequent measurement and gains and losses:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.



2.7 Financial Instruments (continued)

iii. Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

2.8 Employee benefits

Employee benefits include short-term employee benefits, provident fund, superannuation fund, gratuity and compensated absences.

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g. under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

ii. Post employment benefits

- Gratuity

The Company has an obligation towards gratuity, a defined retirement benefit covering all eligible employees. It provides for a lump sum payment



Malabar Coast Marine Services Private Limited
Notes forming part of the financial statements for the year ended 31st March, 2020

to vested employees as per the Payment of Gratuity Act, 1972 and is payable on the exit of the employees after completion of at least five years of service. However any exit due to death or total disability to do any gainful employment, this service minimum is ignored. The present value of this defined benefit obligation and the related current service cost are measured, using the Projected Unit Credit Method, by actuarial valuation at the balance sheet date and provided.

-Provident Fund

The eligible employees of the Company are entitled to receive benefits under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, a defined contribution plan, in which both employees and the Company make fixed contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary).

-Superannuation

The Company makes contributions equal to a specified percentage of the covered employee's basic salary and DA, to a fund managed by the Life Insurance Corporation of India (LIC). The Company has no further obligations beyond its contributions.

iii Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulated compensated absences is determined by actuarial valuation performed by an independent actuary as at 31 March every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date.



Malabar Coast Marine Services Private Limited
Notes forming part of the financial statements for the year ended 31st March, 2020

2.9 Taxation

(a) Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset or settle the liability on a net basis or simultaneously.

(b) Minimum Alternate Tax (MAT)

MAT paid in accordance with provisions of Income Tax Act, 1961 which gives rise to future economic benefits in the form of adjustment of future Income Tax liability, is being absorbed in the Statement of Profit and Loss and the credit is being recognised when it is probable that the future economic benefit associated with it will flow to the Company.

(c) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is a strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised – are reviewed at each reporting date and are



Malabar Coast Marine Services Private Limited
Notes forming part of the financial statements for the year ended 31st March, 2020

recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2.10 Earnings per share (EPS)

Basic earnings per share ('EPS') is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the result would be anti-dilutive.

2.11 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



2.12 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity period of three months or less from the date of acquisition) that are readily convertible into known amounts of cash.

2.13 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.14 Goods and Service Tax ('GST') input credit

GST input credit is accounted for in the books in the period in which the underlying goods or service received is accounted and when there is reasonable certainty in availing / utilising the credits.

Recent Accounting Pronouncements

i. Standards issued but not effective on Balance sheet date:

Ind AS 116, Leases

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

Lessees are required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee



Malabar Coast Marine Services Private Limited

Notes forming part of the financial statements for the year ended 31st March, 2020

will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under

Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

The Company is in the process of evaluating the impact of adoption of Ind AS 116. Other Amendments

The MCA has notified below amendments which are effective 1 April 2019:

Appendix C to Ind AS 12, Income taxes

Amendments to Ind AS 103, Business Combinations

Amendments to Ind AS 109, Financial Instruments

Amendments to Ind AS 111, Joint Arrangements

Amendments to Ind AS 19, Employee Benefits

Amendments to Ind AS 23, Borrowing Costs

Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on Preliminary work, the Company does not expect these amendments to have any significant impact on its Financial statements.



Malabar Coast Marine Services Private Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)
 (All amounts in Indian rupees, except share data and where otherwise stated)

3 Property, Plant and Equipment

Reconciliation of carrying amount	Plant and Equipment	Office Equipments	Total
Cost or deemed cost	4	2	6
Balance as at 1 April 2018	-	-	-
Additions	-	-	-
Deletions	-	-	-
Balance as at 31 March 2019	4	2	6
Balance as at 1 April 2019	4	2	6
Additions	-	-	-
Deletions	-	-	-
Balance as at 31 March 2020	4	2	6
Accumulated depreciation			
Balance as at 1 April 2018	-	-	-
Depreciation for the year	-	-	-
Deletions	-	-	-
Balance as at 31 March 2019	-	-	-
Balance as at 1 April 2019	-	-	-
Depreciation for the year	-	-	-
Deletions	-	-	-
Balance as at 31 March 2020	-	-	-
Carrying amount (net)			
As at 31 March 2019	4	2	6
As at 31 March 2020	4	2	6



Malabar Coast Marine Services Private Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)
(All amounts in Indian rupees, except share data and where otherwise stated)

	As at 31 March 2020	As at 31 March 2019
4 Investments		
Current Investments		
Investments in mutual funds (unquoted):		
(at lower of cost and Net Asset Value (NAV)):		
i) Nil (31 March 2019: 1,47,109,862) units - UTI Fixed Income Interval Fund - 1 - Annual Interval Plan - Retail option - Growth Plan	-	3,786,240
ii) 317,769 (31 March 2019: 1,297,56) units in UTI Money Market Fund-Regular Growth Plan	715,173	2,723,355
iii) Nil (31 March 2019: 62,070,164) units in Aditya Birla Sun Life Short Term Opportunities Fund -Growth -Regular Plan	-	1,918,806
iv) Nil (31 March 2019: 96,401,648) units in ICICI Prudential Credit Risk Fund - Growth	-	1,915,356
v) 2,77,461,464 (31 March 2019: 2,77,461,464) units in Principal Arbitrage Fund Regular Plan - Growth	3,168,693	3,039,230
vi) 31,496,062 (31 March 2019: 12,132,122) units in Aditya Birla Sun life liquid Fund - Growth-Regular Plan (formerly known as Aditya Birla Sun Life Cash Plus)	10,007,732	3,627,569
vii) Nil (31 March 2019: 2,588,288) units in Aditya Birla Sun life Low Duration Fund - Growth - Regular Plan (formerly known as Aditya Birla Sun Life Cash Manager)	-	1,163,287
viii) Nil (31 March 2019: 28,025,452) units in Aditya Birla Sun Life Savings Fund - Growth - Regular Plan	-	10,345,214
(Aggregate amount of unquoted investments)	13,891,598	28,519,057



Malabar Coast Marine Services Private Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)
 (All amounts in Indian rupees, except share data and where otherwise stated)

	As at	As at
	31 March 2020	31 March 2019
5 Loans		
Current		
<i>Unsecured, considered good</i>	27,500,000	27,500,000
Loan to Holding Company	<u>27,500,000</u>	<u>27,500,000</u>
6 Other financial assets		
Non-current		
<i>Unsecured, considered good</i>	78,177	70,580
Employee advances	62,359	50,808
Interest accrued on deposits	<u>140,536</u>	<u>121,388</u>
Current		
Employee advances	60,102	41,896
Interest accrued on loan to holding company	3,060,451	-
	<u>3,120,553</u>	<u>41,896</u>
7 Other assets		
Non-current		
Deposits with Customs and Service Tax Authorities	143,600	143,600
	<u>143,600</u>	<u>143,600</u>
Current		
Prepaid Expenses	12,469	11,078
Balances with government authorities (GST credit)	1,496,476	1,618,631
Income-tax refund due	-	339,646
	<u>1,508,945</u>	<u>1,969,355</u>
8 Trade receivables		
Unsecured, considered good	809,715	113,014
Unsecured, considered doubtful	301,701	301,701
	1,111,416	414,715
Less: Provision for impairment (refer note 25)	301,701	301,701
	<u>809,715</u>	<u>113,014</u>
9 Cash and cash equivalents		
(a) Balances with banks in current accounts	4,825,739	3,757,606
(b) Cash on hand	4,735	4,735
Total cash and cash equivalents	<u>4,830,474</u>	<u>3,762,341</u>



Malabar Coast Marine Services Private Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)
 (All amounts in Indian rupees, except share data and where otherwise stated)

As at
 31 March 2020 31 March 2019

10 Share capital		
Authorised capital	5,000,000	5,000,000
5,00,000 Equity Shares of ` 10/- each	<u>5,000,000</u>	<u>5,000,000</u>
Issued, subscribed and paid-up capital		
50,035 Equity Shares of ` 10/- each fully paid up	500,350	500,350
	<u>500,350</u>	<u>500,350</u>

a. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

Particulars	As at		As at	
	31 March 2020	Amount	31 March 2019	Amount
Number of shares at the beginning of the year	50,035	500,350	50,035	500,350
Number of shares issued during the year	<u>50,035</u>	<u>500,350</u>	<u>50,035</u>	<u>500,350</u>
Number of shares at the end of the year	50,035	500,350	50,035	500,350
Outstanding at the end of the year	<u>50,035</u>	<u>500,350</u>	<u>50,035</u>	<u>500,350</u>

b. Rights, preferences and restrictions attached to shares

i) Equity shares:

The Company has only one class of Equity Shares having a par value of ` 10/- per share. Each holder of the Equity Shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

c. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at		As at	
	31 March 2020	% holding	31 March 2019	% holding
M/s. Aspinwall and Company Limited	50,035	100%	50,035	100%
	<u>50,035</u>	<u>100%</u>	<u>50,035</u>	<u>100%</u>

All the above 50,035 (As at 31 March 2019 - 50,035) Equity Shares are held by the Holding Company, M/s Aspinwall and Company Limited and its nominees.



Malabar Coast Marine Services Private Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)
 (All amounts in Indian rupees, except share data and where otherwise stated)

	As at 31 March 2020	As at 31 March 2019
11 Trade payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (refer note 21)	2,362,688	1,354,081
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	<u>2,362,688</u>	<u>1,354,081</u>
12 Other liabilities		
Current		
Advance from customers	46,139	142,154
Withholding taxes and statutory dues	<u>46,139</u>	<u>35,777</u>
	46,139	177,931
13 Provisions		
Non-current		
Provision for employee benefits	749,400	622,170
Provision for gratuity (non funded)	528,210	446,580
Provision for compensated absences (non funded)	<u>1,277,610</u>	<u>1,068,750</u>
Current		
Provision for employee benefits	104,000	87,000
Provision for gratuity (non funded)	75,000	67,000
Provision for compensated absences (non funded)	<u>179,000</u>	<u>154,000</u>



Malabar Coast Marine Services Private Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)
 (All amounts in Indian rupees, except share data and where otherwise stated)

For the year ended For the year ended
 31 March 2020 31 March 2019

14 Revenue from operations		
Sale of Services:	15,533,064	19,686,415
Forwarding	<u>15,533,064</u>	<u>19,686,415</u>
15 Other income		
Interest income on:		
Bank deposits	11,551	10,593
Income-tax refund	4	36,384
Loans and advances	3,448,927	3,439,482
Dividend income from current investments	-	45,071
Net gain on sale of current investments	576,579	35,562
Net gain on increase in current value of Investments	701,444	1,316,931
Others:		
Liabilities / provisions no longer required written back	190,866	7,043
Profit on sale of Property, Plant and Equipment	349,999	-
	<u>5,279,370</u>	<u>4,891,066</u>

16 Employee benefits expense		
Salaries, wages and bonus	2,844,835	2,921,474
Contribution to provident and other funds	178,305	175,690
Gratuity (non funded)	144,230	122,730
Staff welfare expenses	190,182	146,051
	<u>3,357,552</u>	<u>3,365,945</u>
Less: Employee benefit expenses grouped under OCI	(31,730)	(33,880)
	<u>3,325,822</u>	<u>3,332,065</u>

Salaries, Wages and Bonus includes: 4,77,040/- (Previous year: 4,77,040/-) paid towards supply of manpower by the Holding Company

17 Finance costs		
Interest expense on:	-	34,901
Income tax dues	229	-
Others	<u>229</u>	<u>34,901</u>

18 Other expenses		
Forwarding charges	12,017,480	10,615,094
Rates and taxes	81,710	17,773
Charges for services	57,000	95,078
Printing and stationery	8,219	6,563
Miscellaneous expenses	50,366	9,022
Payments to auditors (Refer Note 18.1 below)	134,500	100,000
	<u>12,349,275</u>	<u>10,843,530</u>

Note 18.1 - Payments to Auditors comprises
 (net of GST input credit, where applicable)

To Statutory auditors	75,000	75,000
For Statutory audit	20,000	20,000
For Tax audit	34,500	-
For other services	5,000	5,000
Reimbursement of expenses	<u>134,500</u>	<u>100,000</u>



Malabar Coast Marine Services Private Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

20 Related parties (continued)

B. Related party transactions

Transaction	Related Party	For the year ended 31 March 2020	For the year ended 31 March 2019
Services rendered (gross)	Aspinwall and Company Limited	885,036	-
Services received (gross)	Aspinwall and Company Limited	684,950	666,756
Interest received	Aspinwall and Company Limited	3,446,170	3,437,499
Payments met by Holding Company on behalf of the Company	Aspinwall and Company Limited	135,875	219,517
Dividend Paid	Aspinwall and Company Limited	12,508,750	2,501,750
Repayments by Holding Company	Aspinwall and Company Limited	344,614	3,437,499
Balance as at year end			
Due from Holding Company	Aspinwall and Company Limited	3,060,451	-
Trade receivables	Aspinwall and Company Limited	354,734	-
Trade payables	Aspinwall and Company Limited	553,367	-
Loan to Holding Company	Aspinwall and Company Limited	27,500,000	27,500,000

21 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act)

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.



22 Tax assets, liabilities and reconciliations

A. Deferred tax (asset)/liabilities

	Movement in deferred tax balances for the year ended 31 March 2020			As at 31 March 2020			
	Net balance 1 April 2019	Recognised in profit or loss	Adjusted in retained earnings	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax (asset)/liabilities							
Property, Plant and Equipment	(44,050)	44,050	-	-	(378,719)	(378,719)	-
Employee benefits	(319,686)	(50,783)	-	(8,250)	(78,442)	(78,442)	-
Provision for doubtful trade receivables	(78,442)	-	-	-	532,994	-	532,994
Gain on current market value of investments	1,149,058	(189,768)	(426,296)	-	75,833	(457,161)	532,994
Net deferred tax	706,880	(196,501)	(426,296)	(8,250)	706,880	(442,178)	1,149,058

(b) Movement in deferred tax balances for the year ended 31 March 2019

	Movement in deferred tax balances for the year ended 31 March 2019			As at 31 March 2019			
	Net balance 1 April 2018	Recognised in profit or loss	Adjusted in retained earnings	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax (asset)/liabilities							
Property, Plant and Equipment	(51,823)	7,773	-	-	(44,050)	(44,050)	-
Employee benefits	(257,974)	(52,903)	-	(8,809)	(319,686)	(319,686)	-
Provision for doubtful trade receivables	(78,442)	-	-	-	(78,442)	(78,442)	-
Gain on current market value of Investments	824,563	324,495	-	-	1,149,058	-	1,149,058
Net deferred tax	436,324	279,365	-	(8,809)	706,880	(442,178)	1,149,058

(c) Notes:

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

B. Other tax assets

Particulars	As at	
	31 March 2020	31 March 2019
Non-current		
Advance tax, net of provision for tax	1,177,465	1,076,142
	1,177,465	1,076,142

C. Reconciliation of effective tax rate

Particulars	For the year ended	
	31 March 2020	31 March 2019
Profit before tax	5,137,108	10,366,985
Company's domestic tax rate	26%	26%
Tax using Company's domestic tax rate	1,335,648	2,695,416
Impact of:		
Exempt Income	-	(11,718)
Tax losses for which no deferred income tax was recognized	60	9,074
Deferred tax (asset) / liability recognized	(622,797)	279,365
Adjustments for current taxes of prior periods	(75,708)	(329,683)
Other items	637,203	(192,772)
Income tax expense	12.40%	23.63%
Effective tax rate		



23 Employee Benefits

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund for qualifying employees. Amount of ₹ 1,37,562/- (31 March 2019: ₹ 1,36,961/-) has been recognised and included in "Contribution to provident and other funds" in the statement of profit and loss under employee benefits expense.

The Company recognized ₹ 40,743/- (31 March 2019 - ₹ 38,729) for superannuation contribution and other retirement benefit contributions in the statement of profit and loss.

(ii) Defined Benefit Plan:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded and an amount of ₹ 1,44,230/- (31 March 2019: ₹ 1,22,730/-) has been recognised and included in "Contribution to provident and other funds" in the statement of profit and loss on account of provision.

Movement in net defined benefit liability / (asset)

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability / (asset) and its components.

	Defined benefit obligation		Net defined benefit liability / (asset)	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Opening balance	709,170	586,440	709,170	586,440
Current service cost	62,860	46,040	62,860	46,040
Interest expense	49,640	42,810	49,640	42,810
	821,670	675,290	821,670	675,290
Included in OCI				
Actuarial loss / (gain) arising from:				
Demographic assumptions	(14,920)	20,740	(14,920)	20,740
Financial assumptions	46,650	13,140	46,650	13,140
	31,730	33,880	31,730	33,880
Closing balance	853,400	709,170	853,400	709,170
Represented by				
Net defined benefit liability			853,400	709,170
			853,400	709,170

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2020	31 March 2019
Discount rate	6.10%	7.00% p.a
Salary escalation rate	8% p.a	8% p.a
Mortality rate	12%	12%

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.



Malabar Coast Marine Services Private Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

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23 Employee Benefits (continued)

	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(51,560)	57,560	(42,180)	47,120
Salary escalation rate (1% movement)	56,090	(51,260)	46,330	(42,280)
Withdrawal rate (1% movement)	(5,500)	6,010	(2,490)	2,730

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

iii. Maturity Profile of defined benefit obligation

	31 March 2020		31 March 2019	
	Gratuity		Gratuity	
Year 1		106,900		89,730
Year 2		113,430		96,590
Year 3		119,030		102,490
Year 4		123,720		107,550
Year 5		127,590		111,790
Year 6 to 10		906,420		713,800

iv. Actuarial assumptions for long term compensated absences

	31 March 2020	31 March 2019
Discount rate	6.10%	7.00%
Salary escalation rate	8%	8%
Atrition rate	12%	12%



Malabar Coast Marine Services Private Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)
 (All amounts in Indian rupees, except share data and where otherwise stated)

24 Financial Instruments

Financial Instruments by category

The carrying value and fair value of Financial Instruments by categories as of 31 March 2020 were as follows:

Particulars	Carrying Value			Fair Value			
	Amortised cost	Financial Assets / Liabilities at FVTPL	Total carrying value	Level 1	Level 2	Level 3	Total
Assets							
Investments	-	13,891,598	13,891,598	-	13,891,598	-	13,891,598
Loans	27,500,000	-	27,500,000	-	-	-	-
Trade receivables	809,715	-	809,715	-	-	-	-
Cash and cash equivalents	4,830,474	-	4,830,474	-	-	-	-
Other Financial Assets	3,261,089	-	3,261,089	-	-	-	-
	36,401,278	13,891,598	50,292,876	-	13,891,598	-	13,891,598
Liabilities							
Trade Payables	2,362,688	-	2,362,688	-	-	-	-
	2,362,688	-	2,362,688	-	-	-	-

The carrying value and fair value of Financial Instruments by categories as of 31 March 2019 were as follows:

Particulars	Carrying Value			Fair Value			
	Amortised cost	Financial Assets / Liabilities at FVTPL	Total carrying value	Level 1	Level 2	Level 3	Total
Assets							
Investments	-	28,519,057	28,519,057	-	28,519,057	-	28,519,057
Loans	27,500,000	-	27,500,000	-	-	-	-
Trade receivables	113,014	-	113,014	-	-	-	-
Cash and cash equivalents	3,762,341	-	3,762,341	-	-	-	-
Other Financial Assets	163,284	-	163,284	-	-	-	-
	31,538,639	28,519,057	60,057,696	-	28,519,057	-	28,519,057
Liabilities							
Trade Payables	1,354,081	-	1,354,081	-	-	-	-
	1,354,081	-	1,354,081	-	-	-	-



24 Financial Instruments (continued)

Capital management

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor and customer confidence and to ensure future developments of the business. The Company is focused on maintaining a strong equity base to ensure independence, security as well as financial flexibility for potential future borrowings, if required, without impacting the risk profile of the Company.

The Company's debt to equity ratio at the reporting date are as follows:

	As at	As at
	31 March 2020	31 March 2019
Total Liabilities	3,941,270	3,461,642
Less: Cash and cash equivalents	4,830,474	3,762,341
Net debt	<u>(889,204)</u>	<u>(300,699)</u>
Total Equity	49,181,622	59,785,157
Debt to Equity ratio	<u>(0.02)</u>	<u>(0.01)</u>

There are no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

Financial risk management

The Company has exposure to the following risks arising from Financial Instruments:

- (i) Credit risk;
- (ii) Liquidity risk; and
- (iii) Market risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors are responsible for developing and monitoring the Company's risk management policies.

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

(i) 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 investments in liquid mutual funds.

The carrying amount of following Financial Assets represents the maximum credit exposure:

Trade receivables

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

Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers based on which the Company agrees on the credit terms with customers in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.



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Notes to the financial statements for the year ended 31 March 2020 (continued)
 (All amounts in Indian rupees, except share data and where otherwise stated)

24 Financial Instruments (continued)

Financial risk management (continued)

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances as on 31 March 2020 was ` 3,01,701/- (31 March 2019 - ` 3,01,701/-).

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is by ensuring, 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's objective is to maintain a balance between continuity of funding and flexibility through ensuring adequate internally generated funds.

Exposure to liquidity risk

The contractual undiscounted cash flows associated with financial liabilities at reporting dates are as follows:

	Carrying amount	Total	Contractual cash flows				
			2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
31 March 2020							
Financial Liabilities							
Trade payables	2,362,688	2,362,688	2,362,688				
			Contractual cash flows				
31 March 2019							
Financial Liabilities							
Trade payables	1,354,081	1,354,081	1,354,081				

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to Financial Liabilities.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company does not have any transactions in foreign currency and thus not exposed to foreign exchange rate risk. As of now, the Company has not entered into any sort of derivative contracts, in order to manage market risks.

Foreign currency risk

The Company is not exposed to foreign currency exchange risk. The functional currency of company is INR.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates to the loan given to the Holding Company.



Malabar Coast Marine Services Private Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

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Dividends

The Board of Directors has declared an interim dividend of ` 100/- per equity share for the year ended 31 March 2020 (for the year ended 31 March 2019: Nil), subject to approval of the shareholders at the ensuing Annual General Meeting. The interim dividend amounting to ` 50,03,500/- and dividend distribution tax there on amounting to ` 10,28,484/- is recognised in Statement of Changes in Equity as on 31 March 2020. For the year ended 31 March 2019, the Board of Directors had proposed a final dividend of ` 150/- per equity share amounting to ` 75,05,250/- and the applicable dividend distribution tax being ` 15,42,726/-. The final dividend and dividend distribution tax thereon proposed for the year ended 31 March 2019 is recognised in Statement of Changes in Equity as on 31 March 2020.

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Previous year figures have been regrouped/ reclassified wherever necessary to conform to the current year's presentation.

As per our report of even date attached

for JERRY, SUNNY & RAJESH
Chartered Accountants
Firm's registration number: 001326S



Sunny Varghese
Partner

Membership Number : 028612
ICAI UDIN : 20028612AAAAAXX8207



Place: Kochi
Date: 29 June 2020

for and on behalf of the Board of Directors of
Malabar Coast Marine Services Private Limited
CIN: U05005KL1990PTC005764



T.R.Radhakrishnan
Director
DIN:00086627



Mohan Kurian
Director
DIN:03260152

Place: Kochi
Date: 29 June 2020