

C C Dangi & Associates

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Hindustan Cargo Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **Hindustan Cargo Limited** ("the Company"), which comprise the Balance sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, its Loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date which are designed to prepare the Consolidated Ind AS Financial Statements of Allcargo Logistics Limited as at 31st March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusions thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related

disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is issued solely for the purpose of inclusion in the Consolidated Ind AS Financial Statement of Allcargo Logistics Limited. This report may not be useful for any other purpose.

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 Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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”**.
- (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.

For C C Dangi & Associates

Chartered Accountants

Firm Reg. No.102105W

Sd/-

Chimanlaal C. Dangi

Partner

Membership No.: 036074

UDIN: 20036074AAAABC9211

Mumbai, 17th June, 2020

Annexure A to the Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report to the members of **Hindustan Cargo Limited** (the "Company") on the Ind AS financial statements for the year ended 31st March, 2020, we report that:

- (i) In respect of its fixed assets:
 - (a) The Company does not have any fixed assets or immovable property which are classified as Fixed assets. Accordingly, paragraph 3(i)(a), 3(i)(b), 3(i)(c) is not applicable.
- (ii) The company is a service company and does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (b) and iii (c) of the order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has complied with the provisions of section 185 and 186 during the period under audit. Consequently, provision of this clause of the order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public so as to require any compliance of the directives of Reserve Bank of India or the provisions of section 73 or 76 of the Companies Act, 2013. As explained to us, the Company has not received any order passed by the Company Law Board or the National Company Law Tribunal or any court or other forum.
- (vi) According to the information and explanation given to us, maintenance of cost records is not applicable to the Company.
- (vii) In respect of its statutory dues:
 - (a) In our opinion and according to the information and explanations given to us, the Company is normally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, TDS, GST, Profession tax, cess and any other applicable statutory dues to the appropriate authorities. There is no outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no disputed dues of income tax, GST which have not been deposited with the appropriate authority 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.
Service Tax	2012-13 to 2014-15	6,961.62	Company preferred appeal with CESTAT, Mumbai which is yet pending.

- (viii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not defaulted in repayment of dues to its debenture holders, financial institutions and bankers. The Company did not have outstanding dues to government during the year.
- (ix) The Company has not raised any money by way of initial public offer or term loans accordingly, paragraph 3(ix) of the order is not applicable to the Company.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit nor have we been informed of such case by the management.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company is not a public Company and this provision of Section 197 read with Schedule V of the Act is not applicable to the Company. Accordingly, para 3(xi) of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company as defined under section 406 of the Companies Act, 2013. Accordingly, para 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties during the current audit year are in compliance with section 177 and 188 of Companies Act, 2013. The Company has complied with the requirement disclosing the details in the Ind AS Financial Statements and as required by the applicable accounting standards.

- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Hence, para 3(xiv) of the Order is not applicable to the Company.
- (xv) On the basis of information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, para (xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, para (xvi) of the Order is not applicable to the Company.

For C C Dangi & Associates

Chartered Accountants

Firm Reg. No.102105W

Sd/-

Chimanlal C. Dangi

Partner

Membership No.: 036074

UDIN: 20036074AAAABC9211

Mumbai, 17th June, 2020

Annexure - B to the Independent Auditor's Report

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

1. We have audited the internal financial controls over financial reporting of **Hindustan Cargo Limited** ("the Company") as of 31st March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended and as at on that date.

Management's Responsibility for Internal Financial Controls

2. 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

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 with reference to Ind AS financial statements

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

6. 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

7. 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 31st March, 2020, 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

Firm Reg. No.102105W

Sd/-

Chimanlal C. Dangi

Partner

Membership No.: 036074

UDIN: 20036074AAAABC9211

Mumbai, 17th June, 2020

HINDUSTAN CARGO LIMITED

Notes to the financial statements for the year ended 31 March 2020

1. Significant accounting policies

1.1 (a) Statement of compliance

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules 2017 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.

(c) Going Concern

The Board of Directors of Company passed the resolution at their meeting held on 8th November, 2019 to proposed Scheme of Amalgamation (Merger by Absorption) of Hindustan Cargo Limited ("HCL") ("Transferor Company / the Company") with its parent Company Allcargo Logistics Limited ("Transferee Company") and their respective Shareholders (the "Scheme") with effect from Appointed Dated of 1st April, 2020).

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 realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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.

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.

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

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Notes to the financial statements for the year ended 31 March 2020

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.

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.

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

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

Until March 31, 2018, revenue and other operating income were generally recognised when services were rendered, the amount of revenue and income could be reliably measured and, in all probability, the economic benefits from the transactions would flow to the Company. The Company applied Ind AS 115 Revenue from Contracts with Customers, for the first time. Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires specific disclosures the specific recognition criteria described below must also be met before revenue is recognized

Multimodal transport income

Before adopting Ind AS 115, Export revenue was recognised on sailing of vessel and import revenue is recognised as and when related services were performed. Under Ind AS 115, the Company recognises export revenue and import revenue when the vessel arrives at the port of destination which is the Company's completion of performance obligation.

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.

Changes in Accounting Policy

The application of Ind AS 115 has impacted the Company's accounting for multimodal transport operations relating to export freight & origin activities where the revenue is now deferred on completion of performance obligation. The Company has applied modified retrospective approach and have concluded that as at April 01, 2018 there is no impact in the retained earnings for transitional provision.

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Notes to the financial statements for the year ended 31 March 2020

f. Contract balances

Contract balances include trade receivables, contract assets and contract liabilities.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables are separately disclosed in the financial statements.

Contract assets

Contract asset includes the costs deferred for multimodal transport operations relating to export freight & origin activities and Container freight stations operations relating to import handling and transport activities where the Company's performance obligation is yet to be completed.

Additionally, a contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

g. 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.

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Notes to the financial statements for the year ended 31 March 2020

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.

h. 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.

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.

i. 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 capitalized 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 amortized 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

HINDUSTAN CARGO LIMITED

Notes to the financial statements for the year ended 31 March 2020

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

j. 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.

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.

k. 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.

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.

HINDUSTAN CARGO LIMITED

Notes to the financial statements for the year ended 31 March 2020

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 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:

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.

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:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

HINDUSTAN CARGO LIMITED

Notes to the financial statements for the year ended 31 March 2020

- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. 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.

Equity investment made by the Company in Joint ventures are carried at cost.

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.

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.

HINDUSTAN CARGO LIMITED

Notes to the financial statements for the year ended 31 March 2020

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.

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.

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.

n. 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.

o. 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.

HINDUSTAN CARGO LIMITED

Notes to the financial statements for the year ended 31 March 2020

p. Earning Per Equity Share

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

For the purpose of calculating diluted earnings per share, the net profit of the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

As per Our Report of Even Date Attached

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

Sd/-

Mr. Chimanlal C. Dangi
Partner
Membership No.036074
UDIN: 20036074AAAABC9211
Place : Mumbai
Date: 17th June, 2020

For and on Behalf of Board of Directors of
Hindustan Cargo Ltd
CIN-U63010MH1993PLC075480

Sd/-

Sd/-

Mr. Deepal Vinod Shah
Director
DIN-03097638

Mr. Mohinder Pal Bansal
Director
DIN-01626343

Hindustan Cargo Ltd
Balance Sheet as at 31st March 2020
(Indian Rupees in lakhs, Except Share Data)

	Notes	31 March 2020	31 March 2019
Assets			
Non-current assets			
Interest in Subsidiary and Associates	1.1	3,130	3,130
Financial Assets			
Other Financial Assets	1.2	11	11
Deferred Tax Assets (Net)	2(a)	-	-
Non-Current Tax Assets (Net)	2(b)	538	1,304
Other Non-Current Assets	3	5	5
Total - Non-Current Assets		3,683	4,450
Current Assets			
Financial Assets			
Cash and Cash Equivalents	4.1	29	50
Other Financial Assets	4.2	5	4
Other current assets	3	126	110
Total - Current assets		161	164
Total Assets		3,844	4,614
Equity and Liabilities			
Equity			
Equity Share Capital	5	25	25
Other Equity	6		
Equity Component of Redeemable Non-Cumulative Non-Convertible Preference Shares		68	68
Equity Component of Corporate Guarantee		16	16
Other Reserves		2,985	3,009
Equity Attributable to Equity Holders of the Parent		3,094	3,118
Non-Controlling Interests			-
Total Equity		3,094	3,118
Non-Current Liabilities			
Financial Liabilities			
Borrowings	7	80	71
Net Employment Defined Benefit Liabilities	8	-	-
Deferred Tax Liability (Net)	2(a)	1	3
Other Non-Current Liabilities	9	-	-
Total - Non-Current Liabilities		81	74
Current Liabilities			
Financial Liabilities			
Borrowings	7	-	124
Trade Payables	10.1	650	1,271
Other Payables	10.2	-	12
Net Employment Defined Benefit Liabilities	8	-	3
Other Current Liabilities	9	19	11
Total - Current Liabilities		669	1,421
Total Equity and Liabilities		3,845	4,614

Significant Accounting Policies
Notes to the Financial Statements

1

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

For and on Behalf of Board of Directors of
Hindustan Cargo Ltd
CIN-U63010MH1993PLC075480

Sd/-

Sd/-

Sd/-

Mr. Chimanlaal C. Dangi
Partner
Membership No.036074
UDIN: 20036074AAAAABC9211
Place : Mumbai
Date: 17th June, 2020

Mr. Deepal Vinod Shah
Director
DIN-03097638

Mr. Mohinder Pal Bansal
Director
DIN-01626343

Hindustan Cargo Ltd
Statement of Profit and Loss For the Year Ended 31st March 2020
(Indian Rupees in Lakhs, Except Share Data)

	Notes	31 March 2020	31 March 2019
Continuing Operations			
Income			
Revenue From Operations	11	-	-
Finance Income	12	120	57
Total Income		120	57
Expenses			
Employee Benefits Expense	13	14	19
Finance Costs	14	19	36
Other Expenses	15	67	20
Total Expenses		99	74
Profit Before Share of Profit of Associates and Joint Ventures and Tax From Continuing Operations		20	(18)
Share of Profits of Associates and Joint Ventures		-	-
Profit Before Tax		20	(18)
Tax Expense:			
Current Tax		8	-
Adjustment of Tax Relating to Earlier Periods		39	5
Deferred Tax (Credit)/Charge		(2)	(3)
Total Tax Expense		44	2
Profit for the year from Continuing Operation (i)		(24)	(20)
Profit For the Year (A)		(24)	(20)
Other Comprehensive Income:			
Items that Will not be Reclassified Subsequently to Profit or Loss:			
Re-Measurement Gain/(Losses) On Defined Benefit Plans		-	-
Other Comprehensive Income for the Year, Net of Tax (B)		-	-
Total Comprehensive Income for the Year, Net of Tax (A) + (B)		(24)	(20)
Earnings Per Equity Share for Continuing Operations			
Basic and Diluted	16	(9.74)	(7.98)

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

For and on Behalf of Board of Directors of
Hindustan Cargo Ltd
CIN-U63010MH1993PLC075480

Sd/-

Sd/-

Sd/-

Mr. Chimanlal C. Dangi
Partner
Membership No.036074
UDIN: 20036074AAAABC9211
Place : Mumbai
Date: 17th June, 2020

Mr. Deepal Vinod Shah
Director
DIN-03097638

Mr. Mohinder Pal Bansal
Director
DIN-01626343

Hindustan Cargo Ltd
Statement of Cash Flows For the Period Ended 31st March 2020
(Indian Rupees in lakhs, Except Share Data)

	31 March 2020	31 March 2019
<u>Operating Activities</u>		
Profit Before Tax From Continuing Operations	20	(18)
Profit Before Tax	<u>20</u>	<u>(18)</u>
Adjustments To Reconcile Profit Before Tax To Net Cash Flows:		
Finance Costs	19	36
Interest Income on FD	(1)	(1)
Interest on Income Tax Refund	(90)	-
Dividend Income	(28)	(55)
Working Capital Adjustments:		
Decrease / (Increase) in Trade Receivables	-	-
Decrease / (Increase) in Long Term and Short Term Loans and Advances	750	(228)
(Decrease)/ Increase in Trade Payables, Other Current And Non	(616)	(66)
(Decrease)/ Increase in Provisions	<u>-</u>	<u>-</u>
Cash Generated From Operating Activities	53	(333)
Income Tax Paid (Including TDS) (Net)	<u>(47)</u>	<u>(5)</u>
Net Cash Flows From Continuing Operating Activities (A)	<u>6</u>	<u>(338)</u>
Investing Activities		
Dividend Income	28	55
Interest Income on FD	1	1
Interest on Income Tax Refund	90	-
Net Cash Flows From Continuing Operating Activities (B)	<u>120</u>	<u>57</u>
Financing Activities		
Proceeds from long term borrowings	-	-
Repayment of long term borrowings	(124)	(43)
Proceeds From Short Term Borrowings	-	-
Finance Costs	(22)	(16)
Net Cash Flows From Continuing Operating Activities (C)	<u>(146)</u>	<u>(58)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents Relating to Continued Operations (A+B+C)	(20)	(340)
Opening Balance of Cash and Cash Equivalents (refer note 4.1)	50	390
Cash and Cash Equivalents at the End (refer Note 4.1)	<u>29</u>	<u>50</u>

As Per Our Report of Even Date Attached
For C C Dangi & Associates
ICAI Firm Registration No.102105W
Chartered Accountants

Sd/-
Mr. Chimanlal C. Dangi
Partner
Membership No.036074
UDIN: 20036074AAAABC9211
Place : Mumbai
Date: 17th June, 2020

For and on Behalf of Board of Directors of
Hindustan Cargo Ltd
CIN-U63010MH1993PLC075480

Sd/-
Mr. Deepal Vinod Shah
Director
DIN-03097638

Sd/-
Mr. Mohinder Pal Bansal
Director
DIN-01626343

Hindustan Cargo Ltd
Statement of Changes in Equity for the Year Ended 31st March 2020
(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	No.	Amount
Equity Shares of INR10 each Issued, Subscribed and Fully Paid						
At 1 April 2018	2,50,000	25,00,000	95,855	95,85,500	2,500	2,50,000
Issue of Share Capital / Equity Component (Note 05)	-	-	-	-	-	-
At 31 March 2019	2,50,000	25,00,000	95,855	95,85,500	2,500	2,50,000
Issue of Share Capital (Note 05)	-	-	-	-	-	-
At 31 March 2020	2,50,000	25,00,000	95,855	95,85,500	2,500	2,50,000

(B) Other Equity:

For the Year Ended 31 March 2020

(Amount in Rs Lakhs)

Particulars	Other Equity (Preference Share Ind As) (Note 06)	Equity Contribution (Corporate Guarantee Ind As) (Note 06)	Other Equity				Total Equity
			Capital Redemption Reserve (Note 06)	Securities Premium Account (Note 06)	General Reserve (Note 06)	Balance in Statement of Profit and Loss (Note 06)	
As at 31st March 2019	68	16	104	1,439	23	1,442	3,093
Net Profit For the Period	-	-	-	-	-	(24)	(24)
Other Comprehensive Income	-	-	-	-	-	-	-
Total Comprehensive Income	68	16	104	1,439	23	1,418	3,069
Transferred to Capital Redemption Reserve	-	-	10	-	-	(10)	-
As at 31 March 2019	68	16	114	1,439	23	1,408	3,069
For the Year Ended 31 March 2018							
At 1 April 2019	68	16	95	1,439	23	1,472	3,113
Net Profit for the Period	-	-	-	-	-	(20)	(20)
Total Comprehensive Income	68	16	95	1,439	23	1,452	3,093
Transferred to Capital Redemption Reserve	-	-	10	-	-	(10)	(0)
As at 31 March 2020	68	16	95	1,439	23	1,442	3,093

As per Our Report of Even Date Attached

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

Sd/-
Mr. Chimanlaal C. Dangi
Partner
Membership No.036074
UDIN: 20036074AAAABC9211
Place : Mumbai
Date: 17th June, 2020

For and on Behalf of Board of Directors of
Hindustan Cargo Ltd
CIN-U63010MH1993PLC075480

Sd/-
Mr. Deepal Vinod Shah
Director
DIN-03097638

Sd/-
Mr. Mohinder Pal Bansal
Director
DIN-01626343

Hindustan Cargo Ltd
Notes to the financial statements as at and for the year ended 31st March 2020
(Indian rupees in lakhs, except share data)

2 Income tax

2(a). Deferred tax:

Deferred tax relates to the following:

Ind As Adjustment:

Preference Share & Corporate Guarantee

Deferred Tax Expense/(Income)

Deferred Tax Assets/(Liabilities)

MAT Credit Entitlement

Net Deferred Tax Assets/(Liabilities)

Balance Sheet		Profit and Loss	
31 March 2020	31 March 2019	31 March 2020	31 March 2019
(1)	(3)	(2)	(3)
(1)	(3)	(2)	(3)
(1)	(3)	-	-
-	-	-	-
(1)	(3)	(2)	(3)

Reflected In The Balance Sheet As Follows:

Deferred Tax Liabilities:

Continuing Operations

Deferred Tax Assets / (Liabilities) Net

Reconciliation Of Deferred Tax Liabilities (Net):

Opening Balance As Of 1 April

Tax Income/(Expense) During The Period Recognised In Profit Or Loss

Closing Balance As At 31 March

31 March 2020	31 March 2019
(1)	(3)
(1)	(3)
31 March 2020	31 March 2019
(3)	(6)
2	3
(0)	(3)

2(b). Income tax Assets (net)

Particulars

Advance Tax Recoverable (Net Of Provision For Taxes)

Others

31 March 2020	31 March 2019
538	1,304
-	-
538	1,304

The Major Components Of Income Tax Expense For The Years Ended 31 March 2020 And 31 March 2019 Are:

Statement of Profit and Loss:

Profit or Loss Section

Current Income Tax:

Current Income Tax Charge

Adjustments In Respect Of Current Income Tax Of Previous Year

Deferred Tax:

Relating To Origination And Reversal Of Temporary Differences

Income Tax Expense Reported In The Statement Of Profit Or Loss

31 March 2020	31 March 2019
8	-
39	5
(2)	(3)
44	2

Reconciliation Of Tax Expense And The Accounting Profit Multiplied By India's Domestic Tax Rate For 31 March 2020 And 31 March 2019:

Accounting Profit Before Tax From Continuing Operations

Accounting Profit Before Income Tax

At India's Statutory Income Tax Rate of 25.17% (31 March 2019: 32.445%)

Computed Tax Expenses

Timing Difference (Deferred Tax)

Income Not Considered For Tax Purpose

Expenses Not Allowed For Tax Purpose

Adjustment Of Tax Relating To Earlier Periods

Non-Deductible Expenses For Tax Purposes:

Other Non-Deductible Expenses

At The Effective Income Tax Rate Of 221% (31 March 2019: 0%)

Income Tax Expense Reported In The Statement Of Profit And Loss

20	(18)
20	(18)
5	-
(2)	(3)
3	-
39	5
-	-
44	2
44	2

Hindustan Cargo Ltd
Notes to the Financial Statements as at and for the Year Ended 31st March 2020
(Indian Rupees in lakhs, Except Share Data)

1 Financial Assets

	31 March 2020	31 March 2019
1.1 Investments		
Unquoted Equity Instruments (Fully Paid-Up) Associate		
2,76,950 (Previous year 2,76,950) Eq Shares of Avvashya CCI Logistics Pvt Ltd of Rs.10/ each }	3,130	3,130
Total Investments	3,130	3,130

1.2 Other Financial assets

	Non-Current Portion		Current Portion	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
To Parties Other Than Related Parties				
Security Deposits				
Unsecured, Considered Good				
Doubtful	-	-	-	-
Less: Provision for Doubtful Deposits	-	-	-	-
	-	-	-	-
Unsecured, considered good				
Non-Current Bank Balance (Refer Note 4.1)	11	11	-	-
Interest Accrued on Fixed Deposits	-	-	5	4
	11	11	5	4
	11	11	5	4
To Related Parties				
Unsecured, Considered good				
Security Deposits	-	-	-	-
	-	-	-	-
Total Other long-Term Financial Assets	11	11	5	4

3 Other assets

Unsecured Considered Good, Unless Stated Otherwise

	Non-Current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Prepaid Expenses	-	-	0	-
GST CENVAT Receivables	-	-	126	110
Balance with Customs & Port Authorities	5	5	-	-
	5	5	126	110

Hindustan Cargo Ltd
Notes to the Financial Statements as at and for the Year Ended 31st March 2020
(Indian Rupees in lakhs, Except Share Data)

Financial Assets

4.1 Cash and Bank Balances

Cash and Cash Equivalents

Balances with Banks

- On Current Accounts

Cash on Hand

Cash at bank and short term deposits attributable to discontinued operations

29

50

29

50

Other Bank Balances

-Deposit With Original Maturity of More than

11

11

11

11

Amount Disclosed under Non-Current Assets (refer Note 1.2)

(11)

(11)

-

-

For the Purpose of the Statement of Cash Flows, Cash and Cash Equivalents Comprise the Following:

Balances With Banks:

- On Current Accounts

Cash at Bank and Short Term Deposits Attributable to Discontinued Operations

29

50

Cash on Hand

-

-

29

50

Changes in liabilities arising from financing Activities

Particulars	01-Apr-19	Cashflows	Others*	31-Mar-20
Current Borrowings	124	(124)	-	-
Interest on Borrowing	12	(22)	10	(0)
Non Current Borrowing	71	-	9	80
Total liabilities from financing activities	207	(146)	19	80

4.2 Other Financial assets

Current Portion of Other Long-Term Financial Assets (refer note 1.2)

To Parties Other Than Related Parties

5

4

To Related Parties

-

-

Total Other Financial Assets

5

4

Hindustan Cargo Ltd
Notes to the Financial Statements as at and for the Year Ended 31st March 2020
(Indian Rupees in lakhs, Except Share Data)

6	Equity Component of Redeemable Non-Cumulative Non-Convertible Preference Shares	
	At 1 April 2018	68
	Changes During the Period	-
	At 31 March 2019	68
	Changes During the Period	-
	At 31 March 2020	68
	Equity Contribution (Corporate Guarantee Ind As)	
	At 1 April 2018	16
	Changes During the Period	-
	At 31 March 2019	16
	Changes During the Period	-
	At 31 March 2020	16
	Other equity	
	Share Premium	
	At 1 April 2018	1,439
	Amount Utilised Towards the Issue of Fully Paid Bonus Shares	-
	At 31 March 2019	1,439
	Amount Utilised Towards the Issue of Fully Paid Bonus Shares	-
	At 31 March 2020 (I)	1,439
	Capital Redemption Reserve	
	At 1 April 2018	95
	Changes During the Period	10
	At 31 March 2019	104
	Changes During the Period	10
	At 31 March 2020 (II)	114
	General Reserve	
	At 1 April 2018	23
	Changes During the Period	-
	At 31 March 2019	23
	Changes During the Period	-
	At 31 March 2020 (III)	23
	Surplus in Statement of Profit & Loss Account	
	At 1 April 2019	1,472
	Add: Profit During the Year	(20)
	Less : Appropriations	
	Transfer to Capital Redemption Reserve	(10)
	At 31 March 2020	1,442
	Add: Profit During the year	(24)
	Less : Appropriations	
	Transfer to Capital Redemption Reserve	(10)
	Total Appropriations	(10)
	Net Surplus in the Statement of Profit & Loss Account (IV)	1,408
	Total Reserves and Surplus (I+II+III+IV)	2,985

Hindustan Cargo Ltd
Notes to the Financial Statements as at and for the Year Ended 31st March 2020
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7 Borrowings

	<u>Effective Interest Rate %</u>	<u>31 March 2020</u>	<u>31 March 2019</u>
<u>Non-Current Borrowings</u>			
<i>Borrowings (secured)</i>			
Borrowing Portion of Redeemable Non-cumulative Non-convertible Preference Shares	12.45%	<u>80</u>	<u>71</u>
Total Non-Current Borrowings		<u><u>80</u></u>	<u><u>71</u></u>
<u>Current Borrowings</u>			
Loan Repayable On Demand (secured)			
Other Loans (Unsecured)			
Loan From Holding Company	8.98%	<u>-</u>	<u>124</u>
		<u><u>-</u></u>	<u><u>124</u></u>
Aggregate Secured Loans		-	-
Aggregate Unsecured Loans		80	195

8 Net Employment Defined Benefit Liabilities

	Long-Term		Short-Term	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Provision For Gratuity	-	-	-	2
Provision For Compensated Abscences (Refer	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>

10.1 Trade Payables

	<u>31 March 2020</u>	<u>31 March 2019</u>
Trade Payables		-
Trade Payables To Related Parties	650	1,271
	<u>650</u>	<u>1,271</u>

10.2 Other Payables

	<u>31 March 2020</u>	<u>31 March 2019</u>
Other Payable		
Interest Payable	-	12
	<u>-</u>	<u>12</u>

9 Other liabilities

	Non Current Portion		Current Portion	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Employee Benefits Payable	-	-	-	0
<u>Statutory Dues Payable</u>				
TDS Payable	-	-	1	3
Professional tax Payable	-	-	-	0
Provident Fund Payable	-	-	-	0
GST Payable	-	-	(0)	2
Others	-	-	18	6
	<u>-</u>	<u>-</u>	<u>19</u>	<u>11</u>

Hindustan Cargo Ltd
Notes To The Financial Statements As At And For The Year Ended 31st March 2020
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11 Revenue From Operations

	31 March 2020	31 March 2019
Sale Of Services		
Revenue	1,316	3,581
Cost	(1,295)	(4,600)
Net (To Be Transferred To ACCI In Terms Of The BTA)**	(21)	1,019
	<u>-</u>	<u>-</u>
Total Revenue	<u>-</u>	<u>-</u>

****Refer Note 18 of Financial Statement**

12 Finance Income

	31 March 2020	31 March 2019
Interest Income On		
- Fixed Deposits With Banks	1	1
- Interest On Income Tax Refund	90	0
Dividend Income From		
- Long Term Investments	28	55
	<u>120</u>	<u>57</u>

13 Employee Benefits Expense

	31 March 2020	31 March 2019
Salaries, Wages And Bonus	13	18
Contributions To Provident And Other Funds	1	1
Compensated Absences	0	0
	<u>14</u>	<u>19</u>

Hindustan Cargo Ltd
Notes To The Financial Statements As At And For The Year Ended 31st March 2020
(Indian Rupees in lakhs, Except Share Data)

14 Finance Costs

	<u>31 March 2020</u>	<u>31 March 2019</u>
Interest Expense		
Working Capital Term Loan	10	28
Interest	9	8
	<u>19</u>	<u>36</u>

15 Other Expenses

	<u>31 March 2020</u>	<u>31 March 2019</u>
Legal And Professional Fees	42	6
Rates & Taxes	0	1
Travelling Expenses	0	0
Payment To Auditors	23	10
Miscellaneous Expenses	2	4
Others:		
Business Promotion	0	1
Communication Charges	1	3
Electricity Charges	6	8
Legal And Professional Fees	3	21
Office Expenses	10	11
Printing And Stationery	-	0
Rent Premises	42	40
Repairs Other Than Building	-	0
Staff Welfare	0	0
Miscellaneous Expenses	3	57
Net (To Be Transferred To ACCI In Terms Of The BTA)	(65)	(140)
	<u>67</u>	<u>20</u>
	<u>67</u>	<u>20</u>
	<u>67</u>	<u>20</u>
Payments To The Auditor:		
As Auditor		
Audit Fee	5	5
Tax Audit Fee	2	2
Limited Review	3	3
Transfer Pricing Audit	0	0
GST Audit	14	-
In other capacity:		
Reimbursement of expenses	0	-
	<u>23</u>	<u>10</u>
	<u>23</u>	<u>10</u>
	<u>23</u>	<u>10</u>

Hindustan Cargo Ltd
Notes To The Financial Statements As At And For The Year Ended 31 March 2020
(Indian Rupees In Lakhs, Except Share Data)

16 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 2020	31 March 2019
Profit Attributable To Equity Holders:		
Continuing Operations	(24)	(20)
Discontinued Operation	-	-
Profit Attributable To Equity Holders For Basic Earnings:	(24)	(20)
Weighted Average Number Of Equity Shares For Basic EPS	2,50,000	2,50,000
Basic And Diluted EPS	(9.74)	(7.98)

Hindustan Cargo Ltd
Notes To The Financial Statements As At And For The Year Ended 31st March 2020
(Indian Rupees in lakhs, Except Share Data)

Note 17 : Change in Accounting Method (Back to Back Billing) : Business transfer Agreement

The company had entered into a Business Transfer Arrangement (BTA) with Avvashya CCI Logistics Private Limited (ACCI) in June 2016 (effective 1st July, 2016) and Addenda thereto whereby its entire business was transferred on a slump sale basis to ACCI. However, the requisite license for conducting the business by ACCI are in process, hence, the Company is doing the business on behalf of ACCI.

Due to this, ACCI was conducting the said business as under:

• Till 30th June 2017 (under the erstwhile service tax regime)

ACCI was, conducting the business in the name of the company and a back-to-back billing was done by the company on ACCI with the entire risk and reward borne by ACCI (In Terms of the BTA).

• From 1st July 2017 (Post Introduction of GST)

In terms of the BTA, until the requisite licenses are not transferred to ACCI or obtained by ACCI, the company continues to operate the business on behalf of ACCI and is issuing invoices in their own name and accounts for the transaction including expenses. However, since these transactions are not on company's account and the corresponding risks and rewards are borne by ACCI, the company has reported the revenues on 'net' basis and the final amounts are considered payable/recoverable from ACCI.

Details of the Above are as Under:

Particulars	FY 2019-20	FY 2018-19
Gross Invoicing	1,316	3,581
Corresponding Costs	1,295	4,600
Net (to be transferred to ACCI in terms of the BTA)	21	-1,019
Other Expenses:		
Net (to be transferred to ACCI in terms of the BTA)	65	140

Hindustan Cargo Ltd
Notes To The Financial Statements As At And For The Year Ended 31st March 2020
(Indian Rupees In Lakhs, Except Share Data)

18 Net Employment Defined Benefit Liabilities

(a) Defined Contributions Plans

For the Company an amount of Rs.0.60 lakhs(31 March 2019: Rs 0.78 lakhs) contributed to provident funds, ESIC and other funds (refer note 14) 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: -

	<u>31 March 2020</u>	<u>31 March 2019</u>
I Expense Recognised In The Consolidated Statement Of Profit And Loss		
Current Service Cost	0	2
Interest Cost	-	-
Expected Return On Plan Assets	-	-
Past Service Cost (Vested Benefit) Recognised During The Year	-	-
Net Actuarial (Gain) / Loss To Be Recognised	-	-
Exchange Rate Difference	-	-
Total Expenses Recognised In The Consolidated Statement Of Profit And Loss	<u><u>0</u></u>	<u><u>2</u></u>
II Balance Sheet Reconciliation		
Opening Net (Asset) / Liability	2	-
Expense As Above	0	2
Past Service Cost (Vested Benefit) Recognized During The Period	-	-
Employers Contribution Paid	-	-
Employees Transferred	(2)	-
Exchange Rate Difference	-	-
(Asset) /Liability Recognised In The Balance Sheet	<u><u>(0)</u></u>	<u><u>2</u></u>

Hindustan Cargo Ltd
Notes To The Financial Statements As At And For The Year Ended 31st March 2020
(Indian rupees in lakhs, except share data)

19 (I) 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 2019: Rs.NIL). 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 2020	31 March 2019
Within One Year	-	-
After One Year But Not More Than Five Years	-	-
More Than Five Years	-	-
	-	-
b. Commitments		
Estimated Amount Of Contracts Remaining To Be Executed On Capital Account And Not Provided For:		
At 31 March 2020, the company had commitments of Rs. NIL (31 March 2019: Rs.NIL)	-	-
	-	-
c. Contingent Liabilities		
(i) Disputed Liabilities		
- Income Tax	-	-
- Customs related	-	-
- Value added tax	-	-
- Service Tax	-	-
- Stamp duty	-	-
- Others	-	-
	-	-
(II) Claims Against The Group, Not Acknowledged As Debts		
	-	-
d. Financial Guarantees		
The Company Has Provided Following Guarantees As At:		
Bank Guarantees		
	31 March 2020	31 March 2019
	7	7
	7	7
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, 2018, 31st March, 2019 & 31st March, 2020.		
e.) Provident Fund ruling by Hon'ble Supreme Court		
Hon'ble Supreme Court (SC) has passed judgment on February 28, 2019, on the issue of whether certain allowances should be treated as wages for the purpose of Provident Fund (PF). The SC while delivering the said ruling has provided a set of principles that needs to be looked into while determining the scope of "Basic wages" for the purpose of making PF contributions. There are numerous interpretative issues relating to the above SC judgement. The Company is in the process of assessing the impact of the above Supreme Court ruling. The company will create a provision, if required, on receiving further clarity on the effective date and subject.		

Hindustan Cargo Ltd
Notes To The Financial Statements As At And For The Year Ended 31st March 2020
(Indian rupees in lakhs, except share data)

19 (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.

Particulars	31 March 2020	31 March 2019
Principal amount remaining unpaid to any supplier as at the period	NIL	Nil
Interest due thereon	NIL	Nil
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.	NIL	Nil
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED.	NIL	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting period	NIL	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowances as a deductible expenditure under the MSMED Act, 2006	NIL	Nil

b. 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:

	31 March 2020			31 March 2019		
	Currency	Amount	INR Amount	Currency	Amount	INR Amount
Trade and Other Creditors	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Trade Receivables	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-

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, 2019 & 31st March, 2020 no transactions reported in HCL and same was considered in ACCI.

19 (III) During the FY 2018-19 the Company has received order-in original w.r.t service tax matter relating to F.Y. 2012-13, 2013-14 & 2014-15. The order has confirmed the service tax liability of Rs.17,200 lakhs (March 31, 2018: Rs 10,238 lahs). The Company has filed an appeal against the above order-in-original before Mumbai CESTAT. Based on opinion of the Experts, the management of the Company has a reason to believe that the possibility of liability getting materialised is very remote and hence in this case there will not be any outflow of resources and accordingly not classified as Contingent liabilities.

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.

Hindustan Cargo Limited
Notes to the financial statements as at and for the year ended 31st March, 2020
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20 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

Allcargo Logistics Park Pvt.Ltd.

Avvashya CCI Logistics Private Limited

Comptech Solutions Pvt.Ltd.

Contech Transport Services Pvt. Ltd.

Ecu-Line Algeria sarl

Ecu Worldwide (Canada) Inc. (formerly known as Ecu-Line Canada Inc).

Ecu Worldwide (Chile) S.A (formerly known as Ecu-Line Chile S.A)

Ecu Worldwide (Guangzhou) Ltd.(formerly known as Ecu-Line Guangzhou Ltd)

Ecu Worldwide (Colombia) S.A.S.(formerly known as Ecu-Line de Colombia S.A.S)

ECU WORLDWIDE (CZ) s.r.o. (formerly known as Ecu-Line (CZ) s.r.o).

Ecu - Worldwide - (Ecuador) S.A.(formerly known as Ecu-Line del Ecuador S.A.)

ECU WORLDWIDE (Germany) GmbH (formerly known as Ecu-Line Germany GmbH)

Ecu Worldwide (Kenya) Ltd (formerly known as Ecu-Line Kenya Ltd.)

Ecu Worldwide (Malaysia) SDN. BHD. (formerly known as Ecu-Line Malaysia Sdn. Bhd.)

Ecu Worldwide (Mauritius) Ltd.(formerly known as Ecu-Line Mauritius Ltd.)

Ecu Worldwide Mexico SA de CV(formerly known as Ecu Logistics de Mexico SA de CV)

Ecu Worldwide (Philippines) Inc.(formerly known as Ecu-Line Philippines Inc.)

Ecu-Line Doha W.L.L.

Ecu-Line Saudi Arabia LLC

Ecu - Worldwide (Singapore) Pte. Ltd (formerly known as Ecu-Line Singapore Pte. Ltd.)

ECU Worldwide Lanka (Private) Ltd. (formerly known as Ecu Line Lanka (Pvt) Ltd.)

Ecu Worldwide (Thailand) Co. Ltd.(formerly known as Ecu-Line (Thailand) Co. Ltd.)

Ecu-Line Middle East LLC

Ecu-Line Abu Dhabi LLC

Ecu Worldwide Vietnam Co., Ltd.(formerly known as Ecu-Line Vietnam Co.Ltd)

HCL Logistics nv

Société Ecu-Line Tunisie Sarl

Ecu Worldwide (Belgium) N.V (formerly Ecu-Line N.V.)

Hindustan Cargo Limited
Notes to the financial statements as at and for the year ended 31st March, 2020
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Jordan Gulf for Freight Services and Agencies Company LLC
Ecu - Worldwide (Singapore) Pte. Ltd (formerly known as Ecu-Line Singapore Pte. Ltd.)
Econocaribe Consolidators Inc. (Ecu Worldwide USA)
PT ECU Worldwide Indonesia
V. Associates
Avvashya CCI Logistics Pvt. Ltd. (Formerly know as "CCI Inegrated Logistics Pvt Ltd")
VI. Key managerial personnel
Mr. S. Suryanarayanan - Executive Director
Mr. Mohinder Pal Bansal, Independent Director
Mr. Deepal Shah, Director W.E.F. 23rd November 2018
Mr. Jatin J. Chokshi - Executive Director Upto. 23rd November, 2018

Hindustan Cargo Limited
Notes to the financial statements as at and for the year ended 31st March, 2020
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20 Related Party Transactions

Summary of transactions with related parties:						
	Holding Company		Fellow Subsidiaries		Associates/Joint Ventures	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Interest Paid on Loan	4	13	-	-	-	-
Interest Paid on Advances	6	15	-	-	-	-
Dividend Income Received	-	-	-	-	28	55
Loans						
Opening Balance of Loan	124	167	-	-	-	-
Less: Loan Repaid	124	43	-	-	-	-
Loan Outstanding	-	124	-	-	-	-
Advance Payable	-	168	-	-	-	-
Interest on Loan & Advances Payable	-	12	-	-	-	-
Due's Payable	-	-	-	-	621	1,054
Trust Fund A/c. (Due's Payable)	-	-	-	-	29	50

Note :

Pursuant to Business Transfer Arrangement (BTA) entered into in June 2016 between the Allcargo Logistics Limited (ALL) and Hindustan Cargo Limited (HCL) and subsequent addendum thereto forming part of BTA, the entire freight forwarding business of HCL has been transferred to Avvashya CCI Logistics Private Limited (ACCI) on slump sale basis with effect from 1st July, 2016. As per the terms of said BTA/addendum, till the time the requisite licenses of HCL gets transferred to ACCI in order to conduct its own business, HCL will continue to carry on business on behalf of ACCI in trust. The summary of transactions between HCL, ALL and fellow subsidiaries of ALL is as under:-

Summary of transactions with related parties:				
	Holding Company		Fellow Subsidiaries	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Multimodal Transport Income	99	379	-	8
Multimodal Transport Expenses	15	360	0	35
Due's Receivables	18	71	(0)	0
Due's Payable	(1)	35	(1)	1

Hindustan Cargo Ltd
Notes To The Financial Statements As At And For The Year Ended 31 March 2020
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21 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	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Financial Assets				
Other Financial Assets	16	15	16	15
Cash And Cash Equivalents	29	50	29	50
Shor Term Loans And Advances	-	-	-	-
Trade Receivables	-	-	-	-
Total	46	65	46	65
Financial Liabilities				
Borrowings (Including Borrowing Component Of Non-Convertible Preference Shares)	80	195	80	195
Trade And Other Payables	650	1,283	650	1,283
Total	730	1,479	730	1,479
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.				

22 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.
--

23 Financial Risk Management Objectives And Policies

<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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 net liquidity position through rolling forecasts on the basis of expected cashflows.</p>

Notes To The Financial Statements As At And For The Year Ended 31 March 2020
(Indian Rupees In Lakhs, Except Share Data)

24 Capital Management

The Company's objective for Capital Management is to maximise shareholder's value, support the strategic objectives of the Company. The Company determines the capital requirements based on its financial performance, operating and long term investment plans. The funding requirements are met through operating cash flows generated.

As per Our Report of Even Date Attached
For C C Dangi & Associates
Chartered Accountants
ICAI Firm Registration No.102105W

Sd/-

Mr. Chimanlal C. Dangi
Partner
Membership No.036074
UDIN: 20036074AAAABC9211
Place : Mumbai
Date: 17th June, 2020

For and on Behalf of Board of Directors of
Hindustan Cargo Ltd
CIN-U63010MH1993PLC075480

Sd/-

Mr. Deepal Vinod Shah
Director
DIN-03097638

Sd/-

Mr. Mohinder Pal Bansal
Director
DIN-01626343