

Ref: NCL/CS/2018-19/26

Date: October 12, 2018

<b>The Manager</b> <b>Listing Department</b> <b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 001 Script Code: 539332	<b>The Manager</b> <b>Listing Department</b> <b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (East) Mumbai 400 051 Symbol: NAVKARCORP
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Dear Sir,

**Sub. : Annual Report 2017-18 approved and adopted at the 10<sup>th</sup> Annual General Meeting of the Company**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report, 2017-18 of the Company approved and adopted at the Tenth Annual General Meeting (AGM) held on September 26, 2018 at 11.30 a.m. at Hotel The Regenza by Tunga, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai – 400 703.

Kindly take the same on your records and acknowledge.

Thanking you,

Yours faithfully,  
**For Navkar Corporation Limited**



**Deepa Gehani**  
Company Secretary



Encl: As above





## ANNUAL REPORT 2017-18



**Navkar Corporation Ltd**  
*Container Freight Stations & Rail Terminals*





## Board of Directors

Mr. Shantilal Jayavantraj Mehta  
Chairman & Managing Director

Mr. Nemichand Jayavantraj Mehta  
Whole-time Director

Capt. Dinesh Gautama  
Whole-time Director & Chief Executive Officer  
(Whole-time Director upto December 7, 2017)

Mr. Lalit Menghnani  
Non-Executive Independent Director (upto May 25, 2018)

Mr. Ashok Kumar Thakur  
Non-Executive Independent Director

Ms. Sudha Gupta  
Non-Executive Independent Director (upto October 6, 2017)

Ms. Pooja Hemant Goyal  
Non-Executive Independent Director (from December 14, 2017)

Mr. Sandeep Kumar Singh  
Additional Director - Non-Executive Independent Director  
(from August 23, 2018)

### Audit Committee

Mr. Ashok Kumar Thakur – Chairman  
Mr. Nemichand Jayavantraj Mehta – Member  
Ms. Pooja Hemant Goyal – Member

### Stakeholders Relationship Committee

Mr. Ashok Kumar Thakur – Chairman  
Mr. Shantilal Jayavantraj Mehta - Member  
Ms. Pooja Hemant Goyal – Member

### Nomination and Remuneration Committee

Ms. Pooja Hemant Goyal – Chairperson  
Mr. Ashok Kumar Thakur – Member  
Mr. Sandeep Kumar Singh – Member

### Corporate Social Responsibility

Ms. Pooja Hemant Goyal – Chairperson  
Mr. Shantilal Jayavantraj Mehta – Member  
Mr. Nemichand Jayavantraj Mehta – Member

### Chief Financial Officer

Mr. Anish Maheshwari

### Company Secretary

Ms. Deepa Gehani

### Auditors

S. K. Patodia & Associates  
Chartered Accountants

### Registered Office

205-206, J.K. Chambers,  
Sector – 17, Vashi,  
Navi Mumbai – 400 705  
Maharashtra, India  
e-mail: cs@navkarcfs.com  
Website: www.navkarcfs.com  
CIN No. : L63000MH2008PLC187146

### Corporate Office

4th Floor, Goodwill Infinity, Plot No. E/3A,  
Sector – 12, Near Utsav Chowk,  
Kharghar, Navi Mumbai – 410 210

### Registrar & Transfer Agents

Link Intime India Private Limited  
C-101, 247 Park, LBS Marg,  
Vikhroli West, Mumbai – 400 083  
Tel: 022-49186000, Fax: 022-49186060  
Email: rnt.helpdesk@linkintime.co.in  
Website: www.linkintime.co.in

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# NOTICE

Notice is hereby given that the Tenth Annual General Meeting (AGM) of the members of Navkar Corporation Limited (the Company) will be held on Wednesday, September 26, 2018 at 11.30 a.m. at Hotel The Regenza by Tunga, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai – 400 703, to transact the following businesses:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nemichand J. Mehta (DIN: 01131811), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS

3. To consider the appointment of Ms. Pooja H. Goyal (DIN: 07813296), as an Independent Director and in this regard, pass the following resolution with or without modifications as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Pooja H. Goyal (DIN: 07813296) who was appointed as an Additional Director by the Board on December 14, 2017 in accordance with the provision of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director be and is hereby appointed as a Director of the Company in the category of Independent Director, to hold office for a period of 5 (five) consecutive years with effect from December 14, 2017, subject to Ms. Pooja H. Goyal satisfying the criteria of independence in terms of the Companies Act, 2013, the Rules made there-under and the Listing Regulations and shall not be liable to retire by rotation.

4. To consider the appointment of Mr. Sandeep Kumar Singh (DIN: 02814440), as an Independent Director and in this regard, pass the following resolution with or without modifications as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory

modification(s) or re-enactment thereof for the time being in force), Mr. Sandeep Kumar Singh (DIN: 02814440), who was appointed as an Additional Director by the Board on August 23, 2018 in accordance with the provision of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company in the category of Independent Director, to hold office for a period of 5 (five) consecutive years with effect from August 23, 2018, subject to Mr. Sandeep Kumar Singh satisfying the criteria of independence in terms of the Companies Act, 2013, the Rules made there-under and the Listing Regulations and shall not be liable to retire by rotation.

By Order of the Board

**Deepa Gehani**

Company Secretary

Navi Mumbai, August 23, 2018

## Registered Office:

205-206, J. K. Chambers,  
Sector 17, Vashi,  
Navi Mumbai – 400 705, India  
CIN: L63000MH2008PLC187146  
website: [www.navkarcfs.com](http://www.navkarcfs.com)  
E-mail: [cs@navkarcfs.com](mailto:cs@navkarcfs.com)

## Notes:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), relating to Special Business to be transacted at the AGM is annexed hereto.
2. **A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a Poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the Proxy should however, be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the Meeting.**
3. **A person can act as a proxy on behalf of members not more than fifty and holding in aggregate not more than 10% of the total share capital of the Company. A Member holding more than 10% of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other Member. The holder of proxy shall prove his identity at the time of attending the Meeting.**
4. Mr. Nemichand J. Mehta is interested in the Ordinary Resolution as set out in Item No. 2 of the notice with regard to his re-appointment. Mr. Shantilal J. Mehta, Chairman & Managing Director, being related to Mr. Nemichand J. Mehta may be deemed to be interested in said resolution. Save and except the above, none of other Directors / Key Managerial Personnel of the Company / their relatives are,

in any way, concerned or interested, financially or otherwise, in the Ordinary Business as set out under Item No. 1 and 2 of the Notice.

5. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on September 11, 2014
6. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
7. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto. Members / Proxies / Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copies of Annual Report. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
8. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, September 20, 2018 to Wednesday, September 26, 2018 (both days inclusive).
9. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days (i.e. except Saturday, Sunday and Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will also be available for inspection by members at the Meeting.
10. SEBI has decided that securities of listed Companies can be transferred only in dematerialized w.e.f. December 5, 2018. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
11. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice.
12. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Wednesday, September 19, 2018 (cut-off date) are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may also exercise their right to vote by electronic means.

13. The e-voting period will commence at 9.00 a.m. Saturday, September 22, 2018 and will end at 5.00 p.m. on Tuesday, September 25, 2018. The Company has appointed Mr. Hemant Shetye, Partner of M/s. HS Associates, Practicing Company Secretaries, Mumbai, to act as the Scrutinizer for conducting the scrutiny of the votes cast.
14. The facility for voting through polling paper shall be made available at the Meeting and the Members attending the Meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the Meeting.
15. The members can attend the Meeting on Wednesday, September 26, 2018, at 11.30 a.m., in person or through proxy and vote on the resolutions set forth in the Notice, if they have not exercised their votes through e-voting. The Scrutinizer shall submit the report for both physical and e-voting to the Chairman which shall be published on the website of the Company within 48 hours of the conclusion of the Meeting.
16. Members are requested to carefully read the following instructions relating to e-voting before casting their vote.
17. Members may note that the details of the Director seeking re-appointment as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard-2 issued by the Institute of Company Secretaries of India forms an integral part of the notice. Requisite declarations have been received from the Director for seeking his re-appointment.

**18. The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 9.00 a.m. (IST) on Saturday, September 22, 2018 and ends on Tuesday, September 25, 2018 at 5.00 p.m. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 19, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- (ii) Click on Shareholders / Members
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (iv) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

- (v) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Stickers indicated in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN (Electronic Voting Sequence Number) for the Navkar Corporation Limited.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

- (xvi) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- (xvii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

- (xviii) **Note for Non – Individual Shareholders and Custodians**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****Item No.3**

Pursuant to the provisions of Section 161 of the Companies Act, 2013 and the rules made there under ('the Act') read with Articles of Association of the Company, Ms. Pooja H. Goyal (DIN: 07813296), was appointed as an Additional Director in the capacity of Independent Director of the Company w.e.f. December 14, 2017. Accordingly, Ms. Pooja H. Goyal will hold office upto the date of ensuing Annual General Meeting.

The Company has received notice in writing under the provisions of Section 160 of the Act from a member of the Company, proposing the candidature of Ms. Pooja H. Goyal for the office of Director of the Company.

Ms. Pooja H. Goyal has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Ms. Pooja H. Goyal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and she has given her consent to act as Director.

A brief profile of Directors to be appointed, including nature of their expertise and other disclosure as required under Regulation 36(3) of the Listing Regulations, is provided at "Annexure A" of this Notice.

Terms and conditions of appointment of Ms. Pooja H. Goyal as Independent Director are open for inspection without any fee by any member at the registered office of the Company.

Except Ms. Pooja H. Goyal, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 03 of AGM notice.

The Board recommends the resolution at Item No. 03 in relation to the appointment of Ms. Pooja H. Goyal as Independent Director for the approval by the members of the Company by way of Ordinary Resolution.

**Item No. 4**

Pursuant to the provisions of Section 161 of the Companies Act, 2013 and the rules made there under ('the Act') read with Articles of Association of the Company, Mr. Sandeep Kumar Singh (DIN: 02814440), was appointed as an Additional Director in the capacity of Independent Director of the Company w.e.f. August 23, 2018 Accordingly, Mr. Sandeep Kumar Singh will hold office upto the date of ensuing Annual General Meeting.

The Company has received notice in writing under the provisions of Section 160 of the Act from a member of the Company, proposing the candidature of Mr. Sandeep Kumar Singh for the office of Director of the Company.

Mr. Sandeep Kumar Singh has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Sandeep Kumar Singh not disqualified from being appointed as a Director in terms of Section 164 of the Act and he has given his consent to act as Director.

A brief profile of Directors to be appointed, including nature of their expertise and other disclosure as required under Regulation 36(3) of the Listing Regulations, is provided at "Annexure A" of this Notice.

Terms and conditions of appointment of Mr. Sandeep Kumar Singh as Independent Director are open for inspection without any fee by any member at the registered office of the Company.

Except Mr. Sandeep Kumar Singh, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 04 of AGM notice.

The Board recommends the resolution at Item No. 04 in relation to the appointment of Mr. Sandeep Kumar Singh, as Independent Director for the approval by the members of the Company by way of Ordinary Resolution.

By Order of the Board

**Deepa Gehani**  
Company Secretary

Navi Mumbai, August 23, 2018

**Registered Office:**

205-206, J. K. Chambers,  
Sector 17, Vashi,  
Navi Mumbai – 400 705, India  
CIN: L63000MH2008PLC187146  
website: www.navkarcfs.com  
E-mail: cs@navkarcfs.com

# Annexure - A

Details of Directors Seeking Appointment/ Re-Appointment at the ensuing Annual General Meeting:

Name of Director	Mr. Nemichand J Mehta	Ms. Pooja H. Goyal	Mr. Sandeep Kumar Singh
DIN	01131811	07813296	02814440
Date of Birth and Age	April 28, 1963 55 Year Old	July 27, 1978 40 Year Old	July 1, 1971 47 years old
Date of Appointment on Board	September 01, 2016 (In current designation - Whole Time Director)	December 14, 2017	August 23, 2018
Qualifications	B.COM Bachelor's degree in commerce from Swaran Mukth Shiksha Peeth, Punjab	B.COM, L.L.M Bachelor's degree in commerce and a Master's degree in law, both from Jiwaji University, Gwalior, Madhya Pradesh	Post Graduate in Rural Development from Xavier Institute of Social Sciences, Ranchi. Has specialization in Media Planning (short term) from Mudra Institute of Communications, Ahmedabad & in General Business Management (Executive Education) from IIM, Bangalore.
Brief profile, experience and expertise	He is Promoter since Inception of the Company, has experience over a decade in the business of Container Freight Station (CFS) and Inland Container Depot (ICD).	She is practicing advocate since last five years, having vast experience in the legal field.	He has worked with ASSOCHAM, as Media Planner with RK Swamy/BBDO, and Hindustan Thomson & Associates (HTA), as Media Researcher with AC Nielsen and, ORG-MARG, and as Vice-President – Sales & Marketing with ETC. Network, SABe TV and Sahara News. He was instrumental in positioning SABe TV as a Comedy Channel. He was also instrumental in launch of Sahara Samay Bihar & Jharkhand, and Sahara Samay NCR.
Number of meetings of the Board attended during the year	05 (Five)	01 (One)	Nil
Directorships held in other Companies	Sidhhartha Corporation Limited  Bhagavati Commission Agents Private Limited  Arihant Multisales Private Limited	H.G. Infra Engineering Limited	Bhageria Industries Limited,  The Byke Hospitality Limited and  Solid Containers Limited



Committee Positions held in other Companies	Nil	Name of Company - H.G. Infra Engineering Limited She is member in Nomination and Remuneration Committee.	Name of the Company	Name of the Committee	Category
			Solid Containers Limited	Audit Committee	Member
				Nomination and Remuneration Committee	Member
			The Byke Hospitality Limited	Audit Committee	Member
				Stakeholders Relationship Committee.	Member
			Bhageria Industries Limited	Audit Committee	Member
				Nomination and Remuneration Committee	Member
				Stakeholders Relationship Committee	Member
				CSR Committee	Member
Shareholding in Navkar Corporation Limited	19.20%	Nil	Nil		
Relationship with other directors, manager and other Key Managerial Personnel of the Company	Brother of Mr. Shantilal J. Mehta, Chairman & Managing Director of the Company.	N.A.	N.A.		

# DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Company's Tenth Annual Report on the business and operational performance of the Company together with the Audited Financial Statements for the financial year ended March 31, 2018.

## FINANCIAL HIGHLIGHTS

	(₹ in lakhs)	
Particulars	FY 2017-18	FY 2016-17
Revenue from Operations	42,817.36	37,090.53
Other Income	295.27	1,312.84
Total Revenue	43,112.63	38,403.37
Less: Expenses	30,274.29	28,482.21
Profit Before Tax	12,838.34	9,921.16
Less: Tax Expenses	2,746.57	1,042.28
Profit for the Year	10,091.77	8,878.88
Other Comprehensive Income for the year (net of taxes)	12.49	(32.98)
Total Comprehensive Income for the year (Comprising Profit and other Comprehensive Income for the year)	10,104.26	8,845.90

The Company has adopted Indian Accounting Standard (referred to as 'Ind AS') for the financial year commencing from April 1, 2016 and accordingly, these financial results along with the comparatives have been prepared in accordance with the recognitions and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules framed thereunder and the other accounting principles generally accepted in India.

The financial results of your Company as on March 31, 2018, are prepared with the effect of business combination of Navkar Terminals Limited (NTL) in Navkar Corporation Limited (NCL) subsequent to amalgamation of NTL into NCL. For details, kindly refer subsequent para. Therefore the figures for the year ended March 31, 2017 has been re-stated considering the effect of amalgamation.

## RESULTS OF OPERATIONS

Your Company is engaged in the business of Container Freight Station (CFS) and related activities. The CFS industry in India is facing challenges by increasing share of direct port delivery (DPD) of import containers. But your Company registered a satisfactory performance during the financial year 2017-18 countering such challenges.

The Company's Total Revenue increased to ₹ 43112.63 lakh as against ₹ 38403.37 lakh in the previous fiscal, up by 12.26% over the previous year. This revenue was driven by handling of higher TEUs and higher realizations. The Company also progressed well on multiple performance improvement initiatives, reduction in finance cost, optimization of logistics cost, and productivity. As a result, the operating EBITDA for the year grew by 12.55% in comparison to the last year. The Company posted net profit of ₹ 10,104.26 lakh for FY 2017-18 as compared to the net profit of ₹ 8845.90 lakh for FY 2016-17.

## SCHEME OF AMALGAMATION

**Amalgamation of Navkar Terminals Limited ("Transferor Company") into Navkar Corporation Limited ("Transferee Company") and their respective shareholders**

During the year under review, National Company Law Tribunal (NCLT), Mumbai Bench vide its order dated November 16, 2017 has directed to convene a meeting of Equity Shareholders (Court Convened Meeting) on January 5, 2018 and meeting of Preference Shareholders on January 6, 2018 respectively for the purpose of taking approval of the proposed amalgamation embodied in the Scheme of Amalgamation of Navkar Terminals Limited into Navkar Corporation Limited.

The Shareholders of your Company in their meeting held on January 5, 2018 and January 6, 2018 had approved the Scheme under Sections 230 to 232 of the Companies Act, 2013.

The Scheme was sanctioned by NCLT on March 28, 2018. The certified true copy of the NCLT Order No. CSP 6 of 2018 / CSP 9 of 2018, both, dated March 28, 2018 were filed with Registrar of Companies on May 11, 2018. Consequent upon the Scheme became effective from May 11, 2018.

With effect from the Appointed Date March 1, 2016 and upon the Scheme coming into effect, the Navkar Terminals Limited, Transferor Company stand merged with and be vested in the Navkar Corporation Limited, Transferee Company, as a going concern, and pursuant to the provisions of Section 230 to 232 of the Companies Act, 2013, together with all the properties, assets, rights, liabilities, benefits and interest therein. Kindly refer Note 44 to the financial statements.

In terms of the scheme, upon the scheme becoming effective, Navkar Corporation Limited was to issue and allot 99,790 (Ninety Nine Thousand Seven Hundred and Ninety), 6% Cumulative Redeemable Preference Shares of face value of ₹ 100/- each aggregating to ₹ 99,79,000/- (Rupees Ninety Nine Lakhs Seventy Nine Thousand only) on the terms and conditions

as mentioned in the Scheme, to the Preference Shareholders of the Navkar Terminals Limited whose names appear in the register of members on Record Date. Accordingly, the Company has issued and allotted the said number of preference shares to the allottees in the Board meeting held on June 21, 2018.

## COMPANY'S STATE OF AFFAIRS

The Company has three Container Freight Stations (CFS), two at Ajivali and one at Somathane in Panvel with aggregate installed capacity of over 5,00,000 TEUs per annum. The Company has a Private Freight Terminals (PFT) which allows the Company to load and unload cargo from container trains operating between Somathane CFS and JNPT and to transport domestic cargo to and from inland destinations on the Indian rail network. The Company has started ICD operations at Vapi in the last year with an approximate installed capacity of 5,00,000 TEUs per annum. Vapi terminal volumes are growing at the higher rate. Navkar received final approval from the Indian Railways for operating a PFT at Vapi. The approval is favourable to both the railways and Navkar as the distance between the two is around 175 km. Commencement of rail operation at Vapi is expected to further improve volumes and profitability as the company has an Inland Container Depot at Valsad (Gujarat) along the industrial belt. The management expects to handle 5,000 TEUs per month through this terminal. The ramp-up in volumes will result in significant margin expansion as it will enjoy high operating leverage. Detailed report is available under separate section Management Discussion and Analysis, forms part of this Annual Report.

## DIVIDEND AND RESERVES

With a view to conserve the resources for current as well as future business requirements and expansion plans, your Board is of the view that the current year's profit be ploughed back into the operations and hence no dividend is recommended for the financial year ended March 31, 2018.

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Dividend Distribution Policy taking into account the parameters prescribed in the said Regulations. The decision of the Board of Directors on dividend for the financial year 2017-18 is in accordance with the Company's policy of meeting long-term growth objectives of the Company by internal cash accruals.

The details of reserves and surplus are provided in note no 17 of the notes to the financial statement.

As per the regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') requires the top 500 listed entities, based on market capitalization calculated as on 31st March of every financial year, to formulate a Dividend Distribution Policy and disclose the same in their Annual Reports and on their websites.

In the last year's Annual Report, the above disclosure was absent inadvertently. The Dividend Distribution policy is annexed as Annexure - 1. However, the policy is available on Company's website: <http://www.navkarcfs.com/b/download/policies/Dividend-Distribution-Policy.pdf>.

## AWARDS AND RECOGNITIONS

The Company has received the following awards and recognitions during the financial year 2017-18:

Container Freight Station of the Year award by 8th All India MALA (Maritime & Logistics Awards) in September 2017 at Mumbai.

Container Freight Station of the Year award at the 2nd Edition of India Maritime Awards in June 2017 at Mumbai.

Container Freight Station of the Year award at the 5<sup>th</sup> Samudra Manthan Awards 2017 in December 2017 at Mumbai.

Award for Highest Import deliveries of containers from Jawaharlal Nehru Port Trust (JNPT) during the year 2017-18 at Mumbai.

## SHARE CAPITAL

During the financial year, the Authorized Share Capital of the Company was increased from ₹ 160 Crore to ₹ 170 Crores vide member's approval dt. August 24, 2017. Further in terms of the Amalgamation Scheme of wholly owned subsidiary Company Navkar Terminals Limited with your Company the Authorised Shares Capital of the Company was increased hence the present Authorized Share Capital of the Company is ₹ 2,26,00,00,000/- (Rupees Two Hundred Twenty Six Crore Only) divided into 21,50,00,000 (Twenty One Crore Fifty Lakh) Equity Shares of ₹ 10/- (Rupees Ten Only) each, 50,00,000 (Fifty Lakh) 0% Cumulative Redeemable Preference Shares of ₹ 10/- (Rupees Ten Only) each and 6,00,000 (Six Lakh) 6% Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred Only) each.

The Company successfully raised ₹ 144,77,41,914/- (Rupees One Hundred Forty Four Crores Seventy Seven Lakhs Fourty One Thousand Nine Hundred Fourteen only) through Qualified Institutional Placement (QIP) in October, 2017 by issuing 79,11,158 (Seventy Nine Lakhs Eleven Thousand One Hundred Fifty Eight) Equity Shares (Face Value ₹ 10/- each) at the price of ₹ 183/- each.

As on March 31, 2018, the issued, subscribed, paid up share capital of your Company stood at ₹ 152,81,91,810/- (Rupees One Hundred Fifty Two Crore Eighty One Lakhs Ninety One Thousand Eight Hundred Ten only) comprising 15,05,19,181 (Fifteen Crores Five Lakhs Nineteen Thousand One Hundred Eighty One) Equity Shares of face value of ₹ 10/- (Rupees Ten) each and 23,00,000 (Twenty Three Lakhs) 0% cumulative Redeemable Preference Shares of face value of ₹ 10/- (Rupees Ten) each.

On June 21, 2018, Company has issued and allotted 99790 (Ninety Nine Thousand Seven Hundred Ninety) 6% Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred Only) each to existing Preference Shareholders of the amalgamated Company Navkar Terminals Limited towards consideration of aforesaid amalgamation.

Apart from the above there are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and date of signing of this report



## DETAILS OF UTILISATION OF IPO AND QIP PROCEEDS

### a) IPO Proceeds

Pursuant to the Initial Public Offer made in September 2015, the Company had collected ₹ 51,000 Lakhs through fresh issue of 32,903,225 Equity Shares of the face value of ₹ 10/- each at a premium of ₹ 145/- each share. Utilization of funds so raised is as under

#### Statement of Utilization of funds raised through Initial Public Offering (IPO):

	(₹ In Lakh)
Particulars	Amount
Issue Proceeds	51,000.00
Less: Issue expenses (including service tax)	3,185.80
Net Proceeds from IPO	47,814.20
Less: Utilization of IPO proceeds upto December 31, 2017	47,814.20
Funds to be utilized	NIL
Additional Amount utilised out of internal accruals upto Decemcer 31, 2017	520.20

#### Object wise details of utilization are as under:

(₹ in Lakh)

Particulars	Proposed amount as per Prospectus	Revised proposed amount	Amount utilized	Amount unutilized
	(1)	(2)	(3)	(4)=(2) – (3)
Capacity enhancement of the Somathane CFS	11,452.80	7,794.30	7,794.30	NIL
Development of the non-notified areas of CFSs (Somathane)	5,425.10	4,468.70	4,468.70	NIL
Establishment of a logistics park at Valsad (near Vapi)	31,456.50	20,764.60	20,764.60	NIL
Repayment of loan	-	15,306.80	15,306.80	NIL
Total	48,334.40	48,334.40	48,334.40	NIL

IPO of the Company was comprise of an offer for sale of 58,06,451 Equity Shares aggregating to ₹ 90 Crores by Sidhhartha Corporation Private Limited, a member of Promoter G roup.

### b) Details of Utilization of QIP Proceeds

#### Statement of Utilization of funds raised through Qualified Institutional Placement (QIP):

Utilization of QIP Proceeds	(₹ In Lakh)
Particulars	Amount
Gross proceeds from QIP issue	14,477.42
Less: Utilization of QIP proceeds for the objects stated in the Placement Document	14,477.42
Funds unutilized	Nil

## MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the financial year 2017-18, as stipulated under Regulation 34 read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of this Annual Report.

## CORPORATE GOVERNANCE REPORT

The Company constantly endeavors to follow best Corporate Governance guidelines and best practices and disclose the same transparently. The Board is conscious of its inherent responsibility to disclose timely and accurate information on the Company's operations, performance, material corporate events as well as on the leadership and governance matters relating to the Company. The Company has put in place an effective

corporate governance system which ensures that the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are duly complied with.

A Certificate from Practicing Company Secretary M/s. HS Associates, Mumbai confirming compliance with the conditions of Corporate Governance stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Report on Corporate Governance.

## BUSINESS RESPONSIBILITY REPORT

Your Company is committed to carry on business with ethics, transparency and accountability of all its stakeholders. The Company believes in demonstrating responsible behavior while adding value to the society and community as well as ensuring environmental well being.

Pursuant to provisions of Regulation 34(2) (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report describing the initiatives taken by the Company during the period under review from an environmental, social and governance perspective, has been annexed to this Report

### **SUBSIDIARY, ASSOCIATES AND JOINT VENTURE COMPANY**

During the period under review, Navkar Terminals Limited (NTL) was a Wholly Owned Subsidiary Company of Navkar Corporation Limited (NCL). Subsequent to Amalgamation of NTL with NCL, NTL stands merged with NCL and therefore it ceases to be Wholly Owned Subsidiary of your Company. There is no other subsidiary, joint venture and associate Company of NCL.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year ended March 31, 2018, Ms. Sudha Gupta (DIN 01749008) Independent Director and Capt. Dinesh Gautama (DIN 02384688), Whole time Director & Chief Executive Officer of the Company have resigned from the Directorship of the Company w.e.f. October 6, 2017 and December 7, 2017 respectively. The Board placed on record appreciation of their valuable contribution during their tenure towards the Company. However, Capt. Dinesh Gautama continues as a Chief Executive Officer of the Company.

Ms. Pooja H. Goyal (DIN 7813296) and Mr. Sandeep Kumar Singh (DIN 02814440) were appointed as an Additional Director in the category of Non-executive- Independent Director by the Board of Directors with effect from December 14, 2017 and August 23, 2018 respectively, shall hold office upto the conclusion of ensuing Annual General Meeting (AGM) in terms of section 161 of the Companies Act, 2013. Proposals for their appointment as an Independent Directors is being placed before the members in the ensuing Annual General Meeting for their approval.

Mr. Lalit Menghnani (DIN 06614582), Independent Director has resigned from the Company w.e.f. May 25, 2018. Your Directors place on record deep appreciation of his valuable contribution to the Company during his tenure.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Nemichand J Mehta, (DIN 01131811), is liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. Accordingly, the Board of Directors of the Company recommends his re-appointment. On his re-appointment, same terms and conditions will remain applicable as approved by share holders earlier.

The brief resume of Directors seeking appointment/re-appointment and other related information has been detailed in the Notice convening the 10<sup>th</sup> AGM.

During the year under review Mr. Hitesh Kumar Jain had resigned from the post of Company Secretary & Compliance officer of the Company with effect from December 15, 2017. Subsequent to his resignation, Ms. Deepa Gehani has been appointed as a Company Secretary & Compliance officer of the Company with effect from January 5, 2018 as per section 203 (1) of the Companies Act, 2013 and Regulation 6 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

As on March 31, 2018, the following are the Key Managerial Personnel of the Company;

Mr. Shantilal J Mehta – Chairman & Managing Director

Mr. Nemichand J Mehta – Whole time Director

Capt. Dinesh Gautama – Chief Executive Officer

Mr. Anish Maheshwari – Chief Financial Officer

Ms. Deepa Gehani – Company Secretary

### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declarations from the Independent Directors under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence as enumerated under section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

### **BOARD EVALUATION**

The Company has devised a Policy for performance evaluation of the Board of Directors, Board Committees and other individual directors including Chairman, Executive, Independent Directors which include criteria for performance evaluation of Executive Directors and Non-Executive Directors. The evaluation process inter-alia considers availability and attendance, experience, effective participation, domain knowledge, compliance with code of conduct, integrity, diligence and participation, leadership, etc.

The Board of Directors has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees of the Board.

The performance evaluation of the Chairman and Non-Independent Directors was carried out by Independent Directors. Details of the same are given in the report on Corporate Governance annexed hereto. The report on performance evaluation of the Individual Directors was reviewed by the Chairman of the Board and feedback was given to Directors.

### **NUMBER OF MEETINGS OF THE BOARD**

Five (05) meetings of the Board of Directors were held during the financial year 2017-18. The details of the number of meetings held and attended by each Director are provided in the Corporate Governance Report, which forms part of this Annual Report.

During the financial year 2017-18, one (1) separate meeting of the Independent Directors of the Company was held on May 29, 2017 in accordance with the provisions of the Schedule IV of the Companies Act, 2013.

### **AUDIT COMMITTEE**

Composition of the Audit Committee meets the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. As on March 31, 2018, the Composition of the committee is as under:

Mr. Ashok Kumar Thakur – Chairman (Independent Director)

Ms. Pooja H. Goyal – Member (Independent Director)

Mr. Nemichand J. Mehta – Member (Whole time Director)

During the period under review, there were no instances of non acceptance of any recommendation of the Audit Committee of the Company by the Board of Directors.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- (a) In the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- (c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors have prepared the annual accounts on a going concern basis; and
- (e) The Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **INTERNAL FINANCIAL CONTROLS AND AUDIT**

As per section 134(5)(e) of the Companies Act, 2013, your Directors have an overall responsibility for ensuring that the Company has implemented robust system and framework of internal financial controls. This provides the Directors with reasonable assurances regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. Your Company has adequate internal control systems commensurate with the nature of the Company's business, size and complexity of its operations are in place and such internal financial controls over financial reporting are operating effectively based on the criteria established by the Company considering the essential components of internal control.

Further, the Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. Proper policies and procedures are in place to ensure orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The Company has an internal audit function that inculcates the best standards and policies. The Company has a strong internal audit department reporting to the Audit Committee. Internal Audit team has access of all the information. During the year under review, no material or serious

observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

### **RISK MANAGEMENT POLICY**

The Company recognizes that existing and emerging risks should be mitigated to:

- a. To protect the interest of shareholders and other stakeholders interest
- b. Achieve its business objective
- c. Enable sustainable growth

Your Company has adopted a well-defined process for managing its risks on an ongoing basis and for conducting the business in a risk conscious manner. These self-regulatory processes and procedures are contained in our Risk Management Policy.

Under the guidance of the Board of Directors of the Company, Key Managerial Personnel and Senior Employees who are conversant with risk management systems and procedures have been entrusted with the risk management of the Company in accordance with the formulated policy. The Audit Committee has additional oversight in the area of financial risks and controls. All risks are systematically addressed through mitigating actions on a continuing basis.

### **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has in place Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy. No complaints pertaining to Sexual Harassment has been received during the FY 2017-18.

### **ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY**

As per provisions of Section 177 of the Companies Act, 2013 and applicable Rules framed thereunder, the Company has established a vigil mechanism in form of Whistle Blower Policy for Directors and employees to report their genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy, details of which are provided in the Corporate Governance Report, which forms part of the Annual Report. The policy has been placed on the website of the Company.

The Policy provides for adequate safeguards against victimization of Directors/employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. During the FY 2017-18, the Company has not received any complaints through vigil mechanism.

The Whistle Blower Policy is available on the companies website at the link i.e. <http://www.navkarcfs.com/b/download/policies/vigil-mechanism-or-whistle-blower-policy.pdf>

### **NOMINATION AND REMUNERATION POLICY**

The current policy is to have an appropriate proportion of Executive and Independent directors to maintain the independence on the Board and separate its functions of governance and management.



The Company has framed Nomination and Remuneration Policy. Silent features of such policy are outlined in Annexure - 2 of this Report.

The Nomination and Remuneration policy is available on the Company's website at the link i.e. <http://www.navkarcfs.com/b/download/policies/nomination-&-remuneration-policy.pdf>

### **CORPORATE SOCIAL RESPONSIBILITY**

As required under the provisions of the Section 135 of the Companies Act, 2013, the Board has constituted the Corporate Social Responsibility Committee which monitors and oversees various CSR initiatives and activities of the Company. The Committee comprises three directors with Non-Executive-Independent Director as its Chairperson. Further details such as composition, terms, functions, meetings and attendance of directors of the said committee are provided in the Corporate Governance Report forming part of this Annual Report.

The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure - 3 and forms an integral part of this Report. Policy on Corporate Social Responsibility is available on the Company's website at the link <http://www.navkarcfs.com/b/download/policies/CSR-Policy.pdf>

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the Financial Statements.

### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the Financial Year 2017-18 were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

All related party transactions pre-cleared by the Audit Committee and these are placed before the Audit Committee and also to the Board for approval. Omnibus approval was obtained for annual transactions which are of recurring nature. A statement containing details of all transactions entered into pursuant to omnibus approval are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) read with section 134(1)(h) and applicable rules of the Companies Act, 2013 are provided in the prescribed form AOC-2 as Annexure - 4 which forms part of this Report.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board of Directors of the Company can be viewed on the website of the Company through the link: <http://navkarcfs.com/b/download/policies/RPT-Policy.pdf>

## **AUDITORS AND AUDITORS' REPORT**

### **Statutory Auditors**

The Statutory Auditors, M/s. S. K. Patodia & Associates, Chartered Accountants (Firm Registration No.: 112723W), Mumbai, had been appointed as Statutory Auditors in the Sixth Annual General Meeting (AGM) of the Company held on September 11, 2014 to hold office from the conclusion of the Sixth AGM till the conclusion of Eleventh AGM to be held in the financial year 2018 - 2019 (subject to ratification by members at every AGM).

According to the Companies (Amendment) Act, 2017 notified by the Ministry of Corporate Affairs on May 07, 2018, the requirement of ratification of Statutory Auditors by the members of the company at every Annual General Meeting has been done away with. Therefore, no resolution has been proposed for their ratification at the ensuing AGM. They have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

### **Secretarial Auditor**

Pursuant to section 204 of the Companies Act, 2013, the Board had appointed M/s. HS Associates, a Firm of Practicing Company Secretaries, Mumbai, to conduct Secretarial Audit for the financial year 2017 -18. The Secretarial Audit Report in Form MR-3 is annexed as Annexure - 5 with this Report.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

### **Secretarial Standards**

During the period under review, the Company has complied with the all applicable Secretarial Standards i.e. SS - 1 and SS - 2 relating to meetings of Board of Directors and General Meetings respectively issued by the Institute of Company Secretaries of India.

### **EXTRACT OF ANNUAL RETURN**

Extract of the Annual Return in form MGT 9, as provided under Section 92 of the Companies Act, 2013, is annexed as Annexure - 6 and forms an integral part of this Report. The Company has placed a copy of such form on it's website that can be viewed by following the link: <http://www.navkarcfs.com/b/download/documents/annualreturn.pdf>

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earning & outgo is given in Annexure -7 forms part of this report.

## PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been annexed as Annexure - 8 to this Report.

## ENVIRONMENT AND SAFETY

Your Company is committed to make surrounding atmosphere at it's all CFS and ICD full of fresh air and greenery. In its efforts, huge number of trees has been planted at CFS and ICD year on year.

The Company pay special attention to the safety and smooth flow of the containers. To ensure this, our processes are designed such that they come built-in with safety features. Right from installing a revolutionary technology, like RFID-based container tracking to basking in the goodwill with shipping lines, importers and exporters, freight forwarders and custom house agents. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources. Audit of safety measures taken by the Company is being carried out at regular interval.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Human Resources are important assets of Navkar. Your Company has adopted employee friendly HR processes that held to grow and offer them personal developmental opportunities. The Company's HR policies encourage talent acquisition and retention process, ensure transparency, and facilitate development, building trust and encourage and support performance oriented environment. Providing equal opportunities to all employees and ensuring diversity by creating level playing field for under privileged segments of the society through positive actions are the ethos of team building process at Navkar. Your Company has such policies in place to prevent discrimination, sexual harassment and encourage talent.

## GENERAL

The Board of Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the financial year 2017-18:

- Deposits covered under Chapter V of the Companies Act, 2013.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- The Company does not have any Employees' Stock Option Scheme.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from its Subsidiary Company.

- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.

## ACKNOWLEDGEMENT

Your Directors takes this opportunity to express their appreciation for the cooperation and assistance received from the Government of India, Government Authorities Banks, Customers and Shareholders during the period under review. Your Directors also wish to place on record their appreciation of the devoted and dedicated services rendered by all employees of the Company.

On behalf of the Board of Directors

**Shantilal J. Mehta**  
 Chairman & Managing Director  
 DIN: 00134162

Navi Mumbai  
 August 23, 2018

# Annexure - 1

## **DIVIDEND DISTRIBUTION POLICY OF NAVKAR CORPORATION LIMITED**

The Board of Directors (the "Board") of Navkar Corporation Limited (the "Company") has adopted the Dividend Distribution Policy (the "Policy") of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

### **PURPOSE, OBJECTIVES AND SCOPE**

The Securities and Exchange Board of India ("SEBI") vide its Notification dated July 08, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalization calculated as on the 31st day of March of every year. Considering the provisions of the aforesaid Regulation 43A, the Board of Directors (the "Board") of the Company recognizes the need to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/ or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element or the Policy will be regarded as deviation. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board of Directors.

The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, progressive dividend, which shall be consistent with the performance of the Company over the years. The Policy shall not apply to:

Determination and declaring dividend on preference shares as the same will be as per the terms of issue approved by the shareholders;

Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;

Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

### **A. GENERAL POLICY OF THE COMPANY AS REGARDS TO DIVIDEND**

The general considerations of the Company for taking decisions with regard to dividend payout or retention of profits shall be as following-

1. Subject to the considerations as provided in the Policy, the Board shall determine the dividend payout in a particular year after taking into consideration the operating and financial performance of the Company, the advice of executive management and other relevant factors.
2. The Board may also, where appropriate, aim at distributing dividends in kind, subject to applicable law, in form of fully or partly paid shares or other securities.

### **B. CONSIDERATIONS RELEVANT FOR DECISION OF DIVIDEND PAY-OUT**

The Board shall consider the following, while taking decisions of a dividend payout during a particular year-

#### **Statutory requirements**

The Company shall observe the relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve etc. as provided in the Companies Act, 2013, which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

#### **Agreements with lending institutions**

The decision of dividend pay-out shall also be affected by the restrictions and covenant contained in the agreements as may be entered into with the lenders of the Company from time to time.

#### **Prudential requirements**

The Company shall analyze the prospective projects and strategic decisions in order to decide-

- to build a healthy reserve of retained earnings;
- to augment long term strength;
- to build a pool of internally generated funds to provide long-term resources as well as resource-raising potential for the Company; and
- the needs for capital conservation and appreciation.

#### **Proposals for major capital expenditures etc.**

In addition to plough back of earnings on account of depreciation, the Board may also take into consideration the need for replacement of capital assets, expansion and modernization or augmentation of capital stock, including any major capital expenditure proposals.

#### **Extent of realized profits as a part of the IND AS profits of the Company**

The extent of realized profits out of its profits calculated as per IND AS, affects the Board's decision of determination of dividend for a particular year. The Board is required to consider such factors before taking any dividend or retention decision.



## C. OTHER FINANCIAL PARAMETERS

In addition to the aforesaid parameters such as realized profits and proposed major capital expenditures, the decision of dividend payout or retention of profits shall also be based the following-

### Operating cash flow of the Company

If the Company cannot generate adequate operating cash flow, it may need to rely on outside funding to meet its financial obligations and sometimes to run the day-to-day operations. The Board will consider the same before its decision whether to declare dividend or retain its profits.

### Revenues of the Company

To increase its revenues in the long run, the Company will need to increase its marketing and promotional expenses, advertising etc. The amount outlay in such activities will influence the decision of declaration of dividend.

### Return on invested capital

The efficiency with which the Company uses its capital will impact the decision of dividend declaration.

### Magnitude of earnings of the Company

Since dividend is directly linked with the availability of earning over the long haul, the magnitude of earnings will significantly impact the dividend declaration decisions of the Company.

### Cost of borrowings

The Board will analyze the requirement of necessary funds considering the long term or short term projects proposed to be undertaken by the Company and the viability of the options in terms of cost of raising necessary funds from outsiders such as bankers, lending institutions or by issuance of debt securities or plough back its own funds.

### Obligations to creditors

The Company should be able to repay its debt obligations without much difficulty over a reasonable period of time. Considering the volume of such obligations and time period of repayment, the decision of dividend declaration shall be taken.

### Inadequacy of profits

If during any financial year, the Board determines that the profits of the Company are inadequate, the Board may decide not to declare dividends for that financial year.

## D. FACTORS THAT MAY AFFECT DIVIDEND PAYOUT

### External Factors

#### Taxation and other regulatory concern

- Dividend distribution tax or any tax deduction at source as required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend.

- Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

### Service/ market expansion plan

The Company's growth oriented decision to conserve cash in the Company for future expansion plan impacts shareholders expectation for the long run which shall have to consider by the Board before taking dividend decision.

### Macroeconomic conditions

Considering the state of economy in the Country, the policy decisions that may be formulated by the Government and other similar conditions prevailing in the international market which may have a bearing on or affect the business of the Company, the management may consider retaining a larger part of the profits to have sufficient reserves to absorb unforeseen circumstances.

### Internal Factors

#### Past performance/ reputation of the Company

The trend of the performance/ reputation of the Company that has been during the past years determine the expectation of the shareholders.

#### Working capital management in the Company

The current working capital management system within the Company also impacts the decision of dividend declaration.

#### Age of the Company and its service/market

The age of the Company and its service or the market in which the Company operates will be one of the most significant determining factors to the profitability of the Company and dividend declaration or retention.

## E. CIRCUMSTANCES UNDER WHICH DIVIDEND PAYOUT MAY OR MAY NOT BE EXPECTED

The Board shall consider the factors provided above under Para A and B, before determination of any dividend payout after analyzing the prospective opportunities and threats, viability of the options of dividend payout or retention etc. The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

## F. MANNER OF DIVIDEND PAYOUT

The discussion below is a summary of the process of declaration and payment of dividends, and is subject to applicable regulations:

### In case of final dividends

1. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.
2. The dividend as recommended by the Board shall be approved/declared at the annual general meeting of the Company.

3. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date/ book closure period as per the applicable law.
4. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the annual general meeting

#### **In case of interim dividend**

1. Interim dividend, if any, shall be declared by the Board.
2. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
3. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable laws.
4. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the annual general meeting.

#### **G. MANNER OF UTILISATION OF RETAINED EARNINGS**

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

Market expansion plan; Service expansion plan;

Increase in service capacity; Modernization plan;

Diversification of business; Long term strategic plans;

Replacement of capital assets;

Where the cost of debt is expensive;

Other such criteria as the Board may deem fit from time to time.

#### **H. PARAMETERS FOR VARIOUS CLASSES OF SHARES**

1. The factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above.
2. The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.
3. The dividends shall be paid out of the Company's distributable profits and/or general reserves, and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held.
4. Dividend when declared shall be first paid to the preference shareholders of the Company as per the terms and conditions of their issue.

#### **AMENDMENT**

To the extent any change/amendment is required in terms of any applicable law, the Managing Director or the Chief Executive Officer of the Company shall be jointly/severally authorized to review and amend the Policy, to give effect to any such changes/ amendments. Such amended Policy shall be periodically placed before the Board for noting and necessary ratification immediately after such changes.

# Annexure -2

## **NOMINATION AND REMUNERATION POLICY**

### **Introduction:**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and disclosure Requirements) regulations, 2015, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

### **Definitions:**

**“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

**“Key Managerial Personnel”** means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) Such other officer as may be prescribed.

**“Senior Managerial Personnel”** mean the personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

### **Objective:**

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

### **Role of the Committee:**

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

## **POLICY FOR REMUNERATION TO DIRECTORS/KMP/ SENIOR MANAGEMENT PERSONNEL**

### **1) Remuneration to Managing Director / Whole-time Directors:**

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

### **2) Remuneration to Non- Executive / Independent Directors:**

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.



- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i) The Services are rendered by such Director in his capacity as the professional; and
  - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

**3) Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

**IMPLEMENTATION**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

# Annexure - 3

## Corporate Social Responsibility (CSR) Report

[Pursuant to Clause (o) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline of the Company's Corporate Social Responsibility (CSR) Policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.	The Company CSR Policy provides for carrying out CSR activities for enhancing environmental and natural capital; supporting rural development; promoting education including skill development providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India and preserving and promoting sports and to contribute or provide funds to such organization/ trust/society which undertakes the activities in the field of environmental sustainability, protection of flora and fauna and animal welfare.
2. Composition of CSR Committee	Ms. Pooja H. Goyal – Chairperson (from January 22, 2018) Ms. Sudha Gupta – Chairperson (till October 6, 2017) Mr. Shantilal J. Mehta – Member Mr. Nemichand J. Mehta – Member
3. Average Net Profit of the Company for the last three financial years	₹ 10,805.30 lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 216.11 lakhs
5. (a) Details of Amount Spent on CSR Activities during the year	₹ 229.26 lakhs
(b) Total Amount of CSR Expenditure	₹ 229.26 lakhs
(c) Amount Unspent if any	Nil

### d) Manner in which the amount spent during the financial year is detailed below: (₹ In Lakh)

S.No.	CSR Project, program or Activity identified	Sector in which the Project is covered	Project or programs 1. Local area or Other 2. State & district where the project, program or activity undertaken	Amount Outlay (budget) Project, program or activity wise	Amount spent on the projects or programs sub-heads: 1. Direct expenditure on projects / programs 2. Overheads Expenditure	Cumulative expenditure upto the reporting period	Amount spent directly or through implementing agency
1	Eradication of hunger and malnutrition, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects, Animal welfare	Eradication of hunger and malnutrition, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects, Animal welfare	Local area and in the state of Rajasthan	229.26	229.26	229.26	Through implementing agency Navkar Charitable Trust
<b>Total</b>							

### 6. Corporate Social Responsibility Policy

The Corporate Social Responsibility (CSR) Policy of the Company, as approved by the Board of Directors, is available on the Company's website: <http://www.navkarcfs.com/b/download/policies/CSR-Policy.pdf>

**7. Failure to Spent the Amount Specified under Section 135 of the Companies Act, 2013**

The Company has spent the entire amount of 2% of the average net profits of the Company for immediately preceding three financial years, for the purpose of CSR activities, as detailed aforesaid.

**8. Responsibility Statement of the CSR Committee**

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

**Shantilal J. Mehta**

Member - CSR Committee  
Chairman & Managing Director

Navi Mumbai, August 23, 2018

**Pooja H. Goyal**

Chairperson – CSR Committee  
Independent Director



# Annexure - 4

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

### 1. Details of contracts or arrangements or transactions not at arm's length basis

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Name(s) of the related party and nature of relationship	<b>NIL</b>
2.	Nature of contracts/arrangements/transactions	
3.	Duration of the contracts / arrangements / transactions	
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	
5.	Justification for entering into such contracts or arrangements or transactions	
6.	Date(s) of approval by the Board	
7.	Amount paid as advances, if any	
8.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

### 2. Details of material contracts or arrangement or transactions at arm's length basis

<b>Sr. No.</b>	<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transactions</b>	<b>Duration of the contracts / arrangements / transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	<b>Date of approval by the Board</b>	<b>Amount paid as advances, if any (₹ In Lakh)</b>
1.	Sidhartha Corporation Pvt. Ltd. (Enterprise in which key management personnel or their relative have significant influence)	Sale of Service	One year	At market price	May 29, 2017	Nil
2.	Mr. Shantilal J. Mehta	Rent Agreement	One year	At market price	May 29, 2017	Nil

#### On Behalf of the Board of Directors

**Shantilal J. Mehta**  
Chairman & Managing Director  
DIN: 00134162

**Nemichand J. Mehta**  
Whole-time Director  
DIN: 01131811

Navi Mumbai, August 23, 2018

# Annexure - 5

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR FINANCIAL YEAR ENDED ON MARCH 31, 2018.

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

To,  
The Members,

### Navkar Corporation Limited.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Navkar Corporation Limited (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers and minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018, to the extent applicable provisions of:

- I. The Companies Act, 2013 ("The Act") and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- e. The Listing agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited in accordance with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

- VI. Other laws specifically applicable to the Company namely:
  - I. Customs Act, 1962 (with regard to Container Freight Station);
  - II. Warehousing (Development and Regulation) Rules, 2010;
  - III. Central Motor Vehicles Act, 1988 and Central Motor Vehicles Rules, 1989;
  - IV. Multimodal Transportation of Goods Act, 1993;

### We have also examined compliances with the applicable clauses of the following:

- i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India
- ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

### We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that during the Audit period:**

1. The Company obtained approval of shareholders by special resolution for the re-appointment of Mr. Shantilal J. Mehta as a Chairman & Managing Director of the Company for the period of 3 years, w.e.f. October 01, 2017.
2. Board appointed Ms. Deepa Gehani as a Company Secretary and Compliance Officer of the Company w.e.f. January, 05, 2018 subsequent to resignation of Mr. Hitesh Kumar Jain w.e.f. December 15, 2017.
3. The Authorized share capital of the Company was increased from ₹ 160 Crore to ₹ 170 Crores vide member's approval in the Annual General Meeting held on August 24, 2017.
4. Board approved the resignation of Ms. Sudha Gupta (DIN 01749008), as an Independent Director and Capt. Dinesh Gautama (DIN02384688), as Whole time Director of the Company w.e.f. October 06, 2017 and December 07, 2017 respectively. Ms. Pooja H. Goyal, (DIN 07813296) was appointed as an Additional Non-Executive Independent Director of the Company w.e.f. December 14, 2017 and regularised the appointment of an additional Non-Executive Independent Director Mr. Ashok Kumar Thakur as an Non-Executive Independent Director in the AGM held on August 24, 2017.
5. Certain assets which were in the name of promoters have been transferred into the name of the Company; however, few assets are yet to transfer.
6. Company obtained approval of shareholders by special resolution dated August 24, 2017 for Further issue of Securities not exceeding ₹500 Crore, in Pursuant to the provision of Section 42,62 (1) (c) ,71 and other Applicable Provision of the Companies Act, 2013 read with Rules made thereunder and The Board allotted 79,11,158 (Seventy-Nine Lakh Eleven Thousand One Hundred and Fifty Eight) equity shares of ₹10 each (Rupees Ten Only) at a Premium of ₹173/- per equity share through Qualified Institutional Placement as per the SEBI (ICDR) guidelines and the said shares were duly listed on Stock Exchanges i.e. BSE & NSE.
7. National Company Law Tribunal, Mumbai Bench (NCLT) vide its order dated November 16, 2017 has directed to convene a meeting of Equity shareholders (Court Convened Meeting) on January 5, 2018 and meeting of Preference shareholders on January 6, 2018 respectively for the purpose of taking approval of the proposed amalgamation embodied in the Scheme of Amalgamation of Navkar Terminals Limited into Navkar Corporation Limited and the said Scheme was approved by shareholders under Sections 230 to 232 of the Companies Act, 2013.

Further Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT) sanctioned the Scheme of Amalgamation of Navkar Terminal Limited (Transferor Company) into Navkar corporation Limited (Transferee Company) vide its Order dated March 28 2018.

**For HS Associates**  
Company Secretaries  
Hemant S. Shetye  
Partner

Date: August 23, 2018  
Place: Mumbai

FCS No.: 2827  
CP No.: 1483

This report is to be read with our letter of even date which is annexed as **Annexure –A** and form an integral part of this report.

**Annexure -A**

To,

The Members,  
**Navkar Corporation Limited.**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness, appropriateness of financial records and books of accounts of the Company.
4. The Compliance of the provisions of Corporate and the other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For HS Associates**  
Company Secretaries  
Hemant S. Shetye  
Partner

Date: August 23, 2018  
Place: Mumbai

FCS No.: 2827  
CP No.: 1483

# Annexure - 6

## Form No. MGT-9 EXTRACT OF ANNUAL RETURN

**as on the financial year ended on March 31, 2018**  
 [Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
 Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

<b>CIN</b>	L63000MH2008PLC187146
<b>Registration Date</b>	29/09/2008
<b>Name of the Company</b>	Navkar Corporation Limited
<b>Category / Sub-Category of the Company</b>	Public Company limited by shares, Indian Non Government Company
<b>Address of the Registered office and contact details</b>	205-206, J K Chambers, Sector 17, Vashi, Navi Mumbai – 400703 E-mail: <a href="mailto:cs@navkarcfs.com">cs@navkarcfs.com</a> Website: <a href="http://www.navkarcfs.com">www.navkarcfs.com</a>
<b>Whether listed company</b>	Yes a). BSE Limited b). National Stock Exchange of India Limited
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Link Intime India Private Limited, C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400083. E-mail: <a href="mailto:jiny.elizabeth@linkintime.co.in">jiny.elizabeth@linkintime.co.in</a> or <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Contact Person: Ms. Jiny Elizabeth

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Container Freight Stations and Inland Container Depot	521 and 522	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Navkar Terminals Limited*	U74999MH2010PLC207578	Subsidiary	100% Equity Shares	2(87) (ii)

\*Amalgamated with its holding Company Navkar Corporation Limited vide NCLT order dt. 28.03.2018

### IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category of shareholders	Number of shares held at the beginning of the year as on April 1, 2017				Number of shares held at the end of the year as on March 31, 2018				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoter</b>									
<b>(1) Indian</b>									
a. Individual/HUF	94,650,000	-	94,650,000	66.37	94,650,000	-	94,650,000	62.89	
b. Central govt./ State govt.	-	-	-	-	-	-	-	-	-
c. Bodies corporate	9248347	-	9248347	6.49	9248347	-	9,248,347	6.14	-
d. Banks/FI	-	-	-	-	-	-	-	-	-
e. Any other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	1,03,898,347	-	1,03,898,347	72.86	1,03,898,347	-	1,03,898,347	69.03	-



Category of shareholders	Number of shares held at the beginning of the year as on April 1, 2017				Number of shares held at the end of the year as on March 31, 2018				% change during the year
<b>(2) Foreign</b>									
a. NRI-Individuals	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Bodies corporate	-	-	-	-	-	-	-	-	-
d. Banks/FI	-	-	-	-	-	-	-	-	-
e. Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>1,03,898,347</b>	<b>-</b>	<b>1,03,898,347</b>	<b>72.86</b>	<b>1,03,898,347</b>	<b>-</b>	<b>1,03,898,347</b>	<b>69.03</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a. Mutual Funds	21,992,400	-	21,992,400	15.42	19431183	-	19431183	12.91	(2.51)
b. Banks/FI	96,428	-	96,428	0.07	154282	-	154282	0.10	0.03
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	-	-	-	-	-	-	2878369	1.91	1.91
g. FIIs/FPI	10,431,571	-	10,431,571	7.31	12,073,814	-	12,073,814	8.02	0.71
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total(B)(1)</b>	<b>32,520,399</b>	<b>-</b>	<b>32,520,399</b>	<b>22.80</b>	<b>34,537,648</b>	<b>-</b>	<b>34,537,648</b>	<b>22.94</b>	<b>0.14</b>
<b>2. Non-institutions</b>									
a. Bodies Corporate	-	-	-	-	-	-	-	-	-
i. Indian									
ii. Overseas									
b. Individuals									
i. Individual Shareholders holding nominal share capital upto Rs 1 lakh	3015284	2	3015286	2.11	5119032	2	5119034	3.40	1.29
ii. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	539211	-	539211	0.38	3088605	-	3088605	2.05	1.67
iii. Others (specify)									
Trusts	-	-	-	-	20500	-	20500	0.01	0.01
Hindu Undivided Family	229,611	-	229,611	0.16	415,622	-	415,622	0.28	0.16
Non Resident Indians (Non Repat)	50,602	-	50,602	0.04	48091	-	48091	0.03	(0.01)
Non Resident Indians (Repat)	113,337	-	113,337	0.08	180,169	-	180,169	0.12	0.04
Foreign Port Folio Investor (Individual)	-	-	-	-	200		200	0.00	0.00
Clearing Member	232,643	-	232,643	0.16	324117	-	324117	0.22	0.06
Bodies Corporate	2,008,587	-	2,008,587	1.41	2,886,848	-	2,886,848	1.92	0.51
<b>Sub-total (B)(2)</b>	<b>6189275</b>	<b>2</b>	<b>6189277</b>	<b>4.34</b>	<b>12083184</b>	<b>2</b>	<b>12,083,186</b>	<b>8.03</b>	<b>3.692</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>38,709,674</b>	<b>2</b>	<b>38,709,676</b>	<b>27.14</b>	<b>46,620,832</b>	<b>2</b>	<b>46,620,834</b>	<b>30.97</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>1,42,608,021</b>	<b>2</b>	<b>1,42,608,023</b>	<b>100.00</b>	<b>150,519,179</b>	<b>2</b>	<b>150,519,181</b>	<b>100.00</b>	

**ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year as on April 1, 2017			Share holding at the end of the year as on March 31, 2018			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Shantilal J. Mehta	45,075,000	31.61	-	45,075,000	29.95	-	(1.66)
2	Mr. Nemichand J. Mehta	28,900,000	20.27	-	28,900,000	19.20	-	(1.07)
3	Mr. Jayesh N. Mehta	30,000	0.02	-	30,000	0.02	-	-
4	Mrs. Shailaja N. Mehta	18,365,000	12.88	-	18,365,000	12.20	-	(0.68)
5	Mr. Kunthukumar S. Mehta	2,100,000	1.47	-	2,100,000	1.40	-	(0.07)
6	Mrs. Sairabai J. Mehta	120,000	0.08	-	120,000	0.08	-	-
7	Mrs. Kamalbai S. Mehta	30,000	0.02	-	30,000	0.02	-	-
8	Mrs. Seema K. Mehta	30,000	0.02	-	30,000	0.02	-	-
9	Sidhartha Corporation Private Limited	9,248,347	6.49	-	9,248,347	6.14	-	(0.35)
	<b>Total</b>	<b>103,898,347</b>	<b>72.86</b>	<b>-</b>	<b>103,898,347</b>	<b>69.03</b>	<b>-</b>	<b>(3.83)</b>

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

Sr. No.		Shareholding at the beginning of the year as on April 1, 2017		Transactions during the year		Cumulative shareholding at the end of the year as on March 31, 2018	
	Name and type of transaction	No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
		No Change in shareholding*					

\*There is change in percentage of total share holding of Promoters and Promoter's Group due to equity shares issued in Qualified Institutional Placement (QIP) during the year.

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year as on April 1, 2017		Transactions during the year		Cumulative Shareholding at the end of the year as on March 31, 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	RELIANCE CAPITAL TRUSTEE CO LTD-A/C RELIANCE MID & SMALL CAP FUND	6719305	4.4641			6719305	4.4641
	Transfer			18 Aug 2017	(106364)	6612941	4.3934
	Transfer			25 Aug 2017	(107555)	6505386	4.3220
	Transfer			06 Oct 2017	(158949)	6346437	4.2164
	Transfer			03 Nov 2017	437158	6783595	4.5068
	AT THE END OF THE YEAR					6783595	4.5068
2	L&T MUTUAL FUND TRUSTEE LIMITED-L&T EMERGING BUSINESSES FUND	0	0.0000			0	0.0000
	Transfer			07 Apr 2017	12739	12739	0.0085
	Transfer			14 Apr 2017	568235	580974	0.3860
	Transfer			21 Apr 2017	71671	652645	0.4336

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year as on April 1, 2017		Transactions during the year		Cumulative Shareholding at the end of the year as on March 31, 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			28 Apr 2017	82597	735242	0.4885
	Transfer			05 May 2017	30000	765242	0.5084
	Transfer			26 May 2017	20000	785242	0.5217
	Transfer			02 Jun 2017	50555	835797	0.5553
	Transfer			09 Jun 2017	19116	854913	0.5680
	Transfer			16 Jun 2017	418000	1272913	0.8457
	Transfer			07 Jul 2017	205983	1478896	0.9825
	Transfer			28 Jul 2017	193584	1672480	1.1111
	Transfer			04 Aug 2017	143303	1815783	1.2063
	Transfer			18 Aug 2017	9734	1825517	1.2128
	Transfer			25 Aug 2017	203083	2028600	1.3477
	Transfer			03 Nov 2017	1639344	3667944	2.4369
	Transfer			24 Nov 2017	1104356	4772300	3.1706
	Transfer			01 Dec 2017	50000	4822300	3.2038
	Transfer			26 Jan 2018	50000	4872300	3.2370
	Transfer			09 Feb 2018	154558	5026858	3.3397
	Transfer			16 Feb 2018	50000	5076858	3.3729
	Transfer			23 Feb 2018	20000	5096858	3.3862
	Transfer			09 Mar 2018	741642	5838500	3.8789
	AT THE END OF THE YEAR					5838500	3.8789
3	DSP BLACKROCK SMALL CAP FUND	5954437	3.9559			5954437	3.9559
	Transfer			05 Jan 2018	(3922)	5950515	3.9533
	Transfer			12 Jan 2018	(81401)	5869114	3.8992
	Transfer			19 Jan 2018	(48529)	5820585	3.8670
	Transfer			02 Feb 2018	(91080)	5729505	3.8065
	Transfer			09 Mar 2018	(720417)	5009088	3.3279
	AT THE END OF THE YEAR					5009088	3.3279
4	ABU DHABI INVESTMENT AUTHORITY - BEHAVE	3908092	2.5964			3908092	2.5964
	Transfer			03 Nov 2017	572600	4480692	2.9768
	AT THE END OF THE YEAR					4480692	2.9768
5	GOLDMAN SACHS INDIA LIMITED	4090787	2.7178			4090787	2.7178
	Transfer			07 Apr 2017	4971	4095758	2.7211
	AT THE END OF THE YEAR					4095758	2.7211
6	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED	0	0.0000			0	0.0000
	Transfer			03 Nov 2017	1639344	1639344	1.0891
	Transfer			05 Jan 2018	825000	2464344	1.6372
	Transfer			19 Jan 2018	(4800)	2459544	1.6340
	Transfer			23 Feb 2018	3025	2462569	1.6360
	Transfer			23 Mar 2018	(23140)	2439429	1.6207
	AT THE END OF THE YEAR					2439429	1.6207
7	IDFC INFRASTRUCTURE FUND	3000	0.0020			3000	0.0020
	Transfer			21 Apr 2017	35344	38344	0.0255

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year as on April 1, 2017		Transactions during the year		Cumulative Shareholding at the end of the year as on March 31, 2018	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
	Transfer			28 Apr 2017	108627	146971	0.0976
	Transfer			05 May 2017	21350	168321	0.1118
	Transfer			12 May 2017	300	168621	0.1120
	Transfer			19 May 2017	56379	225000	0.1495
	Transfer			26 May 2017	35000	260000	0.1727
	Transfer			07 Jul 2017	55000	315000	0.2093
	Transfer			14 Jul 2017	1039	316039	0.2100
	Transfer			21 Jul 2017	17515	333554	0.2216
	Transfer			04 Aug 2017	15348	348902	0.2318
	Transfer			11 Aug 2017	56098	405000	0.2691
	Transfer			18 Aug 2017	32543	437543	0.2907
	Transfer			06 Oct 2017	102457	540000	0.3588
	Transfer			03 Nov 2017	273224	813224	0.5403
	Transfer			17 Nov 2017	86776	900000	0.5979
	Transfer			01 Dec 2017	80000	980000	0.6511
	Transfer			08 Dec 2017	60000	1040000	0.6909
	Transfer			15 Dec 2017	148093	1188093	0.7893
	Transfer			29 Dec 2017	362668	1550761	1.0303
	Transfer			05 Jan 2018	52332	1603093	1.0650
	Transfer			09 Feb 2018	35000	1638093	1.0883
	Transfer			23 Mar 2018	161907	1800000	1.1959
	AT THE END OF THE YEAR					1800000	1.1959
8	ASHISH AGARWAL	0	0.0000			0	0.0000
	Transfer			12 Jan 2018	1000000	1000000	0.6644
	AT THE END OF THE YEAR					1000000	0.6644
9	SUSHMITA ASHISH KACHOLIA .	0	0.0000			0	0.0000
	Transfer			31 Mar 2018	1000000	1000000	0.6644
	AT THE END OF THE YEAR					1000000	0.6644
10	ASHBURTON INVESTMENTS SICAV - INDIA EQUITY OPPORTUNITIES FUND	0	0.0000			0	0.0000
	Transfer			09 Mar 2018	949373	949373	0.6307
	AT THE END OF THE YEAR					949373	0.6307

**v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year as on April 1, 2017		Cumulative Shareholding during the year		Shareholding at the end of the years as on March 31, 2018	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Shantilal J. Mehta – Chairman & Managing Director	45,075,000	31.61	-	-	45,075,000	29.95
2.	Nemichand J. Mehta, Whole Time Director	28,900,000	20.27	-	-	28,900,000	19.20



## V. INDEBTEDNESS

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

Amount in ₹

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,369,748,692	684,738,502	-	5,054,487,194
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	25,888,845	-	-	25,888,845
<b>Total (i+ii+iii)</b>	<b>4,395,637,537</b>	<b>684,738,502</b>	<b>-</b>	<b>5,080,376,039</b>
Change in Indebtedness during the financial year				
· Addition	-	-	-	-
· Reduction	(1,102,235,547)	(28,178,171)	-	(1,130,413,718)
<b>Net Change</b>	<b>(1,102,235,547)</b>	<b>(28,178,171)</b>	<b>-</b>	<b>(1,130,413,718)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	3,290,118,249	656,560,331	-	3,946,678,580
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,283,741	-	-	3,283,741
<b>Total (i+ii+iii)</b>	<b>3,293,401,990</b>	<b>656,560,331</b>	<b>-</b>	<b>3,949,962,321</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amount in ₹

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total
		Mr. Shantilal J. Mehta	Mr. Nemichand J. Mehta	Capt. Dinesh Gautama*	
1.	Gross salary	80,00,000	80,00,000	78,00,000	2,38,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL	NIL
	- as % of profit				
	- others, specify...				
5.	Others, please specify	NIL	NIL	NIL	NIL
	<b>Total (A)</b>	<b>80,00,000</b>	<b>80,00,000</b>	<b>78,00,000</b>	<b>2,38,00,000</b>
	Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration payable to Managing Director and Whole-time Director in aggregate shall not exceed 10% of the net profit of the Company. The remuneration paid to MD and WTD is well within the said limit.			

\* Remuneration of Capt Dinesh Gautama includes remuneration drawn by him in the capacity of Whole Time Director till December 7, 2017.

**C. Remuneration to other Directors:**
**Amount in ₹**

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Lalit Menghnani	Mrs. Sudha Gupta <sup>1</sup>	Mrs. Pooja H Goyal <sup>2</sup>	Mr. Ashok Kumar Thakur	
	• Fee for attending board/ committee meetings	82,000	53,000	51,000	2,05,000	3,91,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>82,000</b>	<b>53,000</b>	<b>51,000</b>	<b>2,05,000</b>	<b>3,91,000</b>
	2. Other Non-Executive Directors	<b>NIL</b>				
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify					
	<b>Total (2)</b>	<b>NIL</b>				
	<b>Total (B)=(1+2)</b>	<b>82,000</b>	<b>53,000</b>	<b>51,000</b>	<b>2,05,000</b>	<b>3,91,000</b>
	<b>Total Managerial Remuneration</b>	<b>82,000</b>	<b>53,000</b>	<b>51,000</b>	<b>2,05,000</b>	<b>3,91,000</b>
	Overall Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration payable to Directors other than Executive Directors shall not exceed 1% of the net profit of the Company. The remuneration paid to the Directors is well within the said limit.				

1Sudha Gupta ceased to be Director of the Company w.e.f. October 6, 2017

2Pooja H Goyal was appointed as an Additional Director of the Company w.e.f. December 14, 2017

**D. Remuneration To Key Managerial Personnel Other Than Manager / WTD:**
**Amount in ₹**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				Total
		Chief Executive Officer	Chief Financial Officer	Company Secretary		
				Mr. Hitesh Kumar Jain <sup>3</sup>	Ms. Deepa Gehani <sup>2</sup>	
		Capt. Dinesh Gautama <sup>1</sup>	Mr. Anish Maheshwari			
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	78,00,000	42,00,000	29,69,000	2,39, 000	1,52,08,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-	-	-	-
2.	Stock Option	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - Others, specify	NIL	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total	78,00,000	42,00,000	29,69, 000	2,39,000	1,52,08,000

1. Remuneration of Capt Dinesh Gautama includes remuneration drawn by him in the capacity of Whole Time Director till December 7, 2017, thereafter, as a Chief Executive Officer (CEO).

2. Ms. Deepa Gehani was appointed as a Company Secretary of the Company w.e.f. January 5, 2018.

3. Mr. Hitesh Kumar Jain ceased to be Company Secretary of the Company w.e.f. December 15, 2017.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

During the year, no penalties were levied against the Company, its Directors or any of its officers under the Companies Act, 2013 nor was there any punishment or compounding of offences against the Company, its Directors or any of its officers.

# Annexure - 7

## Particulars of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo [Pursuant to Section 134(3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014]

### (A) CONSERVATION OF ENERGY

Steps taken on conservation of energy and for utilizing alternate sources of energy:

1. Steps taken or impact on conservation of energy.

The Company has continued its efforts to improve energy efficiency with more vigor and depth. Conservation of Energy is an ongoing process in the Company. The Company continuously efforts to conserve and optimize energy adopt environment friendly practices and employ technology for more efficient operations. Adequate measures have been taken to conserve energy with the focus on uses of the conventional and exploring other sources of energy.

2. Steps taken by the Company for utilizing alternate source of energy.

Your company has taken all steps for conservation of energy at all level of operations of the Company. Last year the Company had replaced all the high mast lamps with LED at all its four CFS/ICD located at Ajivali I, Ajivali II, Somathane and Tumb.

3. The capital investment on energy conservation equipments.

During the year under review, the Company has not incurred any capital investment on energy conservation equipments.

### (B) Technology Absorption

The efforts made towards technology absorption and benefits derived:

The Company sincerely believes in utilizing technology to improve productivity, efficiency and quality of its business operations and working environment. The Company has incurred major capital expenditure for installing and maintenance of Rubber Tyred Gantry (RTG) cranes, development of softwares, other networking setup for CFS operations. The Company is using RFID technology for efficient and smooth movement of containers in CFS.

#### In case of imported technology:

No technology was imported by the Company during the period under review.

### (C) Foreign Exchange Earnings And Outgo

(₹ in Lakh)			
S.No.	Particulars	FY 2017-18	FY 2016-17
1	Earnings	Nil	Nil
2	Outgo	47.84	62.84

#### On Behalf of the Board of Directors

**Shantilal J. Mehta**  
Chairman & Managing Director  
DIN: 00134162

**Nemichand J. Mehta**  
Whole-time Director  
DIN: 01131811

Navi Mumbai, August 23, 2018

## Annexure - 8

### Statement pursuant to section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, for the financial year ended 31 March 2018

#### A. Information pursuant to section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18:

Name of the directors	Remuneration of Director/ KMP for FY 2017-18 (₹ In Lakhs)	% increase in remuneration in FY 2017-18	Ratio of remuneration of each Director to median remuneration of employees
<b>*Non-executive Independent Directors</b>			
Ms. Pooja H. Goyal	0.51	-	0.22
Mr. Lalit Menghnani	0.82	-	0.36
Mr. Ashok Kumar Thakur	2.05	-	0.89
Ms. Sudha Gupta	0.53	-	0.23
<b>Executive directors</b>			
Mr. Shantilal J. Mehta	80.00	-	34.80
Mr. Nemichand J. Mehta	80.00	-	34.80
Capt. Dinesh Gautama **	78.00	-	33.92
<b>Key Managerial Personnel other than Executive Directors</b>			
Mr. Anish Maheshwari (CFO)	42.00	16.67	Not Applicable
Ms. Deepa Gehani (CS)	2.39	-	Not Applicable

\*Non-Executive Directors are paid remuneration only by way of sitting fees for attending Board/Committee Meetings. Hence percentage increase is not provided for Non-executive Directors.

\*\* Remuneration of Capt Dinesh Gautama includes remuneration drawn by him in the capacity of Whole Time Director till December 7, 2017, thereafter, he is continuing as CEO.

The percentage increase in the median remuneration of employees in the financial year: 2017-18 : 9%

The number of permanent employees on the rolls of Company : 768

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

During the financial year 2017-18, the average annual increase in salaries of employees other than the managerial personnel was 15%. During the financial year 2017-18, the average annual increase in the managerial remuneration was 18% There are no exceptional circumstances for increase in the managerial remuneration during the financial year 2017-18.

The Company affirms that the remuneration is as per the remuneration policy of the Company.

#### B. Information pursuant to section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

None of the employees of the Company is in receipt of remuneration in excess of the amount specified in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### On Behalf of the Board of Directors

**Shantilal J. Mehta**  
 Chairman & Managing Director  
 DIN: 00134162

**Nemichand J. Mehta**  
 Whole-time Director  
 DIN: 01131811

Navi Mumbai, August 23, 2018



# CORPORATE GOVERNANCE REPORT

The Directors Present Corporate Governance Report for the year ended March 31, 2018 in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) 2015 ("The Listing Regulations")

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate governance for Navkar Corporation Limited (hereinafter referred to as 'the Company') is creation, maintenance and enhancement of value for various stakeholders of the Company namely investors, customers, employees, business partners and other members of the community by following sound principles for conduct of business activities.

The Company is committed to ethical business practices, integrity and regulatory compliances. The Company continues to focus its resources, strengths and strategies towards these objectives as it believes that these are the only means of long term success and sustainability.

**The Company's governance framework is based on the following principles:**

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;

The composition of the Board and the Directorship and Committee positions of the Board Members as on March 31, 2018 are provided hereunder:

Name of Director	Category*	Other Directorship as on 31 <sup>st</sup> March, 2018	No. of Membership(s)/ Chairmanship(s) of Board Committees in other Companies as on 31.03.2018	
			Committee Chairmanship	Committee Membership
Mr. Shantilal J Mehta	CMD (Promoter)	1	Nil	Nil
Mr. Nemichand J Mehta	WTD (Promoter)	4	Nil	Nil
Mr. Lalit Menghnani	NEID	3	Nil	Nil
Capt. Dinesh Gautama	WTD & CEO	1	Nil	Nil
Mr. Ashok Kumar Thakur	NEID	4	1	2
Ms Pooja Hemant Goyal	NEID	1	Nil	Nil
Ms Sudha Gupta	NEID	2	Nil	Nil

\*(CMD: Chairman & Managing Director, WTD: Whole-time Director, NEID: Non-Executive Independent Director, CEO-Chief Executive Officer)

Notes:

1. The Committees considered are the Audit Committee and Stakeholders Relationship Committee only.
2. Ms. Sudha Gupta resigned from the Directorship w.e.f. October 6, 2017
3. Ms. Pooja H. Goyal was appointed as an Additional Director w.e.f. December 14, 2017 in the capacity of Non Executive Independent Director
4. Capt. Dinesh Gautama has resigned from the Directorship of the Company with effect from December 7, 2017. However, he is continuing as a Chief Executive Officer of the Company thereafter.

- Timely disclosure of material operational and financial information to the stakeholders;
- Systems and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and Employees.

## 2. BOARD OF DIRECTORS:

Primary role of Board is that of trusteeship to protect and enhance the shareholders' value through strategic direction to the Company. As trustees, the Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder values and its growth. Board exercises its duties with care, skill and diligence. It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills the Stakeholders aspirations and societal expectations.

Board to have an appropriate mix of Executive, Non-Executive and Independent Directors (IDs) to maintain the independence of the Board, and separate its functions of governance and management. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates for a Company with an executive Chairman, who is promoter, at least half of the Board should be independent Director. As on March 31, 2018 Board comprised five members, consisting of an Executive Chairman, an Executive Director and three Independent Directors.

5. None of the Non-executive Directors of the Company hold any shares and / or convertible instruments of the Company.
6. For updates on the composition and terms and conditions of appointment of the Directors of the Company, please refer to the link i.e. <http://www.navkarcfs.com/b/download/directors-terms-and-conditions-of-appointment.pdf>
7. Mr. Shantilal J. Mehta Chairman & Managing Director and Mr. Nemichand J. Mehta, Whole-Time Director are relatives.
8. Mr. Nemichand J. Mehta, Capt. Dinesh Gautama and Mr. Ashok Kumar Thakur holds Directorship in Navkar Terminals Limited which is amalgamated with Navkar Corporation Limited subsequently.

During the financial year 2017-18, five (5) meetings of the Board were held on May 29, 2017, July 24, 2017, November 14, 2017, January 05, 2018 and January 22, 2018. The interval between two Meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and Regulation 17(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of attendance of Directors at Board Meetings and at the last Annual General Meeting are as under:

Name of Director	No. of Board Meeting Attended	Attendance at the last AGM
Mr. Shantilal J Mehta	05	Yes
Mr. Nemichand J Mehta	05	Yes
Mr. Lalit Menghnani	03	Yes
Capt. Dinesh Gautama	03	Yes
Mr. Ashok Kumar Thakur	05	Yes
Ms Pooja Hemant Goyal	01	NA
Ms Sudha Gupta	02	Yes

One separate meeting of the Independent Directors of the Company was held on May 29, 2017, in accordance with the provisions of the Companies Act, 2013. All the Independent Directors were present in the Meeting. The agenda of the meeting was, inter alia, to discuss evaluation of the performance of Non-Independent Directors and the Board as whole, Board's committees, evaluation of the performance of the Chairman etc.

All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Board of other companies. As per the disclosure received, none of the Directors of your Company hold memberships/Chairmanships more than the prescribed limits across all companies in which he/she is a Director.

During the year, information as mentioned in Schedule II Part A of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 has been placed before the Board for its consideration.

The Company issued formal letters of appointment to Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment are disclosed on the website of the Company.

## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company has adopted a structured induction programme for orientation and training of Directors at the time of their joining so as to provide them with an opportunity to familiarize themselves with the Company, its management, its operations and the industry in which the Company operates.

The induction programme includes one-to-one interactive sessions with the top management team, business and functional heads among others and also includes site visits to understand the operations and technology. The Chairman and Managing Director also has a one to one discussion with the newly appointed Director to familiarize him with the Company's operations.

Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the familiarization programme for Directors are available on the Company's website i.e. <http://www.navkarcfs.com/b/download/familiarisation-programmes-for-independent-directors.pdf>.

## 3. BOARD COMMITTEES:

In compliance with the statutory requirements, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The Committees operate as the Board's empowered agents according to their charter terms of reference.

As on March 31, 2018, there are 5 committees of the Board viz. Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, and Finance Committee.

### Audit Committee:

The Audit Committee is duly constituted in accordance with the Listing Agreement read with Regulation 18 of SEBI (LODR) Regulations 2015 and of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014. It adheres to the terms of reference, prepared in compliance with Section 177 of the Companies Act, 2013, and SEBI (LODR) Regulations 2015.

*Composition of the Audit Committee as on March 31, 2018 and attendance of each member at the meeting:*

S. No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1	Ms. Sudha Gupta*	NEID	Chairperson	4	2
2	Mr. Ashok Kumar Thakur**	NEID	Chairman	4	2

3	Mr. Lalit Menghnani	NEID	Member	4	3
4	Mr. Nemichand J Mehta	WTD	Member	4	4

\*till October 6, 2017

\*\*from October 10, 2017.

During the financial year 2017-18, the Audit Committee was re-constituted on October 10, 2017 consequent upon resignation of Ms. Sudha Gupta on October 6, 2017. Mr. Ashok Kumar Thakur was appointed as Chairman of the Audit Committee with effect from October 10, 2017.

During the financial year 2017-18, four (4) meetings of the Audit Committee were held on May 29, 2017, July 24, 2017, November 14, 2017, and January 22, 2018.

Ms. Sudha Gupta, Chairperson of the Audit Committee was present in the last Annual General Meeting held on August 24, 2017.

The Audit Committee is empowered, pursuant to its terms of reference and its role, inter alia, includes the following:

- 1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
- 5) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - a) Changes, if any, in accounting policies and practices and reasons for the same;
  - b) Major accounting entries involving estimates based on the exercise of judgment by management;
  - c) Significant adjustments made in the financial statements arising out of audit findings;
  - d) Compliance with listing and other legal requirements relating to financial statements;
  - e) Disclosure of any related party transactions;
  - f) Modified opinion(s) in the draft audit report;
- 6) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 7) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate

recommendations to the board to take up steps in this matter;

- 8) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 9) Approval or any subsequent modification of transactions of the listed entity with related parties;
- 10) Scrutiny of inter-corporate loans and investments;
- 11) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- 12) Evaluation of internal financial controls and risk management systems; reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) Discussion with internal auditors of any significant findings and follow up there on;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) To review the functioning of the whistle blower mechanism;
- 19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

#### Stakeholders Relationship Committee:

The Stakeholders Relationship Committee of the Board is constituted in compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements Regulations) 2015.

*Composition of Stakeholders Relationship Committee as on March 31, 2018 and attendance of each member at the meeting:*

S. No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1	Ms. Ashok Kumar Thakur	NEID	Chairman	4	4
2	Mr. Lalit Menghnani	NEID	Member	4	3
3	Mr. Shantilal J Mehta	CMD	Member	4	4

During the financial year 2017-18, four (4) meetings of the Stakeholders Relationship Committee were held on May 29, 2017, July 24, 2017, November 14, 2017 and January 22, 2018.

Ms. Deepa Gehani Company Secretary & Compliance officer of the Company designated as Secretary of the Committee.

Terms of reference of the Committee shall be to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends, transfer/transmission of Shares, issue of duplicate Share Certificates, new Share Certificate in case of Split or Consolidation, dematerialization or re-materialization of Shares etc.

During the financial year 2017-18, the Company has received Three (3) total number of complaints. All the complaints were resolved. As on 31.03.2018, there was no complaint pending.

#### **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee of the Board is constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements Regulations) 2015.

*Composition of Nomination and Remuneration Committee as on March 31, 2018 and attendance of each member at the meeting:*

S. No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1	Mr. Lalit Menghnani	NEID	Chairman	2	1
2	Ms. Ashok Kumar Thakur	NEID	Member	2	2
3	Ms. Sudha Gupta*	NEID	Member	2	1
4	Ms. Pooja H. Goyal**	NEID	Member	2	1

\*till October 6, 2017

\*\*from December 18, 2017

During the financial year 2017-18, the Nomination and Remuneration Committee was reconstituted on December 18, 2017 by passing circular resolution. Ms. Pooja H. Goyal was appointed as member of the Committee in place of Ms. Sudha Gupta

During the financial year 2017-18, Two (2) meetings of the Nomination and Remuneration Committee were held on May 29, 2017, December 26, 2017.

The purpose of the Committee is to identify and review the individuals qualified to serve Executive Directors, Non-executive Directors or Independent Directors, or Key Managerial Personnel, consistent with criteria approved by the Board, and to recommend to the Board for approval by Board, or nominees for election at the AGM. Pursuant to the provision of Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee carried out evaluation of every Director's performance for the financial year 2017-18 in their meeting held on May 29, 2017.

The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of law and the Nomination and Remuneration policy:

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel

and other employees;

- 2) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- 3) Devising a policy on diversity of board of directors;
- 4) Identifying persons who are qualified to become directors and who may be appointed in senior; management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- 5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

The Nomination and remuneration policy provides for appropriate composition of Executive, Non-Executive and Independent Director on the Board of Directors of your company along with criteria for appointment and remuneration including determination of qualifications, positive attributes, independence of Directors and other matters as provided under sub-section 3 of Section 178 of the Companies Act, 2013. The remuneration paid to directors is as per the terms laid out in the Nomination and Remuneration policy of your company. Policy on Nomination, Remuneration and Evaluation has been annexed to the Board Report.

The details of remuneration to Directors during the financial year 2017-18 are as under:-

Name of Director	Remuneration (In ₹)	Sitting Fee (In ₹)	Total (In ₹)
Mr. Shantilal J. Mehta	80,00,000	-	80,00,000
Mr. Dinesh Gautama	78,00,000	-	78,00,000
Mr. Nemichand J. Mehta	80,00,000	-	80,00,000
Ms. Sudha Gupta	-	53,000	53,000
Mr. Lalit Menghnani	-	82,000	82,000
Mr. Ashok Kumar Thakur	-	2,05,000	2,05,000
Ms. Pooja H. Goyal	-	51,000	51,000

Note: Remuneration of Capt Dinesh Gautama includes remuneration drawn by him in the capacity of Whole Time Director till December 14, 2017, thereafter, as a Chief Executive Officer (CEO).

#### **PERFORMANCE EVALUATION CRITERIA:**

Pursuant to the provisions of Section 134(3) (p), 149(8), 178 and Schedule IV of the Companies Act, 2013 and Regulation 17 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, annual performance evaluation of Directors and Committees of Director has been carried out. A structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. Board has carried out annual performance evaluation of its own performance, performance evaluation of Committees of Board, performance of Independent Directors and performance of the Chairman. Executive Directors were evaluated on the basis of targets criteria given to them by the board from time to time as well as per their terms of appointment. Independent Directors, being evaluated by entire board except of Director being evaluated, on meeting



their obligations connected with their independence criteria as well as adherence with the requirements of professional conduct, roles, functions and duties specifically applicable to Independent Directors as contained in Schedule IV of the Companies Act, 2013. Chairman and other Non-Independent Directors were being evaluated by Independent Directors, who also reviewed the performance of secretarial department. Performance evaluation of the Committees of the Board and that of its members in effectively discharging their duties was carried out by the Board of Directors based on the terms of reference of the committees. The overall performance of Chairman, Executive Directors and Non-Executive Directors of the Company is satisfactory. The review of performance was based on criteria of performance knowledge, analysis, quality of decision making etc.

#### Corporate Social Responsibility Committee:

A Corporate Social Responsibility Committee of the Board is constituted in accordance with the provisions of Section 135 of the Companies Act 2013, to inter-alia perform the functions of formulating the Corporate Social Responsibility policy; recommending the activities to be undertaken by the Company, in accordance with Schedule VII of the Companies Act, 2013 and to recommend the amount of expenditure; and monitoring the Corporate Social Responsibility policy and the expenditure of the Company.

*Composition of Corporate Social Responsibility Committee as on March 31, 2018 and attendance of each member at the meeting:*

Sr. No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1	Ms. Sudha Gupta	NEID	Chairperson	1	1
2	Ms. Pooja H. Goyal	NEID	Chairperson	1	0
3	Mr. Shantilal J Mehta	CMD	Member	1	1
4	Mr. Nemichand J Mehta	WTD	Member	1	1

During the financial year 2017-18, the Corporate Social Responsibility Committee of the Company was reconstituted on January 22, 2018. Ms. Sudha Gupta ceases to be a member of Corporate Social Responsibility Committee of the Board, Ms. Pooja H. Goyal was appointed as Chairperson of the Committee in her place.

During the financial year 2017-18, one (1) meeting of the Corporate Social Responsibility Committee was held on May 29, 2017. All the members attended the Meeting.

#### Finance Committee:

Board of Directors in its meeting held on November 14, 2017 constituted a Finance Committee and delegated power to raise finance and deal with allied matters.

*Composition of Finance Committee as on March 31, 2018 and attendance of each member at the meeting:*

S. No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1	Mr. Shantilal J Mehta	CMD	Chairman	3	3
2	Mr. Nemichand J Mehta	WTD	Member	3	3
3	Ms. Ashok Kumar Thakur	NEID	Member	3	3

#### 4. GENERAL BODY MEETINGS:

##### A. Annual General Meetings:

- The Annual General Meetings of the Company are generally held within six months of the close of the financial year.

Location and other details of the last three Annual General Meetings of the Company:

Year	Day, Date and Time	Location	Whether special Resolution(s) passed
2016-17	Thursday, August 24, 2017 at 11:30 a.m.	Hotel The Regenza by Tunga, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400703	Yes (Two)
2015-16	Tuesday, September 27, 2016 at 03:30 p.m.	Hotel The Regenza by Tunga, Plot No.37, Sector 30-A, Vashi, Navi Mumbai – 400703	Yes (One)
2014-15	Saturday, December 12, 2015 at 11:00 a.m.	Hotel The Regenza by Tunga, Plot No. 37, Sector 30- A, Vashi, Navi Mumbai – 400703	No

- Details of Special Resolutions passed in the last three Annual General Meetings:

Meeting held on	Special Resolutions passed in respect of the following matters:
August 24, 2017	1. Approval of re-appointment of Mr. Shantilal J Mehta (DIN: 00134162) as Chairman & Managing Director of the Company. 2. Approval for Issue of securities through Qualified Institutional Placement.
September 27, 2016	1. Approval for appointment of Mr. Nemichand J Mehta (DIN: 01131811) as Whole-time Director of the Company.
December 12, 2015	No Special Resolution passed.

##### B. Postal Ballot:

- During the financial year 2017-18, the Company approached the shareholders through Postal Ballot. The details of resolutions passed through Postal Ballot are as follows:

Date of passing of the special resolution	Details of the resolution	Voting pattern
Friday, May 05th, 2017	Approval of Variation in terms of Objects of the Public Issue of Equity shares	Promoters: Did not participate in voting. Public: 99.99% (in favor) Passed with requisite majority.
Friday, January 05th, 2017	Approval for Scheme of Amalgamation of Navkar Terminals Limited into Navkar Corporation Limited and their respective	Promoters: 100% Public: 99.99% (in favor) Passed with requisite majority.

Shareholders  
 ("Scheme") under  
 Sections 230 to 232  
 of the Companies  
 Act, 2013

● **Person who conducted the postal ballot exercise:**

Mr. Hemant Shetye, partner of M/s. HS Associates, Practicing Company Secretaries, Mumbai was appointed as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

● **Whether any special resolution is proposed to be conducted through postal ballot:**

No special resolution is proposed to be passed through postal ballot.

● **Procedure for postal ballot:**

The Postal Ballot exercise was conducted in accordance with the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, provisions of Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014. The Company offered e-voting facility as an option to all the Members of the Company to exercise their right to vote. The Company had entered into an agreement with Central Depository Services (India) Limited for facilitating e-voting to enable the Members to cast their votes electronically.

The Notice of postal ballot was served on the Members through electronic transmission. Members who had registered their e-mail IDs with depositories or with the Company were sent Notice along with Postal Ballot Form by e-mail and Members who had not registered their e-mail IDs received the Notice along with Postal Ballot Form through registered post / speed post / courier service.

The Notice along with Postal Ballot Form was also available on the Company's website viz. [www.navkarcfs.com](http://www.navkarcfs.com) and on the agency's website i.e. Central Depository Services (India) Limited viz. [www.cdslindia.com](http://www.cdslindia.com).

The entire exercise was overseen by Mr. Hemant Shetye, Practicing Company Secretary and partner of M/s. HS Associates, Practicing Company Secretaries, Mumbai, who was appointed as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

The results of Postal Ballot were declared on at the Registered Office of the Company and were displayed at the Registered Office of the Company, intimated to BSE Limited and National Stock Exchange of India Limited where the Company's equity shares are listed and displayed along with the Scrutinizer's report on the Company's website viz. [www.navkarcfs.com](http://www.navkarcfs.com), on the agency's website i.e. Central Depository Services (India) Limited viz. [www.cdslindia.com](http://www.cdslindia.com).

**C. Extraordinary General Meetings:**

During the financial year 2017-18, no Extraordinary General Meeting(s) were conducted by the Company.

**D. Court (Hon'ble NCLT) Convened Meeting:**

During the financial year 2017-18, as per direction received from Hon'ble NCLT, Mumbai Bench, meetings of Equity and Preference shareholders were held on January 5, 2018 and January 6, 2018 respectively for the purpose of approving the arrangements embodied in the scheme of amalgamation of Navkar Terminals Limited with Navkar Corporation Limited.

**5. MEANS OF COMMUNICATION:**

Quarterly results:	The unaudited quarterly financial results of the Company, as approved and authenticated by the Board of Directors of the Company, within forty five days from the end of each quarter and the audited financial results of the last quarter, approved and authenticated by the Board of Directors of the Company, within sixty days from the end of the last quarter are communicated to exchanges within 30 minutes of the end of the relevant Board Meeting and are uploaded on the websites of the Exchanges.
Publication of Quarterly Results:	Quarterly, half-yearly and annual financial results of the Company were published in The Free Press Journal (English) and Navshakti (Marathi) newspapers.
Company's Website:	<a href="http://www.navkarcfs.com">www.navkarcfs.com</a> ; In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, Annual Report, Quarterly/Half yearly/ Nine-months and Annual financial results along with the applicable policies of the Company.
Stock Exchange:	The Company makes timely disclosures of necessary information to BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other rules and regulations issued by the SEBI.  NEAPS is a web-based application designed by NSE for corporates. BSE Corporate Compliance & the Listing Centre: BSE Listing is a web-based application designed by BSE for corporates.  All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, Corporate announcements, amongst others are in accordance with the Listing Regulations filed electronically.

**6. GENERAL SHAREHOLDER INFORMATION:**

AGM Date	Wednesday, September 26, 2018
Time	11:30 a.m.
Venue	Hotel The Regenza by Tunga, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai – 400 703

Registered Office	205-206, J. K. Chambers, Sector 17, Vashi, Navi Mumbai – 400705.
Corporate Office	4th Floor, Goodwill Infinity, Plot No. E/3A, Sector – 12, Kharghar, Navi Mumbai - 410210
Plant Location	1) Ajivali CFS I: Survey No. 137/1A/1 at Ajivali Village, Old Mumbai Pune NH – 4, Panvel, Maharashtra – 410206. 2) Ajivali CFS II: Survey No. 137/1A/1 at Ajivali Village, Old Mumbai Pune NH – 4, Panvel, Maharashtra – 410206. 3) Somathane CFS III: Survey No. 89/93/95/97, Somathane Village, Kon-Savla Road, Taluka Panvel, Maharashtra - 410206. 4) Survey No. 44/1, 44/1/1, 44/1/2, Tumb Village, Taluka Umbergaon, Dist Valsad, Gujarat, Pin 396150.
Financial Year	The Company's financial year begins on April 1st and ends on March 31st every year.
Book Closure Date	September 20, 2018 to September 26, 2018 (inclusive of both days)
Dividend	No dividend has been declared by the Company; as such, the same is not applicable.
Listing of Stock Exchange	BSE Limited ("BSE") National Stock Exchange of India Limited ("NSE")
Stock code:	NSE: NAVKARCORP, BSE: 539332
Demat ISIN No.	ISIN: INE278M01019
Registrar to the issue and Share Transfer Agents	Link Intime India Pvt. Limited C 101, 247 Park, LBS Road, Vikhroli West, Mumbai, Maharashtra 400083 Maharashtra, India Tel: 022-49186000, Fax: 022-49186060 E-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in
Address of correspondence:	Enquiries, if any relating to shareholder accounting records, share transfers, transmission of shares, change of address / bank mandate details for physical shares, loss of share certificates etc., should be addressed to:  Link Intime India Pvt. Limited C 101, 247 Park, LBS Road, Vikhroli West, Mumbai, Maharashtra 400083 Maharashtra, India Tel: 022-49186000, Fax: 022-49186060 E-mail: rnt.helpdesk@linkintime.co.in (OR) directly to the Company to: The Managing Director / Company Secretary, Navkar Corporation Limited Registered Office: 205-206, J. K. Chambers, Sector 17, Vashi, Navi Mumbai – 400705. Corporate Office: 4th Floor, Goodwill Infinity, Plot No. E/3A, Sector -12, Kharghar, Navi Mumbai - 410210 Tel: 022-38006500; Fax : 022-38006509 E-mail: cs@navkarcfs.com

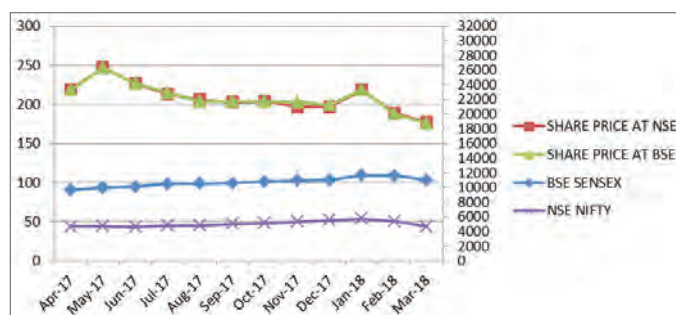
Listing fees have been paid to Bombay Stock Exchange Ltd and National Stock Exchange India Ltd. for the Financial Year 2018-19.

#### Market price data:

The Monthly high and low prices of your Company's share at BSE and NSE during the financial year 2017-18:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April '17	218.05	170.3	218.65	174.05
May '17	246.55	185.05	247.00	188.55
June '17	227.00	201.00	227.00	198.50
July '17	214.95	198.00	212.70	197.00
August '17	204.00	174.70	205.55	175.00
September '17	204.00	172.50	202.70	180.30
October '17	203.70	180.40	204.00	180.20
November '17	202.95	177.00	196.75	179.05
December '17	199.00	174.00	196.75	180.50
January '18	218.85	177.30	218.30	176.60
February '18	187.40	162.00	189.05	163.50
March '18	175.75	147.05	177.00	146.70

#### PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES:



#### Share Transfer System:

All queries and requests relating to share transfers/transmissions may be addressed to our Registrar and Transfer Agent, Link Intime India Private Limited at the abovementioned address.

Share transfers, if documents are found to be in order, will be registered and returned in the normal course within two weeks from the date of receipt of the documents.

#### Distribution of Shareholding as on March 31, 2018:

Shareholding of Nominal Value	No. of Share Holders	% of total Shareholders	No. of Shares Held	% of Total Share Capital
1-5000	28,502	93.24	2,974,252	1.97
5001-10000	1,042	3.40	862,628	0.57
10001-20000	454	1.48	709,648	0.47
20001-30000	180	0.58	464,770	0.30
30001-40000	66	0.21	234,919	0.15
40001-50000	87	0.28	419,125	0.27
50001-100000	103	0.33	771,785	0.51
100000 & above	133	0.43	144,082,054	95.72
<b>Total</b>	<b>30,567</b>	<b>100.00</b>	<b>150,519,181</b>	<b>100.00</b>

**Category of Shareholders as on March 31, 2018:**

Category of Shareholders	No. of Shares	Percentage
Promoters	1,038,98,347	69.03
Public	8,207,639	5.4529
Trusts	20,500	0.0
Bodies Corporate	2,886,848	1.9179
Non-Resident Indians	180,169	0.12
Non - Resident (Non Repatriable)	48,091	0.03
Non Nationalized Banks	32,016	0.02
Mutual Fund	19,431,183	12.91
Hindu Undivided Family	415,622	0.28
Foreign Portfolio Investor (Corporate)	11,622,961	7.72
Foreign Institutional Investors (Individual)	200	0.0001
Foreign Institutional Investors	450,853	0.2995
Financial Institutions	122,266	0.0812
Clearing Member	324,117	0.2153
Insurance Companies	2,878,369	1.9123
<b>TOTAL</b>	<b>150,519,181</b>	<b>100.00</b>

**Details of shares held in physical and demat form as on March 31, 2018**

Particulars	No. of Shares	Percentage (%)
<b>Physical Segment</b>		
Physical Shares	2	-
<b>Demat Segment</b>		
NSDL (A)	54,998,547	36.54%
CDSL (B)	95,520,632	63.46%
Total (A+B)	150,519,179	100%
<b>Total</b>	<b>150,519,181</b>	<b>100%</b>

**Dematerialization of Shares:**

As on March 31, 2018, except two (2) equity shares, the balance equity shares of the Company have been dematerialized. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories.

**7. OTHER DISCLOSURES:**
**a) Related Party Transactions:**

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements Regulations) 2015, during the year were on an arm's length basis and in the ordinary course of business. These have been entered after obtaining approvals of the Audit Committee and the Board. The Board have approved and adopted a policy on Related Party Transactions and the same has been uploaded on the website of the Company and can be accessed at: <http://www.navkarcfs.com/a/download/policies/RPT-Policy.pdf>.

**b) Details of Non-Compliance:**

The Company has complied with statutory requirements of Stock Exchanges, SEBI and other statutory authorities and no penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

**c) Vigil Mechanism or Whistle Blower Policy:**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. Your Company believes in conducting its business and working with all its stakeholders, including employees, customers, suppliers, shareholders and business associates in an ethical and lawful manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Your Company prohibits any kind of discrimination, harassment, victimization or any other unfair practice being adopted against an employee and/or a business associate. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

**d) Compliance with Mandatory Requirements:**

The Company has complied with all mandatory requirements specified in regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**e) Adoption of the non-mandatory requirements:**

The Company has fairly complied with the non-mandatory requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Internal Auditor reports directly to the Audit Committee.

**f) Policy for Determining Material Subsidiaries:**

As per the requirements of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements Regulations) 2015, the Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website. The Policy can be accessed at: <http://www.navkarcfs.com/a/download/policies/material-subsubsidiary-policy.pdf>.

**g) Disclosure of Commodity Price Risks and Commodity Hedging Activities:**

Not Applicable.

**h) Accounting Standards:**

As mandated by the Ministry of Corporate Affairs, the Company has adopted the Ind-AS for the financial year commencing from April 1, 2016.



i) Insider Trading:

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has prescribed a code of conduct for Prevention of Insider Trading applicable to its Promoters, Directors, Senior Management Personnel and all other Connected Persons who may have access to Unpublished Price Sensitive Information. The same can be accessed at the website of the Company at: <http://www.navkarcfs.com/a/download/policies/insider-trading-policy.pdf>.

## CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Navkar Corporation Limited,

We have reviewed the implementation of conditions of Corporate Governance by Navkar Corporation Limited ("the Company") for the year ended March 31, 2018, as stipulated in the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to our view of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated above.

It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For HS Associates**

Company Secretaries

Hemant S. Shetye

Partner

Date: August 23, 2018

Place: Mumbai

FCS No.: 2827

CP No.: 1483

## DECLARATION

This is to certify that the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended March 31, 2018

**For Navkar Corporation Limited**

Date: August 23, 2018

Place: Navi Mumbai

**Capt. Dinesh Gautama**

Chief Executive Officer

## CEO - CFO CERTIFICATE

To,  
**The Board of Directors**  
**Navkar Corporation Limited**

We, the undersigned, in our respective capacities as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of Navkar Corporation Limited ("the Company") to the best of our knowledge and belief certify that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - (1) significant changes, if any, in internal control over financial reporting during the year;
  - (2) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Navkar Corporation Limited**

**Capt. Dinesh Gautama**  
Chief Executive Officer

Date : August 23, 2018  
Place : Navi Mumbai

**Anish Maheshwari**  
Chief Financial Officer

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# MANAGEMENT DISCUSSION AND ANALYSIS

## Industry Structure and Developments

### Container Freight Station (CFS)

As India embarks on a renewed journey towards the overall improvement of its trade environment, port-led development would continue to be the fulcrum around which much of the strategic deliberations are expected to revolve. Further, cargo handling capacity of ports – a key factor determining trade volumes – would be determined to a considerable extent by the logistics supply chain they operate in. Container Freight Stations (CFS) currently forms a major infrastructural component in this framework, primarily contributing towards the decongestion of ports and enhancement of handling capacity at the terminals. A CFS is “A common user facility with public authority status equipped with fixed installations and offering services for handling and temporary storage of import/export laden and empty containers carried under Customs transit by any applicable mode of transport placed under Customs control. All the activities related to clearance of goods for home use, warehousing, temporary admissions, re-export, temporary storage for onward transit and outright export, transshipment, take place from such stations.” Over the years, factors such as considerable increase in trade volumes and persistent shift towards containerization of cargo have made way for increased role of container freight stations in India. Being an extension of the Customs departments at the ports, important procedures such as stuffing/de-stuffing of cargo, aggregation/segregation of cargo and examination/clearance related activities are carried out at the container freight stations, which make them an integral part of the existing EXIM value chain.

Indian Container market is flourishing every year with huge investments from Indian and Global operators. Box business dynamics are transforming into new era that embrace advanced infrastructure, digitization, innovative business practices, process automation and transparency etc. Implementation of advanced technology, enhancements in soft and hard infrastructure are also playing the key role for these transformational changes in the industry. Year over year growth of Indian container installed capacity and throughput are 11 and 10 per cent respectively. Global and Indian operators are trying to attract transshipment cargo which could trigger inclusive growth in box trade. Few major and private players are also trying hard to establish themselves as transshipment hubs apart from serving as Gateway Port. These transformational changes in box business aiding Indian container market to reach at the next level.

A CFS is located near the gateway port (off-dock facility located near service ports) whereas an Inland Container Depots (ICD) (also known as a dry port) is located in the hinterland. Growth of Indian container traffic has led to the demand for transit facilities such as CFS and ICD, which offer services for containerization of break bulk cargo and also handles custom activities. CFS and ICD facilities are an integral component of the logistics sector infrastructure and it is a facilitator of import-export (Exim) trade of the country.

### About Navkar

The Company has three Container Freight Stations (CFS), two at Ajivali and one at Somathane in Panvel with aggregate installed capacity of over 5,00,000 TEUs per annum. The Company has a railways freight terminals (PFT) which allows the Company to load and unload cargo from container trains operating between Somathane CFS and JNPT and to transport domestic cargo to and from inland destinations on the Indian rail network. The Company has started ICD operations at Vapi in the last year with an approximate installed capacity of 5,00,000 TEUs per annum. Vapi terminal volumes are growing at the higher rate. Navkar received final approval from the Indian Railways for operating a private freight terminal at Vapi. The approval is favourable to both the railways and Navkar as the distance between the two is around 175 km. Commencement of rail operation at Vapi is expected to further improve volumes and profitability as the company has an inland container depot at Valsad (Gujarat) along the industrial belt. The management expects to handle 5,000 TEUs per month through this terminal.

### Strength and Opportunities

#### ❖ Strategic geographical positioning...

- Navkar's all three CFS' are strategically located close to NH4 (Old Mumbai-Pune Highway) and NH17 (Mumbai-Pune Expressway) and close proximity to JNPT, providing good connectivity to interior parts of the country.
- Its CFSs are spread across an area of 3.59 mn sq ft (1.63 mn sq ft notified as customs area) with an installed handling capacity of 535,500 TEUs per annum currently (as at 31.03.2018).
- It also operates Private Freight Rail Terminal (PFT) at its Somathane CFS (operational since 2012), which helps the Company to avoid delay in cargo transportation due to heavy road congestion at JNPT and to transport cargo to and from inland destinations on the Indian rail network.
- Navkar's ICD is located at Tumb, Near Vapi in the state of Gujarat in close proximity of Industrial belt.

#### ❖ Ability to handle diverse mix of cargo ~all forms of containerized cargo

- One of the few CFSs at JNPT approved to handle bulk, liquid cargo in tanks as well as hazardous cargo, as it has installed adequate fire fighting systems/equipment, which enable cargo storage and handling of hazardous cargo (chemicals, liquid, etc.)
- Also one of the CFSs has a unit for inspection and approval of agricultural cargo (set up by the Ministry of Agriculture) enabling it to handle agriculture cargo – *Navkar is one of the biggest CFS handling export of agri commodities at JNPT*
- It also handles temperature sensitive cargo through its 92 Reefer plug points at CFSs

#### ❖ **Volume contribution from Rail operations to increase...**

- Navkar has a rail capacity of 3 operational lines
- Rail volumes contribution increased to 22% in FY18; further expected to increase to 25-30% in the medium term.
- Enhanced capacity coupled with capacity addition at JNPT to drive Panvel volumes.

Under the new Foreign Trade Policy (2015 – 2020), India aims to increase its share in the global trade to 3.5% by 2020. Incentives to agricultural exports and extension of the same under Merchandise Exports from India Scheme to units in SEZ are part of the new FTP. This is aimed to integrate with Make in India and Digital India initiatives.

Container volume in India is expected to be 2 times by 2020, driven by EXIM trade. An increase in containerization from the current levels for EXIM container trade is also expected. A possible revival in EXIM trade is expected to translate into higher demand for our CFS and ICD businesses. Key infrastructural initiatives like Dedicated Freight Corridor and development of multi-modal logistics parks will create opportunities to grow our CFS and ICD businesses.

#### **Segment-wise performance:**

The Company is engaged in the business of providing services of Container freight station and other related services. There is no other reportable segment.

#### **Outlook:**

The future of container growth in India is bullish in the wake of various policy initiatives such as Make in India, Goods and Services Tax (GST), Digital India, new Foreign Trade Policy and port linked infrastructure projects.

As per Indian container market trend over the last few years, installed capacities and handled volume have been growing proportionately shows a positive sign for the industry apart from achieving best capacity utilization levels of almost 65 per cent. Global and Indian operators are trying to attract transshipment cargo which could trigger inclusive growth in box trade. The surge in India's EXIM trade is expected to continue, entailing persistent augmentation in container traffic in the years to come. Container freight stations form an important part of the EXIM supply chain, and their role in managing and sustaining such growth will be crucial. Enhanced infrastructural facilities, seamless and uninterrupted operations, standardised charges and transparency on crucial aspects such as selection of CFSs can potentially go a long way in improving operations at container freight stations as well as strengthening the logistics supply chain as a whole.

#### **Risk and concerns:**

The Company's business is primarily dependent on Indian EXIM Trade which, in turn, is dependent on global economic conditions. All the factors which can affect global economic conditions have direct impact on the CFS/ICD business. Given the projected growth in the Indian economy and expected recovery in global trade, rising spending in the infrastructure and manufacturing space, it is estimated that imports will continue to rise steadily.

Changes in political conditions, microeconomic conditions, Inflation rate, infrastructural development rates, tax rates, Government's regulatory policies, credit norms, etc. could be seen as risk factors affecting CFS/ICD business.

This risk arises from more players wanting a share in the same pie. Like in most other industries, opportunity brings with itself competition. We have built a strong relationship with most of the leading carriers/liners and as a result are able to obtain competitive commercial terms and operational advantages. We also counter this risk with the quality of our infrastructure, our customer-centric approach and our ability to innovate customer specific solutions, focusing on pricing and aggressive marketing strategy, disciplined project executions, coupled with prudent financial and human resources management and better control over costs. Any damage to cargo, equipment, life and third parties may adversely affect the Company. The Company took insurance policies and suitable safety in contractual obligations to mitigate such kind of risks.

#### **Threats and Challenges:**

The Government's initiative direct port delivery (DPD) to reduce dwell time and transaction cost for shippers is an area of threat, the Container Freight Stations operators may face in future. With DPD taking off in India in a big way towards reduction of logistics cost, CFS business is likely to face grim future.

DPD cargo is required to be removed within 48 hours of landing at the port, not only this, shipper has to pay full duty amount to the customs department and make arrangement for storage of full cargo. And if a shipper fails to meet that time frame, their cargo is shifted to a nearby off-site yard, and stored there at a cost for clearance under the normal customs procedure. Therefore, shippers face challenge to clear their cargo under DPD.

The share of DPD in total containers transported by road rocketed to 39% in March, 2018. For fiscal 2018, the share of DPD was 32% compared to 4-6% in fiscal 2017.

However, more than half of the DPD containers are resent to a CFS either because of non-clearance within 48 hours or voluntarily by importers for storage and onward transportation to hinterland. While the Government pushes for DPD, the use of CFS as a transport and storage solution would remain worthwhile.

As far as operational aspects are concerned, delayed movement of containers from the port to the CFS continue to be a perennial problem at quite a few ports. Containers are allowed to stay on the wharf for a period of three days, post which demurrage has to be incurred on a daily basis, which boils down to considerable cost pressure for the importers. The delays in movement can be attributed to a multitude of factors, including congestion at the ports, dearth of modern container handling equipment, lack of adequate transport and insufficient number of boarding officials among others.

#### **Internal control systems and adequacy:**

The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

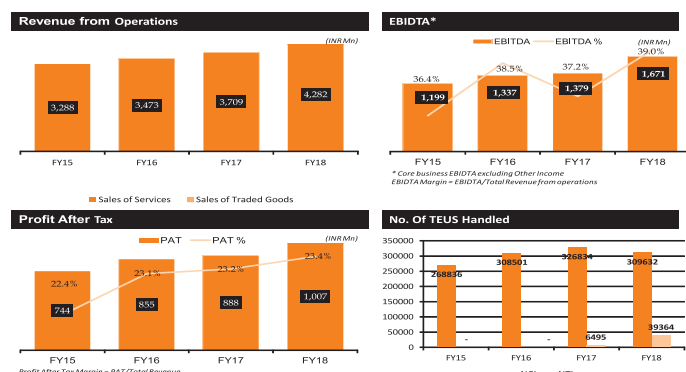
Recognizing the important role of internal scrutiny, the Company has an internal audit function which is empowered to examine the adequacy of, and compliance with, policies, plans and statutory requirements.

The accounts, financial statements and secretarial records are audited by Internal, Statutory and Secretarial Auditors. The audit of internal financial controls over financial reporting is carried out by the Statutory Auditors. As per reviews performed by management and the relevant committees of the Board, the Company's internal control system was adequate and effective during the financial year 2017-18.

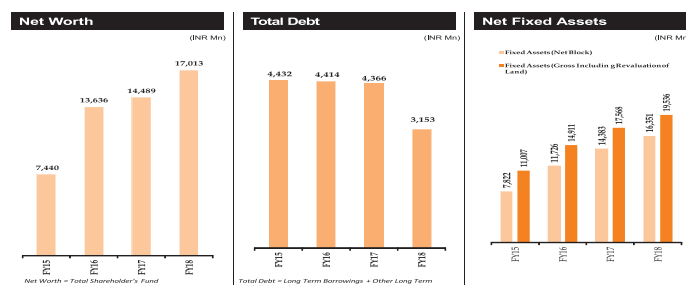
### Financial performance with respect to operational performance:

Please refer the below graphs showing financial performance with respect to the operational performance :

#### Strong Financial Performance



#### Strong Financial Performance



### Material developments in Human Resources/Industrial Relations front including number of people employed:

Human resources are the principal drivers of change. They push the levers that take futuristic businesses to the next level of excellence and achievement. The Company focuses on providing individual development and growth in a work culture that enables cross-pollination of ideas, ensures high performance and remains empowering. The Company aims to develop the potential of every individual associated with the Company as a part of its business goal. Respecting the experienced and mentoring the young talent has been the bedrock for the Company's successful growth. Cordial Industrial Relations prevailed in all divisions through the year. As on March 31, 2018, the Company had a workforce of 768 people on rolls.

### Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include among others, climatic conditions, economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.



# BUSINESS RESPONSIBILITY REPORT

[As per Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company: L63000MH2008PLC187146
- Name of the Company : NAVKAR CORPORATION LIMITED
- Registered address : 205-206,J.K.CHAMBERS,SECTOR, 17,VASHI NAVI MUMBAI – 400705
- Website : www.navkarcfs.com
- E-mail id : cs@navkarcfs.com
- Financial Year reported : 2017-18
- Sector(s) that the Company is engaged in (industrial activity code-wise): Container Freight Stations and Inland Container Depot (NIC 521 & 522);
- List three key products/services that the Company manufactures/provides (as mentioned in the balance sheet): Cargo Handling , storage, transportation and other related services
- Total number of locations where business activity is undertaken by the Company
  - Number of International Locations (Provide details of major 5) : Nil
  - Number of National Locations : 4
- Markets served by the Company: Local, Maharashtra and Gujarat

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

Paid up Capital	15,281.92 lakhs (Inclusive of Preference Share Capital)
Total Turnover	42,817.36 lakhs
Total profit after taxes	10,091.77 lakhs
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company has spent ₹ 229.26 lakhs which is 2.27% of average net profit for immediately preceding three financial years as prescribed under the Companies Act, 2013.
List of activities in which expenditure in 4 above has been incurred	Eradication of hunger and malnutrition Promoting Education, Health Care, Animal Welfare, Welfare of aged and orphans, Promoting art and culture

## SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies? Yes, but the same is amalgamated with its holding Company Navkar Corporation Limited vide NCLT order dt. March 28, 2018

- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s). Yes, One Subsidiary of the Company participates in BR activities. (read with above para)
- A. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? B. If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] A. The Company does not mandate customers etc. of the Company to participate in the BR initiatives of the Company however they are encouraged to adopt such practices and follow the concept of being a responsible business. B. Not Applicable

## SECTION D: BR INFORMATION

### Details of Director/Directors responsible for BR

- Details of the Director/Directors responsible for implementation of the BR policy/policies

The Executive Directors of the Company under the supervision of the Board of Directors are responsible for implementation of BR Policies/ Activities. As on March 31, 2018, Mr. Shantilal J. Mehta, Chairman & Managing Director and Mr. Nemichand J. Mehta, Whole time Director are responsible for implementation of BR Policies/ Activities.

- Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00134162
2	Name	Mr. Shantilal J. Mehta
3	Designation	Chairman & Managing Director
4	Telephone number	022-38006500
5	e-mail id	cs@navkarcfs.com

### 1) Principle-wise (as per NVGs) BR Policy/policies

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of Compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words) Please refer Note No. 1	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy? Refer Note No. 2	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Does it indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out Independent audit/ evaluation of the working of this policy by an internal or external agency? Refer Note No. 3	N	N	N	N	N	N	N	N	N

Note No. 1: The spirit and content of the Code of Conduct and all the applicable laws and standards are captured in the policies articulated by the Company. The policies are based on and are in compliance with the applicable regulatory requirements and Standards.

Note No.2: The implementation and adherence to the Code of Conduct for Employees is overseen by the Human Resource and Internal Audit Function respectively. The CSR Policy is administered by the CSR Committee in line with the requirements of the Companies Act, 2013 and Rules framed thereunder.

Note No.3: The Company has not carried out independent audit of the policies, the internal audit function periodically looks at the implementation of the policies.

Principle	Applicable Policies	Link of policies
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Code of Conduct	<a href="http://navkarcfs.com/b/download/policies/code-of-conduct.pdf">http://navkarcfs.com/b/download/policies/code-of-conduct.pdf</a>
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Environment, Health and Safety Policy	<a href="http://navkarcfs.com/b/download/policies/environment-policy.pdf">http://navkarcfs.com/b/download/policies/environment-policy.pdf</a>
Principle 3: Businesses should promote the well-being of all employees	Code of Conduct and Internal HR policies	<a href="http://navkarcfs.com/b/download/policies/code-of-conduct.pdf">http://navkarcfs.com/b/download/policies/code-of-conduct.pdf</a>
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalize	CSR Policy	<a href="http://navkarcfs.com/b/download/policies/CSR-Policy.pdf">http://navkarcfs.com/b/download/policies/CSR-Policy.pdf</a>
Principle 5: Businesses should respect and promote human rights	Code of Conduct	<a href="http://navkarcfs.com/b/download/policies/code-of-conduct.pdf">http://navkarcfs.com/b/download/policies/code-of-conduct.pdf</a>
Principle 6: Businesses should respect, Protect and make efforts to restore the environment	Environment, Health and Safety Policy	<a href="http://navkarcfs.com/b/download/policies/environment-policy.pdf">http://navkarcfs.com/b/download/policies/environment-policy.pdf</a>
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Not Applicable	Not Applicable
Principle 8: Businesses should support inclusive growth and equitable development.	CSR Policy	<a href="http://navkarcfs.com/b/download/policies/CSR-Policy.pdf">http://navkarcfs.com/b/download/policies/CSR-Policy.pdf</a>
Principle 8: Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Code of Conduct CSR Policy	<a href="http://navkarcfs.com/b/download/policies/code-of-conduct.pdf">http://navkarcfs.com/b/download/policies/code-of-conduct.pdf</a> <a href="http://navkarcfs.com/b/download/policies/CSR-Policy.pdf">http://navkarcfs.com/b/download/policies/CSR-Policy.pdf</a>

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) : Not Applicable.

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

### 3) Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year : Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report?

How frequently it is published? Yes, the Company publishes its Business Responsibility Statement annually. It is available on the website of the Company <http://www.navkarcfs.com>.

Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? : Not Applicable

Reduction during usage by consumers (energy, water) has been achieved since the previous year? Not Applicable

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so. Not Applicable as the Company itself is a Service Provider.

Not Applicable as the Company itself is a Service Provider.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? Yes

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company has a policy to give preference to local and small vendors.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, the Company has mechanism to identify scrap and waste.

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs / Others?  
No, it extends to the Group and subsidiary companies.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company received total three (3) complaints during the year 2017-18 all the complaints were resolved during the year under review. As on March 31, 2018, there was no complaint pending.

### Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

The Company's emphasis on Railways for Transportation offers lower Carbon emissions.

The Company's fully-integrated rail-linked container terminal and logistic park at Vapi, Gujarat, will enable to offer end-to-end logistics solutions to both importers as well as exporters at potentially 30-40% lower cost making exports competitive.

The Company has installed Rubber Tyred Gantry (RTG) Cranes. Handling of containers with RTG Cranes is safer and more efficient.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)

### Principle 3

1. Please indicate the Total number of employees. - 768

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. - 375

3. Please indicate the Number of permanent women employees. - 35

4. Please indicate the Number of permanent employees with disabilities. - 5

5. Do you have an employee association that is recognized by management.- No

6. What percentage of your permanent employees are members of this recognized employee association? - N.A.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ Involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil
8.	What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year? (a) Permanent Employees – 95% (b) Permanent Women Employees – 100% (c) Casual/Temporary/Contractual Employees – 85% (d) Employees with Disabilities – 0.01%		

#### Principle 4

- Has the company mapped its internal and external stakeholders? Yes/No  
Yes  
Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?  
Yes
- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.  
The Company is committed to conducting business in an ethical and transparent manner so as the trust of various stakeholders namely investors, customers, employees, business partners and other members of the community including disadvantaged, vulnerable and marginalized stakeholders is maintained and long term strategic goals and sustainability is achieved.

#### Principle 5

- Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?  
The above policies apply to the Company as well as to the Group.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
Please refer to performance on Principle 1 para 2.

#### Principle 6

- Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ suppliers/ Contractors/NGOs/others.  
Policy of the Company related to Principle 6 extends to the Group Company.
- Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company on continuous basis conducts its operation on most environment friendly and compliant manners. The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

- Does the company identify and assess potential environmental risks?  
Yes
- Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?  
No
- Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc Y/N. If yes, please give hyperlink for web page etc.  
As a policy the Company gives preference to clean technology, energy efficiency, renewable energy, etc.
- Is the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?  
Yes
- Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.  
Nil

#### Principle 7

- Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with  
CFS Association of India
- Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes  
No;

#### Principle 8

- Does the company have specified programmes /initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.  
Yes, the Company undertakes activities to support inclusive growth and equitable development with the objects of eradication of hunger, maintenance of homes for aged and orphans, promoting healthcare, education and animal welfare.
- Are the programmes /projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?  
The programmes /projects undertaken through Navkar Charitable Trust
- Have you done any impact assessment of your initiative?  
Yes
- What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken .



The Company has spent ₹ 229.26 lakh during the financial year 2017-18 on CSR activities comprising of Eradication of hunger and malnutrition, Promoting Education Health Care, Animal Welfare, Welfare of aged and orphans, Promoting art and culture. The activities and its impact are properly monitored for successfully adoption by the community.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The activities and its impact are properly monitored for successfully adoption by the community.

#### Principle 9

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.  
Nil
2. Does the company display product information on the product label, over and above what is mandated as per local laws?  
Not applicable
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.  
No
4. Did your company carry out any consumer survey/ consumer satisfaction trends?  
Yes

## ANNEXURE II

### PRINCIPLES TO ASSESS COMPLIANCE WITH ENVIRONMENTAL, SOCIAL AND GOVERNANCE NORMS

#### Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Businesses should develop governance structures, procedures and practices that ensure ethical conduct at all levels; and promote the adoption of this principle across its value chain. Businesses should communicate transparently and assure access to information about their decisions that impact relevant stakeholders.
2. Businesses should not engage in practices that are abusive, corrupt, or anti-competition.
3. Businesses should truthfully discharge their responsibility on financial and other mandatory disclosures.
4. Businesses should report on the status of their adoption of these Guidelines as suggested in the reporting framework in this document.
5. Businesses should avoid complicity with the actions of any third party that violates any of the principles contained in these Guidelines

#### Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. Businesses should assure safety and optimal resource use over the life-cycle of the product from design to disposal – and ensure that everyone connected with it-designers,

producers, value chain members, customers and recyclers are aware of their responsibilities.

2. Businesses should raise the consumer's awareness of their rights through education, product labelling, appropriate and helpful marketing communication, full details of contents and composition and promotion of safe usage and disposal of their products and services.
3. In designing the product, businesses should ensure that the manufacturing processes and technologies required to produce it are resource efficient and sustainable.
4. Businesses should regularly review and improve upon the process of new technology development, deployment and commercialization, incorporating social, ethical, and environmental considerations.
5. Businesses should recognize and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property.
6. Businesses should recognize that over-consumption results in unsustainable exploitation of our planet's resources, and should therefore promote sustainable consumption, including recycling of resources.

#### Principle 3: Businesses should promote the wellbeing of all employees

1. Businesses should respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance Redressal mechanisms.
2. Businesses should provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.
3. Businesses should not use child labour, forced labour or any form of involuntary labour, paid or unpaid.
4. Businesses should take cognizance of the work-life balance of its employees, especially that of women.
5. Businesses should provide facilities for the wellbeing of its employees including those with special needs. They should ensure timely payment of fair living wages to meet basic needs and economic security of the employees.
6. Businesses should provide a workplace environment that is safe, hygienic humane, and which upholds the dignity of the employees. Business should communicate this provision to their employees and train them on a regular basis.
7. Businesses should ensure continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities, on an equal and non-discriminatory basis. They should promote employee morale and career development through enlightened human resource interventions.
8. Businesses should create systems and practices to ensure a harassment free workplace where employees feel safe and secure in discharging their responsibilities.

#### Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Businesses should systematically identify their stakeholders, understand their concerns, define purpose and scope of engagement, and commit to engaging with them.



2. Businesses should acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders.
3. Businesses should give special attention to stakeholders in areas that are underdeveloped.
4. Businesses should resolve differences with stakeholders in a just, fair and equitable manner.

**Principle 5: Businesses should respect and promote human rights**

1. Businesses should understand the human rights content of the Constitution of India, national laws and policies and the content of International Bill of Human Rights. Businesses should appreciate that human rights are inherent, universal, indivisible and interdependent in nature.
2. Businesses should integrate respect for human rights in management systems, in particular through assessing and managing human rights impacts of operations, and ensuring all individuals impacted by the business have access to grievance mechanisms.
3. Businesses should recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of communities, consumers and vulnerable and marginalized groups.
4. Businesses should, within their sphere of influence, promote the awareness and realization of human rights across their value chain.
5. Businesses should not be complicit with human rights abuses by a third party.

**Principle 6 Business should respect, protect, and make efforts to restore the environment**

1. Businesses should utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
2. Businesses should take measures to check and prevent pollution. They should assess the environmental damage and bear the cost of pollution abatement with due regard to public interest.
3. Businesses should ensure that benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge are shared equitably.
4. Businesses should continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.
5. Businesses should develop Environment Management Systems (EMS) and contingency plans and processes that help them in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to their operations or that of a member of its value chain.
6. Businesses should report their environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner.

7. Businesses should proactively persuade and support its value chain to adopt this principle.

**Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Businesses, while pursuing policy advocacy, must ensure that their advocacy positions are consistent with the Principles and Core Elements contained in these Guidelines.
2. To the extent possible, businesses should utilize the trade and industry chambers and associations and other such collective platforms to undertake such policy advocacy.

**Principle 8 Businesses should support inclusive growth and equitable development**

1. Businesses should understand their impact on social and economic development, and respond through appropriate action to minimise the negative impacts.
2. Businesses should innovate and invest in products, technologies and processes that promote the wellbeing of society.
3. Businesses should make efforts to complement and support the development priorities at local and national levels, and assure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations.
4. Businesses operating in regions that are underdeveloped should be especially sensitive to local concerns.

**Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. Businesses, while serving the needs of their customers, should take into account the overall well-being of the customers and that of society.
2. Businesses should ensure that they do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling their products.
3. Businesses should disclose all information truthfully and factually, through labelling and other means, including the risks to the individual, to society and to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner. Where required, businesses should also educate their customers on the safe and responsible usage of their products and services.
4. Businesses should promote and advertise their products in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines.
5. Businesses should exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.
6. Businesses should provide adequate grievance handling mechanisms to address customer concerns and feedback.

# INDEPENDENT AUDITORS' REPORT

To the Members of Navkar Corporation Limited,

## Report on the Financial Statements

1. We have audited the accompanying financial statements of Navkar Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

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

## Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including 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.
5. We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.

6. 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

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

## Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms section 143(11) of the Act (hereinafter referred to as "the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure B** a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

- e) On the basis of the written representations received from the directors of the Company as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations as at March 31, 2018 on its financial position in its financial statements - Refer Note 41;
    - (ii) The Company did not have any long-term contracts including derivative contracts as at March 31, 2018; and
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
- For S. K. Patodia & Associates**  
Chartered Accountants  
Firm Registration Number: 112723W

**Arun Poddar**  
Partner  
Membership Number: 134572

Place: Mumbai  
Date: May 21, 2018

# ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Navkar Corporation Limited on the financial statements for the year ended March 31, 2018

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

1. We have audited the internal financial controls over financial reporting of Navkar Corporation Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India (ICAI). Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system

over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:
  - (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
  - (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
  - (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

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

**For S. K. Patodia & Associates**  
Chartered Accountants  
Firm Registration Number: 112723W

**Arun Poddar**  
Partner  
Place: Mumbai  
Date: May 21, 2018  
Membership Number: 134572



## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Navkar Corporation Limited on the financial statements as of and for the year ended March 31, 2018.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on Property, Plant and Equipment to the financial statements, are held in the name of the Company, except for certain freehold lands having gross block value of ₹ 1,017.05 Lakhs situated at different locations, which are in the name of the promoters of the Company and are yet to be transferred in the name of the Company as follows:

Sr. No.	Nature of Immovable Property	Total number of cases	Whether leasehold/freehold	Gross block (₹ In Lakhs)	Net block (₹ In Lakhs)
1.	Land	4	Freehold	1,017.05	1,017.05

- ii. The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income-tax, service-tax and Goods and Service Tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employee's state insurance, sales-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, duty of customs, Goods and Service Tax, duty of excise, value added tax which have not been deposited on account of any dispute. The particulars of dues of service tax as at March 31, 2018 which have not been deposited on account of dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Finance Act, 1994	Service Tax	203.72	October 2011 to March 2012	The Commissioner, Central Excise, Customs and Service Tax
The Finance Act, 1994	Service Tax	22.26	FY 2009-2010	The Commissioner, Central Excise, Customs and Service Tax

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at the balance sheet date. The Company does not have any loans or borrowings from Government. Further, the Company has not issued any debentures.
- ix. During the current year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.



- xi. The Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under the Indian Accounting Standard (Ind-AS) 24, "Related Party Disclosures" specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has neither made any preferential allotment of shares or fully or partly convertible debentures nor made any private placement of fully or partly convertible debentures during the year under review. However, the Company has made private placement of shares during the year under review in compliance with the requirements of section 42 of the Act. The amount raised has been used for the purpose for which funds were raised.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For S. K. Patodia & Associates**

Chartered Accountants

Firm Registration Number: 112723W

**Arun Poddar**

Partner

Place: Mumbai

Date: May 21, 2018

Membership Number: 134572

# BALANCE SHEET

as at March 31, 2018

		(₹ in Lakhs)	
Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>I ASSETS</b>			
<b>1. Non Current Assets</b>			
(a) Property, Plant and Equipment	3	186,991.28	119,359.33
(b) Capital work-in-progress	3	1,302.80	52,465.99
(c) Investment Property	4	4,916.12	4,554.92
(d) Intangible Assets	5	144.62	24.72
(e) Intangible Assets Under Development	5	-	128.96
(f) Financial Assets			
(i) Others	6	606.90	1,406.63
(g) Income Tax Assets (Net)	7	285.28	158.77
(h) Other Non-Current Assets	8	12,368.23	10,550.56
		<b>206,615.23</b>	<b>188,649.88</b>
<b>2. Current Assets</b>			
(a) Inventories	9	703.73	568.57
(b) Financial Assets			
(i) Trade Receivables	10	5,136.91	4,505.13
(ii) Cash and Cash Equivalents	11	959.30	3,839.52
(iii) Other Bank Balances other than (ii) above	12	897.31	9,100.09
(iv) Loans	13	89.85	44.19
(v) Others	14	619.71	254.32
(c) Other Current Assets	15	5,070.58	3,006.88
		<b>13,477.39</b>	<b>21,318.70</b>
<b>Total Assets</b>		<b>220,092.62</b>	<b>209,968.58</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	16	15,051.92	14,260.80
(b) Other Equity	17	155,076.03	131,826.61
		<b>170,127.95</b>	<b>146,087.41</b>
<b>LIABILITIES</b>			
<b>1. Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	32,849.65	33,934.24
(b) Provisions	19	494.25	391.81
(c) Deferred Tax Liabilities (Net)	20	5,677.94	4,217.73
		<b>39,021.84</b>	<b>38,543.78</b>
<b>2. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	1,500.55	3,588.27
(ii) Trade Payables	22	2,139.39	6,060.67
(iii) Other	23	6,070.87	14,741.43
(b) Other Current Liabilities	24	520.97	875.14
(c) Provisions	25	51.50	71.88
(d) Current Tax Liabilities (Net)	26	659.55	-
		<b>10,942.83</b>	<b>25,337.39</b>
<b>Total Equity and Liabilities</b>		<b>220,092.62</b>	<b>209,968.58</b>
Summary of Significant Accounting Policies	2		

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

As per our report of the even date.

For and on behalf of the Board of Directors

**For S. K. Patodia & Associates**  
Chartered Accountants  
Firm Registration Number: 112723W

**Shantilal J. Mehta**  
Chairman & Managing Director  
DIN : 00134162

**Nemichand J. Mehta**  
Whole-time Director  
DIN : 01131811

**Arun Poddar**  
Partner  
Membership Number: 134572

**Dinesh Gautama**  
Chief Executive Officer

**Anish Maheshwari**  
Chief Financial Officer

**Deepa Gehani**  
Company Secretary

Place : Mumbai  
Date : May 21, 2018

Place : Mumbai  
Date : May 21, 2018

# STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

		(₹ in Lakhs)	
Particulars	Note No.	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>I Revenue</b>			
Revenue from Operations	27	42,817.36	37,090.53
Other Income	28	295.27	1,312.84
<b>Total Income</b>		<b>43,112.63</b>	<b>38,403.37</b>
<b>II Expenses</b>			
Cost of Services	29	18,102.16	16,347.30
Employee Benefits Expenses	30	3,505.49	3,174.18
Finance Costs	31	1,815.20	3,128.21
Depreciation and Amortization Expenses	32	2,293.65	2,007.91
Other Expenses	33	4,557.79	3,824.61
<b>Total Expenses</b>		<b>30,274.29</b>	<b>28,482.21</b>
<b>III Profit before tax (I- II)</b>		<b>12,838.34</b>	<b>9,921.16</b>
<b>IV Less: Tax Expense:</b>	26		
Current Tax		2,820.00	2,129.84
MAT Credit Entitlement		(1,526.93)	(1,412.71)
Deferred Tax		1,453.50	325.15
<b>Total Tax Expense</b>		<b>2,746.57</b>	<b>1,042.28</b>
<b>V Profit for the Year (III-IV)</b>		<b>10,091.77</b>	<b>8,878.88</b>
<b>VI Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit obligations		19.21	(50.46)
Tax Effect on above		(6.72)	17.48
<b>Other Comprehensive Income for the year, net of tax</b>		<b>12.49</b>	<b>(32.98)</b>
<b>VII Total Comprehensive Income for the year (V+VI) (Comprising Profit and Other Comprehensive Income for the year)</b>		<b>10,104.26</b>	<b>8,845.90</b>
<b>VIII Earnings Per Equity Share (Face Value ₹ 10 Per Share):</b>	34		
Basic and Diluted (₹)		6.92	6.23
Summary of Significant Accounting Policies	2		

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

As per our report of the even date.

**For S. K. Patodia & Associates**  
 Chartered Accountants  
 Firm Registration Number: 112723W

**Arun Poddar**  
 Partner  
 Membership Number: 134572

 Place : Mumbai  
 Date : May 21, 2018

For and on behalf of the Board of Directors

**Shantilal J. Mehta**  
 Chairman & Managing Director  
 DIN : 00134162

**Dinesh Gautama**  
 Chief Executive Officer

 Place : Mumbai  
 Date : May 21, 2018

**Nemichand J. Mehta**  
 Whole-time Director  
 DIN : 01131811

**Anish Maheshwari**  
 Chief Financial Officer

**Deepa Gehani**  
 Company Secretary

# CASH FLOW STATEMENT for the year ended March 31, 2018

Particulars	(₹ in Lakhs)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>A. Cash Flow from Operating Activities</b>		
Net Profit Before Tax	12,838.34	9,921.16
<b>Adjustments:</b>		
Depreciation and Amortization of Property, Plant and Equipment	2,268.60	1,994.20
Amortisation and Impairment of Intangible Assets	25.05	13.71
Loss/Profit on Sale of property, plant and equipment (net)	(55.72)	186.37
Exchange Fluctuation (Gain)/ Loss on Loan	266.64	(83.84)
Finance Income (including Fair Value Change in Financial Instruments)	(193.97)	(1,200.19)
Provision/ (Reversal of Provision) for Loss Allowance on Trade Receivables	9.58	10.12
Finance Costs (Including Fair Value Change in Financial Instruments)	1,815.20	3,128.21
<b>Operating cash flows before working capital changes</b>	<b>16,973.72</b>	<b>13,969.74</b>
<b>Adjustments for Changes in Working Capital</b>		
Decrease/ (Increase) in Inventories	(135.16)	(170.39)
Decrease/ (Increase) in Trade receivables	(641.36)	276.31
Decrease/ (Increase) in Current Loans	(45.66)	318.95
Decrease/ (Increase) in Non-Current Loans	-	136.95
Decrease/ (Increase) in Non-Current Financial Assets - Others	799.73	(8.57)
Decrease/ (Increase) in Financial Assets - Other	(365.39)	(236.07)
Decrease/ (Increase) in Other Current Assets	(2,063.70)	(167.49)
Decrease/ (Increase) in Other Non Current Assets	(180.54)	-
Increase/ (Decrease) in Trade Payables	(3,921.28)	(1,108.68)
Increase/ (Decrease) in Current Financial Liabilities - Other	(538.75)	191.86
Increase/ (Decrease) in Other Current Liabilities	(354.17)	394.61
Increase/ (Decrease) in Non-Current Provisions	121.65	15.90
Increase/ (Decrease) in Current Provisions	(20.38)	56.60
<b>Cash generated from operations</b>	<b>9,628.71</b>	<b>13,669.72</b>
Income taxes paid	(2,286.96)	(2,834.02)
<b>Net cash flow from operating activities (A)</b>	<b>7,341.75</b>	<b>10,835.70</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase or construction of property, plant and equipment (including capital work-in-progress and capital advances)	(19,255.68)	(25,380.86)
Proceeds from/ (Investment in) fixed deposits (net)	8,202.64	19,163.15
Proceeds from/ (Investment in) Other Bank Balances	0.14	2.07
Proceeds from sale of property, plant and equipment	447.82	293.29
Purchase or construction of Investment Properties	(361.20)	-
Interest Received	193.97	1,200.19
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(10,772.31)</b>	<b>(4,722.16)</b>



# CASH FLOW STATEMENT

for the year ended March 31, 2018

Particulars	(₹ in Lakhs)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from public issue of shares	791.12	-
Proceeds from securities premium (net of QIP expenses)	13,145.18	-
Proceeds from/ (Repayment of) Non-Current Borrowings (net)	(9,483.04)	108.67
Increase / (Decrease) in Current Borrowings	(2,087.72)	253.00
Finance Costs	(1,815.20)	(3,123.64)
<b>Net cash flow from financing activities (C)</b>	<b>550.34</b>	<b>(2,761.97)</b>
<b>Net cash Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(2,880.22)</b>	<b>3,351.57</b>
Cash and cash equivalents at the beginning of the year (Refer Note 11)	3,839.52	487.95
Cash and cash equivalents at the end of the year (Refer Note 11)	959.30	3,839.52
<b>Net cash Increase/(decrease) in cash and cash equivalent</b>	<b>(2,880.22)</b>	<b>3,351.57</b>

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

As per our report of the even date.

**For S. K. Patodia & Associates**  
 Chartered Accountants  
 Firm Registration Number: 112723W

**Arun Poddar**  
 Partner  
 Membership Number: 134572

Place : Mumbai  
 Date : May 21, 2018

For and on behalf of the Board of Directors

**Shantilal J. Mehta**  
 Chairman & Managing Director  
 DIN : 00134162

**Dinesh Gautama**  
 Chief Executive Officer

Place : Mumbai  
 Date : May 21, 2018

**Nemichand J. Mehta**  
 Whole-time Director  
 DIN : 01131811

**Anish Maheshwari**  
 Chief Financial Officer

**Deepa Gehani**  
 Company Secretary

# STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2018

## A : Equity Share Capital (Equity shares of ₹ 10 each issued, subscribed and fully paid)

Particulars	Note No.	Numbers in Lakhs	Amount in Lakhs
<b>Balance as at March 31, 2016</b>	16	<b>1,426.08</b>	<b>14,260.80</b>
Changes in equity share capital during the year 2016-2017		-	-
<b>Balance at the March 31, 2017</b>	16	<b>1,426.08</b>	<b>14,260.80</b>
Changes in equity share capital during the year 2017-2018		79.11	791.12
<b>Balance at the March 31, 2018</b>		<b>1,505.19</b>	<b>15,051.92</b>

## B : Other Equity

Particulars	Note No.	Reserve and Surplus					(₹ in Lakhs)
		Capital Reserve on Amalgamation	Securities Premium Reserve	Capital Redemption Reserve	Capital Contribution by Shareholders	Retained Earnings	Total Other Equity
<b>Balance as at March 31, 2016</b>	17	<b>4,896.50</b>	<b>78,126.02</b>	<b>646.88</b>	<b>8,216.74</b>	<b>31,094.55</b>	<b>122,980.69</b>
<b>Total Comprehensive income for the year</b>							
Profit for the year		-	-	-	-	8,878.88	8,878.88
Other Comprehensive Income		-	-	-	-	(32.98)	(32.98)
Transfer to Capital Redemption Reserve		-	-	191.67	-	(191.67)	-
<b>Balance as at March 31, 2017</b>	17	<b>4,896.50</b>	<b>78,126.02</b>	<b>838.55</b>	<b>8,216.74</b>	<b>39,748.78</b>	<b>131,826.59</b>
<b>Total Comprehensive income for the year</b>							
Profit for the year		-	-	-	-	10,091.77	10,091.77
Other Comprehensive Income		-	-	-	-	12.49	12.49
Issue of share capital		-	13,686.30	-	-	-	13,686.30
Share Issue Expenses		-	(541.12)	-	-	-	(541.12)
Transfer to Capital Redemption Reserve		-	-	191.67	-	(191.67)	-
<b>Balance as at March 31, 2018</b>	17	<b>4,896.50</b>	<b>91,271.20</b>	<b>1,030.22</b>	<b>8,216.74</b>	<b>49,661.37</b>	<b>155,076.03</b>

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

As per our report of the even date.

**For S. K. Patodia & Associates**  
Chartered Accountants  
Firm Registration Number: 112723W

**Arun Poddar**  
Partner  
Membership Number: 134572

Place : Mumbai  
Date : May 21, 2018

For and on behalf of the Board of Directors

**Shantilal J. Mehta**  
Chairman & Managing Director  
DIN : 00134162

**Dinesh Gautama**  
Chief Executive Officer

Place : Mumbai  
Date : May 21, 2018

**Nemichand J. Mehta**  
Whole-time Director  
DIN : 01131811

**Anish Maheshwari**  
Chief Financial Officer

**Deepa Gehani**  
Company Secretary

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## Note 1 : Company Overview

Navkar Corporation Limited ("the Company") is a public limited Company domiciled in India having its registered office at 205-206, J. K. Chambers, Sector-17, Vashi, Navi Mumbai, - 400 705. The Company was incorporated on September 29, 2008 under the provision of the Companies Act, 1956. The Company is engaged in providing Container Freight Station (CFS) facilities and Inland Container Depot (ICD) and is focused on capitalizing the available opportunities in the logistics space in western India. Our CFS is largely dependent on EXIM container traffic in and out of Indian port – JNPT. The equity shares of the Company were listed on The National Stock Exchange of India Limited and BSE Limited on September 9, 2015.

## Note 2 : Summary of Significant Accounting Policies

### A. Basis of preparation of financial statements

#### (i) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind-AS") under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind-AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

The Company has adopted the Ind AS standards in accordance with Ind AS 101 First time adoption of Indian Accounting Standards.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### (ii) Basis of preparation

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

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- assets held for sale- measured at fair value less cost to sell;
- defined benefit plans- plan assets measured at fair value; and

#### (iii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period and cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period and there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

- (iv) The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees and all values are rounded to the nearest lakhs, except when otherwise stated.

### B. Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note C below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. 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.

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## C. Critical accounting estimates

### (i) Income taxes

The Company's major tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions. Also refer to Note 7 and Note 26.

### (ii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation 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 lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at 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.

### (iii) Defined benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

Further details about gratuity obligations are given in Note 45.

### (iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 35 to 38 for further disclosures.

## D. Property, Plant and Equipment

Land (including Land Developments) is carried at historical cost. All other items of property, plant and equipment are stated in the balance sheet at cost historical less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognised in profit or loss as incurred.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent to recognition, property, plant and equipment (excluding freehold land) are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement cost only if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and land developments) less their residual values over the useful lives, using the straight- line method ("SLM"). Management, based on a technical evaluation, believes that the useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:



# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

Description of Asset	Estimated useful lives
Buildings	60 years
Computers and Printers, including Computer Peripherals (including server and networking)	3-6 years
Office Equipments	5 years
Furniture and Fixtures	10 years
Motor Vehicles (including busses, trucks and trailers)	8-20 years
Plant and Machinery	20 years
Railway Sidings	20 years

Depreciation on additions/ deletions to fixed assets is calculated pro-rata from/ up to the date of such additions/ deletions.

Assets individually costing less than ₹ 5,000 are fully depreciated in the year of acquisition.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

## E. Investment properties

Investment properties are properties that is held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that is not occupied by the Company, is classified as investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated impairment loss, if any.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

## F. Intangible Assets

Intangible asset including intangible assets under development are stated at cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets acquired separately are measured on initial recognition at cost.

Intangible assets in case of computer software are amortised on straight-line basis over a period of 3 years, based on management estimate. The amortization period and the amortisation method are reviewed at the end of each financial year.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with infinite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

## G. Impairment of Non-Financial Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. An impairment loss is recognized in the profit or loss. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. A reversal of an impairment loss is recognised immediately in profit or loss.

## H. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial Instruments are further divided in two parts viz. Financial Assets and Financial Liabilities.

### Part I - Financial Assets

#### a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

##### Financial Assets at amortised cost:

A Financial Assets is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

##### Financial Assets at FVTOCI (Fair Value through Other Comprehensive Income)

A Financial Assets is classified as at the FVTOCI if following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows (i.e. SPPI) and selling the financial assets

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

##### Financial Assets at FVTPL (Fair Value through Profit or Loss)

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any financial instrument as at FVTPL.

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

##### Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind-AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

## c) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

## d) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance;
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind-AS 17
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS 18 (referred to as 'contractual revenue receivables' in these financial statements)
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers:

## NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company uses the remaining contractual term of the financial instrument; and
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. On that basis, the Company estimates the following provision matrix at the reporting date:

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is grouped under the head 'other expenses'. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

### Part II - Financial Liabilities

#### a) Initial recognition and measurement

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

#### b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss is designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.



# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities under borrowings. The dividends on these preference shares, if any are recognised in the profit or loss as finance cost.

## Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

### c) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

## I. Derivative financial instruments and hedge accounting

### Initial recognition and subsequent measurement:

The Company uses derivative financial instruments, such as forward currency contracts, option's and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind-AS 109 are recognised in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

## J. Inventories

Inventories are valued at lower of cost on First-In-First-Out (FIFO) or net realizable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of purchased inventory is determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## K. Recognition of Revenue

Revenue from services is recognised on accrual basis and when the consideration is reliably determinable and no significant uncertainty exists regarding the collection of the consideration. Import/ export stuffed containers' ground rent charges and cargo storage charges is accounted to the extent of recoverability of maximum days and import/ export container handling and delivery charges is accounted on accrual basis.

Revenue is measured at the fair value of the consideration received or receivable. The amount recognised as revenue is exclusive of Service Tax, Sales Tax, Goods & Service Tax (GST) and Value Added Taxes (VAT), and is net of discounts.

Revenue and expenses for sale of abandoned cargo are recognised when auctioned after necessary approvals from appropriate authorities are obtained.

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## **L. Other Income**

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

## **M. Provisions and Contingent Liabilities**

### **General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Payments in respect of such liabilities, if any are shown as advances.

## **N. Accounting for Taxation of Income**

### **(i) Current taxes**

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively. Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets, on a year to year basis, the current tax assets and liabilities, where it has legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

### **(ii) Deferred taxes**

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## **O. Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

## **P. Foreign Currency-Transactions and Balances**

The Company's functional currency is ₹ and accordingly, the financial statements are presented in ₹.

Transactions in foreign currencies are initially recorded by the Company in their functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting period. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognised in the Statement of Profit and Loss except exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## **Q. Borrowing Costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

## **R. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## **Finance Lease as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

## **Operating Lease as a lessee**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred

## **S. Employee Benefits**

### **a) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the undiscounted amounts of the benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### **b) Other Long-term employee benefit obligations**

The liabilities for compensated absences (annual leave) which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the related service are presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Re-measurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognised in the Statement of Profit and Loss.

The obligations are presented as current in the balance sheet, if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### **c) Post-employment obligations**

The Company operates the following post-employment schemes:

- (i) Defined benefit plans such as gratuity
- (ii) Defined contribution plans such as provident fund.

#### **Defined benefit plan - Gratuity Obligations**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is actuarially determined using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have a terms approximating to the terms of the obligation

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

The net interest cost, calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets, is recognised as employee benefit expenses in the statement of profit and loss.

Remeasurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income in the year in which they arise and are not subsequently reclassified to Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

## **Defined Contribution Plan**

The Company pays provident fund contributions to publicly administered provident funds as per local regulatory authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

## **T. Earnings Per Share**

Basic Earnings Per Share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.

## **U. Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value.

## **V. Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

## **W. Segment Reporting**

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

## **X. Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## **Y. Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new Ind AS's and amendments to existing Ind AS's which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

### **Ind AS 115 – Revenue from Contracts with Customers**

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 - Revenue, Ind AS 11 - Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:



## NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company is evaluating the possible impact of IndAS 115 and will adopt the standard with all related amendments to all contracts with customers retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. Under this transition method, cumulative effect of initially applying Ind AS 115 is recognized as an adjustment to the opening balance of retained earnings of the annual reporting period. The standard is applied retrospectively only to contracts that are not completed contracts at the date of initial application. The Company does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its net income on an ongoing basis.

- **Ind AS 21 – The Effect of Changes in Foreign Exchange Rates**

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

# NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

## Note 3 : Property, Plant and Equipment

Particulars	Land and Land Developments	Building	Plant and Machinery	Furniture and Fixtures	Computers Equipments	Motor Vehicles	Office Equipments	Railway Sidings	Electrical Installation	Roads	Total	Capital Work-in Progress
<b>Gross Carrying Amount as at April 1, 2016</b>	<b>80,806.26</b>	<b>9,121.25</b>	<b>6,536.37</b>	<b>271.43</b>	<b>890.74</b>	<b>11,484.23</b>	<b>396.26</b>	<b>15,416.63</b>	-	-	<b>124,923.17</b>	<b>28,413.80</b>
Additions / Transfer	452.92	1,890.09	318.88	661.98	51.45	1,228.37	190.13	-	6.69	-	4,800.51	24,052.19
Disposals	-	-	(453.52)	-	-	(227.35)	-	-	-	-	(680.87)	-
<b>Gross Carrying Amount as at April 1, 2017</b>	<b>81,259.18</b>	<b>11,011.34</b>	<b>6,401.73</b>	<b>933.41</b>	<b>942.19</b>	<b>12,485.25</b>	<b>586.39</b>	<b>15,416.63</b>	<b>6.69</b>	-	<b>129,042.81</b>	<b>52,465.99</b>
Additions / Transfer	32,203.00	18,592.30	5,863.36	260.98	202.88	1,271.09	99.44	10,149.87	170.69	1,479.07	70,292.68	(51,163.19)
Disposals	-	-	(14.51)	-	-	(739.94)	(1.87)	-	(4.46)	-	(760.78)	-
<b>Gross Carrying Amount as at April 1, 2018</b>	<b>113,462.18</b>	<b>29,603.64</b>	<b>12,250.58</b>	<b>1,194.39</b>	<b>1,145.07</b>	<b>13,016.40</b>	<b>683.96</b>	<b>25,566.50</b>	<b>172.92</b>	<b>1,479.07</b>	<b>198,574.71</b>	<b>1,302.80</b>
<b>Accumulated depreciation as at April 1, 2016</b>	-	<b>738.96</b>	<b>1,595.68</b>	<b>117.39</b>	<b>692.99</b>	<b>2,511.74</b>	<b>227.77</b>	<b>2,005.97</b>	-	-	<b>7,890.50</b>	-
Depreciation charge during the year	-	134.83	420.68	47.20	124.44	487.22	54.36	725.40	0.07	-	1,994.20	-
Accumulated depreciation on deletions	-	-	(119.00)	-	-	(82.22)	-	-	-	-	(201.22)	-
<b>Accumulated depreciation as at April 1, 2017</b>	-	<b>873.79</b>	<b>1,897.36</b>	<b>164.59</b>	<b>817.43</b>	<b>2,916.74</b>	<b>282.13</b>	<b>2,731.37</b>	<b>0.07</b>	-	<b>9,683.48</b>	-
Depreciation charge during the year	-	229.17	368.89	93.44	82.53	665.12	81.45	734.03	1.03	12.97	<b>2,268.63</b>	-
Accumulated depreciation on deletions	-	-	(6.39)	-	-	(361.63)	(0.24)	-	(0.42)	-	<b>(368.68)</b>	-
<b>Accumulated depreciation as at April 1, 2018</b>	-	<b>1,102.96</b>	<b>2,259.86</b>	<b>258.03</b>	<b>899.96</b>	<b>3,220.23</b>	<b>363.34</b>	<b>3,465.40</b>	<b>0.68</b>	<b>12.97</b>	<b>11,583.43</b>	-
<b>Net carrying amount as at March 31, 2018</b>	<b>113,462.18</b>	<b>28,500.68</b>	<b>9,990.72</b>	<b>936.36</b>	<b>245.11</b>	<b>9,796.17</b>	<b>320.62</b>	<b>22,101.10</b>	<b>172.24</b>	<b>1,466.10</b>	<b>186,991.28</b>	<b>1,302.80</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>81,259.18</b>	<b>10,137.55</b>	<b>4,504.37</b>	<b>768.82</b>	<b>124.76</b>	<b>9,588.51</b>	<b>304.26</b>	<b>12,685.26</b>	<b>6.62</b>	-	<b>119,359.33</b>	<b>52,465.99</b>

### 1. Capitalised Borrowing Cost

The amount of borrowing costs capitalised during the year ended March 31, 2018 was ₹ 3,062.60 lakhs (March 31, 2017: ₹ 2,316.07 lakhs) which is related to various assets at Inland container depot situated at Vapi. The rate used to determine the amount of borrowing costs eligible for capitalisation was 11.83% to 13.73% which is the effective interest rate of the specific borrowing.

### 2. Asset under construction

Capital Work-in Progress as at March 31, 2018 comprises expenditure for expansion of Company's projects.

### 3. Property, Plant and Equipments pledged/ mortgaged as security

Property, Plant and Equipment having a gross block value of ₹ 56,744.21 lakhs (March 31, 2017 : ₹ 129,042.81 lakhs) are pledged as security for availing loans are subject to first charge/ collateral to secure those loans taken by the Company.

Gross carrying amount of Land and Land Development includes certain land and land development having gross block value of ₹ 1,017.05 lakhs (March 31, 2017: ₹ 1,661.59 lakhs) situated at different locations, which are in the name of the Directors of the Company and are yet to be transferred in the name of the Company.

Gross carrying amount of Motor Vehicles includes certain Motor Vehicles having gross block value of ₹ 163.07 lakhs (March 31, 2017: ₹ 173.57 lakhs) which are in the name of the Directors of the Company and are yet to be transferred in the name of the Company.

The Gross carrying amount of any fully depreciated property, plant and equipment is ₹ 1,014.18 lakhs (March 31, 2017: ₹ 788.11 lakhs) that is still in use.

## NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

### Note 4 : Investment Property

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Gross Carrying Amount</b>		
Opening gross carrying amount	4,554.92	4,554.92
Additions	361.20	-
<b>Closing gross carrying amount</b>	<b>4,916.12</b>	<b>4,554.92</b>
<b>Accumulated Depreciation</b>		
Opening accumulated depreciation	-	-
Depreciation charge for the year	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>-</b>
<b>Net carrying amount</b>	<b>4,916.12</b>	<b>4,554.92</b>

#### Notes:

- The Investment Property consist of Land and Land Developments.
- Gross carrying amount of Investment Property includes certain land and development having gross block value of ₹ Nil (March 31, 2017: ₹ 278.48 lakhs) situated at different locations, which are in the name of the Directors of the Company and are yet to be transferred in the name of the Company.
- The Board of Directors has decided in the meeting held on November 25, 2016 for development of Residential Township on approximately 45 acres of land of the Company situated at Narpoli and Dahivali in Panvel, District Raigarh, Maharashtra, located in close proximity to the other residential projects.
- Amounts are recognised in the statement of profit and loss for the above investment properties is ₹ Nil during the financial year ended March 31, 2018 and March 31, 2017.

#### e) Disclosure for Fair Value

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Investment Property	11,779.06	10,968.40

#### f) Description of valuation techniques used and key inputs to valuation on investment properties

As at March 31, 2018 and March 31, 2017, the fair values of the properties are ₹ 11,779.06 lakhs and ₹ 10,968.40 lakhs respectively. These valuations are based on valuations performed by Ramachandra & Associates, an accredited independent valuer. Ramachandra & Associates is a specialist in valuing these types of investment properties.

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## Note 5 : Intangible Assets

Particulars	(₹ in Lakhs)	
	Software	Intangible assets under development
<b>Gross Carrying Amount as at April 1, 2016</b>	<b>41.14</b>	<b>-</b>
Additions	-	128.96
Disposals	-	-
<b>As at March 31, 2017</b>	<b>41.14</b>	<b>128.96</b>
Additions	144.95	-
Disposals	-	(128.96)
<b>As at March 31, 2018</b>	<b>186.09</b>	<b>-</b>
<b>Accumulated amortisation and impairment</b>		
<b>As at March 31, 2016</b>	<b>2.71</b>	<b>-</b>
Amortisation charge during the year	13.71	-
Disposals	-	-
<b>As at March 31, 2017</b>	<b>16.42</b>	<b>-</b>
Amortisation charge during the year	25.05	-
Disposals	-	-
<b>As at March 31, 2018</b>	<b>41.47</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>144.62</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2017</b>	<b>24.72</b>	<b>128.96</b>

### Note:

Intangible assets in case of computer software are amortised on straight-line basis over a period of 3 years, based on management's estimate. The amortisation period and the amortisation method are reviewed at the end of each financial year.

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## Note 6 : Non-Current Financial Assets - Others

(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>Carried at amortised cost</b>		
Security Deposits	509.48	387.79
VAT and CST Deposit	1.15	1.15
Fixed Deposits with Banks with a maturity period more than 12 months [under lien against bank guarantee and loans from banks]	96.27	1,017.69
<b>Total</b>	<b>606.90</b>	<b>1,406.63</b>

## Note 7 : Income Tax Assets (Net):

(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017
Income tax assets	6,805.28	6,678.77
Less: Provision for Tax	(6,520.00)	(6,520.00)
<b>Total</b>	<b>285.28</b>	<b>158.77</b>

## Note 8 : Other Non-Current Assets

(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017
Capital Advances	748.73	638.53
MAT Credit Entitlement	11,438.96	9,912.03
Prepaid Expenses	180.54	-
<b>Total</b>	<b>12,368.23</b>	<b>10,550.56</b>

## Note 9 - Inventories

(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017
Stock of Spare Parts and Consumables	703.73	568.57
<b>Total</b>	<b>703.73</b>	<b>568.57</b>

## Note 10 - Current Financial Assets - Trade Receivables

(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>Unsecured</b>		
Considered Good	5,136.91	4,505.13
Considered doubtful	30.04	20.46
<b>Sub Total</b>	<b>5,166.95</b>	<b>4,525.59</b>
Less: Allowances for credit losses	30.04	20.46
<b>Total</b>	<b>5,136.91</b>	<b>4,505.13</b>



# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## Note 11 - Current Financial Assets - Cash and Cash Equivalents

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Bank Balances		
- In current accounts	664.47	655.84
- In fixed deposits with maturity of less than 3 months [under lien against bank guarantee and loan arrangements]	276.50	3,167.64
Cash on Hand	18.33	16.04
<b>Total</b>	<b>959.30</b>	<b>3,839.52</b>

## Note 12 - Current Financial Assets - Other Bank Balances

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Balance in IPO Application Money Refund Account	1.77	1.91
Fixed Deposits with maturity period of more than 3 months but less than 12 months [under lien against bank guarantee and loan arrangements]	895.54	9,098.18
<b>Total</b>	<b>897.31</b>	<b>9,100.09</b>

## Note 13 - Current Financial Assets - Loans

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>Unsecured, considered good</b>		
Advances to Employees	89.33	43.40
Other	0.52	0.79
<b>Total</b>	<b>89.85</b>	<b>44.19</b>

## Note 14 - Current Financial Assets - Others

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>Unsecured, considered good</b>		
Security Deposits	371.23	120.60
Foreign currency forward and options contracts (Financial assets carried at fair value through Profit or Loss)	201.35	-
Others	47.13	133.72
<b>Total</b>	<b>619.71</b>	<b>254.32</b>

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## Note 15 : Other Current Assets

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Accrued Income	3,247.83	2,024.71
Advances other than capital advances:		
Advance payment to vendors	1,038.63	12.04
Balance with government authorities:		
- Cenvat credit	0.80	617.42
- Goods & Service Tax	406.48	-
Prepaid expenses	376.84	352.71
<b>Total</b>	<b>5,070.58</b>	<b>3,006.88</b>

## Note 16 - Share Capital

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>Authorised Capital</b>		
21,50,000,000 (March 31, 2017: 20,50,00,000) Equity Shares of ₹ 10 each	21,500.00	20,500.00
50,00,000 (March 31, 2017 : 50,00,000) 0% Cumulative Redeemable Preference Shares of ₹ 10 each	500.00	500.00
6,00,000 (March 31, 2017 : 6,00,000) 6% Cumulative Redeemable Preference Shares of ₹ 100 each	600.00	600.00
<b>Total</b>	<b>22,600.00</b>	<b>21,600.00</b>
<b>Issued, Subscribed and Paid up Capital</b>		
15,05,19,181 (March 31, 2017: 14,26,08,023) Equity Shares of ₹ 10 each fully paid up	15,051.92	14,260.80
<b>Total</b>	<b>15,051.92</b>	<b>14,260.80</b>

### (a) Terms / rights attached to:

#### Equity Shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their share holding.

### (b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year

#### Equity Shares:

Particulars	Year Ended March 31, 2018		Year Ended March 31, 2017	
	Number of shares (in Lakhs)	Amount (₹ in Lakhs)	Number of shares (in Lakhs)	Amount (₹ in Lakhs)
Balance as at the Beginning of the year	1,426.08	14,260.80	1,426.08	14,260.80
Add: Shares issued in Qualified institutional placement (QIP)	79.11	791.12	-	-
<b>Balance as at the end of the year</b>	<b>1,505.19</b>	<b>15,051.92</b>	<b>1,426.08</b>	<b>14,260.80</b>

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

**(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**  
**Equity Shares**

Shares held by	As at March 31, 2018		As at March 31, 2017	
	Number of Shares (in Lakhs)	%	Number of Shares (in Lakhs)	%
Mr. Shantilal J. Mehta	450.75	29.95%	450.75	31.61%
Mr. Nemichand J. Mehta	289.00	19.20%	289.00	20.27%
Mrs. Shailaja Mehta	183.65	12.20%	183.65	12.88%
Sidhartha Corporation Private Limited	92.48	6.14%	92.48	6.48%

- (d)** Pursuant to approval of the shareholders of the Company accorded in the Annual General Meeting of the Company held on August 24, 2017, the Board of Directors, on November 01, 2017, has issued and allotted 79,11,158 Equity Shares of ₹10 each of the Company at an issue price of ₹183/- per Equity Share (including premium of ₹173/- per Equity Share) to Qualified Institutional Buyers pursuant to the Qualified Institutions Placement under Chapter VIII of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Section 42 of the Companies Act, 2013 and other applicable provisions and rules made thereunder.

The gross proceeds of QIP issue ₹14,477.42 lakhs has been utilised for the objects stated in the Placement Document dated October 30, 2017 and there has been no deviation in the use of QIP proceeds from the objects stated therein.

**(e) Shares allotted as fully paid up equity shares as bonus issue (during 5 years immediately preceding March 31, 2018):**

91,420,665 Equity Shares of ₹ 10 each fully paid up were issued as bonus shares on March 3, 2015 in the ratio of five fully paid up equity share for every equity share held on March 2, 2015, being the record date through capitalisation of surplus from the Statement of Profit and Loss.

**Note 17 - Other Equity**

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Capital Reserve on Amalgamation	4,896.50	4,896.50
Capital Redemption Reserve	1,030.22	838.55
Securities Premium Reserve	91,271.20	78,126.02
Capital Contribution by Shareholders	8,216.74	8,216.74
Retained Earnings	49,661.37	39,748.80
<b>Total</b>	<b>155,076.03</b>	<b>131,826.61</b>

**(i) Capital Reserve on Amalgamation:**

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Balance as at the beginning of the year	4,896.50	4,896.50
Add : Additions during the year	-	-
<b>Balance as at the end of the year</b>	<b>4,896.50</b>	<b>4,896.50</b>

Note:

Capital Reserve on Amalgamation is created as per the Scheme of Amalgamation between erstwhile Preeti Logistics Limited with the Company approved by the Hon'ble High Court Judicature at Bombay on February 11, 2010.

**(ii) Capital Redemption Reserve:**

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Balance as at the beginning of the year	838.55	646.88
Add : Additions during the year	191.67	191.67
<b>Balance as at the end of the year</b>	<b>1,030.22</b>	<b>838.55</b>

## NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

### Note:

The Company has issued redeemable non-convertible Preference Share. Accordingly, the Companies (Share Capital and Debentures) Rules, 2014 (as amended), require the Company to create CRR out of profits of the Company available for payment of dividend. CRR is required to be created for an amount which is equal to 100% of the amount to be redeemed of Preference Shares issued at the time of maturity. The CRR is required to be created over the life of Preference Share, the Company has created CRR out of retained earnings for an proportionate amount (March 31, 2018: 44.8% and March 31, 2017: 36.46% ).

### (iii) Securities Premium Reserve:

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Balance as at the beginning of the year	78,126.02	78,126.02
Add : Received on issue of shares in QIP during the year (Refer Note 47)	13,686.30	-
Less: Amount utilised for share issue expenses (Refer Note 47)	(541.12)	-
<b>Balance as at the end of the year</b>	<b>91,271.20</b>	<b>78,126.02</b>

### Note:

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

### (iv) Capital Contribution by Shareholders:

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Balance as at the beginning of the year	8,216.74	8,216.74
Add: Contribution during the year	-	-
<b>Balance as at the end of the year</b>	<b>8,216.74</b>	<b>8,216.74</b>

### (v) Retained Earnings:

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Balance as at the beginning of the year	39,748.78	31,094.55
Add: Profit for the year	10,091.77	8,878.88
Add: Items of Other Comprehensive Income recognised directly in Retained Earnings		
Re-measurement gains/ (losses) on defined benefit obligations (net of tax)	12.49	(32.98)
Less: Transfer to Capital Redemption Reserve	(191.67)	(191.67)
<b>Balance as at the end of the year</b>	<b>49,661.37</b>	<b>39,748.78</b>

### Note 18 - Non-Current Financial Liabilities - Borrowings

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>Secured Term Loans* (Refer Note (a) below)</b>		
Rupee Term Loans from Banks	8,936.78	21,836.24
Foreign Currency Term Loans from Banks	16,173.29	4,999.57
Rupee Term Loans from Others	-	216.31
<b>Unsecured Loans (Refer Note (b) below)</b>		
Loans from Related Parties	6,565.61	5,833.46
<b>Preference Share (Unsecured) (Refer Note (c) below)</b>		
23,00,000 (March 31, 2017: 23,00,000) 0% Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up	1,050.74	933.57
99,790 (March 31, 2017: 99,790) 6% Cumulative Redeemable Preference shares of ₹ 100 each fully paid up	123.23	115.09
<b>Total Non-Current Borrowings</b>	<b>32,849.65</b>	<b>33,934.24</b>

\* Net of Current maturities of long-term debts and Interest accrued, which are included in Note 23

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

Notes:

## (a) Nature of security and terms of repayment for Secured Borrowings :

Nature of Security	Terms of Repayment
Rupee Term Loans from Axis Bank amounting to ₹ 24.76 lakhs (March 31, 2017: ₹ 499.46 lakhs) secured by the vehicles purchased from the loan proceedings.	Repayable in 47 monthly instalments, Effective Rate of interest is 8.35% p.a.
Rupee Term Loan from HDFC Bank amounting to ₹ 2,813.83 lakhs (March 31, 2017: ₹ 1,166.46 lakhs) secured by the vehicles/ machines purchased from the loan proceedings.	Repayable in 47 monthly instalments, Effective Rate of interest is 8.75% p.a.
Rupee Term Loan from ICICI Bank amounting to ₹ Nil lakhs (March 31, 2017: ₹ 1,547.57 lakhs) and a Foreign Currency Term Loan from ICICI Bank amounting to ₹ Nil (March 31, 2017: ₹ 1,804.35 lakhs) Secured by First charge/ hypothecation on the vehicles/ Equipment and assets to be funded by the takeover of the loans.	Repayable in 35 - 60 monthly instalments (loans taken for purchase of commercial vehicles) & 32 quarterly instalments (other term loans), Effective Rate of interest for Rupee term loan is ranging 6.48% - 12.87% p.a., Effective Rate of interest for foreign currency term loan is ranging 6.48% - 10.40% p.a.
First charge hypothecation on all unencumbered vehicles Equipment/Other	
Movable Assets valuing not less than ₹ 2,000 lakhs (based on the current market value of the assets valuation of the security to be done through ICICI empaneled valuer).	
Equitable Mortgage of the property located at address Plot No. 73, Sec. 50, Nerul, Navi Mumbai - 400 706 valuing ₹ 4,000 lakhs approximately.	
In case of any shortfall the same to be met by commercial property/residential property/ industrial property/fixed deposit equivalent to the security cover of 1.0.	
The limit may be disbursed proportionately however the security cover to be maintained at 1.0 at all times.	
Security for RTL-III and RTL-IV to be extended for derivative limits. However, the derivative limits not to be included for the calculation of security cover of 1.0.	
This facility including derivative limit having Unconditional and irrevocable personal guarantees of:	
i. Mr. Nemichand. J. Mehta having networth of ₹ 3,235 lakhs as on 31.03.2013.	
ii. Mr. Shantilal. J. Mehta having networth of ₹ 1,635 lakhs as on 31.03.2013.	
iii. Mr. Kunthukumar. S. Mehta having networth of ₹ 2,827 lakhs as on 31.03.2013.	
iv. Mr. Jayesh. N. Mehta having networth of ₹ 158 lakhs as on 31.03.2013.	
v. Mrs. Shailaja N. Mehta.	
Rupee Term Loan from Kotak Mahindra Bank amounting to ₹ 1,633.62 lakhs (March 31, 2017: ₹ 2,203.68 lakhs) Secured by the vehicles purchased from the loan proceedings and Mortgage over part of land situated at Moje- Tumb, Revenue S No. 44/1, Taluka Umbergaon, Valsad Dist. Three post dated cheques issued by Mr. Shantilal Jayvantraj Mehta and Mr. Nemichand Jayvantraj Mehta. Personal Guarantee of Shantilal J Mehta, Nemichand J Mehta, Kunthukumar S Mehta, Jayesh N Mehta, Shailaja N Mehta. Cross Collateral of property mentioned in Primary Collateral to be marked Cross Collateral in 3 Cr Loan after disbursement of LAP Loan.	Repayable in 35 - 96 monthly instalments, Effective rate of interest 9.00% - 17.68% p.a.
- Secured by the office premises 4th floor, 13th floor & 14th floor of the building known as Goodwill Infinity on the land bearing Plot No. E/3A at Sector 12, Kharghar, Navi Mumbai.	
- One undated cheque drawn in favour of Kotak Mahindra Bank totalling to ₹ 1,713 lakhs.	
Rupee Term Loan from SBI Bank amounting to ₹ Nil (March 31, 2017: ₹ 1,259.47 lakhs)	Repayable in 31-84 monthly instalments, Effective rate of interest for Rupee term loan is ranging 10.75% - 13.50% p.a., Effective rate of interest for foreign currency term loan is 7.17% - 10.89% p.a.
Foreign Currency Term Loan from SBI Bank amounting to ₹ Nil (March 31, 2017: ₹ 9,327.32 lakhs)	



## NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

Primary & Collateral for all the loans :	
- Secured by first charge on assets created out of the proposed term loan.	
- First / extension of mortgage charge on land with warehousing building at Container Freight Station, Yard I & II located at Village Ajiwali, Pune Mumbai National Highway (NH 4), Taluka Panvel, Raigad, owned by the Company.	
- First / extension of mortgage charge on land with warehousing building at Container Freight Station, Yard III with railway siding facility, located at Village Somathane, Kon-Savla Road, Taluka Panvel, Raigad, owned by the Company.	
- First / extension of charge on entire fixed assets of the Company located at locations stated above except the vehicles and equipments specifically charged for the vehicle / equipment loans.	
- First / extension of charge on 205-206, JK Chambers, Sector 17, Vashi, Navi Mumbai - 400 703, owned by Mr. Shantilal J Mehta, director of the Company.	
- First charge on agri-land at 90/1/2 at Somathane Village, Kon-Savla Road, Raigad - 410 206.	
- TDR of ₹ 13 Lakhs (March 31, 2017: ₹ 13 lakhs)	
- Extension of charge on entire current assets (present and future) of the Company.	
- Personal Guarantees of : Mr. Shantilal J Mehta, Mr. Nemichand J Mehta, Mr. Jayesh N Mehta, Mr. Kunthu Kumar S Mehta, Mrs. Shailaja N Mehta, Mrs. Kamalbai S Mehta, and Mrs. Seema K. Mehta.	
Rupee Term Loans from Yes bank amounting to ₹ 3,221.66 lakhs, secured by the vehicles purchased from the loan proceedings and coborrowers are Mr. Shantilal J. Mehta and Mr. Nemichand J. Mehta, director of the Company.	Repayable in 46-60 inatallments, Effective rate of interest 8.73% - 10.33%
Rupee Term Loans from IDFC Bank amounting to ₹ 960.82 lakhs, secured by the vehicles purchased from the loan proceedings.	Repayable in 35 inatallments, Effective rate of interest 9%.
Rupee Term Loan from Tata Capital Financial Services Limited amounting to ₹ Nil (March 31, 2017: ₹ 1,064.04 lakhs). Secured by the vehicles purchased from the loan proceedings. Personal Guarantee of Mr. Jayesh N Mehta.	Repayable in 35 - 59 monthly instalments & 28 quarterly instalments, Effective Rate of interest is between 11.35% - 15.69% p.a.
First and exclusive charge by mortgage of unencumbered residential property at Flat no 6 & 7, Basera CHS, Sector 17, Vashi, Navi Mumbai, owned by Mr. Nemichand J. Mehta and residential bungalow at Plot No. 94, Bungalow Plot, Sector 20, Kharghar, Navi Mumbai, owned by Mr. Nemichand J Mehta and family. Personal Guarantee of Mr. Nemichand J Mehta and Debt Service Reserve Account of ₹ 100 lakhs.	
Rupee Term Loan from Tata Motors Finance amounting to ₹ Nil (March 31, 2017: 166.54 lakhs) secured by the vehicles purchased from the loan proceedings.	Repayable in 47 - 59 monthly instalments, Effective Rate of interest is 10.52%
Co-Borrower is Mr. Shantilal J Mehta (Director of Company).	
Rupee Term Loans (Consortium Loan Facility) from State Bank of India amounting to ₹ 18,276.93 lakhs (March 31, 2017: ₹ Nil)	Repayable in 84 monthly installments, Effective Rate of Interest is between 11.71% - 12.64% p.a.
Rupee Term Loans from Union Bank of India amounting to ₹ 3,194.96 lakhs (March 31, 2017: ₹ 3,509.29 lakhs).	
Rupee Term Loans from Axis Bank Limited amounting to ₹ Nil (March 31, 2017: ₹ 3,509.14 lakhs)	
Rupee Term Loans from Export Import Bank of India amounting to ₹ Nil (March 31, 2017: ₹ 3,190.01 lakhs)	
Rupee Term Loans from IDBI Bank Limited amounting to ₹ Nil (March 31, 2017: ₹ 3,474.31 lakhs)	
Rupee term loan from State Bank of India amounting to ₹ Nil (March 31, 2017: ₹ 4,176.98 lakhs)	
Rupee term loan from State Bank of Travancore amounting to ₹ Nil (March 31, 2017: ₹ 3,338.62 lakhs)	

# NOTES TO THE FINANCIAL STATEMENT

for the year ended March 31, 2018

<p>Secured by:</p> <ul style="list-style-type: none"> <li>-First pari-passu charge on all the immovable properties and assets of the Borrower pertaining to the Project together with all appurtenances thereon and there under, present and future.</li> <li>- A first charge on all the immovable properties and assets to be utilized for the Project acquired by Shri Nemichand J Mehta.</li> <li>- A first charge on all the Borrower's movable properties and assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future.</li> <li>A first charge on all the Current Assets and non-current assets of the Borrower, Borrower's tangible or intangible assets related to the Project including but not limited to Book Debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, both present and future and goodwill, uncalled capital, both present and future.</li> <li>- A first charge on all the bank accounts of the Borrower related to the Project including but not limited to the Trust &amp; Retention Account and all its Retention Accounts and each of the other accounts required to be created by the Borrower under any Financing Documents or Project Documents or other contract, including a charge on all the moneys, receivable in such accounts.</li> <li>-A pledge of equity shares held by the Sponsors who are the existing shareholders, aggregating to 30% of paid up and voting equity share capital of the Borrower for the period till the Final Settlement Date. The shares to be pledged shall be free from any restrictive covenants/ lien or other encumbrance under any contract / arrangement including shareholder agreement /joint venture agreement/ financing arrangement with regard to pledge/transfer of the shares including transfer upon enforcement of the pledge. In case the equity increases in future, number of shares pledged with the Lenders shall be increased proportionately to maintain the pledge of 30% of paid up and voting equity share capital of the Borrower at all times till the Final Settlement Date.</li> <li>-Personal Guarantee Mr. Shantilal J Mehta, Mr. Nemichand J Mehta, Mr. Kunthukumar S Mehta, Mr. Jayesh N Mehta, Mrs. Shailaja Nemichand J. Mehta, Mrs. Kamal Bai Shantilal J. Mehta, Mrs. Seema Kunthukumar Mehta and Mrs. Pratiksha J Mehta.</li> </ul> <p>No guarantee commission shall be payable by the Borrower to the above personal guarantors.</p> <p>-Non Disposal Undertaking of 21% of the aggregate shareholding of the Borrower (over and above pledge of 30% as above).</p>	
<p>Rupee Term Loans from Axis Bank Limited, amounting to ₹ 17.98 lakhs (March 31, 2017: ₹ 25.84 lakhs) Secured by the vehicles purchased from the loan proceedings</p>	<p>Repayable in 59 monthly installments, Effective Rate of Interest is between 10.46% p.a.</p>
<p>Rupee Term Loans from HDFC Bank Limited, amounting to ₹ 35.71 lakhs (March 31, 2017: ₹ 51.75 lakhs) Secured by the equipment purchased from the loan proceedings.</p>	<p>Repayable in 59 monthly installments, Effective Rate of Interest is between 10.02% - 10.95% p.a.</p>
<p>Rupee Term Loans from Tata Capital Financial Services Limited, amounting to ₹ 2.81 lakhs (March 31, 2017: ₹ 18.52 lakhs) Secured by the equipment purchased from the loan proceedings and Personal Guarantee of Kunthu Kumar Mehta.</p>	<p>Repayable in 47 monthly installments, Effective Rate of Interest is between 12.17% - 12.41% p.a.</p>
<p>At March 31, 2018, the Company had available ₹ NIL (March 31, 2017: ₹ 4,239.42 lakhs) of undrawn committed borrowing facilities.</p>	

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## (b) Details and terms of repayment for Unsecured Borrowings :

Particulars	Terms of Repayment
Loans from Related Parties amounting to ₹ 6,565.61 (March 31, 2017: ₹ 5,833.46 lakhs)	Repayable on demand after March 31, 2017 or any such date on which condition attached with existing loans of current ratio under financing arrangement(s) under which the unsecured loans were provided by the Payees' are satisfied, whichever date shall fall later. The effective interest rate used for these loans is 12.00% p.a. however these loans are interest free.

## (c) Nature of security and terms of repayment for Preference Share :

**0% Cumulative Redeemable Preference Shares:** The Company has one class of preference shares having a par value of ₹ 10 per share. They have been issued for a period of 12 years and are redeemable thereafter. These shares do not carry any dividend. In the event of liquidation, the preference shareholders are eligible to receive repayment of the capital. They do not have any rights to participate in the profits or assets of the Company. The effective interest rate used for these shares are 12.00% p.a.

### **6% Cumulative Redeemable Preference Shares**

The Company has one class of preference shares having a par value of ₹100 per share and the same would be redeemed at the end of 10 years from the date of allotment. In the event of liquidation, the preference shareholders are eligible to receive repayment of the capital along with the dividend. They do not have any rights to participate in the profits or assets of the Company. Also the Company has call option to redeem the preference shares at any time after the end of one year from the date of allotment. The effective interest rate used for these shares are 12.00% p.a.

**Shares allotted as fully paid up 6% Cumulative Redeemable Preference shares pursuant to the 'Scheme of Amalgamation (during 5 years immediately preceding March 31, 2018):**

99,790 6% Cumulative Redeemable Preference shares of ₹ 100 each fully paid up were issued to the erstwhile shareholders of Navkar Terminals Limited pursuant to the 'Scheme of Amalgamation' between the Company, Navkar Terminals Limited and their respective shareholders without payment being received in cash.

## Note 19: Non-Current Provisions

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Provision for Employee Benefits:		
Provision for Gratuity (refer note 45)	434.74	348.44
Provision for Leave Obligation (refer note 45)	59.51	43.37
<b>Total</b>	<b>494.25</b>	<b>391.81</b>

## Note 20 - Deferred Tax Liabilities (Net)

The major components of deferred tax Liabilities/ (Assets) as recognized in the financial statements are as follows:

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Deferred Tax Liabilities/ (Assets) arising on account of timing differences in:		
Property, Plant and Equipment including Intangible Assets - Depreciation	5,890.36	4,573.74
Gratuity	(167.25)	(142.59)
Leave Entitlement	(23.46)	(17.75)
Financial Instruments - Borrowings	(20.08)	(186.09)
Allowances for credit losses - Trade Receivables	(1.63)	(6.91)
Expenses allowable u/s 35 DD	-	(2.67)
<b>Deferred Tax Liabilities (net)</b>	<b>5,677.94</b>	<b>4,217.73</b>

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## Movement in Deferred Tax Liabilities/ (Assets)

						(₹ in Lakhs)
Particular	Depreciation	Gratuity	Leave Entitlement	Borrowings	Others	Total
<b>As at March 31, 2016</b>	<b>4,090.99</b>	<b>(102.36)</b>	<b>(15.56)</b>	<b>(55.08)</b>	<b>(7.93)</b>	<b>3,910.06</b>
Charged/ (Credited):						
To Profit or Loss	482.75	(22.75)	(2.19)	(131.01)	(1.65)	325.15
To Other Comprehensive Income	-	(17.48)	-	-	-	(17.48)
<b>As at March 31, 2017</b>	<b>4,573.74</b>	<b>(142.59)</b>	<b>(17.75)</b>	<b>(186.09)</b>	<b>(9.58)</b>	<b>4,217.73</b>
Charged/ (Credited):						
To Profit or Loss	1,316.62	(31.37)	(5.71)	166.01	7.95	1,453.50
To Other Comprehensive Income	-	6.71	-	-	-	6.71
<b>As at March 31, 2018</b>	<b>5,890.36</b>	<b>(167.25)</b>	<b>(23.46)</b>	<b>(20.08)</b>	<b>(1.63)</b>	<b>5,677.94</b>

## Note 21- Current Financial Liabilities - Borrowings

			(₹ in Lakhs)
Particulars	As at March 31, 2018	As at March 31, 2017	
<b>Secured Loans (Repayable on demand)</b>			
Working Capital Loans from Banks (Refer Note (a) below)	1,500.55	2,574.34	
<b>Unsecured Loans (Repayable on demand)</b>			
Working Capital Loans from Banks (Refer Note (b) below)	-	1,013.93	
<b>Total</b>	<b>1,500.55</b>	<b>3,588.27</b>	

### Note:

- (a) These facilities are secured against the following charge on various assets of the Company :
- Primary : Hypothecation charge on the entire current assets of the Company, both present & future.
  - Collateral :  
Office number 1303, 1304 on 13th floor of the building known as Goodwill Infinity on the land bearing plot no. E/3A Sector 12, Kharghar, Navi Mumbai.  
Exclusive charge on the below mentioned assets :
    - Kalmar bearing registration number NL 02-L-1411 (Model no. DRF 450 65S5)
    - Kalmar bearing registration number NL 02-L-0425 (Model no. DRF 450 65S5)
    - Kalmar bearing registration number NL 02-L-0424 (Model no. DRF 450 65S5)
    - Kalmar bearing registration number MH 46 B1546 (Model no. DRF 450 65S5)
    - Kalmar bearing registration number MH 46 B1548 (Model no. DRF 450 65S5)
    - Kalmar bearing registration number MH 46 B1549 (Model no. DRF 450 65S5)
  - A undated cheque issued in the favour of bank of facility amount.
  - Personal Guarantees of Mr. Shantilal J Mehta.
- (b) Working Capital Loan from HDFC Bank amounting to ₹ Nil (March 31, 2017 1,013.93 lakhs) repayable on demand.  
At March 31, 2018, the Company had available ₹ Nil. (March 31, 2017: ₹ 524.50 lakhs) of undrawn committed borrowing facilities.

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## Note 22- Current Financial Liabilities - Trade Payables

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>Trade Payable</b>		
Dues to Micro and Small Enterprises	181.55	180.98
Others	1,957.84	5,879.69
<b>Total</b>	<b>2,139.39</b>	<b>6,060.67</b>

### Note: Disclosure for micro and small enterprises:

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
(a) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;		
- Principal	176.22	179.04
- Interest due thereon	5.33	1.94
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;		
- Principal	237.22	216.58
- Interest	-	-
(c) 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 Micro, Small and Medium Enterprises Development Act, 2006;	4.93	1.42
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year;	0.40	0.52
(e) The amount of further interest remaining due and payable even in the succeeding years, 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 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note: The above information regarding micro and small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

## Note 23 - Current Financial Liabilities - Others

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Current Maturities of Long-Term Debt:		
Rupee Term Loans from Banks (Refer Note 18 above)	2,966.58	5,893.19
Foreign Currency Term Loans from Banks (Refer Note 18 above)	2,180.04	6,096.37
Rupee Term Loans from Others (Refer Note 18 above)	2.81	1,032.79
Interest Accrued	-	258.89
Foreign Currency Forward and Interest Rate Swap Contracts	-	194.05
Provision for Directors Sitting Fees	-	0.99
Liabilities for Acquisition of Property, Plant and Equipment	894.44	1,240.51
Application Money Refundable (Refer Note Below)	1.77	1.91
Other Payables	25.23	22.73
<b>Total</b>	<b>6,070.87</b>	<b>14,741.43</b>

### Note:

The Company has taken appropriate steps for refund of share application money received in Initial Public Offering in case of unallotted/ partially allotted applications. The balance is kept in a separate bank account 'Share Application Money Refund Account' and the Company can not freely use this amount.



# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## Note 24 - Other Current Liabilities

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Statutory Tax Payable (Including Provident Fund, Tax Deducted at Source and other indirect taxes)	205.33	551.51
Employee Related Liabilities	315.64	323.63
<b>Total</b>	<b>520.97</b>	<b>875.14</b>

## Note 25 : Current Provisions:

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Provision for Wealth Tax	-	-
Provision for Employee benefits:		
Provision for Gratuity [Refer Note 45]	43.88	63.68
Provision for Leave Obligation [Refer Note 45]	7.62	8.20
<b>Total</b>	<b>51.50</b>	<b>71.88</b>

## Note 26 : Current Tax Liabilities (Net):

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Provision for Income Tax	2,820.00	-
Less: Income Tax Assets	(2,160.45)	-
<b>Total</b>	<b>659.55</b>	<b>-</b>

The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2018 and March 31, 2017 is as follows:

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Net current income tax asset/ (liability) at the beginning	158.77	(545.41)
Add : Current income tax expense	(2,820.00)	(2,129.84)
Less: Income tax paid (net of refund, if any)	2,286.96	2,834.02
<b>Net current income tax asset/ (liability) at the end</b>	<b>(374.27)</b>	<b>158.77</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 2017:

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Accounting profit before tax from continuing operations	12,838.34	9,921.16
Tax at income tax at the rate of 34.608% (March 31, 2017: 34.608%)	4,443.10	3,433.52
<b>Adjustments of tax effect of allowable and non-allowable income and expenses:</b>		
Difference in Depreciation and Amortisation	(1,177.14)	(586.32)
Corporate Social Responsibility Expenditure	79.34	74.91
Provisions for Retirement Benefits	35.05	24.98
Premium on Forward Contract	42.55	42.55
Loss on Sale of Property, Plant and Equipments	(19.28)	64.50
Additional Finance cost as calculated by using effective interest rate	159.32	349.90

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Other Items	42.63	51.23
Deduction available as per section 80-G of the Income Tax Act, 1961	-	(0.92)
Deduction available as per section 80-IA of the Income Tax Act, 1961	(2,310.31)	(2,757.07)
Provision for Interest on Income Tax and Adjustments for Current Tax of Prior Periods	-	19.84
Deferred Tax Expenses for the year	1,451.32	325.15
<b>Total tax expense</b>	<b>2,746.57</b>	<b>1,042.28</b>

## Note 27 : Revenue from Operations

Particulars	(₹ in lakhs)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Sale of Products:		
Auction Sales	264.20	433.14
Services Rendered:		
Cargo Handling	38,270.34	35,711.50
Transportation	3,645.93	237.53
Other Operating Revenue:		
EDI Income	36.02	54.07
MNR Receipts	600.87	654.29
<b>Total</b>	<b>42,817.36</b>	<b>37,090.53</b>

## Note 28 : Other Income

Particulars	(₹ in lakhs)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest Income:		
From Fixed Deposits with Banks	193.97	1,200.19
Other	0.72	-
Foreign Exchange Gain (Net)	-	53.22
Miscellaneous Income	44.86	59.43
Profit on Sale of Fixed Asset	55.72	-
<b>Total</b>	<b>295.27</b>	<b>1,312.84</b>

## Note 29 : Cost of Services

Particulars	(₹ in lakhs)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Handling and Transportation Charges	8,707.01	10,817.47
Customs Cost Recovery	132.09	41.69
Custom Bottle Seals	7.39	4.55
Electricity Expenses	327.45	305.53
Freight and Cartage	584.07	486.37
Port Handling Charges	629.88	915.49
Diesel and Petrol Expenses	3,816.01	1,711.05
Repairs and Maintenance - Machinery	1,387.34	1,042.36
Other Operational Expenses	304.81	372.69
Railway Haulage and License Charges	2,206.11	650.10
<b>Total</b>	<b>18,102.16</b>	<b>16,347.30</b>

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## Note 30 : Employee Benefits Expenses

Particulars	(₹ in lakhs)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Salaries, Wages and Bonus	2,977.93	2,672.70
Contributions to Provident and Other Funds (Refer Note 45)	184.97	161.09
Gratuity Expenses (Refer Note 45)	99.12	77.98
Leave Compensation Expenses	18.29	8.94
Staff Welfare Expenses	225.18	253.47
<b>Total</b>	<b>3,505.49</b>	<b>3,174.18</b>

## Note 31 : Finance Costs

Particulars	(₹ in lakhs)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Interest on Borrowings from Banks on Term Loans	537.01	1,712.87
Interest on Borrowings from Others on Term Loans	45.98	195.52
Interest on Borrowings from Banks on Short-Term Loans	212.86	304.37
Dividend on Redeemable Preference Share	125.30	104.10
Interest on Unsecured Loans	732.15	658.33
Interest on Others	33.02	20.92
Bank Charges and Commission	128.88	132.10
<b>Total</b>	<b>1,815.20</b>	<b>3,128.21</b>

## Note 32 : Depreciation and Amortisation Expense

Particulars	(₹ in lakhs)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Depreciation on tangible assets (Refer Note 3)	2,268.60	1,994.20
Amortisation of intangible assets (Refer Note 5)	25.05	13.71
<b>Total</b>	<b>2,293.65</b>	<b>2,007.91</b>

## Note 33 : Other Expenses

Particulars	(₹ in lakhs)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Advertisement Expenses	14.24	16.32
Payment to Auditors:		
As Auditors	30.61	20.10
CSR Expenses (Refer Note 47)	229.26	216.45
Donation Expenses	126.28	15.13
General and Office Expenses	47.49	36.85
Information Technology Expenses	159.36	141.43
Insurance Expenses	194.36	149.93
Commission and Brokerage	0.05	-
Foreign Exchange Loss (Net)	266.64	-
Legal and Professional Fees	453.79	303.60
Loss on Sale of Property, Plant and Equipment	-	186.37
Printing and Stationery	47.52	41.87
Rent Expenses	4.30	1.20
Rates and Taxes	800.35	619.70

## NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

Particulars	(₹ in lakhs)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Repairs and Maintenance - Others	117.71	278.45
Expenses Incurred on Merger	0.01	-
Sales Promotion Expenses	83.91	84.41
Option/ Forward Derivatives Hedge Cost	6.09	317.07
Security Expenses	1,734.27	1,057.47
Telephone and Internet Charges	32.97	32.36
Travelling Expenses	139.36	158.33
Miscellaneous Expenses	59.64	105.04
Provision for Loss Allowance on Trade Receivables	9.58	10.12
Cost Recovery Charges	-	32.41
<b>Total</b>	<b>4,557.79</b>	<b>3,824.61</b>

### Note 34 : Earnings Per Equity Share

Particulars	(₹ in lakhs)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Net Profit attributable to Equity Shareholders (₹ in Lakhs)	10,091.77	8,878.88
Weighted Average Number of Equity Shares (Nos. in Lakhs)	1,458.81	1,426.08
Basic and Diluted Earnings Per Share (₹)	6.92	6.23
Face value per Share (₹)	10.00	10.00

### Note 35:- Financial Assets at Amortised Cost Method

The carrying value of the following financial assets recognised at amortised cost:

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>Non-Current Financial Assets</b>		
Others	606.90	1,406.63
<b>Current Financial Assets</b>		
Trade receivables	5,136.91	4,505.13
Cash and Cash Equivalents	959.30	3,839.52
Other bank balances	897.31	9,100.09
Loans	89.85	44.19
Others	418.36	254.32
<b>Total</b>	<b>8,108.63</b>	<b>19,149.88</b>

Note: The fair value of the above financial assets are approximately equivalent to carrying values as recognised above.

### Note 36:- Financial Liabilities at Amortised Cost Method

The carrying value of the following financial liabilities recognised at amortised cost:

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>Non-Current Financial Liabilities</b>		
Borrowings	32,849.65	33,934.24
<b>Current Financial Liabilities</b>		
Borrowings	1,500.55	3,588.27
Trade Payable	2,139.39	6,060.67
Other Financial Liabilities	6,070.87	14,547.38
<b>Total</b>	<b>42,560.46</b>	<b>58,130.56</b>

Note: The fair value of the above financial liabilities are approximately equivalent to carrying values as recognised above.

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## Note 37:- Financial Assets at Fair Value Through Profit or Loss

The carrying value of the following financial assets recognised at fair value through profit or loss:

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>Current Financial Assets</b>		
Foreign currency forward and options contracts	201.35	-
<b>Total</b>	<b>201.35</b>	<b>-</b>

## Note 38:- Financial Liabilities at Fair Value Through Profit or Loss

The carrying value of the following financial liabilities recognised at fair value through profit or loss:

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>Current Financial Liabilities</b>		
Other Financial Liabilities	-	194.05
<b>Total</b>	<b>-</b>	<b>194.05</b>

Note: The above other financial liabilities includes Foreign Currency Forward and Options Contracts. Only observable inputs directly and indirectly are available to recognise the same at fair value, accordingly fair value measurement is done considering the Level -2 of Fair Value Hierarchy as per the Ind-AS 113.

## Note 39 : Financial Risk Management Objectives and Policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations directly or indirectly. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The below note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Aging analysis and Credit ratings	Diversification of bank deposits and credit limits
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market Risk - foreign exchange	Future commercial transactions. Recognised financial liabilities not denominated in Indian Rupee (₹)	Cash flow forecasting and Sensitivity analysis	Forward foreign exchange contracts and Foreign currency options
Market Risk - interest rate	Long-Term borrowings at variable rates	Sensitivity analysis	Interest rate swaps

### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

### Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. The Company is in the business of CFS activities. Credit quality of a customer is assessed by the management on regular basis with market information and individual credit limits are defined accordingly. Outstanding customer receivables are regularly monitored and any further services to major customers are approved by the senior management.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10.



## NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

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. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made generally in the fixed deposits. The investment limits are set to minimise the concentration of risks and therefore mitigate financial loss to make payments for vendors.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 and March 31, 2017 is the carrying amounts as stated in balance sheet. The Company's maximum exposure relating to financial derivative instruments is noted in the liquidity table below.

### Liquidity Risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans, preference shares and unsecured loans. The Company has access to a sufficient variety of sources of funding which can be rolled over with existing lenders. The Company believes that the working capital is sufficient to meet its current requirements.

The table below provides details regarding the maturities of significant financial liabilities as of March 31, 2018, March 31, 2017:

Particulars	(₹ in Lakhs)				Total
	Less than 3 Months	3 to 12 months	1 to 5 years	> 5 years	
<b>Year ended March 31, 2018</b>					
Secured Loans	1,203.14	3,945.97	23,230.39	1,880.00	30,259.50
Unsecured Loans	-	-	6,565.61	-	6,565.61
Preference Share	2.07	18.53	0.61	1,152.77	1,173.98
Trade Payables	2,139.39	-	-	-	2,139.39
Liabilities for acquisition of property, plant and equipment	894.44	-	-	-	894.44
Others	1.77	25.23	-	-	27.00
<b>Year ended March 31, 2017</b>					
Secured Loans	10,752.94	5,102.64	20,832.08	6,220.04	42,907.70
Unsecured Loans	1,013.93	-	5,833.46	-	6,847.39
Preference Share	-	-	-	1,048.66	1,048.66
Trade Payables	5,178.07	882.60	-	-	6,060.67
Foreign currency forwards and interest rate swaps contracts	194.05	-	-	-	194.05
Liabilities for acquisition of property, plant and equipment	1,240.51	-	-	-	1,240.51
Others	22.90	2.73	-	-	25.63

Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

### Interest rate risk

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's policy is to keep balance between its borrowings at fixed rates of interest. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

The exposure of the Company to interest rate changes at the end of the reporting period are as under:

Particulars	(₹ in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Variable Rate Borrowing	21967.63	38,641.18
Fixed Rate Borrowing	8291.87	4,266.52
<b>Total</b>	<b>30,259.50</b>	<b>42,907.70</b>

## Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	(₹ in Lakhs)	
	Increase/ Decrease in basis points	Effect on Profit before Tax
March 31, 2018	+ 1%	(86.63)
	- 1%	86.63
March 31, 2017	+ 1%	(155.72)
	- 1%	155.72

## Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the borrowings converted in the foreign currency and purchase of stores and spares from out of the India. The Company manages its foreign currency risk by hedging repayment of principals that are expected to be paid within the period of loan. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. The Company hedges its exposure to fluctuations on the translation into ₹ of its foreign payables in foreign currencies and by using foreign currency option and forward contracts.

## Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	(₹ in Lakhs)	
	Change in Foreign Exchange Rate	Effect on Profit before Tax
March 31, 2018	+ 5%	(2.07)
	- 5%	2.07
March 31, 2017	+ 5%	(1.92)
	- 5%	1.92

## Note 40 : Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the value of the share and to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company can adjust the dividend payment to shareholders, issue new shares, etc. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

(₹ in Lakhs)		
Particulars	March 31, 2018	March 31, 2017
<b>A) Net Debt</b>		
Borrowings (Current and Non-Current)	39,499.63	50,803.75
Cash and cash equivalents	(959.30)	(3,839.52)
<b>Net Debt (A)</b>	<b>38,540.33</b>	<b>46,964.23</b>
<b>B) Equity</b>		
Equity share capital	15,051.92	14,260.80
Other Equity	155,076.03	131,826.61
<b>Total Equity (B)</b>	<b>170,127.95</b>	<b>146,087.41</b>
<b>Gearing Ratio (Net Debt / Capital) i.e. (A / B)</b>	<b>22.65%</b>	<b>32.15%</b>

## Note 41 : Contingent Liabilities not Provided for:

(₹ in Lakhs)		
(a)	As at March 31, 2018	As at March 31, 2017
Particulars		
Disputed Liabilities in respect of Service Tax	225.98	225.98
Claims against the Company not acknowledged as debts in respect of Labour laws	3.48	1.62
<b>Total</b>	<b>229.46</b>	<b>227.60</b>

(b) State Bank of India has given guarantee amounting to ₹ 3,671.83 lakhs (March 31, 2017: ₹ 2,260.03 lakhs) on behalf of the Company as required by the Custom Authority in favour of the President of India.

## Note 42 : Capital and Other Commitments:

(a) Capital Commitments

(₹ in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017
Estimated value of Contracts in respect of Property, Plants and Equipments remaining to be Executed (Net of Capital Advances)	734.19	427.76
<b>Total</b>	<b>734.19</b>	<b>427.76</b>

## Note 43 : Segment Information:

### Information about Primary Business Segment

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. The Company is engaged in CFS Operations and related activities during the year, consequently the Company does not have separate reportable business segment for the year ended March 31, 2018.

### Information about Secondary Geographical Segment

The Company is engaged in providing services to customers located in India, consequently the Company does not have separate reportable geographical segment for the year ended March 31, 2018.

## Note 44 : Merger of Subsidiary Company:

Board of Directors in their meeting held on March 30, 2017 approved the Scheme of Amalgamation of Navkar Terminals Limited ('NTL') with the Company ('the Scheme'). The Company holds 50,000 equity shares fully paid up in NTL, representing 100% of the total paid up equity share capital of NTL, which shall stand extinguished upon the Scheme becoming effective. The Scheme has been approved by the shareholders of both the companies and other regulatory authorities as prescribed in the law. The scheme was approved by the NCLT by its order dated March 28, 2018.

Pursuant to the Scheme, all assets and liabilities of the Transferor Company has been transferred to and vested in the Transferee Company on the appointed date (i.e. March 1, 2016) at their book values. The Transferee Company has issued one fully paid up 6% Cumulative Redeemable Preference Shares of ₹ 100 each for every Preference Shares of ₹ 100 each held in the Transferor Company pursuant to the Scheme. As per the NCLT order, this amalgamation is in nature of merger and the accounting treatment is to be given using the 'Pooling of Interest Method of Accounting'. The details of assets and liabilities transferred by the Transferor Company as a result of amalgamation are as under:

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

Particulars	Amount ₹	Amount ₹
<b>Assets</b>		
Fixed Assets	4,843,027,901	
Deferred Tax Assets	848,968	
Long Term Loans and Advances	77,494,760	
Other Non-Current Assets	62,021,609	
Current Assets	27,296,734	
		<b>5,010,689,972</b>
<b>Less: Liabilities</b>		
Long -Term Borrowings	2,227,469,885	
Trade Payables	345,348,298	
Other Current Liabilities	50,210,170	
		<b>2,623,028,353</b>
		<b>2,387,661,619</b>
<b>Represented by in the books of Transferee Company</b>		
Extinguishment of Investments by the Transferee Company	500,000	
Preference Share Capital issued by the Transferee Company	9,979,000	
Securities Premium Account	2,155,500,000	
Capital Reserve	229,521,000	
Surplus/ (Deficit) in the Statement of Profit and Loss	(7,838,381)	
		<b>2,387,661,619</b>

Accordingly, the Company has given effect in the financial statements with effect from March 1, 2016, being the Appointed Date, as provided in the Scheme. Therefore, the figures for the previous year ended March 31, 2017 have been restated considering the effect of amalgamation.

## Note 45 : Employee Benefits:

The Company has classified the various benefits provided to employees as under:

### I. Defined Contribution Plans

- Employers' Contribution to Provident Fund and Employee's Pension Scheme
- Employers' Contribution to Employee's State Insurance

During the year, the Company has incurred and recognised the following amounts in the Statement of Profit and Loss:

Particulars	Year ended March 31, 2018 (₹ in lakhs)	Year ended March 31, 2017 (₹ in lakhs)
Employers' Contribution to Provident Fund and Employee's Pension Scheme	259.91	128.84
Employers' Contribution to Employee's State Insurance	42.47	32.25
Total Expenses recognised in the Statement of Profit and Loss (Refer Note 30)	<b>302.38</b>	<b>161.09</b>

### II. Defined Benefit Plan

#### Gratuity Fund

##### a. Major Assumptions

	(% p.a.)	(% p.a.)
Discount Rate	7.40%	6.69%
Salary Escalation Rate @	8.00%	8.00%
@ The estimates for future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		
Employee Turnover	6.5% to 13.16%	11.19% to 25.00%

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## b. Change in Present Value of Obligation

	(₹ in lakhs)	(₹ in lakhs)
Present Value of Obligation as at the beginning of the year	412.12	295.78
Current Service Cost	64.34	56.36
Interest Cost	27.12	21.61
Past service cost (non vested benefits)	0.21	-
Past service cost (vested benefits)	5.67	-
Benefit paid	(13.41)	(12.09)
Remeasurements - Actuarial (Gain)/ Loss on Obligations	(7.22)	50.46
Present Value of Obligation as at the end of the year	<b>488.82</b>	<b>412.12</b>

## c. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

	(₹ in lakhs)	(₹ in lakhs)
Present Value of Obligation	488.82	412.12
Fair Value of Plan Assets	-	-
Funded Status	(488.82)	(412.12)
Present Value of Unfunded Obligation	488.82	412.12
Unfunded Net Liability recognised in the Balance Sheet disclosed under Long Term Provisions and Short Term Provisions (Refer Note 19 and 25)	488.82	412.12

## d. Expenses Recognised in the Statement of Profit and Loss

	(₹ in lakhs)	(₹ in lakhs)
Current Service Cost	64.34	56.37
Interest Cost	27.12	21.61
Total expenses recognised in the Statement of Profit and Loss	<b>91.46</b>	<b>77.98</b>

## e. Expense Recognised in the Statement of Other Comprehensive Income

	(₹ in lakhs)	(₹ in lakhs)
Remeasurements of the net defined benefit liability		
Actuarial (gains) / losses obligation	(7.22)	50.46
	<b>(7.22)</b>	<b>50.46</b>
<b>Actuarial (gains) / losses on Obligation</b>		
Due to Demographic Assumption*	13.94	(43.48)
Due to Financial Assumption	(34.96)	21.20
Due to Experience	13.86	72.74
<b>Total Actuarial (Gain)/Loss</b>	<b>(7.16)</b>	<b>50.46</b>

\*This figure does not reflect interrelationship between demographic assumption and financial assumption when a limit is applied on the benefit, the effect will be shown as an experience

## f. Amounts recognised in the Balance Sheet

	(₹ in lakhs)	(₹ in lakhs)
Present Value of Obligation as at year end	(488.82)	(412.12)
Fair Value of Plan Assets as at year end	-	-
Unfunded Net Liability recognised in the Balance Sheet disclosed under Long Term Provisions and Short Term Provisions (Refer Note 19 and 25)	488.82	412.12

## III. Other Employee Benefit

The liability for leave entitlement as at March 31, 2018 is ₹ 67.13 lakhs (March 31, 2017: ₹ 51.57 lakhs) disclosed under Long Term Provisions (Refer Note 19) and Short Term Provision (Refer Note 25).



# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## IV. Sensitivity Analysis

The below sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### a. Gratuity

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 and March 31, 2017 are as shown below:

Particulars	Change in Discount Rate	Increase/ (Decrease) in Present Value of Obligations (₹ in lakhs)	Change in Salary Escalation Rate	Increase/ (Decrease) in Present Value of Obligations (₹ in lakhs)
March 31, 2018	+ 1%	(43.10)	+ 1%	46.72
	- 1%	50.40	- 1%	(40.93)
March 31, 2017	+ 1%	(27.19)	+ 1%	27.96
	- 1%	31.00	- 1%	(25.11)

### b. Leave Compensation

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 and March 31, 2017 are as shown below:

Particulars	Change in Discount Rate	Increase/ (Decrease) in Present Value of Obligations (₹ in lakhs)	Change in Salary Escalation Rate	Increase/ (Decrease) in Present Value of Obligations (₹ in lakhs)
March 31, 2018	+ 1%	(5.92)	+ 1%	6.55
	- 1%	6.90	- 1%	(5.73)
March 31, 2017	+ 1%	(3.32)	+ 1%	3.49
	- 1%	3.78	- 1%	(3.13)

## V. Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed:

Interest risk	A decrease in the market yields in the government bond will increase the plan liability.
Longevity risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## Note 46 : Related Party Disclosure:

### i) Relationship

Description of relationship	Names of Related Parties
Key Management Personnel	Mr. Shantilal J Mehta
	Mr. Nemichand J Mehta
	Mr. Dinesh Gautama
	Mrs. Pooja Goyal (w.e.f. December 14, 2017)
	Mr. Lalit Menghnani
	Mr. Ashok Kumar Thakur
	Mr. Anish Maheshwari
	Ms. Deepa Gehani (w.e.f. January 5, 2018)
	Mr. Hitesh Jain (from November 25, 2016 to December 15, 2017)
	Mrs. Sudha Gupta (upto October 6, 2017)
Relative of key management personnel with whom the Company has entered into transactions	Mrs. Shailaja N Mehta
	Mr. Kunthu Kumar Mehta
	Mrs. Kamalbai S Mehta
	Mrs. Sairabai J Mehta
	Mrs. Seema K Mehta
	Mr. Jayesh N Mehta (w.e.f. September 1, 2016)
	Mrs. Pratiksha J Mehta
Enterprises in which Key Management personnel and relatives of Key Management personnel have significant influence	Sidhartha Corporation Private Limited
	Navkar Charitable Trust

#### Notes:

- 1) The list of related parties above has been limited to entities with which transactions have taken place.
- 2) Related party transactions have been disclosed till the time the relationship existed.

### ii) Transaction with Related Parties during the year

Particulars	(₹ in lakhs)	
	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
<b>Remuneration and Salary</b>		
Mr. Shantilal J Mehta	80.00	80.00
Mr. Nemichand J Mehta	80.00	80.00
Mr. Jayesh N Mehta	55.00	55.00
Mr. Dinesh Gautama	78.00	78.00
Mr. Anish Maheshwari (Chief Financial Officer)	42.00	36.00
Mr. Hitesh Kumar Jain (Company Secretary w.e.f. November 25, 2016 to December 15, 2017)	29.69	12.43
Mrs. Ekta Chuglani (Company Secretary upto November 25, 2016)	-	5.56
Ms. Deepa Gehani (w.e.f. January 5, 2018)	2.39	-
	<b>367.08</b>	<b>346.99</b>
<b>Sitting Fees and Reimbursement of Conveyance</b>		
Mrs. Sudha Gupta (upto October 6, 2017)	0.53	1.25
Mr. Lalit Menghnani	0.82	1.25
Mr. Ashok Kumar Thakur (w.e.f. January 25, 2017)	2.05	0.35
Mr. Rameshchandra M Purohit (upto November 30, 2016)	-	0.60
Mrs. Pooja Goyal (w.e.f. December 14, 2017)	0.51	-

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

Particulars	(₹ in lakhs)	
	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
	<b>3.91</b>	<b>3.45</b>
<b>Sale of Service</b>		
Sidhartha Corporation Private Limited	35.39	17.46
	<b>35.39</b>	<b>17.46</b>
<b>Donations and CSR Expenses</b>		
Navkar Charitable Trust	353.32	212.25
	<b>353.32</b>	<b>212.25</b>
<b>Rent Expenses</b>		
Mr. Shantilal J Mehta	1.80	1.80
	<b>1.80</b>	<b>1.80</b>
<b>Interest Expenses on Unsecured Loan</b>		
Mr. Shantilal J Mehta	351.09	311.94
Mr. Nemichand J Mehta	118.76	105.51
Mrs. Shailaja N Mehta	128.23	113.93
Mr. Jayesh N Mehta	134.07	119.12
	<b>732.15</b>	<b>650.50</b>
<b>Dividend on Redeemable Preference Share</b>		
Mr. Shantilal J Mehta	56.24	50.03
Mr. Nemichand J Mehta	31.32	27.96
Mrs. Shailaja N Mehta	30.07	26.78
Mr. Jayesh N Mehta	0.91	0.87
Mrs. Kamalbai S Mehta	0.91	0.87
Mr. Kunthukumar S Mehta	3.92	3.55
Mrs. Sairabai J Mehta	0.18	0.16
Mrs. Seema K Mehta	0.91	0.87
Mrs. Pratiksha J Mehta	0.86	0.83
	<b>125.30</b>	<b>111.92</b>

## iii) Balance with Related Parties :

Particulars	(₹ in lakhs)	
	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
<b>Loans Payable</b>		
Mr. Shantilal J Mehta	3,148.45	2,797.36
Mr. Nemichand J Mehta	1,064.95	946.20
Mrs. Shailaja N Mehta	1,149.87	1,021.65
Mr. Jayesh N Mehta	1,202.32	1,068.25
	<b>6,565.60</b>	<b>5,833.46</b>
<b>Borrowings - Preference Share</b>		
Mr. Shantilal J Mehta	509.62	453.39
Mr. Nemichand J Mehta	293.89	262.57
Mrs. Shailaja N Mehta	274.99	244.92
Mr. Jayesh N Mehta	13.46	12.55
Mrs. Kamalbai S Mehta	13.46	12.55
Mr. Kunthukumar S Mehta	40.47	36.54
Mrs. Sairabai J Mehta	1.58	1.41
Mrs. Seema K Mehta	13.46	12.55
Mrs. Pratiksha J Mehta	13.04	12.18

## NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

Particulars	(₹ in lakhs)	
	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
	<b>1,173.97</b>	<b>1,048.66</b>
<b>Remuneration Payable</b>		
Mr. Shantilal J Mehta	0.76	83.50
Mr. Nemichand J Mehta	27.97	16.40
Mr. Jayesh N Mehta	86.70	52.43
Mr. Dinesh Gautama	4.06	4.59
Mr. Anish Maheshwari (Chief Financial Officer)	3.48	2.57
Mr. Hitesh Kumar Jain (Company Secretary w.e.f. November 25, 2016 to December 15, 2017)	-	2.74
Ms. Deepa Gehani (w.e.f. January 5, 2018)	0.81	-
	<b>123.78</b>	<b>162.23</b>
<b>Sitting Fees Payable</b>		
Mrs. Sudha Gupta	-	0.41
Mr. Lalit Menghnani	-	0.45
Mr. Ashok Kumar Thakur (w.e.f. January 25, 2017)	-	0.14
	-	<b>1.00</b>
<b>Rent payable</b>		
Mr. Shantilal J Mehta	1.80	-
	<b>1.80</b>	-

### Note 47 : Expenditure on Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The Company is spending amount for these activities, which are specified in Schedule VII of the Companies Act, 2013.

- (a) Gross amount required to be spent by the Company during the year ₹ 216.11 Lakhs (previous year ₹ 205.38 Lakhs)
- (b) Amount spent during the year on:

Particulars	(₹ In Lakhs)		
	In cash/ bank	Yet to be paid in cash/ bank	Total
(i) Construction/ acquisition of any asset	-	-	-
		(-)	(-)
(ii) On purposes other than (i) above	229.26	-	229.26
	(216.45)	(-)	(216.45)

(Figures in brackets represent amount for previous year)

### Note 48 : Qualified Institutional Placement:

Pursuant to approval of the shareholders of the Company accorded in the Annual General Meeting of the Company held on August 24, 2017, the Board of Directors, on November 01, 2017, has issued and allotted 79,11,158 Equity Shares of ₹10 each of the Company at an issue price of ₹183/- per Equity Share (including premium of ₹173/- per Equity Share) to Qualified Institutional Buyers pursuant to the Qualified Institutions Placement under Chapter VIII of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Section 42 of the Companies Act, 2013 and other applicable provisions and rules made thereunder.

The gross proceeds of QIP issue ₹14,477.42 lakhs has been utilised for the objects stated in the Placement Document dated October 30, 2017 and there has been no deviation in the use of QIP proceeds from the objects stated therein.

# NOTES TO THE FINANCIAL STATEMENT for the year ended March 31, 2018

## Note 49 : Previous Years' Figures:

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The Company has adopted Ind-AS on April 1, 2016 with the transition date as April 1, 2015, and adoption was carried out in accordance with Ind-AS 101 - First Time Adoption of Indian Accounting Standards. The previous period's figures have been regrouped or rearranged wherever necessary.

The accompanying notes are an integral part of these financial statements

As per our report of the even date.

**For S. K. Patodia & Associates**

Chartered Accountants

Firm Registration Number: 112723W

**Arun Poddar**

Partner

Membership Number: 134572

Place : Mumbai

Date : May 21, 2018

For and on behalf of the Board of Directors

**Shantilal J. Mehta**

Chairman & Managing Director

DIN : 00134162

**Dinesh Gautama**

Chief Executive Officer

Place : Mumbai

Date : May 21, 2018

**Nemichand J. Mehta**

Whole-time Director

DIN : 01131811

**Anish Maheshwari**

Chief Financial Officer

**Deepa Gehani**

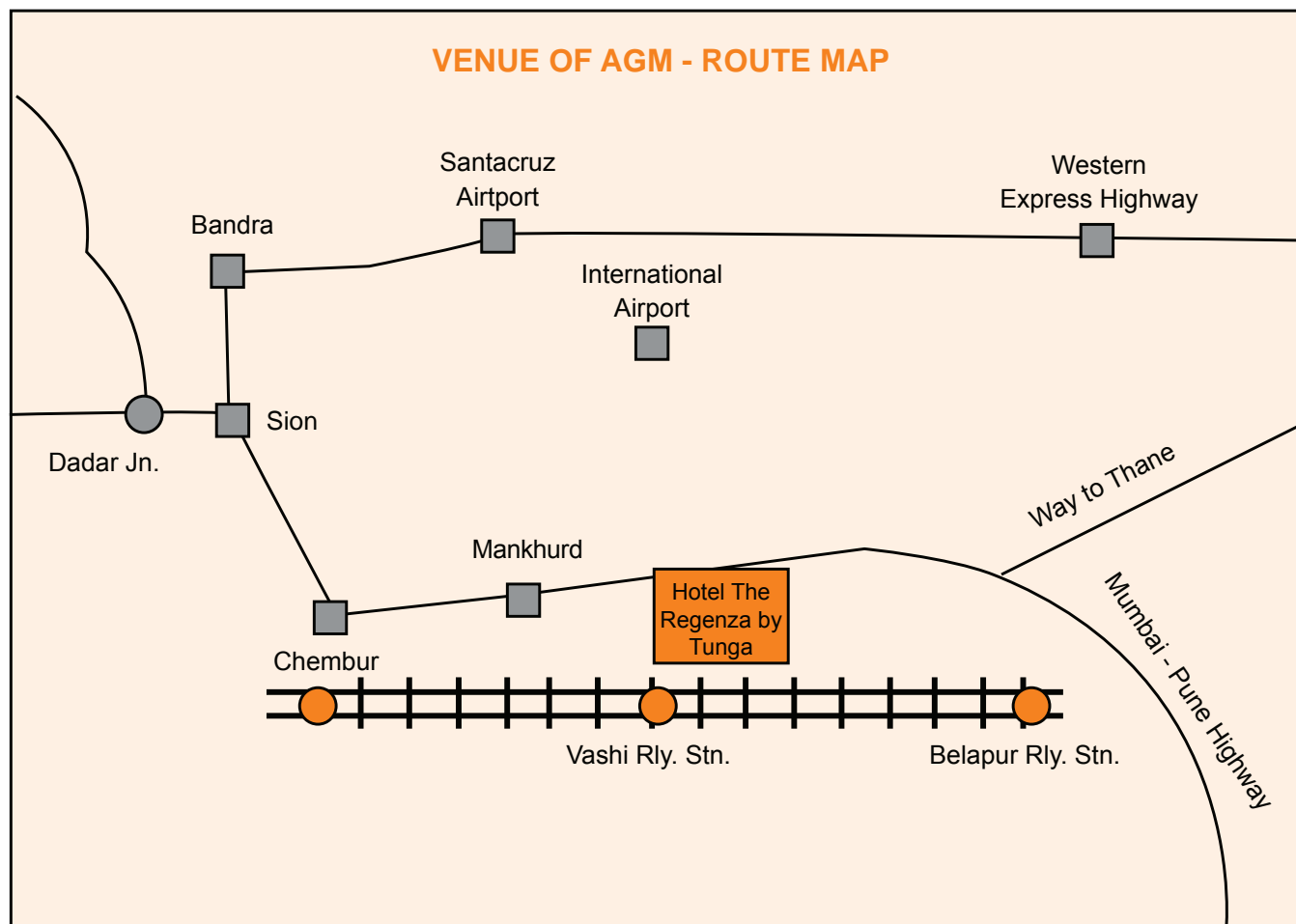
Company Secretary



## NAVKAR CORPORATION LIMITED

TENTH ANNUAL GENERAL MEETING ON WEDNESDAY, SEPTEMBER 26, 2018, AT 11.30 A.M.

At Hotel The Regenza by Tunga, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai - 400703



**Navkar Corporation Ltd**

Container Freight Stations &amp; Rail Terminals

**Registered Office:** 205-206, J. K. Chambers, Sector 17, Vashi, Navi Mumbai – 400 705, India  
CIN: L63000MH2008PLC187146; E-mail: cs@navkarcfs.com; Website: www.navkarcfs.com

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting hall)

**Tenth Annual General Meeting on Wednesday, September 26, 2018 at 11.30 a.m.**  
At Hotel The Regenza by Tunga, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai – 400 703.

DP ID No.		Folio No.	
Client ID No.		No. of Shares	
Full name of the member attending the meeting		Signature	
Name of the Proxy holder attending the meeting		Signature	

1. Only Member/Proxyholder can attend the meeting. 2. Member/Proxyholder should bring his/her copy of Annual Report of reference at the Meeting.

**Navkar Corporation Ltd**

Container Freight Stations &amp; Rail Terminals

**Registered Office:** 205-206, J. K. Chambers, Sector 17, Vashi, Navi Mumbai – 400 705, India  
CIN: L63000MH2008PLC187146; E-mail: cs@navkarcfs.com; Website: www.navkarcfs.com

**Form No. MGT-11  
PROXY FORM**

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s)		e-mail Id:	
Registered Address		Folio No./*Client ID	
		*DP ID	

I / We, being the member(s) holding ..... Shares of Navkar Corporation Limited, hereby appoint:

- Name : ..... E-mail Id : .....  
Address : .....or failing him/her Signature : .....
- Name : ..... E-mail Id : .....  
Address : .....or failing him/her Signature : .....
- Name : ..... E-mail Id : .....  
Address : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the TENTH Annual General Meeting of the Navkar Corporation Limited, to be held on Wednesday, September 26, 2018 at 11.30 a.m. at Hotel The Regenza by Tunga, Plot No. 37, Sector 30-A, Vashi, Navi Mumbai – 400 703. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	Optional*	
Ordinary Business		For	Against
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended March 31, 2018 together with the reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Mr. Nemichand J. Mehta, who retires by rotation.		
Special Business			
3.	Appointment of Ms. Pooja Hemant Goyal as a Non-Executive & Independent Director of the Company for a term of five consecutive years w.e.f. December 14, 2017.		
4.	Appointment of Mr. Sandeep Kumar Singh as a Non-Executive & Independent Director of the Company for a term of five consecutive years w.e.f. August 23, 2018.		

Signed this .....day of .....2018

Signature of Shareholder .....

Signature of Proxy holder(s).....

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- \*It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of members(s) in above box before submission.
- In case of joint holder, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Affix  
Revenue  
Stamp  
Of Rs.1/-

## NOTES

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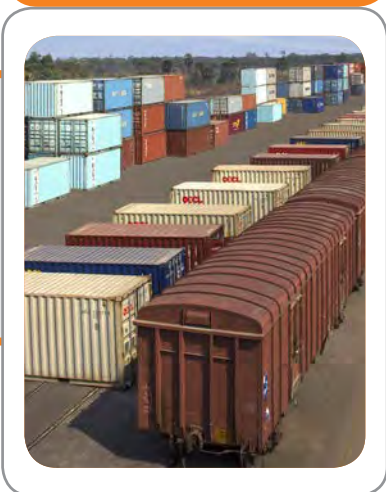
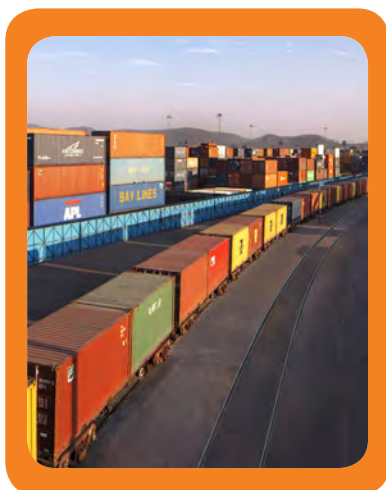
## NOTES

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## NOTES

[illegible]





**Navkar Corporation Ltd**  
Container Freight Stations & Rail Terminals

**Registered Office :** 205-206, J.K. Chambers, Sector – 17, Vashi, Navi Mumbai – 400 703 Maharashtra, India.

**Corporate Office :** 4th Floor, Goodwill Infinity Plot No. E/3A, Sector – 12, Near Utsav Chowk, Kharghar,  
Navi Mumbai – 410 210 Maharashtra, India. Tel. No.- 022 - 3800 6500

e-mail: [cs@navkarcfs.com](mailto:cs@navkarcfs.com) Website: [www.navkarcfs.com](http://www.navkarcfs.com) CIN: L63000MH2008PLC187146