

INDEPENDENT AUDITOR'S REPORT

To the Members of Ecu International (Asia) Private Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Ecu International (Asia) Private Limited("the Company"), which comprise the Balance sheet as at 31 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 31 March 2020, its profit 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 31 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 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 does not have any pending litigations which would impact its financial position.
 - (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 Shaparia Mehta & Associates LLP
Chartered Accountants
(Firm's Registration No. 112350W/ W-100051)


Sanjiv Mehta
Partner

Membership No. 034950

Mumbai, 17th June, 2020

UDIN: 20034950AAAACP5722

UDIN date: 29th June 2020



Annexure A to the Independent Auditor's Report

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

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Company has regular programme of physical verification of fixed assets by which fixed assets are verified in as phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company does not have any immovable property accordingly, paragraph 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 not given loans, guarantees, and security, or invested in other companies covered under 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 though there are slight delays in few cases. 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.
- (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 the provisions 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 Shaparia Mehta & Associates LLP
Chartered Accountants
(Firm's Registration No. 112350W/ W-100051)

Sanjiv Mehta
Partner
Membership No. 034950
Mumbai, 17th June, 2020

UDIN: 20034950AAAACP5722
UDIN date: 29th 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 Ecu International (Asia) Private Limited ("the Company") as of March 31, 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 March 31, 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 Shaparia Mehta & Associates LLP

Chartered Accountants

(Firm's Registration No. 112350W/ W-100051)

Sanjiv Mehta

Partner

Membership No. 034950

Mumbai, 17th June, 2020

UDIN: 20034950AAAACP5722

UDIN date: 29th June 2020



Ecu International (Asia) Pvt. Ltd.
Balance sheet as at 31 March 2020
(Amount in Rupees)

	Notes	31 March 2020	31 March 2019
Assets			
Non-current assets			
Property, plant and equipment (net)	2	38,19,663	10,71,489
Finance lease receivable	2	101,55,652	-
Other intangible assets	3	4,95,279	5,12,152
Financial assets			
Investments	4.1	10	10
Other financial assets	4.2	43,27,725	-
Deferred tax assets (net)	13(b)	12,51,759	11,75,505
Non-current tax assets (net)	13(a)	8,41,655	3,96,628
Other non-current assets	5A	6,73,789	-
Total - Non-current assets		215,65,531	31,55,784
Current assets			
Financial assets			
Investments	6.1	45,15,496	42,50,926
Short term loans	6.2	45,45,212	15,46,634
Cash and cash equivalents	6.3	138,89,586	143,76,392
Other Financial Assets	4.2	-	4,50,000
Contract Assets	5	57,17,583	67,01,643
Other current assets	5A	143,94,354	92,94,605
Total - Current assets		430,62,230	366,20,200
Total Assets		646,27,762	397,75,984
Equity and Liabilities			
Equity			
Equity share capital	7	5,23,410	5,23,410
Other equity		285,01,919	203,46,489
Total Equity		290,25,329	208,69,899
Non-current liabilities			
Financial liabilities			
Other financial liabilities	8	62,26,292	-
Net employment defined benefit liabilities	9	41,05,404	51,23,524
Total - Non-current liabilities		103,31,696	51,23,524
Current liabilities			
Financial liabilities			
Trade payables	10	65,31,277	27,97,323
Other payables	12	34,00,814	42,41,234
Net employment defined benefit liabilities	9	10,74,106	8,99,653
Other current liabilities	11	100,47,476	58,44,351
Other financial liabilities	8	42,17,066	-
Total - Current liabilities		252,70,737	137,82,561
Total equity and liabilities		646,27,762	397,75,984
Significant accounting policies			
Notes to the financial statements	1 2-30		

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

As per our report of even date attached

For Shaparia Mehta & Associates LLP
ICAI firm registration No. 112350W/W-100051
Chartered Accountants

For and on behalf of Board of directors of
Ecu International (Asia) Pvt. Ltd.
CIN No : U72300MH2005PTC155205

Sd/-

Sanjiv Mehta
Partner
Membership No. 034950

Date: June 17, 2020

Sd/-

Adarsh Hegde
Director
DIN:00035040

Date: June 17, 2020

Sd/-

Suryanarayanan Sivaramakrishnan
Director
DIN NO : 00444230

Ecu International (Asia) Pvt. Ltd.
Statement of Profit and Loss for the year ended 31 March 2020
(Amount in Rupees)

	Notes	31 March 2020	31 March 2019
Continuing Operations			
Income			
Revenue from operations	14	1117,66,327	1102,72,651
Other income	15	9,95,241	4,37,991
Finance income	16	1,75,493	16,975
Total income		1129,37,061	1107,27,617
Expenses			
Employee benefit expense	17	952,28,292	965,12,809
Depreciation and amortisation expenses	18	39,65,643	7,59,976
Finance costs	19	8,75,241	81
Other expenses	20	35,30,955	47,85,699
Total expenses		1036,00,131	1020,58,564
Profit before tax		93,36,930	86,69,052
Tax expense:			
Current tax		24,98,214	22,86,825
Adjustment of tax relating to earlier periods		(1,43,241)	4,72,291
Deferred tax (credit) /charge		(76,254)	(3,13,651)
Total tax expense		22,78,719	24,45,465
Profit for the year from Continuing Operation (i)		70,58,211	62,23,587
Profit for the year (A)		70,58,211	62,23,587
Other Comprehensive Income:			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gain/(losses) on defined benefit plans	21	10,97,147	(5,50,933)
Income tax effect			-
		10,97,147	(5,50,933)
Other Comprehensive Income for the year, net of tax (B)		10,97,147	(5,50,933)
Total Comprehensive income for the year, net of tax (A) + (B)		81,55,358	56,72,654
Earnings per equity share (nominal value of Rs 10 each)	22	134.85	118.90
Significant accounting policies	1		
Notes to the financial statements	2-30		

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

As per our report of even date attached

For Shaparia Mehta & Associates LLP
ICAI firm registration No. 112350W/W-100051
Chartered Accountants

For and on behalf of Board of directors of
Ecu International (Asia) Pvt. Ltd.
CIN No : U72300MH2005PTC155205

Sd/-

Sd/-

Sd/-

Sanjiv Mehta
Partner
Membership No. 034950

Adarsh Hegde
Director
DIN:00035040

Suryanarayanan Sivaramakrishnan
Director
DIN NO : 00444230

Date: June 17, 2020

Date: June 17, 2020

Ecu International (Asia) Pvt. Ltd.
Statement of Cash Flows for the period ended 31 March 2020
(Amount in Rupees)

	31 March 2020	31 March 2019
Operating activities		
Profit before tax from continuing operations	93,36,930	84,18,126
Profit before tax	93,36,930	84,18,126
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	37,98,770	6,43,520
Amortisation of intangible assets	1,66,873	1,16,456
Profit on sale of Investments	(3,10,568)	-
Fair value (gain) / loss on financial instruments	45,999	-
Provision for Doubtful advances	53,053	-
Unrealised foreign exchange (gain)	(1,89,573)	-
Finance costs	8,75,241	81
Interest Income	(1,75,493)	(16,975)
Working capital adjustments:		
Decrease / (increase) in trade receivables	-	63,06,624
Decrease / (increase) in long term and short term loans and advances	(28,61,987)	(4,56,489)
Decrease / (increase) in unbilled revenue	9,84,060	-
Decrease / (increase) in other current and non current assets	(94,79,970)	-
(Decrease)/ Increase in trade payables, other current and non current liabilities and provisions	38,60,990	(21,95,700)
Cash generated from operating activities	61,04,324	128,15,642
Income tax paid (including TDS) (net)	(28,00,000)	(25,60,000)
Net cash flows from operating activities (A)	33,04,325	102,55,642
Investing activities		
Purchase of property, plant and equipment (including CWIP)	(37,95,331)	(8,03,791)
Investment in mutual funds (net)	0	(40,00,000)
Interest income received	4,200	4,30,645
Net cash flows from / (used in) investing activities (B)	(37,91,130)	(43,73,146)
Financing activities		
Interest paid	-	(81)
Net cash flows from / (used in) financing activities (C)	-	(81)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(4,86,806)	58,82,415
Opening balance of cash and cash equivalents (refer note. 6.3)	143,76,392	84,93,977
Cash and cash equivalents at the end (refer note. 6.3)	138,89,586	143,76,392
As per our report of even date attached		
For Shaparia Mehta & Associates LLP	For and on behalf of Board of directors of	
ICAI firm registration No. 112350W/W-100051	Ecu International (Asia) Pvt. Ltd.	
Chartered Accountants	CIN No : U72300MH2005PTC155205	
Sd/-	Sd/-	Sd/-
Sanjiv Mehta	Adarsh Hegde	Suryanarayanan Sivaram
Partner	Director	Director
Membership No. 034950	DIN:00035040	DIN NO : 00444230
Date: June 17, 2020	Date: June 17, 2020	

Ecu International (Asia) Pvt. Ltd.
Statement of Changes in Equity for the year ended 31 March 2020
(Amount in Rupees)

(A) Equity Share Capital:			
Equity shares of INR 10 each issued, subscribed and fully paid	No.	Amount	
At 1 April 2018	52,341	5,23,410	
Addition	-	-	
At 31 March 2019	52,341	5,23,410	
Addition	-	-	
At 31 March 2020	52,341	5,23,410	
(B) Other Equity:			
For the year ended 31 March 2020			
Particulars	Reserves & Surplus		Total equity
	OCI	Balance in Statement of Profit and Loss	
As at 31st March 2019	-27,32,483	230,79,191	203,46,489
Net Profit for the period		70,58,211	70,58,211
Other comprehensive income	10,97,147		10,97,147
Total comprehensive income	-16,35,336	301,37,402	285,01,847
As at 31 March 2020	-16,35,336	301,37,402	285,01,919
For the year ended 31 March 2019			
Particulars	Reserves & Surplus		Total equity
	OCI	Balance in Statement of Profit and Loss	
As at 31st March 2018	-21,81,550	168,55,604	146,73,834
Net Profit for the period		62,23,587	62,23,587
Other comprehensive income	-5,50,933		-5,50,933
Total comprehensive income	-27,32,483	230,79,191	203,46,488
As at 31 March 2019	-27,32,483	230,79,191	203,46,489

As per our report of even date attached

For Shaparia Mehta & Associates LLP
ICA firm registration No. 112350W/W-100051
Chartered Accountants

Sd/-

Sanjiv Mehta
Partner
Membership No. 034950

Date: June 17, 2020

For and on behalf of Board of directors of
Ecu International (Asia) Pvt. Ltd.
CIN No : U72300MH2005PTC155205

Sd/-

Adarsh Hegde
Director
DIN:00035040

Date: June 17, 2020

Sd/-

Suryanarayanan Sivaramakrishnan
Director
DIN NO : 00444230

Ecu International (Asia) Pvt. Ltd.

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

1. Significant accounting policies

1.1 (a) Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the 'Ind AS') notified under the Companies (Indian Accounting Standards) (Amendment) Rules, 2015 under the provisions of the Companies Act, 2013 (the 'Act') and subsequent amendments thereof.

(b) Basis of preparation

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

1.2 Summary of significant accounting policies

a. Use of estimates

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

b. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

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.

Ecu International (Asia) Pvt. Ltd.

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

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

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

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

d. Fair value measurement

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

e. Revenue recognition

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

Others:

Reimbursement of cost is netted off with the relevant expenses incurred in pre GST regime and in post GST regime the same has been recognised as part of revenue under the head business support charges.

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.

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.

Ecu International (Asia) Pvt. Ltd.

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

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.

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.

Ecu International (Asia) Pvt. Ltd.

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

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)
<i>Furniture & Fixture</i>	<i>10</i>
<i>Computers</i>	<i>3-6</i>
<i>Office equipments</i>	<i>5</i>

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 capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

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

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

Asset class	Useful life (in years)
Computer software	6

j. Leases

Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 01, 2019 using the modified retrospective method. Accordingly, the Company recognizes right-of-use asset at the date of initial application. The right-of-use asset is measure equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

Ecu International (Asia) Pvt. Ltd.

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

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics

A lease that transfers substantially all the risks and rewards incidental to ownership to the lessee is classified as a finance lease. All other leases are classified as operating leases.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Ecu International (Asia) Pvt. Ltd.

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

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

Impact of Ind AS 116:

Ind AS 116 Leases was notified by MCA on 30th March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The Company has adopted the new standard on the required effective date using the modified retrospective method. Accordingly, the company has not restated comparative information, instead, the right-of-use asset is recognized at the date of initial application. The right-of-use asset is measure equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application.

k. 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.

l. 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 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.

m. 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

Ecu International (Asia) Pvt. Ltd.

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

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.

n. 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:

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

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

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

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

Ecu International (Asia) Pvt. Ltd.

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

o. 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
- 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.

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.

Ecu International (Asia) Pvt. Ltd.

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

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 financial assets which are not fair valued through statement of profit and loss. Provision for trade receivables is continued to be measured and provided for debtors exceeding 180 days from its due date. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. 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.

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.

De-recognition

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

p. 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.

q. 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.

Ecu International (Asia) Pvt. Ltd.

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

r. Earnings per equity share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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.

Ecu International (Asia) Pvt. Ltd.
Notes to the financial statements as at and for the year ended 31 March 2020
(Amount in Rupees)

2 Property, Plant and Equipment

Description	Office Equipment	Computers	Furniture & fixtures	Total	Finance Lease Receivable (Right of Use Assets)	Total
Cost or Valuation						
Balance as at 31 March 2019	1,92,739	22,36,287	43,175	24,72,201	-	24,72,201
Additions	-	8,95,331	27,50,000	36,45,331	130,57,267	167,02,598
Balance as at 31 March 2020	1,92,739	31,31,618	27,93,175	61,17,532	130,57,267	191,74,799
Depreciation and impairment						
Balance as at 31 March 2019	1,41,182	12,51,837	7,692	14,00,711	-	14,00,711
Depreciation for the year	18,292	6,44,050	2,34,813	8,97,155	29,01,615	37,98,770
Balance as at 31 March 2020	1,59,474	18,95,887	2,42,505	22,97,866	29,01,615	51,99,481
Net Block						
As at 31 March 2019	51,557	9,84,450	35,483	10,71,490	-	10,71,489
As at 31 March 2020	33,265	12,35,731	25,50,670	38,19,666	101,55,652	139,75,316

Ecu International (Asia) Pvt. Ltd.
Notes to the financial statements as at and for the year ended 31 March 2020
(Amount in Rupees)

3 Intangible assets

Description	Computer software	Intangible asset under development	Total
Balance as at 31 March 2019	8,14,532	-	8,14,532
Additions	1,50,000	-	1,50,000
Disposals	-	-	-
Exchange differences	-	-	-
Balance as at 31 March 2020	9,64,532	-	9,64,532
Amortisation			
Balance as at 31 March 2019	3,02,380	-	3,02,380
Amortisation	1,66,873	-	1,66,873
Accumulated amortisation on disposals	-	-	-
Exchange differences	-	-	-
Balance as at 31 March 2020	4,69,253	-	4,69,253
Net book value			
At 31 March 2020	4,95,279	-	4,95,279
At 31 March 2019	5,12,152	-	5,12,152

Ecu International (Asia) Pvt. Ltd.
Notes to the financial statements as at and for the year ended 31 March 2020
(Amount in Rupees)

4	Financial Assets	31 March 2020	31 March 2019
4.1	Investments		
	Unquoted equity instruments (fully paid-up)		
	Investment in equity instruments of Companies (fully paid-up)	10	10
	1 equity share of Allcargo Inland Park Private Limited (formerly Transindia Inland Park Private Limited and Ecu Line (India) Pvt Ltd) of Rs.10/- each		
	Total Investments	10	10

4.2	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	43,27,725	-	-	-
	Doubtful	-	-	-	-
		43,27,725	-	-	-
	Less: Provision for doubtful deposits	-	-	-	-
		43,27,725	-	-	-
	To related parties				
	Unsecured, considered good	-	-	-	4,50,000
	Doubtful	-	-	-	-
		-	-	-	4,50,000
	Total Other long-term financial assets	43,27,725	-	-	4,50,000

5	Contract assets	Non-current		Current	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Unbilled revenue	-	-	57,17,583	67,01,643
		-	-	57,17,583	67,01,643

5A	Other assets	Non-current		Current	
	<i>Unsecured considered good, unless stated otherwise</i>	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Prepaid expenses	-	-	-	68,289
	Contractual reimbursement expenses	-	-	7,25,839	-
	CENVAT receivables	-	-	136,68,515	92,26,489
	Deferred lease expense (Ind AS)	6,28,419	-	-	(173)
	Gratuity (asset) (refer note. 22c)	45,370	-	-	-
		6,73,789	-	143,94,354	92,94,605

6 Financial assets

6.1 Current investments

	31 March 2020	31 March 2019
Investments at fair value through P&L (fully paid)		
Quoted mutual funds		
DHFL Pramerica Insta Cash Plus Fund - Growth	-	40,00,000
Fair value gain on MF	-	2,50,926
ICICI Prudential Liquid Fund - Growth	43,10,568	-
Fair value gain on MF	2,04,928	-
	45,15,496	42,50,926
Investment in Quoted Instruments		
Aggregate Carrying Value	45,15,496	42,50,926
Aggregate Market Value	45,15,496	42,50,926
	-	-
Total investments	45,15,496	42,50,926

6.2 Short term loans

	31 March 2020	31 March 2019
To parties other than related parties		
Advances to employees	17,93,552	12,52,589
Advances to supplier		
- Considered good	27,51,660	2,94,045
- Considered doubtful	53,053	-
	28,04,713	2,94,045
Less: provision for doubtful advances	(53,053)	-
	27,51,660	2,94,045
Total Loans	45,45,212	15,46,634

6.3 Cash and cash equivalents

	31 March 2020	31 March 2019
Cash and cash equivalents		
Balances with banks		
- On current accounts	121,79,996	143,74,817
Cash on hand	17,09,590	1,575
	138,89,586	143,76,392

Ecu International (Asia) Pvt. Ltd.
Notes to the financial statements as at and for the year ended 31 March 2020
(Amount in Rupees)

7 Share capital

Authorised capital:				
			Equity shares	
			No	Amount
At 31 March 2019			10,00,000	100,00,000
Increase / (decrease) during the year			-	-
At 31 March 2020			10,00,000	100,00,000
Terms/ rights attached to equity shares				
The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
Issued equity capital:				
			Issued equity share capital	
			No	Amount
Issued, subscribed and fully paid-up:				
At 31 March 2019			52,341	5,23,410
Changes during the period			-	-
At 31 March 2020			52,341	5,23,410
(i) Details of shareholders holding more than 5% shares of a class of shares				
Name of Shareholders	As at 31 March 2020		As at 31 March 2019	
	No	% holding in the class	No	% holding in the class
Equity shares of Rs 10 each fully paid up				
Allcargo Logistics Limited	52,341	100%	52,341	100%
(ii) Reconciliation of number of the equity shares and preference shares outstanding at the beginning and at the end of the year:				
Equity Shares	As at 31 March 2020		As at 31 March 2019	
	No	Amount	No	Amount
At the beginning of the year	52,341	5,23,410	52,341	5,23,410
Issued during the period - Bonus shares	-	-	-	-
Outstanding at the end of the year	52,341	5,23,410	52,341	5,23,410
(iii) Details of shares held by holding company, the ultimate holding company, their subsidiaries and associates:				
Particulars	Equity shares with voting rights	Compulsorily convertible preference shares	Optionally convertible preference shares	Redeemable preference shares
	Number of shares			
As at 31 March, 2019				
Allcargo Logistics Limited	52,341	-	-	-
As at 31 March, 2020				
Allcargo Logistics Limited	52,341	-	-	-

8 Other financial liabilities

	Non-current portion		Current portion	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Operating lease liability	62,26,292	-	42,17,066	-
	62,26,292	-	42,17,066	-

Ecu International (Asia) Pvt. Ltd.
Notes to the financial statements as at and for the year ended 31 March 2020
(Amount in Rupees)

9 Net employment defined benefit liabilities

	Long-term		Short-term	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Provision for gratuity (refer note 22c)	-	9,14,615	-	-
Provision for Compensated absences	41,05,404	42,08,909	10,74,106	8,99,653
	<u>41,05,404</u>	<u>51,23,524</u>	<u>10,74,106</u>	<u>8,99,653</u>

10 Trade payables

	31 March 2020	31 March 2019
Due to Micro and small enterprises (refer note. 26)	-	-
Due to other than Micro and small enterprises	34,96,790	26,82,433
Trade payables to related parties (refer note. 24)	30,34,487	1,14,889
	<u>65,31,277</u>	<u>27,97,323</u>

11 Other liabilities

	Non-current portion		Current portion	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Employee benefits payable	-	-	28,40,622	36,77,286
Statutory dues payable	-	-	20,50,156	18,80,578
Advances received from customers (refer note. 24)	-	-	51,56,698	2,82,117
Others (Stale Cheques)	-	-	-	4,370
	<u>-</u>	<u>-</u>	<u>100,47,476</u>	<u>58,44,351</u>

12 Other payables

	31 March 2020	31 March 2019
Provision for expenses	34,00,814	42,41,234
	<u>34,00,814</u>	<u>42,41,234</u>

Ecu International (Asia) Pvt. Ltd.
Notes to the financial statements as at and for the year ended 31 March 2020
(Amount in Rupees)

13 Income tax

income tax

13a. Non-current tax Assets (net)				
Particulars	31 March 2020		31 March 2019	
Advance tax recoverable (net of provision for tax)	8,41,655		3,96,628	
	8,41,655		3,96,628	
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2020 and 31 March 2019:				
	31 March 2020		31 March 2019	
Accounting profit before tax from continuing operations	93,36,930		86,69,052	
Profit/(loss) before tax from a discontinued operation	-		-	
Accounting profit before income tax	93,36,930		86,69,052	
At India's statutory income tax rate of 25.17% (31 March 2019: 25.75%)				
Computed tax expenses	23,49,919		22,53,954	
Utilisation of previously unrecognised tax losses on which deferred tax is not recognised	-		-	
Expenses not allowed for tax purpose	-		-	
Impact of change in tax rate	41,380		-	
Expenses not allowed in previous years but allowed in current year	-		(2,86,138)	
Adjustments relating to taxes reversal of earlier years	(1,43,241)		4,72,291	
Others Impact	30,661		5,359	
At the effective income tax rate of 24.41% (31 March 2019: 28.24%)	22,78,719		24,45,465	
Income tax expense reported in the statement of profit and loss	22,78,719		24,45,465	
	22,78,719		24,45,465	
13b. Deferred tax:	24.41%		28.21%	
Deferred tax relates to the following:				
	Balance Sheet		profit and loss	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Accelerated depreciation for tax purposes	(26,30,706)	(87,480)	25,43,226	(87,480)
Fiar Valuation on Investments	(51,576)	(65,241)	(13,665)	(65,241)
Deferred Lease exps. (SD given) IND AS	-	-	-	-
Leave Encashment	13,03,579	13,28,226	24,647	(1,61,478)
Operating lease liability IND AS	26,28,384	-	(26,28,384)	-
Fair valuation of financial instruments	2,078	-	(2,078)	549
Deferred tax expense/(income)			(76,254)	(3,13,651)
Deferred tax assets/(liabilities)	12,51,759	11,75,505		
Net deferred tax assets/(liabilities)	12,51,759	11,75,505		
Reconciliation of deferred tax assets/(liabilities) (net)				
	31 March 2020		31 March 2019	
Opening balance as of 1 April	11,75,505		8,61,854	
Tax income/(expense) during the period recognised in profit or loss	(76,254)		(3,13,651)	
Closing balance as at 31 March	12,51,759		11,75,505	
The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.				

14 Revenue from operations

	31 March 2020	31 March 2019
Other operating revenue		
Business support charges	1117,66,327	1102,72,651
Total revenue	1117,66,327	1102,72,651

15 Other income

	31 March 2020	31 March 2019
Other non-operating income		
Net gain on account of foreign exchange fluctuations	1,89,573	-
Miscellaneous income	4,95,099	1,87,064
Fair value gain on investments	-	2,50,927
Gain on sale of investments	3,10,568	-
	9,95,241	4,37,991

16 Finance income

	31 March 2020	31 March 2019
Interest income on		
- loan given to Employee	4,200	16,975
- Notional interest income on financial instrument	1,71,293	-
	1,75,493	16,975

17 Employee benefits expense

	31 March 2020	31 March 2019
Salaries, wages and bonus	867,97,917	868,20,626
Contributions to provident and other funds (refer note 23(ii))	43,84,333	44,75,535
Staff welfare expenses	9,53,629	15,89,267
Compensated absences	17,44,466	23,92,114
Gratuity expense	13,47,947	12,35,266
	952,28,292	965,12,809

18 Depreciation and amortisation

	31 March 2020	31 March 2019
Depreciation of property, plant and equipment (note 2)	37,98,770	6,43,520
Amortisation of intangible assets (note 3)	1,66,873	1,16,456
	39,65,643	7,59,976

Ecu International (Asia) Pvt. Ltd.
Notes to the financial statements as at and for the year ended 31 March 2020

19 Finance costs

	31 March 2020	31 March 2019
Interest expense		
Notional Interest Expense on lease obligations	6,95,692	
Notional interest expense on financial instrument	1,79,549	-
Others	-	81
	8,75,241	81

20 Other expenses

	31 March 2020	31 March 2019	
Rent	-	17,99,080	a
Legal and professional fees	21,56,590	15,12,742	a
Business support charges	2,21,682	-	a
Repairs to building and others	58,208	1,54,057	a
Printing and stationery	30,518	13,192	a
Communication charges	-	13,722	a
Rates and taxes	24,000	41,798	a
Office expenses	7,63,997	8,34,556	a
Payment to auditors	75,000	82,500	a
Insurance	13,438	10,489	a
Bank charges	47,170	41,980	a
Forex exchange loss	-	2,81,583	a
Net fair value loss on Investments	45,999	-	a
Membership and subscription	41,300	-	
Provision for doubtful advances	53,053	-	
	35,30,955	47,85,699	

Payments to the auditor:	31 March 2020	31 March 2019
As auditor		
Audit fee	50,000	55,000
Tax audit fee	25,000	27,500
	75,000	82,500

21 Components of Other Comprehensive Income

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

	FVTOCI reserve	Foreign currency translation reserve	Retained earnings	Total
	INR	INR	INR	INR
During the year ended 31 March 2020				
Re-measurement gains (losses) on defined benefit plans	-	-	10,97,147	-
	-	-	10,97,147	-
During the year ended 31 March 2019				
	INR	INR	INR	INR
Re-measurement gains (losses) on defined benefit plans	-	-	(5,50,933)	-
	-	-	(5,50,933)	-

22 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, if any) 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	70,58,211	62,23,587
Profit attributable to equity holders for basic earnings:	70,58,211	62,23,587
Weighted average number of Equity shares for basic EPS	52,341	52,341
Basic and diluted EPS	134.85	118.90

Ecu International (Asia) Pvt. Ltd.
Notes to the financial statements as at and for the year ended 31 March 2020

23(ii) 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: -

(a) Change in the defined benefit obligation

Particulars	31-Mar-20	31-Mar-19
Defined Benefit Obligation as of Prior Year end	72,99,510	59,80,610
Service Cost		
a. Current service cost	13,09,224	11,34,025
b. Past service cost	-	-
Interest Cost	4,90,725	4,26,995
Benefit payments directly by employer	(8,26,994)	(8,81,390)
Acquisition / Divestiture	5,35,342	9,806
Actuarial (Gain) / Loss - Demographic Assumptions	(26)	(70,695)
Actuarial (Gain) / Loss - Financial Assumptions	(1,27,111)	1,45,698
Actuarial (Gain) / Loss - Experience	(9,24,727)	5,54,461
Defined Benefit Obligation as of Current Year	77,55,944	72,99,510

(b) Change in Fair Value of Plan Assets

Particulars	31-Mar-20	31-Mar-19
Fair value of plan assets at end of prior year	63,84,894	42,12,638
Expected Return on Plan Assets	4,56,520	3,15,948
Employer contributions	9,14,615	17,67,972
Acquisition / Divestiture	-	-
Actuarial Gain/(Loss) on Plan Assets	45,284	88,336
Fair value of plan assets at end of year	78,01,313	63,84,894

(c) Net Defined Benefit Asset / (Liability)

Particulars	31-Mar-20	31-Mar-19
Defined Benefit Obligation	77,55,944	72,99,510
Fair value of Plan Assets	78,01,313	63,84,894
Surplus / (Deficit)	(45,369)	9,14,616
Net Defined Benefit Liability / (Asset)	(45,369)	9,14,616

(d) Reconciliation of Amounts in Balance Sheet

Particulars	31-Mar-20	31-Mar-19
Net defined benefit liability (asset) at prior year end	9,14,616	17,67,972
Defined benefit cost included in P&L	13,43,429	12,45,072
Total remeasurements included in OCI	(10,97,147)	5,41,127
Acquisition / Divestiture	5,35,342	9,806
Employer contributions	(9,14,615)	(17,67,971)
Direct benefit payments by Employer	(8,26,994)	(8,81,390)
Net defined benefit liability (asset) - end of period	(45,369)	9,14,616

(e) Expense Recognised in the Statement of Profit & Loss Account

Particulars	31-Mar-20	31-Mar-19
Service cost		
a) Current service cost	13,09,224	11,34,025
b) Past service cost	-	-
Total service cost	13,09,224	11,34,025
a) Interest expense on DBO	4,90,725	4,26,995
b) Interest (income) on plan assets	(4,56,520)	(3,15,948)
Total net interest cost	34,205	1,11,047
Defined benefit cost included in P&L	13,43,429	12,45,072

(f) Remeasurement Effects Recognized in Other Comprehensive Income (OCI)

Particulars	31-Mar-20	31-Mar-19
a. Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO	(26)	(70,695)
b. Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	(1,27,111)	1,45,698
c. Actuarial (Gain) / Loss due to Experience on DBO	(9,24,727)	5,54,461
d. Return on Plan Assets (Greater) / Less than Discount rate	(45,284)	(88,336)
e. Changes in asset ceiling	-	-
f. Total Actuarial (Gain)/Loss included in OCI	(10,97,148)	5,41,128

Ecu International (Asia) Pvt. Ltd.
Notes to the financial statements as at and for the year ended 31 March 2020

(g) Total Cost Recognised in Comprehensive Income

Particulars	31-Mar-20	31-Mar-19
Cost Recognised in P&L	13,43,429	12,45,072
Remeasurements Effects Recognised in OCI	-10,97,147	5,41,127
Total Cost Recognised in Comprehensive Income	2,46,282	17,86,200

(h) Reconciliation of Statement of Other Comprehensive Income

Particulars	31-Mar-20	31-Mar-19
Cumulative OCI - (Income)/Expense, Beginning of Period	27,22,676	21,81,549
Total remeasurements included in OCI	(10,97,147)	5,41,127
Cumulative OCI - (Income)/Expense, End of Period	16,25,529	27,22,676

(i) Current / Non Current Liability

Particulars	31-Mar-20	31-Mar-19
Current Liability	-	-
Non Current Liability	-	9,14,616
Non Current asset	(45,369)	-
Total	(45,369)	9,14,616

(j) Expected Future Cashflows

Particulars	31-Mar-20	31-Mar-19
Year 1	9,51,415	8,72,440
Year 2	8,33,497	8,44,736
Year 3	8,68,190	8,52,095
Year 4	8,55,380	8,53,390
Year 5	8,26,591	8,23,847
Years 6 to 10	37,01,135	36,97,518

Assumptions

Financial Assumptions

	01/04/2019 to 3/31/2020	01/04/2018 to 3/31/2019
Discount rate	6.33%	7.15%
Basic salary increases allowing for regular increases/price inflation/promotional increases	0% for first year, 8% thereafter	8.00%
Expected rate of return on assets	N.A	N.A

Demographic Assumptions

	31-Mar-20	31-Mar-19
Mortality Rate*	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Withdrawal rate	Service Based: Service <= 4 years: 19% p.a. Service > 4 years: 14% p.a.	Service Based: Service <= 4 years: 19% p.a. Service > 4 years: 14% p.a.
Retirement age	58 Years	58 Years

Discount rate

The discount rate used is determined by reference to the market yields at the balance sheet date on the government bonds in accordance with paragraph 83 of the IND AS 19.

Source - <https://www.ccilindia.com/RiskManagement/SecuritiesSegment/Pages/ZCYC.aspx>

Salary Escalation rate

The estimates of future salary, takes into account regular increases price inflation, promotional increases and other relevant fatctors if applicable.

23(ii) Defined Contribution Plans

For the year company has contributed an amount of **Rs. 43,84,333/-** (31 March 2019 : **Rs. 44,75,535/-**) toward provident funds, ESIC and other funds which is recognised as an expense and included in " Contribution to Provident & Other Funds" Under " Employee benefits expense" in the statement of Profit and Loss.

24 Related party transactions

I. Holding Company									
Allcargo Logistics Limited									
II. Fellow subsidiaries									
AGL Warehousing Private Limited									
Prism Global Limited									
ECU Line (India) Private Limited)									
III. Key managerial personnel									
Mr. Adarsh Sudhakar Hegde									
Mr. Suryanarayanan Sivaramakrishnan									
Mr. Saleem Mohamed Nazir Mohamed Husein									
IV. Relatives of Key Management Personnel									
Nil									
V. Entities over which key managerial personnel or their relative’s exercises significant influence									
Nil									
Summary of transactions with related parties:									
Sr. No.	Nature of Transaction	Holding		Fellow Subsidiary		Fellow Subsidiary		Total	
		Allcargo Logistics Ltd		AGL Warehousing Private Limited		Prism Global Ltd.			
		31st March 20	31st March 19	31st March 20	31st March 19	31st March 20	31st March 19	31st March 20	31st March 19
A)	<u>P&L Related</u>								
a	Operational Income	-	-	-	-	-	-	-	-
b	Operational Expenses	-	47,483	-	-	-	-	-	47,483
c	Rent Expenses	-	-	-	18,00,000	-	-	-	18,00,000
d	Interest Paid	-	80	-	-	-	-	-	80
e	Employee Benefit Expenses	-	-	-	-	-	-	-	-
f	Business Support Charges	359,65,021	64,78,186	-	-	1126,70,267	1070,23,019	1486,35,288	1135,01,205
g	Reimbursable Expenses	-	-	-	-	871,29,070	555,01,837	871,29,070	555,01,837
B)	<u>Balance sheet Related</u>								
a	Trade Receivable	-	-	-	-	-	-	-	-
b	Interest payable	-	-	-	-	-	-	-	-
c	Trade payable	30,34,486	1,14,889	-	-	-	-	30,34,486	1,14,889
d	Provision for expenses	-	-	-	-	-	-	-	-
e	Other Receivable	7,25,839	-	-	-	-	-	7,25,839	-
f	Other payable	-	-	-	-	-	-	-	-
g	Outstanding Loans and advances payable	-	-	-	-	-	-	-	-
h	Paid for Asset purchase	-	-	-	-	-	-	-	-
i	Securty Deposit (rent) given	-	-	-	4,50,000	-	-	-	4,50,000
j	Advance received	(2,500)	(2,500)	-	-	(51,56,698)	(2,82,117)	(51,59,198)	(2,84,617)
k	Advance given repaid back	2,500	2,500	-	-	-	-	2,500	2,500

25 (i) **Commitments and contingencies**

Operating lease commitments - As lessee

Future minimum lease rental payable for non cancellable lease agreements is as below:

Period	31-Mar-20	31-Mar-19
Within one year	49,64,400	-
After one year but not more than five years	66,19,200	-
More than five years	-	-

25 (ii) **Ind AS 116 - Leases**

- (a) The Company has adopted Ind AS 116 "Leases" with effect from April 01, 2019, using modified retrospective method. The Company has applied the standard to all its leases with the cumulative impact recognised on the date of initial application i.e. April 01, 2019. Accordingly, previous periods information has not been restated. This has resulted in recognising a Right-of-Use (ROU) asset in Property, Plant and Equipment (PP&E) amounting to Rs. 13,057,267 and a corresponding lease liability of Rs. 13,057,267 as on date of transition i.e. April 01, 2019. Operating lease expenses which were recognised as other expenses in previous year / period are now recognised as depreciation expense for the ROU and the finance cost for interest accrued on lease liability in the financial results for the year ended March 31, 2020. The adoption of this standard resulted in a decrease in net profit after tax for the year ended March 31, 2020 by Rs. 287,707. This has resulted in earnings per share to change from Rs. 118.90 to Rs. 134.85 for the year ended March 31, 2020.

The following is the summary of practical expedients elected on initial application:

- (i) The Company has adopted incremental borrowing rate as discount rate depending on the unpaid amount of lease rentals as well as the remaining period of lease rentals effective from 1st April 2019.
- (ii) Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- (iii) Excluded the initial direct costs from the measurement of the ROU at the date of initial application.
- (iv) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

- (b) **Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:**

Particulars	Category of ROU Assets
	Building
Balances as on 1.4.19	130,57,267
Depreciation during the year	(29,01,615)
Closing Balances as on 31.3.20	101,55,652

- (c) **The following is the break-up of current and non-current lease liabilities as at March 31, 2020:**

Particulars	As at 31 March 2020
Current lease liabilities	42,17,066
Non-Current lease liabilities	62,26,292
Closing Balances as on 31.3.20	104,43,358

- (d) **The following is the movement in lease liabilities during year ended March 31, 2020:**

Particulars	As at 31 March 2020
Balances as on 1.4.19	130,57,267
Finance cost accrued during the year	6,95,692
Lease payments made during the year	(33,09,600)
Closing Balances as on 31.3.20	104,43,358

- (e) **The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:**

Particulars	As at 31 March 2020
Within 1 year	49,64,400
Between 1 to 5 years	66,19,200
More than 5 years	-
Closing Balances as on 31.3.20	115,83,600

The company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

- (f) Rental expense recognised for short-term leases was Rs. _____ lakhs for the year ended March 31, 2020.

26 **a. Dues to Micro and small enterprises**

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 end.	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. Earnings in Foreign Currency

31 March 2020 31 March 2019

Revenue from operations

- Business support charges	1126,70,267	1070,23,019
- Reimbursement of expenses	871,29,070	555,01,837
	1997,99,337	1625,24,856

c. Expenditure in Foreign Currency

31 March 2020 31 March 2019

Foreign Travel Expenses - Directors	48,65,782	56,66,883
Foreign Travel Expenses - Employees	65,62,048	118,59,249
	114,27,830	175,26,132

27 (i) Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings.

(ii) Financial Risk Management

a. Trade receivables

Outstanding customer receivables are regularly monitored and impairment analysis is performed at each reporting date on an individual basis.

b. 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 forecasts on the basis of monthly business performance and cashflows.

28 Fair value Hierarchy :-

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

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

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following tables provides the Quantitative disclosures of fair value measurement hierarchy of respective reporting periods :-

	Total	Fair Value		
	31-Mar-20	Quoted Price in active market (Level 1)	Significant Observable Inputs (Level 2)	Significant unobservable inputs (level 3)
Financial Investments				
Quoted Investments - Mutual Funds	45,15,496	45,15,496	-	-
Total Financial Assets measured at Fair Value	45,15,496	-	-	-

	Total	Fair Value		
	31-Mar-19	Quoted Price in active market (Level 1)	Significant Observable Inputs (Level 2)	Significant unobservable inputs (level 3)
Financial Investments				
Quoted Investments - Mutual Funds	42,50,926	42,50,926	-	-
Total Financial Assets measured at Fair Value	42,50,926	-	-	-

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

Financial assets as at 31 March 2020 are Rs. 272,78,029 (31 March 2019: Rs. 201,73,962) which includes trade receivables, short term loans, cash and cash equivalents, other bank balances and other financial assets.

Financial liabilities as at 31 March 2020 are Rs. 203,75,449 (31 March 2019: Rs. 70,38,557) which includes trade payables, other payables and other financial liabilities.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

29 COVID 19 Impact:

The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, Investments and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources of information. As on current date, the Company has concluded that the Impact of COVID - 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any

30 Prior year comparatives

Previous years figures have been regrouped or rearranged wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

For Shaparia Mehta & Associate LLP
ICAI firm registration No. 112350W/W-100051
Chartered Accountants

Sd/-

Sanjiv Mehta
Partner
Membership No. 034950

Date: June 17, 2020

For and on behalf of Board of directors of
Ecu International (Asia) Pvt. Ltd.
CIN No : U72300MH2005PTC155205

Sd/-

Adarsh Hegde
Director
DIN:00035040

Date: June 17, 2020

Sd/-

Suryanarayanan Sivaramakrishnan
Director
DIN NO : 00444230