

HINDUSTAN CARGO LIMITED

Standalone Financials

Year Ended

31st March 2017

INDEPENDENT AUDITOR'S REPORT

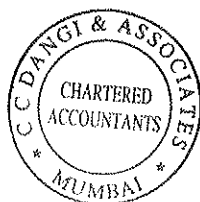
To,
The Members of
Hindustan Cargo Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Hindustan Cargo Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2017, 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 significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS Financial statements").

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with [Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended].



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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

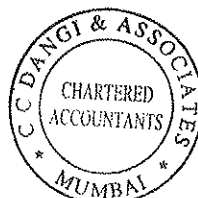
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

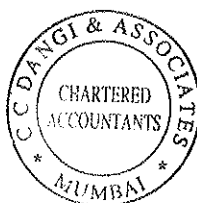
In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2017, its loss 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

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rule issued there-under.
- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 B"** to this report.
- (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 information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations which would impact its financial position in its Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. As per books of accounts of the Company and as represented by the management, the Company did not have any cash balance on its own account as on November 8, 2016 and December 30, 2016. Further, there were no cash dealings during the said period. However, company dealt with cash on account of Trust of Avvashya CCI Logistics Private Ltd as it had transferred its freight forwarding business as a going concern on slump sale basis to Avvashya CCI Logistics Private Ltd on 1st July, 2016. The Company has provided requisite disclosures in Note 30 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

Other Matter

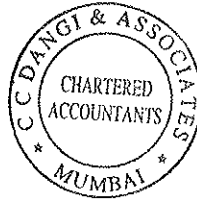
On 1st July, 2016 the company sold and transferred its freight forwarding business to Avvashya CCI Logistics Private Limited (ACCI) as a going concern on slump sale basis for a total consideration of Rs.31,29,53,500/-. The sale consideration has been discharged by ACCI by issue of 2,76,950 equity shares of Rs.10 each issued at a premium of Rs.1,120/- each to the extent of 10.57% of the expanded capital.

Allcargo Logistics Limited (Holding Company), Hindustan Cargo Limited ('HCL'), a wholly owned subsidiary and Avvashya CCI Logistics Private Limited ('ACCI') has entered into a joint venture arrangement. Pursuant to the arrangement, the



Allcargo Logistics Limited (Holding Company) and 'HCL' (collectively referred as 'group') discontinued and transferred with effect from 1st July, 2016, its contact logistics and freight forwarding business. The group in aggregate holds 61.13% shares stake in ACCI.

Place : Mumbai
Dated : 17th May, 2017



For C C Dangi & Associates
Chartered Accountants
ICAI Firm Reg. No. 102105W

A handwritten signature in black ink, appearing to be "C C Dangi".

C C Dangi
Partner

Membership No.: 036074

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in the Independent Auditor's Report to the members of the Company on the financial statements of **Hindustan Cargo Limited** for the year ended 31st March, 2017, we report that:

- i) The Company does not have any fixed assets as at 31st March, 2017 due to transfer of entire business on slump sale basis. Thus, paragraph 3(i) of the Order is not applicable to the Company.
- ii) The Company is a Service Company primarily rendering Custom House Agency & Freight Forwarding. Accordingly, it does not hold any inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii) According to the information and explanations given to us, the Company has not granted secured or unsecured loan to a Company, Firm, LLP or other entity covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of sub- paragraph (a) and (b) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of Companies Act, 2013 with respect to the loans, investments, guarantees and security.
- v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. Hence, the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.
- vi) In our opinion and according to the information and explanations given to us, the requirement of maintenance of cost records pursuant to Companies



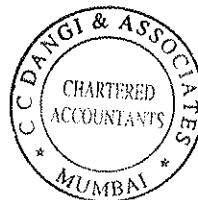
(Cost Records and Audit) Rules, 2014 prescribed by the Central Government in terms of sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the Company.

- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the company, amount deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities.

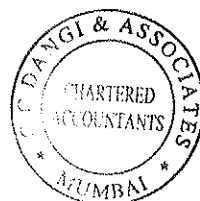
According to the information and explanations given to us, no undisputed statutory dues in respect of provident fund, employee's state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues were in arrears as at 31st March, 2017 for a period of more than six months from the date they become payable.

- b) According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax. Custom duty, and Excise Duty which have not been deposited with appropriate authorities on account of any dispute other than mentioned below:

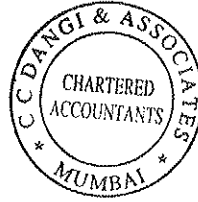
Nature of Statute	Fin. Year	Amount (in Lacs)	Forum where dispute is pending
Service Tax	2007-08 to 2011-12	10,238.38	Company preferred appeal with CESTAT, Mumbai which is yet pending.



- viii) Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of loans/borrowings to the Financial Institutions, Bank, Government or a debenture holder.
- ix) According to the information and explanation given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examination of the records of the company, no managerial remuneration has been paid.
- xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the company.
- xiii) According to the information and explanations given to us and based on our examination of records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



- xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable to the company.
- xvi) As per our information, the company is not required to be registered under section 145-IA of the Reserve Bank of India Act, 1934.



Place : Mumbai
Dated : 17th May, 2017

For C C Dangi & Associates
Chartered Accountants
ICAI Firm Reg. No.102105W

A handwritten signature in black ink, appearing to be "C C Dangi".

C C Dangi
Partner

Membership No.:036074

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **Hindustan Cargo Limited** ("the Company") as of 31 March 2017 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

The Company's management is 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 that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the



Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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.

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

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors



of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

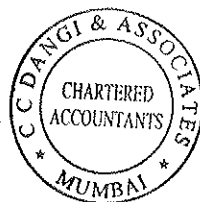
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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 31 March 2017, 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 C C Dangi & Associates
Chartered Accountants
ICAI Firm Reg. No.102105W



A handwritten signature in black ink, appearing to be "C C Dangi".

C C Dangi
Partner

Place : Mumbai
Dated : 17th May, 2017

Membership No.: 036074

Hindustan Cargo Ltd
Balance sheet as at 31st March 2017
(Indian rupees in lakhs, except share data)

	Notes	31 March 2017	31 March 2016	01 April 2015
Assets				
Non-current assets				
Property, plant and equipment (net)	2	(0)	143	165
Capital work-in-progress	2	0	2	15
Other intangible assets	3	-	32	6
Intangible assets under development	3	-	70	-
Interest in Subsidiary and associates	4.1	3,130	-	6
Financial assets				
Other financial assets	4.2	10	24	27
Deferred tax assets (net)	5(b)	-	40	51
Non-current tax assets (net)	5(a)	1,221	745	385
Other non-current assets	6	5	14	2
Total - Non-current assets		4,367	1,071	657
Current assets				
Financial assets				
Short term loans	7.1	-	7	9
Trade receivables	7.2	-	3,420	3,802
Cash and cash equivalents	7.3	244	38	27
Other financial assets	7.4	3	135	125
Other current assets	6	0	675	915
Total - Current assets		247	4,274	4,878
Total Assets		4,613	5,345	5,535
Equity and Liabilities				
Equity				
Equity share capital	8	25	25	25
Other equity	9			
Equity component of Redeemable Non-Cumulative Non-Convertible Preference Shares		68	68	68
Equity component of Corporate Guarantee		16	16	16
Other Reserves		2,975	3,406	3,371
Equity attributable to equity holders of the parent		3,084	3,515	3,480
Non-controlling interests		-	-	-
Total Equity		3,084	3,515	3,480
Non-current liabilities				
Financial liabilities				
Borrowings	10	56	50	45
Net employment defined benefit liabilities	11	-	-	48
Deferred tax liability (net)	5(b)	8	-	-
Other Non-current liabilities	12	-	-	-
Total - Non-current liabilities		65	50	92
Current liabilities				
Financial liabilities				
Borrowings	10	494	407	350
Trade payables	13.1	688	629	1,042
Other payables	13.2	47	12	8
Net employment defined benefit liabilities	11	2	67	10
Other current liabilities	12	235	665	553
Total - Current liabilities		1,465	1,780	1,963
Total equity and liabilities		4,613	5,345	5,535

Significant accounting policies

Notes to the financial statements

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

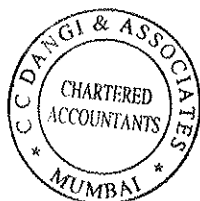
As per our report of even date attached

For C C Dangi & Associates

Chartered Accountants

ICAI firm registration No. 102105W

Mr. C C Dangi
Partner
Membership No. 036074



For and on behalf of Board of directors of

Hindustan Cargo Ltd

CIN-U63010MH1993PLC075480

Mr. Jatin Chokshi
Director
DIN-00495015

Mr. Suryanarayanan S.
Director
DIN-00444230

Place - Mumbai
Date: May 17, 2017

Hindustan Cargo Ltd
Statement of Profit and Loss for the year ended 31st March 2017
(Indian rupees in lakhs, except share data)

	Notes	31 March 2017	31 March 2016
Continuing Operations			
Income			
Other income	14	37	11
Finance income	15	1	0
Total income		38	11
Expenses			
Employee benefits expense	16	153	-
Finance costs	17	74	43
Other expenses	18	301	-
Total expenses		528	43
Profit before share of profit of associates and joint ventures and tax from continuing operations		(490)	(32)
Share of profits of associates and joint ventures		-	-
Profit before tax		(490)	(32)
Tax expense:			
Current tax		-	-
Adjustment of tax relating to earlier periods		(4)	-
Deferred tax (credit)/charge		(4)	2
Total tax expense		(8)	2
Profit for the year from Continuing Operation (i)		(482)	(34)
Discontinued operations			
Profit/(loss) before tax for the year from discontinued operations	19	103	158
Tax (Income)/ expense of discontinued operations		53	86
Profit/ (loss) for the year from discontinued operations (ii)		50	71
Profit for the year (A)		(431)	37
Other Comprehensive Income:			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gain/(losses) on defined benefit plans		-	(2)
Other Comprehensive Income for the year, net of tax (B)		-	(2)
Total Comprehensive income for the year, net of tax (A) + (B)		(431)	35
Earnings per equity share for Continuing Operations			
Basic and diluted	20	(192.74)	(13.69)
Earnings per equity share for Discontinued Operations			
Basic and diluted		20.18	28.55
Earnings per equity share for continuing and discontinued Operations			
Basic and diluted		(172.56)	14.00

Significant accounting policies
Notes to the financial statements

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

As per our report of even date attached

For C C Dangi & Associates
Chartered Accountants
ICAI firm registration No.102105W

Mr. C C Dangi
Partner
Membership No.036074



For and on behalf of Board of directors of
Hindustan Cargo Ltd
CIN-U63010MH1993PLC075480

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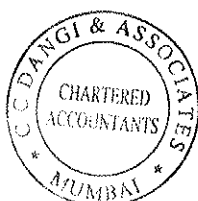
Place - Mumbai
Date: May 17, 2017

Hindustan Cargo Ltd
Statement of Cash Flows for the period ended 31st March 2017
(Indian rupees in lakhs, except share data)

	Notes	31 March 2017	31 March 2016
Operating activities			
Profit before tax from continuing operations		(490)	(32)
Profit before tax		(490)	(32)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
Finance costs		74	43
Interest Income		(38)	(11)
Loss arising on transfer of slump sale		259	-
<i>Working capital adjustments:</i>			
Decrease / (increase) in trade receivables		351	360
Decrease / (increase) in long term and short term loans and advances		963	218
(Increase) in unbilled revenue		28	3
(Decrease)/ Increase in trade payables, other current and non current liabilities		(480)	(192)
(Decrease)/ Increase in provisions		2	10
Cash generated from operating activities		669	399
Income tax paid (including TDS) (net)		(402)	(438)
Net cash flows from continuing operating activities (A)		267	(39)
Net cash flows from discontinued activities (B)		492	253
Net cash flows from operating activities		759	214
Investing activities			
Interest income received		36	12
Net cash flows from continuing operating activities (C)		36	12
Net cash flows from discontinued activities (D)		(1)	(130)
Net cash flows from / (used in) investing activities		34	(119)
Financing activities			
Proceeds from short term borrowings		890	515
Repayment of short term borrowings		(446)	(465)
Finance costs		(15)	(36)
Net cash flows from continuing operating activities (E)		429	14
Net cash flows from discontinued activities (F)		0	1
Net cash flows from financing activities		429	15
Net increase / (decrease) in cash and cash equivalents relating to Continued operations (A+C+E)		732	(13)
Net increase / (decrease) in cash and cash equivalents relating to Discontinued operations (B+D+F)		491	123
Opening balance of cash and cash equivalents (refer note 7.3)		(336)	(446)
Less: Cash and cash equivalents transferred to Associate as per BTA		(643)	-
Cash and cash equivalents at the end (refer Note 7.3)		244	(336)

As per our report of even date attached
For C C Dang & Associates
Chartered Accountants
ICAI firm registration No.102105W

Mr. C C Dang
Partner
Membership No.036074



Place : Mumbai
Date: May 17, 2017

For and on behalf of Board of directors of
Hindustan Cargo Ltd
CIN-U63010MH1993PLC075480

Mr. Jatin Chokshi
Director
DIN-00495015

Mr. Suryanarayanan S.
Director
DIN-00444230

Hindustan Cargo Ltd
Statement of Changes in Equity for the year ended 31st March 2017
(Indian rupees in lakhs, except share data)

(A) Equity Share Capital:

Issued equity share capital	1% Issued preference share capital		10% Issued preference share capital	
	No.	Amount	No.	Amount
At 1 April 2015	2,50,000	25	95,855	96
Issue of share capital / Equity Component (Note 08)	-	-	-	-
At 31 March 2016	2,50,000	25	95,855	96
Issue of share capital (Note 08)	-	-	-	-
At 31 March 2017	2,50,000	25	95,855	96

(B) Other Equity:
For the year ended 31 March 2017

(Amount in Rs Lakhs)

Particulars	Other Equity (Preference Share Ind As) (Note 09)	Equity Contribution (Corporate Guarantee Ind As) (Note 09)	Other Equity				Total equity
			Capital Redemption Reserve (Note 09)	Securities premium account (Note 09)	General reserve (Note 09)	Balance in Statement of Profit and Loss (Note 09)	
As at 31st March 2016	68	16	75	1,439	23	1,869	3,490
Net Profit for the period	-	-	-	-	-	-431	-431
Total comprehensive income	68	16	75	1,439	23	1,437	3,059
Transferred to Capital Redemption Reserve	-	-	10	-	-	-10	-
As at 31 March 2017	68	16	85	1,439	23	1,427	3,059
For the year ended 31 March 2016							
As at 1st April 2015	68	16	60	1,439	23	1,849	3,455
Net Profit for the period	-	-	-	-	-	37	37
Other comprehensive income	-	-	-	-	-	-2	-2
Remuneration Gains/(losses) on Defined employee benefit	-	-	-	-	-	-	-
Total comprehensive income	68	16	60	1,439	23	1,884	3,490
Transferred to Capital Redemption Reserve	-	-	15	-	-	-15	-
As at 31 March 2016	68	16	75	1,439	23	1,869	3,490

As per our report of even date attached

For C C Dangi & Associates
Chartered Accountants
ICAI firm registration No. 10210SW



Mr. C C Dangi
Partner
Membership No. 036074
Place : Mumbai
Date: May 17, 2017

For and on behalf of Board of directors of
Hindustan Cargo Ltd
CIN-U63010MH1993PLC075480

Mr. Jatin Chokshi

Mr. Jatin Chokshi
Director
DIN-00495015

Mr. Suryanarayanan S.
Mr. Suryanarayanan S.
Director
DIN-00444230

HINDUSTAN CARGO LIMITED

Notes to the financial statements for the year ended 31 March 2017

(Indian rupees in lakhs)

1. Significant accounting policies

1.1 (a) Statement of compliance

In accordance with the notification issued by Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous periods have been restated to Ind AS. In accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards", the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules 2015 read with Section 133 of the Companies Act, 2013.

(b) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for the certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) which have been measured at fair value or revalued amount. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

1.2 Summary of significant accounting policies

a. Use of estimates

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

b. 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, or
- 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.

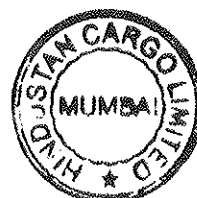
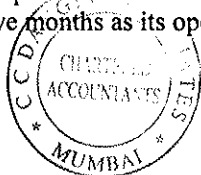
A liability is current when:

- 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, or
- 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.



HINDUSTAN CARGO LIMITED

Notes to the financial statements for the year ended 31 March 2017

(Indian rupees in lakhs)

c. Foreign currencies:

The Company's financial statements are presented in Indian Rupees, which is also the functional currency.

Transaction and balances

Transactions in foreign currencies are initially recorded at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

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

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

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

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset / liability

The premium or discount arising at the inception of forward exchange contracts is amortised and recognised as an expense / income over the life of the contract. Exchange difference on such contracts are recognised in the profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as an expense for the period.

d. Fair value measurement

In determining the fair value of its financial instruments, the company uses assumptions that are based on market conditions and risks existing at each reporting date. The method used to determine the fair value includes Discounted Cash Flow analysis, available quoted market price and dealer quotes. All methods of assessing fair value result in general approximation of fair value and such value may never be actually realized. For all other financial instruments, the carrying amount approximates Fair Value due to the short maturity of those instruments.

e. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The amount recognised as revenue is exclusive of service tax / sales tax / VAT.

Multimodal transport income:

Export revenue is recognised on sailing of vessel and import revenue is recognised upon rendering of related services.

Service Income:

Air operations income is recognized on the basis of arrival and departure of the cargo at gross value including freight, documentation, handling charges, agency fees, commission, clearing expenses etc.

Sea operations income is recognized on the basis of sailing of vessel in exports and on the basis of delivery of cargo in imports at gross value including freight, documentation, handling charges, agency fees, commission, clearing expenses etc.

Custom Broking Services:

Income is recognized on custom clearance of cargo as per contractual terms.

Others:

Reimbursement of cost is netted off with the relevant expenses incurred, since the same are incurred on behalf of the customers.

Interest income is recognised on time proportion basis.

Dividend income is recognised when the right to receive the payment is established by the balance sheet date.



HINDUSTAN CARGO LIMITED

Notes to the financial statements for the year ended 31 March 2017

(Indian rupees in lakhs)

f. Taxes

Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax assets and liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

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.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

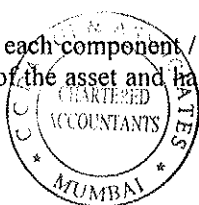
Minimum Alternate Tax (MAT)

MAT paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the *Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961*, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

g. Property, plant and equipment

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition of tangible assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

The Company identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.



HINDUSTAN CARGO LIMITED

Notes to the financial statements for the year ended 31 March 2017

(Indian rupees in lakhs)

Depreciation

The Company provides depreciation on property, plant and equipment using the Straight Line Method, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The management has estimated the useful lives of all its tangible assets as per the useful life specified in Part 'C' of Schedule II to the Act.

The Company has used the following rates to provide depreciation on the tangible assets:

Category	Useful lives (in years)
Furniture and fixtures	10
Vehicles	10
Computers	3
Office equipments	5

Tangible assets held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets 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 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 is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets are amortised on a straight line basis method basis the life estimated by the management:

Asset class	Useful life (in years)
Computer software	6



i. Impairment of non-financial assets (tangible and intangible assets)

The Company assesses Property, plant and equipment and intangible assets with finite life at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

HINDUSTAN CARGO LIMITED

Notes to the financial statements for the year ended 31 March 2017

(Indian rupees in lakhs)

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

j. Borrowing costs

Borrowing costs includes interest, amortisation of ancillary cost over the period of loans which are incurred in connection with arrangements of borrowings.

Borrowing costs that are attributable to the acquisition, construction of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed beyond reasonable time due to other than temporary interruption. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

k. Inventories

Inventories of stores and spares are valued at cost or net realisable value whichever is lower. The cost is determined on first in first out basis and includes all charges incurred for bringing the inventories to their present condition and location.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost necessary to make sale.

l. Provisions and Contingent Liability

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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 recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

m. Retirement and other employee benefits

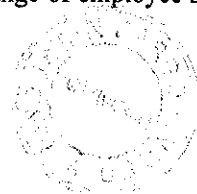
• Short-term employee benefits

Employee benefits payable wholly within twelve months of availing employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits such as salaries and wages, bonus and ex-gratia to be paid in exchange of employee services are recognized in the period in which the employee renders the related service.

• Post-employment benefits

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards Provident Fund and Employees State Insurance Corporation ('ESIC'). The contribution of these



HINDUSTAN CARGO LIMITED

Notes to the financial statements for the year ended 31 March 2017

(Indian rupees in lakhs)

is recognized as an expense in the Statement of Profit and Loss during the period in which employee renders the related service. There are no other obligations other than the contribution payable to the Provident Fund and Employee State Insurance Scheme.

Defined benefit plan:

Gratuity liability is provided for on the basis of an actuarial valuation done as per projected unit credit method, carried out by an independent actuary at the end of the year. The Company's gratuity benefit scheme is a defined benefit plan.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. The Company presents the leave as a short-term provision in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as long-term provision.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

n. 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 assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial asset, that are not at fair value through profit or loss, are added to the fair value on initial recognition. 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.

Subsequent measurement

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

a. Debt instruments at amortised cost

A 'debt instrument' 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



HINDUSTAN CARGO LIMITED

Notes to the financial statements for the year ended 31 March 2017

(Indian rupees in lakhs)

amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

b. 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 AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive 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 P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (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 the financial assets and the transfer qualifies for derecognition under Ind AS 109.

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 Trade receivables.

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

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

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.

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 analysed.

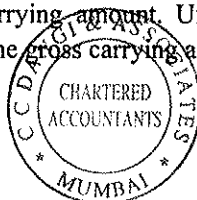
ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. In balance sheet, ECL is presented as an allowance, i.e., as an 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.

Financial liabilities

Initial recognition and measurement

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.

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.



HINDUSTAN CARGO LIMITED

Notes to the financial statements for the year ended 31 March 2017

(Indian rupees in lakhs)

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

Subsequent measurement

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

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 derecognised 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.

Derecognition

A financial liability is derecognised 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 derecognition 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.

o. 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, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

p. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated in the Cash flow statement.

As per our report of even date attached

For C C Dangi & Associates

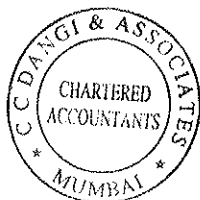
Chartered Accountants

ICAI firm registration No.102105W

Mr. C C Dangi

Partner

Membership No.036074



Place – Mumbai

Date: May 17, 2017

For and on behalf of Board of directors of

Hindustan Cargo Ltd

CIN-U63010MH1993PLC075480

Mr. Jatin Chokshi

Director

DIN-00495015

Mr. Suryanarayanan S.

Director

DIN-00444230



Hindustan Cargo Ltd

Notes to the financial statements as at and for the year ended 31st March 2017
(Indian rupees in lakhs, except share data)

2 Property, Plant and Equipment

Description	Leasehold improvements	Vehicles	Office Equipment	Computers	Furniture & fixtures	Total	Capital work in progress	(Amount in Rs Lakhs)	
								Gross Total	
Cost or Valuation									
Balance as at 01 April 2015	6	0	33	32	94	165	15	180	
Additions	9	0	6	26	11	52	2	54	
Disposals	0	-	(9)	(0)	(18)	(27)	-	(27)	
Capitalised during the year	-	-	-	-	-	-	(15)	(15)	
Balance as at 31 March 2016	15	1	30	58	87	190	2	192	
Additions	2	-	6	5	15	28	-	28	
Disposals	(0)	-	(0)	-	(16)	(17)	-	(17)	
Discontinued operations	(17)	(1)	(35)	(63)	(86)	(201)	(2)	(203)	
Balance as at 31 March 2017	0	0	0	(0)	0	0	0	0	
Depreciation and impairment									
Balance as at 01 April 2015	-	-	-	-	-	-	-	-	
Depreciation for the year	6	0	14	14	14	48	-	48	
Disposals	-	-	(1)	-	-	(1)	-	(1)	
Discontinued operations	-	-	-	-	-	-	-	-	
Balance as at 31 March 2016	6	0	13	14	14	46	-	46	
Depreciation for the year	1	0	3	5	3	11	-	11	
Disposals	-	-	(0)	-	(3)	(3)	-	(3)	
Discontinued operations	(7)	(0)	(15)	(19)	(13)	(54)	-	(54)	
Balance as at 31 March 2017	(0)	-	0	0	0	0	-	0	
Net Block									
As at 31 March 2016	9	-	17	44	73	143	2	145	
As at 31 March 2017	0	0	0	(0)	(0)	(0)	0	(0)	

- 1) During the previous year, pursuant to notification of Schedule II of the Companies Act 2013 with effect from 01 April 2015, the depreciation for the previous year ended 31 March 2016 has been provided by the Company (except in case of foreign subsidiaries where useful life as per local laws is lower than useful life mentioned in Schedule II of the Companies Act 2013) on the basis of estimated economic lives or useful lives of fixed assets as prescribed in Schedule II, whichever is lower. Accordingly, an amount of Rs.13.93/- lakhs (net of deferred tax of Rs.6.69/- lakhs) has been adjusted against Retained Earnings for the assets which had no residual life as at 01 April 2015, and depreciation for the year ended 31 March 2016 is higher by Rs.20.62/- lakhs.



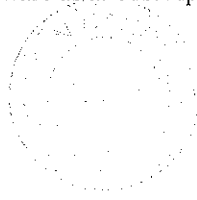
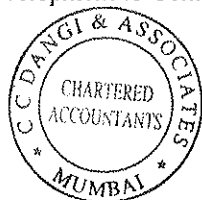
Hindustan Cargo Ltd
Notes to the financial statements as at and for the year ended 31st March 2017
(Indian rupees in lakhs, except share data)

3 Intangible assets

Description	Computer software	Intangible asset under development	Total
Gross Block			
Balance as at 01 April 2015	6	-	6
Additions	31	70	101
Disposals	(0)	-	(0)
Balance as at 31 March 2016	37	70	107
Additions	70	-	70
Disposals	-	(70)	(70)
Discontinued operations	(107)	-	(107)
Balance as at 31 March 2017	(0)	-	(0)
Amortisation			
Balance as at 01 April 2015	-	-	-
Amortisation	5	-	5
Accumulated amortisation on disposals	-	-	-
Balance as at 31 March 2016	5	-	5
Amortisation	5	-	5
Accumulated amortisation on disposals	-	-	-
Discontinued operations	(9)	-	(9)
Balance as at 31 March 2017	-	-	-
Net book value			
At 31 March 2017	(0)	-	(0)
At 31 March 2016	32	70	102
At 01 April 2015	6	-	6

Note:

1) The Company has entered into agreement for purchase of Logisys software on licence during the year ended Mar 16 for Rs.69.50/- lakhs, however the same will go live on 1st Apr 2016 & hence the same is transferred to Intangible assets under development. During the Year the same was capitalised and was transferred from Intangible assets under development to Computer Software as at 01st April 2016.



Hindustan Cargo Ltd
Notes to the financial statements as at and for the year ended 31st March 2017
(Indian rupees in lakhs, except share data)

4 Financial Assets

	31 March 2017	31 March 2016	01 April 2015
4.1 Investments			
Unquoted equity instruments (fully paid-up) wholly owned subsidiary			
50,000 (Previous year : 50,000) Equity Shares of ACEx Logistics Limited { (Formerly HC Logistics Limited) of Rs.10/- each }	-	-	5
10,000 (Previous year: 10,000) Equity Shares of Credo Shipping Agencies (I) Pvt Ltd of Rs.10 each (Application for closure of this company filed with Ministry of Company Affairs (MCA) on 14th Apr 2015)	-	-	1
Unquoted equity instruments (fully paid-up) Associate			
2,76,950 (Previous year Nil) Eq Shares of Avvashya CCI Logistics Pvt Ltd of Rs.10/ each }	3,130	-	-
Total Investments	3,130	-	6

4.2 Other Financial assets

	Non-current portion			Current portion		
	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
To parties other than related parties						
Security deposits						
Unsecured, considered good	-	6	4	-	133	123
Doubtful	-	-	-	-	-	-
	-	6	4	-	133	123
Less: Provision for doubtful deposits	-	-	-	-	-	-
	-	6	4	-	133	123
Unsecured, considered good						
Non-current bank balance (refer note 7.3)	10	10	13	-	-	-
Corporate Guarantee Fees receivable (ind AS)	-	7	9	-	-	-
Interest accrued on fixed deposits	-	-	-	3	2	2
	10	18	22	3	2	2
	10	24	27	3	135	125
To related parties						
Unsecured, considered good	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-
Total Other long-term financial assets	10	24	27	3	135	125

6 Other assets

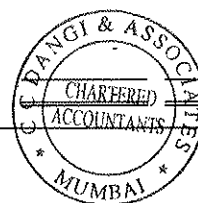
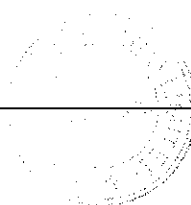
Unsecured considered good, unless stated otherwise

	Non-current			Current		
	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
Capital advances	-	-	-	-	22	-
Prepaid expenses	-	-	-	-	9	15
Unbilled revenue	-	-	-	-	32	35
Advances for supply of services	-	-	-	-	414	667
Deferred Lease Expense Ind AS	-	9	2	-	5	4
CENVAT receivables	-	-	-	0	8	8
Balance with customs & port authorities	5	5	-	-	174	166
Others	-	-	-	-	11	20
	5	14	2	0	675	915

7 Financial assets

7.1 Short term loans

Current portion of long-term loans (refer note 4.2)			
To parties other than related parties			
Loans / advances to employees		7	9
Total Loans		7	9



Hindustan Cargo Ltd
Notes to the financial statements as at and for the year ended 31st March 2017
(Indian rupees in lakhs, except share data)

7.2 Trade receivables

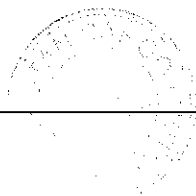
	31 March 2017	31 March 2016	01 April 2015
Trade receivables	-	3,288	3,781
Receivables from associates and joint ventures (refer note 23)	-	-	-
Receivables from other related parties (refer note 23)	-	131	21
Total trade receivables	-	3,420	3,802
Break-up for security details and more than 6 months overdue:			
Outstanding for a period exceeding six months from the date they are due for payment			
Secured, considered good	-	-	-
Unsecured, considered good	-	18	3
Doubtful	-	384	427
	-	402	429
Allowance for doubtful debts	-	(32)	2
	-	371	431
Other receivables			
Secured, considered good	-	-	-
Unsecured, considered good	-	3,049	3,371
Doubtful	-	13	57
	-	3,062	3,428
Allowance for doubtful debts	-	(13)	(57)
	-	3,049	3,371
Total Trade receivables	-	3,420	3,802

7.3 Cash and bank balances

Cash and cash equivalents			
Balances with banks			
- On current accounts	-	33	23
Cash on hand	-	4	4
Cash at bank and short term deposits attributable to discontinued operations	244	-	-
	244	38	27
Other bank balances			
- Deposit with original maturity of more than	10	10	13
- Margin money deposit under l	-	-	-
	10	10	13
Amount disclosed under non-current assets (refer Note 4.2)	(10)	(10)	(13)
	-	-	-
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:			
Balances with banks:			
- On current accounts	-	33	23
Cash at bank and short term deposits attributable to discontinued operations	244	-	-
Cash on hand	-	4	4
	244	38	27
Less : Cash Credit (Note 10)	-	357	350
Book Overdraft (Note 12)	-	17	122
	244	(336)	(446)

7.4 Other Financial assets

Current portion of other long-term financial assets (refer note 4.2)			
To parties other than related parties	3	135	125
To related parties	-	-	-
Total Other Financial assets	3	135	125



Hindustan Cargo Ltd
Notes to the financial statements as at and for the year ended 31st March 2017
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5 Income tax

5(a). Non-current tax Assets (net)

Particulars	31 March 2017	31 March 2016	01 April 2015
Advance tax recoverable (net of provision for tax)	1,221	745	385
Others	-	-	-
	<u>1,221</u>	<u>745</u>	<u>385</u>

The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are:

Statement of profit and loss:

	31 March 2017	31 March 2016
Profit or loss section		
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	(4)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(4)	2
Income tax expense reported in the statement of profit or loss	<u>(8)</u>	<u>2</u>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2016 and 31 March 2017:

Accounting profit before tax from continuing operations	(490)	(32)
Profit/(loss) before tax from a discontinued operation	103	158
Accounting profit before income tax	<u>(387)</u>	<u>126</u>
At India's statutory income tax rate of 0 % (31 March 2016: 32.445%)	-	41
Computed tax expenses		
Expenses not allowed for tax purpose	-	57
Adjustment of tax relating to earlier periods	(4)	(9)
Impact due to business transfer	48.40	
Rounding off of Tax Provision	-	
At the effective income tax rate of 0% (31 March 2016: XX%)	<u>45</u>	<u>89</u>
Income tax expense reported in the statement of profit and loss	(8)	2
Income tax attributable to a discontinued operation	53	86
	<u>45</u>	<u>89</u>

5(b). Deferred tax:

Deferred tax relates to the following:

	Balance Sheet			Profit and Loss	
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016
Accelerated depreciation for tax purposes	-	2	21	2	19
Provision for Doubtful Debt	-	129	157	129	28
Provision for employee Benefit	-	32	25	32	(8)
Ind As Adjustment:					
Preference Share	(14)	(16)	(17)	(2)	(2)
ECL	-	(114)	(139)	(114)	(25)
Corporate Guarantee	5	3	2	(2)	(1)
Rent Equalisation	-	4	3	4	(1)
Security Deposit	-	0	0	0	0
Deferred tax expense/(income)	<u>(8)</u>	<u>40</u>	<u>51</u>	<u>48</u>	<u>11</u>
Deferred tax assets/(liabilities)	<u>(8)</u>	<u>40</u>	<u>51</u>	<u>-</u>	<u>-</u>
Net deferred tax assets/(liabilities)	<u>(8)</u>	<u>40</u>	<u>51</u>	<u>48</u>	<u>11</u>

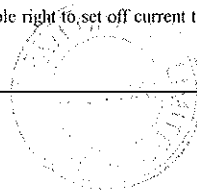
Reflected in the balance sheet as follows:

	31 March 2017	31 March 2016	1 April 2015
Deferred tax assets			
Continuing operations	-	3	2
Discontinued operations	-	167	205
Deferred tax liabilities:			
Continuing operations	(14)	(16)	(17)
Discontinued operations	-	(114)	(139)
Deferred tax assets / (liabilities) net	<u>(14)</u>	<u>40</u>	<u>51</u>

Reconciliation of deferred tax liabilities (net):

	31 March 2017	31 March 2016
Opening balance as of 1 April	40	51
Tax income/(expense) during the period recognised in profit or loss	4	2
Discontinued operation	(53)	(14)
Deferred taxes acquired in business combinations	-	-
Closing balance as at 31 March	<u>(8)</u>	<u>40</u>

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



Hindustan Cargo Ltd
Notes to the financial statements as at and for the year ended 31st March 2017
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10 Borrowings

	Effective interest rate %	Maturity	31 March 2017	31 March 2016	01 April 2015
Non-current borrowings					
<i>Borrowings (secured)</i>					
Borrowing Portion of redeemable non-cumulative non-convertible	12	-	56	50	45
Total non-current borrowings			56	50	45
Current borrowings					
<i>Loan repayable On Demand (secured)</i>					
Cash credits from banks	12	-	-	357	350
<i>Other loans (unsecured)</i>					
Loan from Holding Company	12	-	494	50	-
			494	407	350
Aggregate secured loans			-	357	350
Aggregate unsecured loans			550	100	45
Bank Loan					
<i>Cash credit facilities</i>					
Cash credit facilities from bank carry interest rate of 11.60% p.a. (Floating rate) computed on a monthly basis on the actual amount utilised, and are repayable on demand. These are secured against first charge on the current assets of the company, both present and future and Corporate Guarantee of the holding company - M/s. Allcargo Logistics Limited.					

11 Net employment defined benefit liabilities

	Long-term			Short-term		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	01 April 2015
Provision for gratuity (Refer note - 35)	-	-	-	-	5	2
Provision for Compensated absences (Refer	-	-	48	2	63	8
	-	-	48	2	67	10

13.1 Trade payables

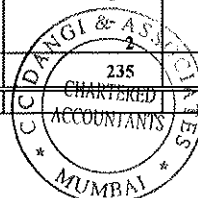
Trade payables	-	159	894
Trade payables to related parties	688	469	148
	688	629	1,042

13.2 Other payables

Other payable	-	12	8
Interest payable	47	-	-
	47	12	8

12 Other liabilities

	Non-current portion			Current portion		
	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
Employee benefits payable	-	-	-	90	62	86
Statutory dues payable	-	-	-	-	50	78
TDS Payable	-	-	-	143	-	-
Professional tax Payable	-	-	-	0	-	-
Provident Fund Payable	-	-	-	0	-	-
Advances received from customers	-	-	-	-	522	257
Interest accrued and due on borrowings	-	-	-	-	1	-
Bank Overdraft	-	-	-	-	17	122
Others	-	-	-	2	13	10
	-	-	-	235	665	553



Hindustan Cargo Ltd
Notes to the financial statements as at and for the year ended 31st March 2017
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14 Other income

	31 March 2017	31 March 2016
Other non-operating income		
Interest on income tax refund	37	11
	<u>37</u>	<u>11</u>

15 Finance income

Interest income on		
- fixed deposits with banks	1	0
	<u>1</u>	<u>0</u>

16 Employee benefits expense

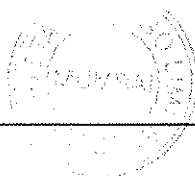
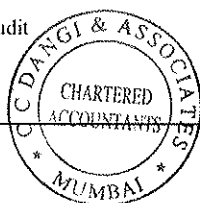
Salaries, wages and bonus	151	-
Contributions to provident and other funds	1	-
Compensated absences	2	-
	<u>153</u>	<u>-</u>

17 Finance costs

Interest expense		
Cash credit	11	25
Working capital term loan	49	11
CG Commission Expense	7	2
Interest	6	6
Others	0	-
	<u>74</u>	<u>43</u>
	<u>74</u>	<u>43</u>

18 Other expenses

Legal and professional fees	26	-
Payment to auditors	9	-
Loss on slump sale	259	-
Miscellaneous expenses	6	-
	<u>301</u>	<u>-</u>
Payments to the auditor:		
As auditor		
Audit fee	5.00	-
Tax audit fee	1.65	-
Limited review	1.80	-
Transfer Pricing audit	1.00	-
	<u>9.45</u>	<u>-</u>



Hindustan Cargo Ltd
Notes to the financial statements as at and for the year ended 31st March 2017
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19 Discontinued operations (Applicable to HCL)

a) With a view to achieve significant presence in the Contract Logistics and E-Commerce Logistics business, the Board of Directors of the Allcargo Logistics Limited (Holding Company) and Hindustan Cargo Limited (HCL), a wholly owned subsidiary of the Company, at their respective meetings held on February 13, 2016, approved the acquisition of controlling stake in CCI Integrated Logistics Private Limited ('CCI') by sale and transfer of Freight Forwarding and Contract Logistics business to CCI.

b) Subsequently, the Board of Directors of Hindustan Cargo Limited at its meeting held on 19 May 2016 granted its approval to sale and transfer its Freight Forwarding Business to Avvashya CCI Logistics Private Limited (ACCI) as a going concern on a slump sale basis for a total consideration of Rs.3,130 lakhs. The said sale consideration was discharged by ACCI by issue of further equity shares to the extent of 10.57% of the expanded capital. Effectively HCL has done transfer of business assets (net) at book value of Rs 3,389 lakhs as on 1st July 2016 as per 'Business Transfer Agreement'(BTA).

The results of Hindustan Cargo Ltd of Discontinued Operation for the year are presented below:

	31 March 2017	31 March 2016
Revenue	5,814	25,603
Expenses	5,711	25,445
Finance costs	-	-
Profit/(loss) before tax from a discontinued operation	103	158
Tax (expenses)/income:	(53)	(86)
Related to current pre-tax profit/(loss)	-	-
Profit/(loss) for the year from a discontinued operation	50	71

The major classes of assets and liabilities of HCL classified as held for discontinued operation as at 30th June 2016 are, as follows:

	30th June 2016
Assets	
Intangible assets	97
Property, plant and equipment	144
Trade receivable	2,818
Short Term Loans and Advances	194
Cash and cash equivalents	643
Assets classified as held for distribution	3,896
Liabilities	
Trade payable	601
Other Current Liabilities	311
Liabilities directly associated with assets classified as held for distribution	912
Net assets directly associated with disposal Company	2,984
Ind AS Adjustment	405
Net assets directly associated with disposal Company	3,389
Reserve of disposal Company classified as held for distribution	3,389

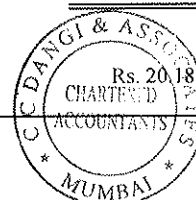
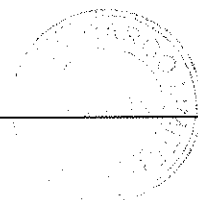
The net cash flows incurred by CL and freight forwarding division are, as follows:

	31 March 2017	31 March 2016
Operating	492	253
Investing	(1)	(130)
Financing	0	1
Net cash (outflow)/inflow	491	123

Earnings per share:

Basic and diluted for the period from discontinued operation

Rs. 28.55



Hindustan Cargo Ltd
Notes to the financial statements as at and for the year ended 31 March 2017
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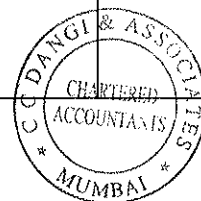
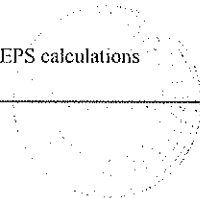
20 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2017	31 March 2016
Profit attributable to equity holders:		
Continuing operations	(482)	(34)
Discontinued operation	50	71
Profit attributable to equity holders for basic earnings:	(431)	37
Weighted average number of Equity shares for basic EPS	2,50,000	2,50,000
Basic and diluted EPS	(173)	15
To calculate the EPS for discontinued operation, the weighted average number of Equity shares for both the basic and diluted EPS is as per the table above. The following table provides the profit/(loss) amount used:		
Profit/(loss) from discontinued operation for the basic and diluted EPS calculations	50	71



Hindustan Cargo Ltd
Notes to the financial statements as at and for the year ended 31st March 2017
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21 Net employment defined benefit liabilities

(a) Defined Contributions Plans

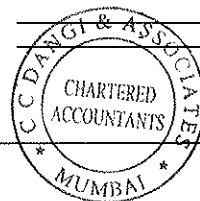
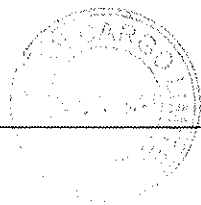
For the Company an amount of Rs 21.43/- lakhs (31 March 2016: Rs 74.80/- lakhs) contributed to provident funds, ESIC and other funds (refer note 24) is recognised by as an expense and included in "Contribution to Provident & Other Funds" under "Employee benefits expense" in the Statement of Profit and Loss.

(b) Defined Benefit Plans

In accordance with local laws, the Company provide for gratuity, a defined benefit retirement plan covering eligible employees in India. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date.

The following table sets out the funded as well as unfunded status of the retirement benefit plans and the amounts recognised in Financial statements: -

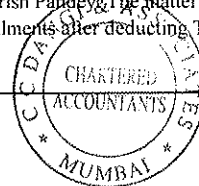
	31 March 2017	31 March 2016	1 April 2015
I Change in the defined benefit obligation			
Liability at the beginning of the year	96	86	69
Interest cost	-	5	5
Current service cost	-	14	13
Past Service Cost [Vested benefit] recognised during the year	-	(3)	6
Benefit paid	-	(8)	(4)
Liability Transferred (Discontinued Operation)	(96)	-	-
Net Actuarial (gain) / loss on obligations	-	2	(3)
Liability at the end of the year*	-	96	86
II Amount recognised in the balance sheet			
Liability at the end of the year	-	96	86
Fair value of plan assets at the end of the year	-	(92)	(84)
Net Assets/(liabilities) recognised in the balance sheet	-	5	2
III Expense recognised in the consolidated Statement of Profit and Loss			
Current service cost	-	14	13
Interest cost	-	5	5
Expected return on plan assets	-	(7)	(6)
Past Service Cost (Vested benefit) recognized during the year	-	(2)	8
Net actuarial (gain) / loss to be recognised	-	2	(3)
Exchange rate difference	-	-	-
Total expenses recognised in the consolidated Statement of Profit and Loss	-	13	16
IV Balance sheet reconciliation			
Opening net (Asset) / Liability	-	2	26
Expense as above	-	13	16
Past service cost (Vested benefit) recognized during the period	-	(1)	(2)
Employers contribution paid	-	(9)	(38)
Exchange rate difference	-	-	-
(Asset) /Liability recognised in the balance sheet	-	5	2
V Change in the Fair Value of Plan Assets			
Fair Value of Plan Assets at the beginning of the year	-	84	44
Expected Return on Plan Assets	-	7	6
Contributions	-	9	38
Benefit Paid	-	(8)	(4)
Fair Value of Plan Assets at the end of the year	-	92	84
Total actuarial gain / (loss) to be recognised	-	2	(3)
VI Actual return on Plan Assets:			
Expected Return on Plan Assets	-	7	6
Actuarial gain /(loss) on Plan Assets	-	-	-
Actual Return on Plan Assets	-	7	6
VII Investment details of Plan Assets:			
Government of India Assets	-	-	-
Corporate Bonds	-	-	-
Insurer Managed Funds	-	92	84
Other	-	-	-
Total Plan Assets	-	92	84
VIII Components of Other Comprehensive Income			
Net actuarial loss /(Gain)	-	2	(3)



Hindustan Cargo Ltd
Notes to the financial statements as at and for the year ended 31st March 2017
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22 (f) Commitments and contingencies

a. Leases			
Operating lease commitments - Group as lessee			
The Group has taken commercial properties and equipments on non-cancellable operating lease. The lease agreement provides for an option to the Group to renew the lease period at the end of non-cancellable period.			
Lease expense recognised for the year are Rs. NIL (31st March 2016: Rs.14.64 lakhs; 01st April 2015: Rs.42.78 lakhs). There are no exceptional / restrictive covenants in the lease agreements.			
Future minimum rentals payable under non-cancellable operating leases as at 31 March are as follows:			
	31 March 2017	31 March 2016	01 April 2015
Within one year	-	51	39
After one year but not more than five years	-	198	18
More than five years	-	-	-
	-	249	57
b. Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for:			
At 31 March 2017, the company had commitments of Rs. NIL (31 March 2016: Rs.NIL, 1 April 2015: Rs. NIL)	-	-	-
c. Contingent liabilities			
(i) Disputed liabilities			
- Income Tax	-	-	41
- Service Tax	-	-	-
(II) Claims against the Group, not acknowledged as debts			
	-	-	-
	-	-	41
The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.			
The Company has reviewed all its pending litigations and proceedings and has adequately made provisions for all such cases where provisions are required and disclosed amounts as contingent liabilities in its financial statements, wherever the exposure is considered possible. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect of the company's results of operations or financial position.			
d. Financial guarantees			
The Company has provided following guarantees as at:			
Bank guarantees			
	31 March 2017	31 March 2016	01 April 2015
	21	19	5
	21	19	5
Note : Pursuant to Business Transfer Agreement which is effective from 1st July, 2016 between Hindustan Cargo limited (HCL) and Avvashya CCI Logistics Pvt. Ltd (ACCI) . Bank Guarantee given by HCL in Trust on behalf of (ACCI) as on 31st, March, 2017.			
e.) Mr. Girish Pandey joined us as an Director Industrial Projects in the year 2007 and worked till mid of 2012. He was entitled to joining bonus and incentives based on performance under a contract. Subsequently there was a dispute between Mr. Girish Pandey and Hindustan Cargo Ltd with respect to settlement under this contract and the matter was referred to arbitration by Mr. Girish Pandey. The matter was settled under mutual consent terms dated 31.03.2017 and an amount of Rs. 135 lakhs was payable in two installments after deducting TDS as per income tax Act dated 31.03.2017 & 28.04.2017 . Which has been subsequently paid and settled.			



22 (II) a. Dues to Micro and small Suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 02 October 2006, certain disclosures are required to be made relating to MSME. On the basis of the information and records available with the Company, the following disclosures are made for the amounts due to the Micro and Small Enterprises.

b. Earnings in Foreign Currency

Revenue from operations

- Multi-modal transport operations

Other income

c. Expenditure in Foreign Currency

fees

Others:

(a) Operating expenses

- Multi-modal transport operations

(c) Membership and subscription

(d) Travel expenses

(e) Other expenses

- Overseas Conferences

- Rent of Computer Software

- Training & Development

	31 March 2017	31 March 2016	01 April 2015
Revenue from operations	3,521	1,279	2,460
- Multi-modal transport operations	-	-	-
Other income	3,521	1,279	2,460
c. Expenditure in Foreign Currency			
fees			
Others:			
(a) Operating expenses			
- Multi-modal transport operations	4,111	1,852	2,050
(c) Membership and subscription	6	8	4
(d) Travel expenses	5	4	3
(e) Other expenses			
- Overseas Conferences	-	3	1
- Rent of Computer Software	13	43	40
- Training & Development	-	1	-
	4,135	1,910	2,097

Note : Pursuant to Business Transfer Agreement which is effective from 1st July, 2016 between Hindustan Cargo limited (HCL) and Avvashya CCI Logistics Pvt. Ltd (ACCI) . All transactions from 1st July, 2016 onwards have been done by HCL in Trust on behalf of (ACCI). Hence, all transactions in foreign currency after 1st July, 2016 was also included in reported transaction of 31st March, 2017 as above.

d. Details on derivatives instruments and unhedged foreign currency exposures:-

The company has no derivative instruments.

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	31st March, 2017			31st March, 2016		
	Currency	Amount	INR Amount	Currency	Amount	INR Amount (in lakhs)
Trade and Other Creditors						
	AUD	2,031	1.05			
	CAD	319	0.17			
	CHF	1,542	1.08			
	EUR	1,13,218	86.54			
	GBP	6,601	6.38			
	HKD	32,618	2.87			
	JPY	19,10,338	11.61			
	SGD	3,651	1.83			
	THB	68,150	1.32			
	USD	2,53,086	168.99			
	IDR	68,22,100	0.35			
	MYR	3,287	0.53			
					92,16,942	282.73
Trade Receivables						
	USD	4,59,611	299.16			
	EUR	33,547	24.64			
	GBP	803	0.75			
					4,93,961	324.55

Note : Pursuant to Business Transfer Agreement which is effective from 1st July, 2016 between Hindustan Cargo limited (HCL) and Avvashya CCI Logistics Pvt. Ltd (ACCI) . All transactions from 1st July, 2016 onwards have been done by HCL in Trust on behalf of (ACCI). Hence, as on 31st March, 2017 no transactions reported in HCL, and same was considered in ACCI.



Hindustan Cargo Ltd
Notes to the financial statements as at and for the year ended 31 March 2017
(Indian rupees in lakhs, except share data)

23 Related party transactions

As per the requirements of Ind AS 24, on Related party Disclosures, notified by Companies Accounting Standards Rules, 2015 and the relevant provisions of the Companies Act 2013, the names of the related parties with description of relationships and transactions between a reporting enterprise and related parties, as identified and certified by management are as follows:

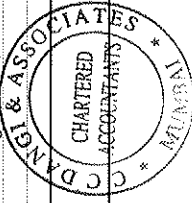
Other related parties

I. Holding Company

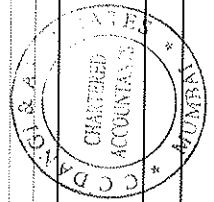
Allcargo Logistics Limited

II. Fellow subsidiaries

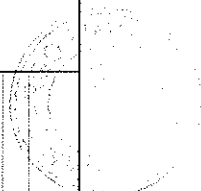
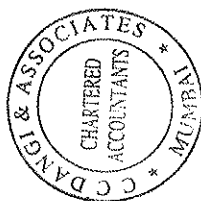
Contech Transport Services Pvt. Ltd.	Ecu Worldwide China (Shanghai) Ltd (formerly known as China Consolidation Services Ltd.)
Ecu Line (India) Pvt. Ltd.	Ecu Worldwide (Colombia) S.A.S (formerly known as Ecu-Line de Colombia S.A.S)
Allcargo Shipping Co Pvt Ltd.	Ecu Worldwide Costa Rica S.A. (formerly known as Conecil International S.A.)
South Asia Terminals Pvt Ltd.	Ecu Worldwide (Cyprus) Ltd (formerly known as Ecu-Line Mediterranean Ltd.)
Southern Terminals & Trading Pvt. Ltd.	ECU WORLDWIDE (CZ) s.r.o. (formerly known as Ecu-Line (CZ) s.r.o.)
AGL Warehousing Pvt. Ltd.	Ecu - Worldwide - (Ecuador) S.A. (formerly known as Ecu-Line del Ecuador S.A.)
Allcargo Logistics Park Pvt Ltd.	Flamingo Line del Ecuador SA
Ecu International (Asia) Pvt. Ltd.	Ecu World Wide Egypt Ltd (formerly known as Ecu Line Egypt Ltd.)
Comptech Solutions Pvt.Ltd.	Ecu Worldwide (El Salvador) S.P. Z.o.o S.A. de CV (formerly known as Flamingo Line El Salvador SA de CV)
Amfin Consulting Pvt. Ltd.	ECU WORLDWIDE (Germany) GmbH (formerly known as Ecu-Line Germany GmbH)
Transindia Logistic Park Pvt Ltd.	ELWA Ghana Ltd.
Combi Line Indian Agencies Pvt. Ltd.	Ecu Worldwide (Guatemala) S.A. (formerly known as Flamingo Line de Guatemala S.A.)
Acex Logistics Limited (formerly known as HC Logistics Ltd.)	Ecu Worldwide (Hong Kong) Ltd (formerly known as Ecu-Line Hong Kong Ltd.)
Credo Shipping Agencies (I) Pvt. Ltd.	Ecu International Far East Ltd
Avasthya CCI Logistics Private Limited (w.e.f 29th June 2016)	COS Shipping Ltd.
Ecu-Line Algerte sarl	Ecu-Line Hungary Kft
Ecu Worldwide (Argentina) SA (formerly known as Ecu Logistics SA)	PT EKA Consol Utama Line
Ecu Worldwide Australia Pty Ltd (formerly known as Ecu-Line Australia Pty Ltd.)	Ecu Worldwide Italy S.r.l. (formerly known as Ecu-Line Italia srl.)
Integrity Enterprises Pty Ltd	Eurocentre Milan srl
Ecu Worldwide (Belgium) (formerly known as Ecu-Line N.V)	Ecu Worldwide (Cote d'Ivoire) sarl (formerly known as Ecu-Line Côte d'Ivoire Sarl)
Ecu-Logistics N.V.	Ecu Worldwide (Japan) Ltd (formerly known as Ecu-Line Japan Ltd.)
FMA-Line Holding N. V. (formerly known as Ecu-Line N.V.)	Jordan Gulf for Freight Services and Agencies Co. LLC
Ecu-Tech bvba	Ecu Worldwide (Kenya) Ltd (formerly known as Ecu-Line Kenya Ltd.)
Ecuhold N.V.	Ecu Shipping Logistics (K) Ltd.
Ecu International N.V.	Ecu Worldwide (Malaysia) SDN. BHD. (formerly known as Ecu-Line Malaysia Sdn. Bhd.)
Ecu Global Services n.v.	Ecu-Line Malta Ltd.
HCL Logistics nv	Ecu Worldwide (Mauritius) Ltd (formerly known as Ecu-Line Mauritius Ltd.)
European Customs Brokers N.V.	CELM Logistics SA de CV
AGL N.V.	Ecu Worldwide Mexico (formerly known as Ecu Logistics de Mexico SA de CV)
Allcargo Belgium N.V.	Ecu Worldwide Morocco (formerly known as Ecu-Line Maroc S.A.)
Ecu Worldwide Logistics do Brazil Ltda (formerly known as Ecu Logistics do Brasil Ltda.)	Ecu Worldwide (Netherlands) B.V (Ecu-Line Rotterdam BV)
Ecu-Line Bulgaria EOOD	Rotterdam Freight Station BV
Ecu Worldwide (Canada) Inc. (formerly known as Ecu-Line Canada Inc)	FCL Marine Agencies B.V
Ecu Worldwide (Chile) S.A (formerly known as Ecu-Line Chile S.A)	Ecu Worldwide New Zealand Ltd (formerly known as Ecu-Line NZ Ltd.)
Flamingo Line Chile S.A.	Ecu Worldwide (Panama) S.A (formerly known as Ecu-Line de Panama SA)
Ecu Worldwide (Guangzhou) Ltd (formerly known as Ecu-Line Guangzhou Ltd)	Ecu-Line Paraguay SA
China Consolidation Services Shipping Ltd	Flamingo Line del Peru SA



Ecu-Line Peru SA	Joint Venture
Ecu Worldwide (Philippines) Inc (formerly known as Ecu-Line Philippines Inc.)	Transpapel Freight Services Pvt Ltd
Ecu Worldwide (Poland) Sp zoo (formerly known as Ecu-Line Polska SP Z o.o.)	Ecu Worldwide Peru S.A.C (formerly known as Ecu Logistics Peru SAC)
Ecu-Line Doha W.L.L.	Fasder S.A.
Ecu Worldwide Romania SRL (formerly known as Ecu-Line Romania SRL)	Centro Brasileiro de Armazenagem E Distribuicao Ltda (Bracenter)
Ecu-Line Saudi Arabia LLC	Associates
Ecu - Worldwide (Singapore) Pte. Ltd (formerly known as Ecu-Line Singapore Pte. Ltd.)	Allcargo Logistics Lanka Pvt Ltd
Ecu Worldwide (South Africa) Pty Ltd (formerly known as Ecu-Line South Africa (Pty.) Ltd.)	Gantoni General Enterprises Ltd.
Ecu-Line Spain S.L.	FCL Marine Agencies GmbH (Hamburg)
Mediterranean Cargo Center S.L. (MCC)	FCL Marine Agencies GmbH (Bremen)
ECU Worldwide Lanka (Private) Ltd. (formerly known as Ecu Line Lanka (Pvt) Ltd.)	OVCL Vietnam Ltd
Ecu-Line Switzerland GmbH	INEGA N.V.
Ecu Worldwide (Thailand) Co. Ltd (formerly known as Ecu-Line (Thailand) Co. Ltd.)	
Société Ecu-Line Tunisie Sarl	
Ecu Worldwide Turkey Tasimacilik Ltd Sirketi (formerly known as Ecu Uluslarasi Tas. Ve Ticaret Ltd. Sti.)	
Ecu-Line Middle East LLC	
Ecu-Line Abu Dhabi LLC	
Eurocentre FZCO	
China Consolidated Company Ltd.	
Star Express Company Ltd.	
Ecu Worldwide (UK) Ltd (formerly known as Ecu-Line UK Ltd)	
S.H.E. Maritime Services Ltd.	
Ecu Worldwide (Uruguay) S.A. (formerly known as DEOLIX S.A.)	
CLD Compania Logistica de Distribucion SA	
Guildary S.A.	
PRISM GLOBAL, LLC	
Econocaribe Consolidators, Inc.	
Econoline Storage Corp.	
ECI Customs Brokerage, Inc.	
OTI Cargo, Inc.	
Ports International, Inc.	
Administradora House Line C.A.	
Consolidadora Ecu-Line C.A.	
Ecu Worldwide Vietnam Co., Ltd (formerly known as Ecu-Line Vietnam Co Ltd)	
Ocean House Ltd.	
Ecu-Line Zimbabwe (Pvt) Ltd.	
Asia Line Ltd	
Contech Transport Services (Pvt) Ltd	
Prism Global Ltd. (Formerly known as Ecu Line Ltd)	
FMA-LINE France S.A.S.	
Cargo Freight Station S.A.	
Allcargo Logistics LLC	
Eculine Worldwide Logistics Co. Ltd.	
FMA-LINE Nigeria Ltd	
Ecu Worldwide (Uganda)	
Allcargo Logistics Lanka (Private) Limited	
FMA Line Agencies Do Brasil Ltda	
FCL Marine Agencies Belgium bvba	



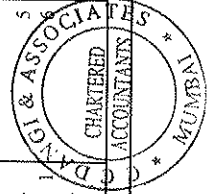
III. Fellow associates	
Allcargo Logistics Lanka Pvt Ltd	
Gantoni General Enterprises Ltd	
FCL Marine Agencies GmbH (Hamburg)	
FCL Marine Agencies GmbH (Bremen)	
QVCL Vietnam Ltd	
INEGA N.V.	
IV. Fellow Joint ventures	
Transnepal Freight Services Pvt Ltd	
Ecu Worldwide Peru S.A.C. (formerly known as Ecu Logistics Peru SAC)	
Fasder S.A.	
Centro Brasileiro de Armazenagem E Distribuicao Ltda (Bracenter)	
V. Associates	
Avashya CCI Logistics Pvt. Ltd. (Formerly known as "CCI Integrated Logistics Pvt Ltd")	
VI. Key managerial personnel	
Mr. Kaiwan Kalyaniwala, Director	
Mr. S. Suryanarayanan - Executive Director	
Mr. Jatin J. Chokshi - Executive Director	
Mr. Hari Lakshminarayan Munda, Independent Director w.e.f. 16th March, 2015	
Mr. Mohinder Pal Bansal, Independent Director w.e.f. 16th March, 2015	
Mr. Deepal Shah, C.E.O. upto 30th June 2016	
Mr. Ramesh Mora, C.F.O. Upto 30th June 2016	
Mr. Dhanush Yadav, Company Secretary w.e.f. 10th August, 2015	
VII. Relatives of Key Management Personnel	
Mrs. Nikita D. Shah	



Summary of transactions with related parties:											
	Holding Company			Fellow Subsidiaries			Associates/Joint Ventures				
	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015		
Multimodal Transport Income	4,983	2,812	3,385	784	89	63	-	-	-	-	-
Multimodal Transport expenses	571	1,003	864	74	88	82	-	-	-	-	-
Reimbursement Income	1	-	-	-	-	-	-	-	-	-	-
Reimbursement Charges	0	-	-	1	-	-	-	-	-	-	-
Interest Paid on Loan	49	11	2	-	-	-	-	-	-	-	-
Interest Paid on advances	8	0	0	-	-	-	-	-	-	-	-
Reimbursement of Custom Duty & other Expenses	662	-	0	-	-	-	-	-	-	-	-
Back to back Billing Income	-	-	-	-	-	-	19,123	-	-	-	-
Back to back Billing Cost	-	-	-	-	-	-	19,017	-	-	-	-
Interest Recd on Advances	-	-	-	-	-	-	7	-	-	-	-
Services Received/ Maintenance paid	-	25	19	-	-	-	-	-	-	-	-
Rent paid	-	3	3	6	-	-	-	-	-	-	-
Redemption of Preference Shares (Rs.52.12 Lakhs) including Share Premium (Rs.729.68 lakhs)	-	-	782	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-	-
Opening Balance of Loan	50	-	-	-	-	-	-	-	-	-	-
Add: Loan taken	925	515	390	-	-	-	-	-	-	-	-
Less: Loan repaid	482	465	390	-	-	-	-	-	-	-	-
Loan Outstanding	494	50	-	-	-	-	-	-	-	-	-
Advance Payable	168	-	-	-	-	-	-	-	-	-	-
Interest on Loan & Advances Payable	51	1	-	-	-	-	-	-	-	-	-
Due's Receivables	153	110	12	73	21	10	-	-	-	-	-
Due's Payable	52	461	134	7	8	14	276	-	-	-	-
Trust Fund A/c. (Due's Payable)	-	-	-	-	-	-	244	-	-	-	-
Slump Sale of Business to Avvashya CCI Logistics Pvt Ltd (ACCI)	-	-	-	-	-	-	-	-	-	-	-
Net Asset transferred to ACCI	-	-	-	-	-	-	3,389	-	-	-	-
Investment Made in Share of ACCI	-	-	-	-	-	-	3,130	-	-	-	-

Note : Pursuant to Business Transfer Agreement which is effective from 1st July, 2016 between Hindustan Cargo limited (HCL) and Avvashya CCI Logistics Pvt. Ltd (ACCI). All transactions between Hindustan Cargo Limited and its Related Parties have been reported post 1st July, 2016 on Back to Back Billing Arrangements as specified in BTA. . Same transactions have been done in Trust on behalf of Avvashya CCI Logistics Pvt. Ltd (ACCI).

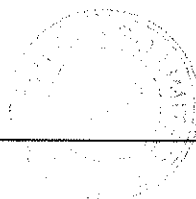
	Key Managerial Personnel and their relatives			Entities over which key managerial personnel exercises significant influence		
	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
Advance for Operations to CEO	-	5	5	-	-	-
Rent for Vehicle Hire	-	5	7	-	-	-
Trade Receivables : Meridian Tradeplace Pvt Ltd	-	-	-	-	-	2



Hindustan Cargo Ltd
Notes to the financial statements as at and for the year ended 31 March 2017
(Indian rupees in lakhs)

24 Reconciliation of equity as at 1 April 2015 (date of transition to Ind AS)

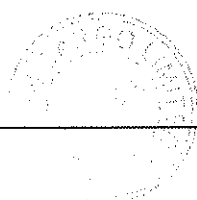
	Foot Notes	I GAAP	Adjustments	Ind AS
Assets				
Non-current assets				
Property, plant and equipment (net)		165	-	165
Capital work-in-progress		15	-	15
Other intangible assets		6	-	6
Financial assets				
Investments		6	-	6
Other financial assets		19	7	27
Deferred tax assets (net)		202	(151)	51
Non-current tax assets (net)		385	-	385
Other non-current assets		-	2	2
Total - Non-current assets		799	(142)	657
Current assets				
Financial assets				
Loans		9	-	9
Trade receivables		3,373	429	3,802
Cash and cash equivalents		27	(0)	27
Other financial Asset		130	(5)	125
Other current assets		911	4	915
Total - Current assets		4,450	427	4,878
Total Assets		5,249	286	5,535
Equity and Liabilities				
Equity				
Equity share capital		123	(98)	25
Other equity				
Equity component of Redeemable Non-Cumulative Non-Convertible Preference Shares		-	68	68
Equity component of Corporate Guarantee		-	16	16
Other Reserves				
Share premium		1,439	-	1,439
General reserve		23	-	23
Retained earnings		1,601	247	1,849
Capital Redemption Reserve (Note 12)		60	-	60
Equity attributable to equity holders of the parent		3,247	233	3,480
Total Equity		3,247	233	3,480
Non-current liabilities				
Financial liabilities				
Borrowings		-	45	45
Net employment defined benefit liabilities		48	-	48
Total - Non-current liabilities		48	45	92
Current liabilities				
Financial liabilities				
Borrowings		350	-	350
Trade payables		1,042	-	1,042
Other payables		-	8	8
Net employment defined benefit liabilities		10	-	10
Other Current liabilities		553	0	553
Total - Current liabilities		1,955	8	1,963
Total equity and liabilities		5,250	286	5,535



Hindustan Cargo Ltd
Notes to the financial statements as at and for the year ended 31 March 2017
(Indian rupees in lakhs)

Reconciliation of equity as at 31 March 2016 (date of transition to Ind AS)

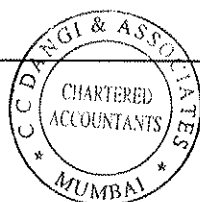
	Foot Notes	I GAAP	Adjustments	Ind AS
Assets				
Non-current assets				
Property, plant and equipment (net)		144	(0)	143
Capital work-in-progress		2	-	2
Other intangible assets		32	-	32
Intangible assets under development		70	-	70
Financial assets		-	-	-
Other financial assets		21	3	24
Deferred tax assets (net)		163	(123)	40
Non-current tax assets (net)		745	-	745
Other non-current assets		5	9	14
Total - Non-current assets		1,182	(112)	1,071
Current assets				
Financial assets		-	-	-
Loans		7	-	7
Trade receivables		3,067	352	3,420
Cash and cash equivalents		38	0	38
Other Financial Asset		144	(10)	135
Other current assets		670	5	675
Total - Current assets		3,927	348	4,274
Total Assets		5,109	236	5,345
Equity and Liabilities				
Equity				
Equity share capital		123	(98)	25
Other equity				
Equity component of Redeemable Non-Cumulative Non-Convertible Preference Shares		-	68	68
Equity component of Corporate Guarantee		-	16	16
Other Reserves				
Share premium		1,439	-	1,439
General reserve		23	-	23
Retained earnings		1,680	188	1,869
Capital Redemption Reserve (Note 9)		75	-	75
Equity attributable to equity holders of the parent		3,341	174	3,515
Total Equity		3,341	174	3,515
Non-current liabilities				
Financial liabilities		-	-	-
Borrowings		-	50	50
Total - Non-current liabilities		-	50	50
Current liabilities				
Financial liabilities		-	-	-
Borrowings		407	-	407
Trade payables		629	-	629
Other payables		-	12	12
Net employment defined benefit liabilities		67	-	67
Other Current liabilities		665	(0)	665
Total - Current liabilities		1,768	12	1,780
Total equity and liabilities		5,109	236	5,345



Hindustan Cargo Ltd
Notes to the financial statements as at and for the year ended 31 March 2017
(Indian rupees in lakhs)

Reconciliation of profit or loss for the year ended 31 March 2016

	Foot Notes	I GAAP	Adjustments	Ind AS
Continuing operations				
Income				
Revenue from operations		-	-	-
Other income		11	-	11
Finance income		0	-	0
Total income		11	-	11
Expenses				
Finance costs		36	7	43
Total expenses		36	7	43
Profit/(loss) before share of (profit)/loss of an associate and a joint venture and tax from continuing operations		(25)	(7)	(32)
Share of (profit)/loss of an associate and a joint venture		-	-	-
Profit before tax from continuing operations		(25)	(7)	(32)
Tax expenses:				
Current tax		-	-	-
Adjustment of tax relating to earlier periods		-	-	-
Deferred tax credit/(charge)		-	2	2
Total tax expense		-	2	2
Profit for the year from continuing operations		(25)	(10)	(34)
Discontinued operations				
Profit/(loss) before tax for the year from discontinued operations		236	(78)	158
Tax Income/ (expense) of discontinued operations		117	(31)	86
Profit/ (loss) for the year from discontinued operations		118	(47)	71
Profit for the year (A)		94	(57)	37
Other Comprehensive Income:				
Items that will be reclassified subsequently to profit or loss:				
Items that will not be reclassified subsequently to profit or loss:				
Re-measurement gain/(losses) on defined benefit plans		-	(2)	(2)
Income tax effect				
Other Comprehensive Income for the year, net of tax (B)			(2)	(2)
Total Comprehensive income for the year, net of tax (A) + (B)		94	(59)	35
Footnotes to the reconciliation of equity as at 01 April 2015 (date of transition) and 31 March 2016 and profit/loss for the year ended 31 March 2016:				
1. Trade receivables :-				
Under Indian GAAP, the Company has created provision for impairment of receivables based on management estimates. As per the management practice any trade receivables which remained outstanding for more than 6 months needs to be provided at 100% of receivable amount. In case of disputed trade receivables 100% provision of the same has been done.				
Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model (ECL). Disputed trade receivables provision made earlier has been kept out from the application of ECL model. Accordingly, the Company has written back the excess provision to the extent of Rs 428.80 lakhs as on date of transition. For the year ended 31 March 2016, incremental provision on account of ECL was Rs 76.38 lakhs has been provided in the accounts.				



Hindustan Cargo Ltd
Notes to the financial statements as at and for the year ended 31 March 2017
(Indian rupees in lakhs)

2. Non-convertible preference shares :-

The Company has issued Redeemable non-convertible preference shares. The preference shares carry fixed rate of dividend which will be declared as per the discretion of management. Under Indian GAAP, the preference shares were classified as equity.

Under Ind AS 32 "Compounded financial instruments", such non-convertible preference shares are separated into liability as well as equity components based on the terms and tenure of redemption of preference shares. Dividend expectation has not been taken into consideration while bifurcating preference shares into liability as well as equity component since it has been assumed that management has no intent to declare the dividend in the coming years and remained conservative with respect to the same. Accordingly, the preference share capital has been bifurcated into equity component of preference shares grouped under equity at Rs 67.89 lakhs and borrowing component of preference shares has been accounted at Rs. 43.56 lakhs under borrowing.

As on date of transition Rs 14.16 lakhs interest on borrowing portion of preference shares has been provided in opening retained earnings. Similarly for financial year 31 March 2016, Rs 5.55 lakhs interest has been provided in profit and loss. The same has been accumulated in borrowing portion of preference shares.

3. Fair valuation of Rental Security Deposits (SD) given to various landlords :-

The Company has fair valued its SD in the financial statements as per the requirements of Ind AS 109 "Financial instruments". The difference in Original amount of Security deposit given and its present value (PV) at the date of inception which is calculated at Effective Interest Rate (EIR) method has been accounted as deferred lease expenses in the financial statements. The same was Rs 16.21 lakhs. Till the date of transition, Rs 10.14 lakhs were amortised out of the same and adjusted in Opening retained earnings. Balance deferred lease expenses of Rs 6.07 lakhs were carried forward under other current assets. For any fresh SD given during financial year 31 March 2016 similar treatment was given under deferred lease expenses. As on 31 March 2016, the Company has amortised Rs 4.77 lakhs through profit and loss.

Similarly notional Interest income at EIR method has been calculated on the PV of SD amount and till the date of transition Rs 9.48 lakhs has been accrued in opening retained earnings. As on 31 March 2016, the Company has accounted Rs 5.00 lakhs as a notional interest income and recognised it through profit and loss.

4. Unamortised notional Corporate guarantee charges :-

During Financial year ended 31 March 2016, the holding company has executed Corporate guarantee (CG) in favor of borrower on behalf of the Company so as to sanction cash credit facility for its working capital requirements. As per Ind AS 109 "Financial instruments" such indirect benefit extended by the holding Company is treated as additional equity contribution. Accordingly, Company has fair valued equity component of Corporate guarantee provided by its holding company and accounted it under equity at Rs 16.21 lakhs with corresponding effect under "unamortised Corporate Guarantee charges" grouped under "Other financial assets". The same is required to be amortised over the tenure of loan. For the financial year ended 31 March 2016 the Company has provided Rs 1.78 lakhs as notional CG expenses grouped under "finance cost".

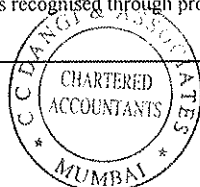
5. Rental expenses straightlining only in the cases where annual incremental rate factored in the Rent agreements is not in line with national inflation rate/index :-

The company has straightlined its rental expenses over the tenure of Rental agreement. Accordingly till the date of transition Rs 8.41 lakhs has been recognised as additional rent expenses and the same has been adjusted in opening retained earnings. For the financial year ended 31 March 2016, Rs 3.76 lakhs were charged to profit and loss and grouped under other expenses. As on date of transition the additional liability of Rs 8.41 lakhs has been recognised under Trade payable. The same will get reversed in subsequent years.

6. Deferred tax :-

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is Rs 151.24 lakhs. For the financial year 31 March 2016, Rs 28.31 lakhs deferred tax reversal was recognised through profit and loss.



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25 Fair value

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value			Fair value		
	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
Financial assets						
Other financial assets	13	159	152	13	159	152
Cash and Cash equivalents	244	38	27	244	38	27
Shor term Loans and advances	-	7	9	-	7	9
Trade receivables	-	3,420	3,802	-	3,420	3,802
Total	257	3,624	3,990	257	3,624	3,990
Financial liabilities						
Borrowings (Including Borrowing Component of Non-convertible preference shares)	550	457	395	550	457	395
Trade and other payables	735	641	1,051	735	641	1,051
Total	1,285	1,098	1,446	1,285	1,098	1,446

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

26 Fair Hierarchy :

The Company uses following hierarchy for determining and disclosing the fair value of long term financial instruments:-

Level 1: Quoted (Unadjusted) price in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which uses inputs that have significant effect on the recorded fair value that are not based on observable market data.

Since the management has assessed that it has short term financial instruments whose Fair value largely approximates their carrying amounts, the aforesaid defined hierarchy will not be applicable for the same.

27 Financial risk management objectives and policies

The Company is exposed to foreign currency risk, credit risk and liquidity risk and risk related to its receivables. The Company's senior management oversees the management of these risks.

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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

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 foreign exchange transactions 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. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. Management monitors the company's

28 Capital management

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

	31 March 2017	31 March 2016	01 April 2015
Borrowings (Note 13)	550	457	395
Trade payables (Note 16.1)	688	629	1,041
Other payables (Note 16.2)	47	12	8
Less: cash and cash equivalents (Note 10.4)	(244)	(21)	(27)
Net debt	1,041	1,077	1,418
Equity	3,084	3,515	3,480
Total capital	3,084	3,515	3,480
Capital and net debt	4,125	4,592	4,898
Gearing ratio	25%	23%	29%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2017 and 31 March 2016.



A
B
(A+B)

Hindustan Cargo Ltd
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29 First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first IND AS Financial statements that the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP)

The Company has prepared financial statements which comply with Ind AS applicable for periods ended on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 01 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 01 April 2015 and the financial statements as at and for the year ended 31 March 2016.

The company elected to continue with the carrying value of its property, plant and equipment as recognised in the financial statements as at the date of the transition to Ind AS, measured as per the previous GAAP and considered that as its deemed cost as at the date of transition. This exemption was considered for intangible assets covered by Ind AS 38. Accordingly the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

30 Details of Cash transaction during demonetization period of 09-11-2016 to 30-12-2016 :-

Particulars	Formula	SBNs (old currency note of 500 & 1000)	Other Denomination notes (100/50/20/10/5/1/ coins & New currency note of 2000 & 500)	Grand Total
		P	Q	R=P+Q
Opening Cash in hand as on 09-11-2016	A	1	5	5
(+) Permitted Receipts				
a) Employee Imprest Received	B	-	6	6
b) Cash Sales		-	0	0
c) Cash Withdrawals from bank		-	23	23
(-) Permitted Payments	C	-	32	32
(-) Amount Deposited in Bank	D	1	0	0
Closing Cash in hand as on 30-12-2016	E=A+B-C-D	0	2	2

Note 1 - Amount of cash in hand in Specified Bank notes - The Old currency note of Rs 500/- and Rs.1000/-.

Note 2 - Amount of cash in hand in other denominations - Existing currency note/coins of 100/50/20/10/5/1 New currency note of 2000 & 500 .

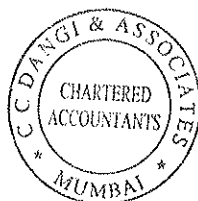
Note 3 : Pursuant to Business Transfer Agreement which is effective from 1st July, 2016 between Hindustan Cargo limited (HCL) and Avvashya CCI Logistics Pvt. Ltd (ACCI) . All transactions from 1st July, 2016 onwards have been done by HCL in Trust on behalf of (ACCI). Hence, all transactions reported as above related to ACCI only.

As per our report of even date attached

For C C Dangl & Associates
Chartered Accountants
ICAI firm registration No.102105W

Mr. C C Dangl
Partner
Membership No.036074

Place - Mumbai
Date: May 17, 2017



For and on behalf of Board of directors of
Hindustan Cargo Ltd
CIN-U63010MH1993PLC075480

Mr. Jatin Chokshi
Director
DIN-00495015

Mr. Suryanarayanan S.
Director
DIN-00444230

