

**Aashna Maritime Inc.
Panama City, Republic of Panama**

**Financial statements &
Auditor's report: 2014-15**

Aashna Maritime Inc.
Panama City, Republic of Panama

Financial statements: 2014-15

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Director's report

The director of the company has pleasure in submitting this report along with the financial statements of Aashna Maritime Inc., Panama City, Republic of Panama for the year ended 31st March 2015.

Legal status & shareholder:

Aashna Maritime Inc. is incorporated in Panama City, Republic of Panama under Microjacket No. 732253 and Documents No. 1953704 of the Mercantile Section of Public Registry office under Public Deed No. 7919 dated 7th April, 2011.

Adani Shipping Pte. Ltd., a private company limited by shares registered in Singapore under ACRA (Accounting & Corporate Regulatory Authority) and having registration no. 200614235E is the sole shareholder of the company holding share capital of USD 1,000/- (50 shares of USD 20/- each). The registered address of M/s. Adani Shipping Pte. Ltd is 88, Raffles Place, #33-20 UOB Plaza II, Level 33, Singapore 048624.

The company is a wholly owned subsidiary of Adani Shipping Pte. Ltd., incorporated in Singapore. The ultimate parent company is Adani Enterprise Limited, a company incorporated in India.

Operations of the company:

The company is incorporated to engage in any lawful act or activity which are not prohibited under the jurisdiction of Republic of Panama and that the company has been incorporated as a special purpose vehicle for providing shipping and logistics services primarily to its shareholder and the shareholder's group. The company is principally engaged in the activity of shipping agents, ship owner & ship charterer during the year under review.

The financial highlights of the company are as below:

	Amount in US Dollars (USD)	
	2014-15	2013-14
Revenue	10,585,000/-	10,758,790/-
Gross profit	5,524,521/-	6,295,008/-
Net profit	1,407,905/-	1,879,776/-
Total liabilities	53,063,135/-	56,778,755/-
Equity & shareholder's funds	4,523,034/-	3,115,129/-

Results & dividend:

Net profit for the year amounted to USD 1,407,905/- (previous year USD 1,879,776/-).

Management's responsibilities & acknowledgements:

We confirm that management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small & Medium-sized Entities (IFRS for SMEs), local laws, rules and regulations of the country of incorporation and applicable provisions of the Charter of Incorporation of the company.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The company's management further states that there are no material uncertainties which would make the going concern assumption inappropriate.

Events occurring after the reporting date:

There were no significant events occurring after the reporting date that would materially affect the working or the financial statements of the company.

Auditors:

The company's auditors, M/s Kothari Auditors & Accountants, Dubai (U.A.E.) are retiring at the end of the annual general meeting of the shareholder and being eligible have expressed their willingness to be re-appointed. A resolution to re-appoint them for the year 2015-16 and to fix their remuneration would be put up before the shareholder at the annual general meeting.

For Aashna Maritime Inc.

Pranav S. Vora.

Pranav Vora
Director

May 2, 2015
Dubai, United Arab Emirates



Independent auditor's report to the shareholder of
Aashna Maritime Inc.
Panama City, Republic of Panama

Report on the financial statements:

We have audited the accompanying financial statements of Aashna Maritime Inc., Panama City, Republic of Panama ('the company') for the financial year ended 31st March 2015 comprising of statement of financial position as at 31st March 2015, related statements of comprehensive income, changes in equity & shareholder's funds and cash flows for the year then ended as set out on pages 5 to 8 and read along with notes and schedule to the financial statements on pages 9 to 18.

Management's responsibility for the financial statements:

Management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small & Medium-sized Entities (IFRS for SMEs), local laws, rules and regulations of the country of incorporation and applicable provisions of the Charter of Incorporation of the company.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risk and material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

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

Opinion:

In our opinion, the financial statements present fairly, in all material respects, the financial position of Aashna Maritime Inc., Panama City, Republic of Panama as at 31st March 2015, its financial performance, changes in equity & shareholder's funds and cash flows for the year then ended and were prepared, in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

Emphasis of matter:

Without further qualifying our opinion we draw your attention to the following:

- The current liabilities exceed current assets by USD 6,828,178/- & total liabilities (USD 53,063,135/-) is approximately 11.73 times its equity & shareholder's funds (USD 4,523,034/-) indicating high leverage and liquidity crunch. Despite this, management has reviewed its group revenue, cost structures & cash flows and has concluded that liquid funds will be available and further, shareholder has confirmed that necessary financial assistance will be provided as and when required.

Report on other matters:

- a. Previous year figures are based on financial statements audited by another independent auditor and hence we do not express any comment or opinion on same.
- b. We confirm that, in our opinion
 - we have obtained all the information & explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit,
 - proper books of account have been maintained by the company as far as appears from our examination of those books,
 - financial statements and the contents of the director's report are in agreement with the books of account, and
 - to the best of our knowledge and belief, there were no violation of local laws, rules & regulations of the country of incorporation and applicable provisions of the Charter of Incorporation of the company that would affect materially the working or the financial statements of the company.

V.R. Kothari

Kothari Vipul R.
Ministry of Economy Registration No. 159
Kothari Auditors & Accountants

May 2, 2015
Dubai, United Arab Emirates



Aashna Maritime Inc.

Panama City, Republic of Panama

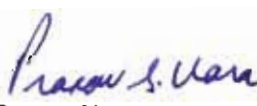
Statement of financial position as at 31st March 2015

Particulars	Note no.	Amount in U.S. Dollars (USD)	
		31.03.2015	31.03.2014
<u>Assets:</u>			
Current assets			
Cash & bank balances	5	302,957	6,894
Deposits, prepayments & advances	6	86,400	203,629
Amounts due from related party	7	1,741,409	1,989,419
Accounts receivables	8	0	4,988
Inventories	9	166,307	213,663
		<u>2,297,073</u>	<u>2,418,593</u>
Non-current assets			
Property, plant & equipment	Sch-1	55,289,096	57,475,291
		<u>55,289,096</u>	<u>57,475,291</u>
Total assets employed		<u>57,586,169</u>	<u>59,893,884</u>
<u>Liabilities, equity & shareholder's funds:</u>			
Current liabilities			
Finance lease (payable within one year)	10	5,129,341	4,810,193
Amounts due to related parties	11	1,981,326	2,138,872
Provisions, accruals & other liabilities	12	2,014,584	762,465
		<u>9,125,251</u>	<u>7,711,530</u>
Non-current liabilities			
Finance lease (payable after one year)	10	43,937,884	49,067,225
		<u>43,937,884</u>	<u>49,067,225</u>
Total liabilities		53,063,135	56,778,755
Equity & shareholder's funds			
Share capital	13	1,000	1,000
Reserves & surplus	14	4,522,034	3,114,129
Equity & shareholder's funds		<u>4,523,034</u>	<u>3,115,129</u>
Total liabilities, equity & shareholder's funds		<u>57,586,169</u>	<u>59,893,884</u>

The attached note nos. 1 to 22 & schedule no. 1 form an integral part of these financial statements.

Auditor's report is on page nos. 3 & 4. The shareholder have approved and authorised the director for the issuance of these financial statements on May 2, 2015.

For Aashna Maritime Inc.


Pranav Vora
Director



Aashna Maritime Inc.

Panama City, Republic of Panama

Statement of comprehensive income for the year ended 31st March 2015

Particulars	Note no.	Amount in U.S. Dollars (USD)	
		01.04.2014 to 31.03.2015	01.04.2013 to 31.03.2014
Revenue	15	10,585,000	10,758,790
Direct costs	16	(5,060,479)	(4,463,782)
Gross profit		5,524,521	6,295,008
Other income	17	13,952	4,404
Marketing costs	18	(396,938)	(396,938)
Administrative costs	19	(42,254)	(55,757)
Finance costs	20	(3,691,376)	(3,966,941)
Net profit		1,407,905	1,879,776

The attached note nos. 1 to 22 & schedule no. 1 form an integral part of these financial statements.

Auditor's report is on page nos. 3 & 4. The shareholder have approved and authorised the director for the issuance of these financial statements on May 2, 2015.

For Aashna Maritime Inc.

Pranav S. Vora
Pranav Vora
Director



Aashna Maritime Inc.

Panama City, Republic of Panama

Statement of changes in equity & shareholder's funds for the year ended 31st March 2015

Particulars	Amount in U.S. Dollars (USD)		
	Share capital	Retained earnings	Total
As at 31.03.2013	1,000	1,234,353	1,235,353
Net profit	0	1,879,776	1,879,776
As at 31.03.2014	1,000	3,114,129	3,115,129
As at 31.03.2014	1,000	3,114,129	3,115,129
Net profit	0	1,407,905	1,407,905
As at 31.03.2015	1,000	4,522,034	4,523,034

The attached note nos. 1 to 22 & schedule no. 1 form an integral part of these financial statements.

Auditor's report is on page nos. 3 & 4.

Aashna Maritime Inc.

Panama City, Republic of Panama

Statement of cash flows for the year ended 31st March 2015

Particulars	Note no.	Amount in U.S. Dollars (USD)	
		01.04.2014 to 31.03.2015	01.04.2013 to 31.03.2014
Cash flow from operating activities:			
Net profit		1,407,905	1,879,776
Adjustments for:			
Depreciation on property, plant & equipment		2,186,195	2,196,195
Finance costs		3,691,376	3,966,941
Cash generated from operations		<u>7,285,476</u>	<u>8,042,912</u>
Net changes in operating assets & liabilities:			
Decrease(increase) in deposits, prepayments & advances		117,229	(203,629)
Decrease in accounts receivables		4,988	1,718,428
Decrease in inventories		47,356	880,963
Increase in provisions, accruals & other liabilities		1,252,119	626,094
Net cash generated from operations		<u>8,707,168</u>	<u>11,064,768</u>
Cash flow from investing activities:			
Decrease(increase) in amounts due from related party		248,010	(9,480)
Net cash generated from/(used in) investing		<u>248,010</u>	<u>(9,480)</u>
Cash flow from financing activities:			
(Decrease) in finance lease		(4,810,193)	(4,509,035)
(Decrease) in amounts due to related parties		(157,546)	(2,761,594)
(Outflow) of finance costs		(3,691,376)	(3,966,941)
Net cash (used in) financing		<u>(8,659,115)</u>	<u>(11,237,570)</u>
Surplus /(deficit) for the year		296,063	(182,282)
Cash & cash equivalents at beginning of year		6,894	189,176
Cash & cash equivalents at end of year	5	302,957	6,894

The attached note nos. 1 to 22 & schedule no. 1 form an integral part of these financial statements.

Auditor's report is on page nos. 3 & 4.

Aashna Maritime Inc.

Panama City, Republic of Panama

Notes to the financial statements for the year ended 31st March 2015

1 Legal status and activity:

1.1 Aashna Maritime Inc. is incorporated in Panama City, Republic of Panama under microjacket no. 732253 and Documents No. 1953704 of the Mercantile Section of Public Registry office under Public Deed No. 7919 dated 7th April, 2011.

1.2 Adani Shipping Pte. Ltd., a private company limited by shares registered in Singapore under ACRA (Accounting & Corporate Regulatory Authority) and having registration no. 200614235E is the sole shareholder of the company holding share capital of USD 1,000/- (50 shares of USD 20/- each). The registered address of M/s. Adani Shipping Pte. Ltd is 88, Raffles Place, #33-20 UOB Plaza II, Level 33, Singapore 048624.

The company is a wholly owned subsidiary of Adani Shipping Pte. Ltd., incorporated in Singapore. The ultimate parent company is Adani Enterprise Limited, a company incorporated in India.

1.3 The principal place of business is Aquilino de la Guardia street no. 8, OGRA Building, Republic of Panama and registered address of the company is Post Box 0823-02435.

1.4 The company is incorporated to engage in any lawful act or activity which are not prohibited under the jurisdiction of Republic of Panama and that the company has been incorporated as a special purpose vehicle for providing shipping and logistics services primarily to its shareholder and the shareholder's group. The company is principally engaged in the activity of shipping agents, ship owner & ship charterer during the year under review.

2 Basis of preparation:

2.1 Statement of compliance:

These financial statements have been prepared in accordance with the International Financial Reporting Standards for Small & Medium-sized Entities (IFRS for SMEs) issued by International Accounting Standards Board (IASB).

2.2 Basis of measurement:

These financial statements have been prepared under going concern assumption and historical cost convention.

2.3 Basis of accounting & coverage:

The company follows the accrual basis of accounting except for statement of cash flows which is presented on cash basis. Under accrual basis, transactions and events are recognized as and when they occur and are recorded in the financial statements for the year to which they relate to.

The financial statement enclosed covers the period 1st April 2014 to 31st March 2015. Previous year figures are for the period 1st April 2013 to 31st March 2014 and have been regrouped wherever necessary.

2.4 Functional & presentation currency:

The financial statements are presented in United States Dollar (USD), which is also the company's functional currency. All financial information presented in USD has been rounded off to the nearest US Dollar.

2.5 Use of estimates & judgements:

The preparation of financial statements in conformity with IFRS for SMEs requires management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

Aashna Maritime Inc.

Panama City, Republic of Panama

Notes to the financial statements for the year ended 31st March 2015

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected & same are mentioned under respective accounting policy note.

The following accounting estimates and management judgments have been considered, which are material in nature, in preparation of financial statements.

- **Useful lives of property, plant & equipment:**

Company's management estimates the useful life of property, plant & equipment & residual value for calculating depreciation. It reviews the estimated life & residual value on annual basis & future depreciation expense would be adjusted where the management believes that useful life differs from the previous estimates.

The useful life of the vessel is as determined by the management of the company. The management has estimated the useful life of the vessel as at reporting date is 25 years.

The company's management has estimated the residual value of USD 6,072,763 being 10% of the original cost of its vessel at the end of its estimated useful life. Any changes in residual value estimation would have effect in depreciation expense. During the year under review, the company's has not made any revision on the residual value and hence would not effect on current year depreciation.

- **Impairment of accounts receivables:**

Accounts receivables are subjected to recoverability test on a periodical basis when collection of full amount is no longer probable. Accounts receivable balances which are individually significant, are verified for ageing, subsequent receipts & balance confirmations. Accounts receivable balances which are individually not material, are assessed collectively & estimated reserve for impairment of accounts receivables is created if same is outstanding for beyond normal credit terms & doubtful.

- **Obsolescence of inventories:**

Inventories are subjected to ageing & obsolescence test on a periodical basis by management on damaged, obsolete and slow moving inventories. These reviews require judgments and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

3 Summary of significant accounting policies:

The following accounting policies have been consistently applied by the management in preparation of the financial statements except where stated here under:

3.1 Inventories:

Inventories are carried at lower of cost and net realizable value (estimated selling price less cost to complete and selling expenses). Cost includes cost of inventory, including applicable cost to bring the inventory to the present condition, valued at 'first-in-first-out' method

Any excess of carrying amount, over the net realizable value is charged immediately as obsolescence through statement of comprehensive income. Inventory items, are netted off after giving effect of losses arising out of consumption.

3.2 Property, plant & equipment:

Property, plant & equipment (Vessel) is carried at their cost of acquisition including any incidental expenses related to acquisition or installation, less accumulated depreciation and accumulated impairment loss. Depreciation has been provided on straight line method over the estimated useful lives after reducing residual value from cost of acquisition, as determined by the management.

Aashna Maritime Inc.

Panama City, Republic of Panama

Notes to the financial statements for the year ended 31st March 2015

Property, plant & equipment is at the reporting date, subject to impairment. Where any indication of impairment exists, the carrying amount is written down to its recoverable amount.

The management's estimate of useful life is as below:

Vessel 25 years

3.3 Financial instruments:

The company recognizes a financial instrument (being a financial asset or financial liability) only when the company becomes a part of the contractual provisions of the instrument.

Accounting policy relevant to each type of financial instrument is as follows:

- **Cash & cash equivalents:**

Cash & cash equivalents for the purpose of cash flow statement comprises of balances with bank in current accounts.

- **Accounts receivables:**

Accounts receivables are amounts due from customers towards sale of goods or providing of services in the ordinary course of business. Accounts receivables are recognized initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less reserve for impairment of accounts receivables. A reserve for impairment of accounts receivables is recognised when it is probable that the company will not be able to collect all amounts due according to original terms of the accounts receivables.

- **Other financial assets:**

Other financial assets are recognised initially at fair value/transaction value and subsequently measured at amortised cost using the effective interest method less impairment. However, all other financial assets have a value on realization in the ordinary course of the company's business, which is at least equal to the amount at which they are stated in the statement of financial position.

- **Other financial liabilities**

Other financial liabilities, including borrowings, are initially measured at fair value/transaction value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

3.4 Impairment:

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. All impairment losses are recognized in the statement of comprehensive income.

A non-financial asset is assessed for impairment (its recoverable amount being less than its carrying amount) and impairment loss is immediately recognized in the statement of comprehensive income.

3.5 Leases:

Leases are classified as finance lease, when substantially all the risk and reward of ownership are transferred to lessee. All other leases are operating lease.

- **Finance lease:**

The vessel taken on finance lease are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Aashna Maritime Inc.

Panama City, Republic of Panama

Notes to the financial statements for the year ended 31st March 2015

Assets held under finance lease are included in property, plant & equipment, depreciated and are subject to impairment.

3.6 Employee benefits:

Employee benefits have been provided for in accordance with the contractual terms with the employees, but are however subject to minimum of applicable labour law requirements.

3.7 Provisions & contingencies:

Provisions are recognised when the company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits would be required to settle these obligations and a reliable estimate of the same can be made.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When likelihood of outflow is remote, no provision or disclosure is made.

3.8 Revenue recognition:

Revenue is recognized when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at fair value of consideration received or receivable, excluding discounts, rebates and duties. Freight & other related services are recognised on time proportion/pro-rata basis of the contracted freight rates.

Revenue represents income from ship charter, sea freight and other related services income is recognised evenly over the lives of the time charter agreements.

Other income is recognised when right to receive is established or received, whichever is earlier.

3.9 Expenditure:

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities. Expenses are presented in the statement of comprehensive income, classified according to the function of expense.

3.10 Foreign currency transactions:

- a. Transactions in foreign currency, if any, are converted into functional currency at prevailing exchange rate on the date such transactions are entered into.
- b. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies which are stated at historical cost or fair value, are translated into functional currency at the rates prevailing on the date of transaction or the determination of fair value respectively.
- c. Resultant loss or gain has been recognized in the statement of comprehensive income, in the year in which such assets are realized or liabilities are discharged.

4 Other significant disclosures:

4.1 Related party transactions:

The company enters into transactions with another company and person that fall within the definition of a related party as per the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

Aashna Maritime Inc.

Panama City, Republic of Panama

Notes to the financial statements for the year ended 31st March 2015

The terms of trade with such related parties are based on commercial terms & conditions agreed upon with them by the management.

Related parties with whom the company has entered into transactions during the year under review comprise of the shareholder, co- subsidiary company and group companies as stated hereunder:

<u>Name of related parties</u>	<u>Control</u>	<u>Relationship</u>
Adani Shipping Pte. Ltd., Singapore	100% control	Parent company
Adani Global FZE, Dubai (U.A.E.)	Common control	Group company
Aanya Maritime Inc., Panama	Common control	Co-subsidiary
Rahi Shipping Pte Ltd., Panama	Common control	Co-subsidiary
Vanshi Shipping Pte Ltd., Panama	Common control	Co-subsidiary
Adani Shipping (India) Pvt. Ltd., India	Common control	Group company

During the year under review, following transactions were entered into with related parties

<u>Nature of transactions</u>	Amount in U.S. Dollars (USD)	
	<u>2014-15</u>	<u>2013-14</u>
Revenue:		
- Revenue from parent company	10,585,000/-	10,585,000/-
Direct cost:		
- Brokerage & commission expense charged by parent company	396,938/-	396,938/-
Other transactions:		
- Vessel management fee charged by group company	120,000/-	177,000/-

Amounts due to related parties:

Amounts due to related parties are free of interest.

Amounts due from related party:

Amounts due from related party is free of interest.

4.2 Financial, capital risk management & fair value information:

4.2.1 Credit, liquidity & market rate risk:

Credit risk:

Credit risk is the risk of financial loss to the company if a customer or counter-party to a financial instrument fails to meet its contractual obligations.

The company's cash is placed with banks of repute.

The exposures to credit risk on accounts receivable and amount due from related parties are monitored on an ongoing basis by the management and these are considered recoverable by the company's management. However the company has no concentration of accounts receivables and consequent risk.

Liquidity risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when it falls due. The company's assets are sufficient to cover its financial obligations.

Aashna Maritime Inc.

Panama City, Republic of Panama

Notes to the financial statements for the year ended 31st March 2015

The table below summarizes the maturity profile of the company's financial liabilities on contractual undiscounted payments.

	Amount in U.S. Dollars (USD)			
	Less than 6 months	6 months to 1 year	1 year to 5 years	Total
As on 31st March 2015				
Finance lease	1,241,972	3,887,369	43,937,884	49,067,225
Amount due to related parties	-	1,981,326	-	1,981,326
Provision, accruals & other liabilities	2,014,584	-	-	2,014,584
Total	3,256,556	5,868,695	43,937,884	53,063,135
	Less than 6 months	6 months to 1 year	1 year to 5 years	Total
As on 31st March 2014				
Finance lease	1,170,912	3,639,281	49,067,225	53,877,418
Amount due to related parties	-	2,138,872	-	2,138,872
Provision, accruals & other liabilities	762,465	-	-	762,465
Total	1,933,377	5,778,153	49,067,225	56,778,755

Market risk

Market risk is the risk that changes in market prices, such as investment prices, interest rates and currency rates will affect the company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

- **Interest rate risk:**

Interest rate risk is the risk of variability in profit due to change in interest rates on interest bearing assets and interest bearing liabilities.

Finance lease carries effective rate of interest @ 7.2% p.a. (previous year 7.2% p.a.)

- **Currency risk:**

Currency risk faced by the company is minimal as there are minimal foreign currency transactions. Most of the monetary assets and liabilities are denominated in United States Dollar (USD) only.

4.2.2 Capital management:

The company's policy is to maintain a strong capital base so as to maintain lender and creditor confidence and to sustain future development of the business. The company is not subject to externally imposed capital restrictions except to maintain its paid up capital.

4.2.3 Fair value information:

Fair value represents the amount at which an asset could be exchanged or a liability settled in an arm's length transaction, between willing & knowledgeable parties. In respect of all the company's financial assets viz cash & bank balances, receivables, advances, deposits, accrued income and liabilities viz dues to banks, payables, accruals and other non-current liabilities, in the opinion of the management, the book value approximates to their carrying value.

Aashna Maritime Inc.

Panama City, Republic of Panama

Notes to the financial statements for the year ended 31st March 2015

		Amount in U.S. Dollars (USD)	
		31.03.2015	31.03.2014
5	Cash & bank balances/Cash & cash equivalents:		
	Balance with bank in current account	302,957	6,894
		<u>302,957</u>	<u>6,894</u>
6	Deposits, prepayments & advances:		
	Prepayments	63,593	100,588
	Advance to customer	0	103,041
	Other current assets	22,807	0
		<u>86,400</u>	<u>203,629</u>
7	Amounts due from related party:		
	Due from co-subsiary company	1,741,409	1,989,419
		<u>1,741,409</u>	<u>1,989,419</u>
	Amounts due from related party is free of interest.		
8	Accounts receivables:		
	Trade receivables	0	4,988
		<u>0</u>	<u>4,988</u>
	Entire accounts receivables were outstanding for less than 3 months and due from Singapore only.		
9	Inventories:		
	Stores & consumables	166,307	213,663
		<u>166,307</u>	<u>213,663</u>
	Inventory comprising of lubricants & other consumable items, is based on the declaration of vessel's master and the management certifies that the same is net of any loss arising out of obsolescence.		
10	Finance lease:		
	Minimum lease payments		
	Due in next 1 year	8,463,000	8,486,250
	Due after 1 year but before 5 years	33,991,500	33,921,750
	Due after 5 years	21,204,000	29,736,750
		<u>63,658,500</u>	<u>72,144,750</u>
	Less: Future finance charges	(14,591,275)	(18,267,332)
	Present value of lease obligations	<u>49,067,225</u>	<u>53,877,418</u>
	Due within one year	5,129,341	4,810,193
	Due after one year	43,937,884	49,067,225
		<u>49,067,225</u>	<u>53,877,418</u>

The company entered into "Barecon 2001" Standard Bareboat Charter in the respect of the motor vessel for a period of ten years starting from June 2012.

Aashna Maritime Inc.

Panama City, Republic of Panama

Notes to the financial statements for the year ended 31st March 2015

		Amount in U.S. Dollars (USD)	
		31.03.2015	31.03.2014
11	Amounts due to related parties:		
	Due to co-subsiidiary companies	1,981,326	2,138,872
		1,981,326	2,138,872
	Amounts due to related parties are free of interest.		
12	Provisions, accruals & other liabilities:		
	Accrued expenses	739,217	227,128
	Accrued staff salaries & benefits	59,479	0
	Advance from customers	1,215,410	534,407
	Other liabilities	478	930
		2,014,584	762,465
	Accrued expenses includes 99,418/- payable to related parties.		
	Advance from customers represent advance recieved from parent company.		
13	Share capital:		
	Share capital	1,000	1,000
		1,000	1,000
	Share capital comprises of 50 fully paid up equity shares of 20/- each (previous year 50 fully paid up equity shares of 20/- each).		
14	Reserves & surplus:		
	Retained earnings	4,522,034	3,114,129
		4,522,034	3,114,129
		01.04.2014 to	01.04.2013 to
		31.03.2015	31.03.2014
15	Revenue:		
	Charter hire income	10,585,000	10,585,000
	Frieght income	0	92,195
	Demurrage income	0	81,595
		10,585,000	10,758,790
16	Direct costs:		
	Crew charges & other benefits	927,245	835,987
	Repairs & maintenance	524,086	184,328
	Insurance expense	203,215	235,782
	Consumables	926,771	708,048
	Vessel management fees	120,000	177,000
	Other direct expenses	172,967	136,442
	Depreciation on property, plant & equipment	2,186,195	2,186,195
		5,060,479	4,463,782

Aashna Maritime Inc.

Panama City, Republic of Panama

Notes to the financial statements for the year ended 31st March 2015

		Amount in U.S. Dollars (USD)	
		01.04.2014 to 31.03.2015	01.04.2013 to 31.03.2014
17 Other income:			
Foreign exchange gain - net		6,547	379
Other miscellaneous income		7,405	4,025
		<u>13,952</u>	<u>4,404</u>
18 Marketing costs:			
Brokerage & commission expenses		396,938	396,938
		<u>396,938</u>	<u>396,938</u>
19 Administrative costs:			
Communication expenses		13,262	14,407
Fees & charges		1,650	520
Office & other expenses		27,342	40,830
		<u>42,254</u>	<u>55,757</u>
20 Finance costs:			
Bank charges		8,846	6,027
Interest on finance lease		3,682,530	3,960,914
		<u>3,691,376</u>	<u>3,966,941</u>
21 Contingent liabilities:			
Except for the ongoing business commitments against which the company expects no losses there were no liabilities of contingent nature or on capital account, outstanding as at reporting date.			
22 Events occurring after the reporting date:			
There were no significant events occurring after the reporting date that would materially affect the working or the financial statements of the company.			

Aashna Maritime Inc.

Panama City, Republic of Panama

Schedule to the financial statements for the year ended 31st March 2015

Amount in U.S. Dollars (USD)

Schedule 1 - Property, plant & equipment:

Particulars	Vessel	Total
Cost:		
As at 31.03.2014	60,727,630	60,727,630
Additions	0	0
As at 31.03.2015	60,727,630	60,727,630
Accumulated depreciation:		
As at 31.03.2014	3,252,339	3,252,339
For the year	2,186,195	2,186,195
As at 31.03.2015	5,438,534	5,438,534
Net value - 31.03.2015	55,289,096	55,289,096
Net value - 31.03.2014	57,475,291	57,475,291

The company owns and operates one 180,000 DWT (93,693 gross tonnage) bulk carrier vessel hull no. PN-074, built by HHIC-PHIL INC., Philippines and registered under 'Aashna' (MV) with Republic of Panama having IMO no. 9592458.

Vessel is under finance lease provided by 'Amigo Maritime Inc.'