SHAPARIA MEHTA & ASSOCIATES LLP
CHARTERED ACCOUNTANTS

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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 2019, 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 2019, 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 2019.

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.

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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.

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- 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 determinethat 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:

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(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 31March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31March, 2019 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)

SanjivMehta
Partner
Membership No. 034950

SHAPARIA MEHTA & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Mumbai, May 17, 2019

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, 2019, 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 in 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.

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(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)

SanjivMehta
Partner
Membership No. 034950

Mumbai, May 17, 2019

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, 2019 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, 2019, 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)

SanjivMehta
Partner
Membership No. 034950

Mumbai, May 17, 2019

Ecu International (Asia) Pvt. Ltd.
Balance sheet as at 31 March 2019
(Amount in Rupees)

	Notes	31 March 2019	31 March 2018
Assets			
Non-current assets			
Property, plant and equipment (net)	2	1,071,489	1,001,218
Other intangible assets	3	512,152	478,608
Intangible assets under development	3	-	60,000
Financial assets			
Investments	4.1	10	10
Other financial assets	4.2	-	419,952
Deferred tax assets (net)	12(b)	1,175,505	861,304
Non-current tax assets (net)	12(a)	396,628	590,230
Other non-current assets	5A	-	-
Total - Non-current assets		**3,155,784**	**3,411,322**
Current assets			
Financial assets			
Investments	6.1	4,250,926	-
Short term loans	6.2	1,546,634	1,090,146
Trade receivables	6.3	-	6,306,622
Cash and cash equivalents	6.4	14,376,392	8,493,977
Other Financial Assets	4.2	450,000	-
Contract Assets	5	6,701,643	6,737,103
Other current assets	5A	9,294,605	5,479,409
Total - Current assets		**36,620,200**	**28,107,257**
Total Assets		**39,775,984**	**31,518,579**
Equity and Liabilities			
Equity			
Equity share capital	7	523,410	523,410
Other equity		20,346,489	14,674,054
Total Equity		**20,869,899**	**15,197,464**
Non-current liabilities			
Net employment defined benefit liabilities	8	5,123,524	5,053,151
Total - Non-current liabilities		**5,123,524**	**5,053,151**
Current liabilities			
Financial liabilities			
Trade payables	9	2,797,323	2,227,072
Other payables	11	4,241,234	5,502,229
Net employment defined benefit liabilities	8	899,653	544,344
Other current liabilities	10	5,844,351	2,994,320
Total - Current liabilities		**13,782,561**	**11,267,965**
Total equity and liabilities		**39,775,984**	**31,518,579**
Significant accounting policies	1		
Notes to the financial statements	2-27		

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

Sanjiv Mehta
Partner
Membership No. 034950

Date: 17-May-2019

SHAPARIA MEHTA & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

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

Adarsh Hegde
Director
DIN:00035040

Jatin Chokshi
Director
DIN NO : 00495015

Date: 17-May-2019

Ecu International (Asia) Pvt. Ltd.
Statement of Profit and Loss for the year ended 31 March 2019
(Amount in Rupees)

	Notes	31 March 2019	31 March 2018
Continuing Operations			
Income			
Revenue from operations	13	110,272,651	91,956,787
Other income	14	437,991	12,060
Finance income	15	16,975	41,322
Total income		**110,727,617**	**92,010,169**
Expenses			
Employee benefit expense	16	96,512,809	72,533,280
Depreciation and amortisation expenses	17	759,976	558,426
Finance costs	18	81	9,411
Other expenses	19	4,785,699	8,812,915
Total expenses		**102,058,564**	**81,914,032**
Profit before tax		**8,669,052**	**10,096,137**
Tax expense:			
Current tax		2,286,825	2,489,769
Adjustment of tax relating to earlier periods		472,291	259,511
Deferred tax (credit) /charge		(313,651)	(1,323,474)
Total tax expense		**2,445,465**	**1,425,806**
Profit for the year from Continuing Operation (i)		**6,223,587**	**8,670,331**
Profit for the year (A)		**6,223,587**	**8,670,331**
Other Comprehensive Income:			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gain/(losses) on defined benefit plans		(550,933)	(260,042)
Income tax effect		-	(494,788)
		(550,933)	(754,830)
Other Comprehensive Income for the year, net of tax (B)		**(550,933)**	**(754,830)**
Total Comprehensive income for the year, net of tax (A) + (B)		**5,672,654**	**7,915,501**
Earnings per equity share (nominal value of Rs 10 each)		**118.90**	**165.65**
Significant accounting policies	1		
Notes to the financial statements	2-27		

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

Shaparia Mehta & Associates LLP Chartered Accountants Mumbai

Sanjiv Mehta
Partner
Membership No. 034950

Date: 17-May-2019

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

Adarsh Hegde
Director
DIN:00035040

Jatin Chokshi
Director
DIN NO : 00495015

Date: 17-May-2019

Ecu International (Asia) Pvt. Ltd.
Statement of Cash Flows for the period ended 31 March 2019
(Amount in Rupees)

	31 March 2019	31 March 2018
Operating activities		
Profit before tax from continuing operations	8,418,126	10,097,159
Profit before tax from discontinued operations	-	-
Profit before tax	8,418,126	10,097,159
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	643,520	447,721
Amortisation of intangible assets	116,456	110,705
Finance costs	81	9,411
Interest Income	(16,975)	5,046
Working capital adjustments:		
Decrease / (increase) in trade receivables	6,306,623	(1,396,795)
Decrease / (increase) in long term and short term loans and advances	(456,488)	(750,311)
(Decrease)/ Increase in trade payables, other current and non current liabilities and provisions	(2,195,700)	(2,252,401)
Cash generated from operating activities	**12,815,642**	**6,270,535**
Income tax paid (including TDS) (net)	(2,560,000)	(3,049,749)
Net cash flows from operating activities (A)	**10,255,642**	**3,220,787**
Investing activities		
Purchase of property, plant and equipment (including CWIP)	(803,791)	(561,440)
Investment in mutual funds	(4,000,000)	-
Interest income received	430,645	(42,345)
Net cash flows from / (used in) investing activities (B)	(4,373,146)	(603,785)
Financing activities		
Finance costs/Inters Paid	(81)	(13,581)
Net cash flows from / (used in) financing activities (C)	**(81)**	**(13,581)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**5,882,415**	**2,603,421**
Opening balance of cash and cash equivalents	8,493,977	5,890,556
Cash and cash equivalents at the end	**14,376,392**	**8,493,977**

As per our report of even date attached

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

Sanjiv Mehta
Partner
Membership No. 034950

Date: 17-May-2019

SHAPARIA MEHTA & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

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

Adarsh Hegde
Director
DIN:00035040

Jatin Chokshi
Director
DIN NO : 00495015

Date: 17-May-2019

Ecu International (Asia) Pvt. Ltd.
Statement of Changes in Equity for the year ended 31 March 2019
(Amount in Rupees)

(A) Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid	No.	Amount
At 1 April 2017	**52,341**	**523,410**
Addition	-	-
At 31 March 2018	**52,341**	**523,410**
Addition	-	-
At 31 March 2019	52,341	523,410

(B) Other Equity:

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	(2,181,550)	16,855,604	14,673,834
Net Profit for the period		6,223,587	6,223,587
Other comprehensive income	(550,933)		(550,933)
Total comprehensive income	(2,732,483)	**23,079,191**	20,346,488
As at 31 March 2019	(2,732,483)	**23,079,191**	**20,346,489**

For the year ended 31 March 2018

Particulars	Reserves & Surplus		Total equity
	OCI	Balance in Statement of Profit and Loss	
As at 1st April 2017		8,185,273	8,185,273
Net Profit for the period		8,670,331	8,670,331
Other comprehensive income	(2,181,550)		(2,181,550)
Total comprehensive income	(2,181,550)	16,855,604	14,674,054
As at 31 March 2018	**(2,181,550)**	**16,855,604**	**14,674,054**

As per our report of even date attached

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

Mehta

Sanjiv Mehta
Partner
Membership No. 034950

Date: 17-May-2019

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

Adarsh Hegde
Director
DIN:00035040

Jatin Chokshi
Director
DIN NO : 00495015

Date: 17-May-2019

Ecu International (Asia) Pvt. Ltd.

Notes to the financial statements for the year ended 31 March 2019

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.

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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 service tax/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.

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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.

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.

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Depreciation

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

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

Category	*Useful lives (in years)*
Furniture & Fixture	*10*
Computers	*3-6*
Office equipments	*5*

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

i. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding 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. Impairment of non-financial assets (tangible and intangible assets)

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

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

k. Borrowing costs

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

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

l. Provisions and Contingent Liability

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

m. Retirement and other employee benefits

- **Short- term employee benefits**

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

- **Post-employment benefits**

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards Provident Fund and Employees State Insurance Corporation ('ESIC'). The contribution of these is recognized as an expense in the Statement of Profit and Loss during the period in which employee renders the related service. There are no other obligations other than the contribution payable to the Provident Fund and Employee State Insurance Scheme.

Defined benefit plan:

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 Companys'gratuity benefit scheme is a defined benefit plan.

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

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

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

n. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

a. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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.

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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 finacial assets and the transfer qualifies for dercognition under Ind AS 109.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables.

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

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. In balance sheet, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Financial liabilities

Initial recognition and measurement

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

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

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.

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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.

o. Cash and cash equivalents

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

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

p. Cash flow statement

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

q. 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.

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Ecu International (Asia) Pvt. Ltd.

Notes to the financial statements as at and for the year ended 31 March 2019

(Amount in Rupees)

2 Property, Plant and Equipment

Description	Office Equipment	Computers	Furniture & fixtures	Total
Cost or Valuation				
Balance as at 31 March 2018	**192,739**	**1,522,496**	**43,175**	**1,758,410**
Additions	-	713,791	-	713,791
Balance as at 31 March 2019	**192,739**	**2,236,287**	**43,175**	**2,472,201**
Depreciation and impairment				
Balance as at 31 March 2018	**122,941**	**630,873**	**3,378**	**757,192**
Depreciation for the year	18,241	620,964	4,315	643,520
Balance as at 31 March 2019	**141,182**	**1,251,837**	**7,692**	**1,400,711**
Net Block				
As at 31 March 2018	69,798	891,623	39,797	1,001,218
As at 31 March 2019	**51,557**	**984,450**	**35,483**	**1,071,489**

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(Amount in Rupees)

3 Intangible assets

Description	Computer software	Intangible asset under development	Total
Balance as at 31 March 2018	**664,532**	**60,000**	**724,532**
Additions	150,000	(60,000)	90,000
Disposals	-	-	-
Exchange differences	-	-	-
Balance as at 31 March 2019	**814,532**	**-**	**814,532**
Amortisation			
Balance as at 31 March 2018	**185,924**	**-**	**185,924**
Amortisation	116,456		116,456
Accumulated amortisation on disposals	-	-	-
Exchange differences	-	-	-
Balance as at 31 March 2019	**302,380**	**-**	**302,380**
Net book value			
At 31 March 2019	**512,152**	**-**	**512,152**
At 31 March 2018	478,608	60,000	538,608

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Ecu International (Asia) Pvt. Ltd.
Notes to the financial statements as at and for the year ended 31 March 2019
(Amount in Rupees)

4 **Financial Assets**

4.1 **Investments**

	31 March 2019	31 March 2018
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 2019	31 March 2018	31 March 2019	31 March 2018
To related parties				
Unsecured, considered good	-	419,952	450,000	-
Doubtful	-	-	-	-
	-	419,952	450,000	-
Total Other long-term financial assets	-	419,952	450,000	-

5 **Contract assets**

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Unbilled revenue	-	-	6,701,643	6,737,103
	-	-	6,701,643	6,737,103

5A **Other assets**
Unsecured considered good, unless stated otherwise

	Non-current		Current	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Prepaid expenses	-	-	68,289	2,880
Contractual reimbursement expenses	-	-	-	-
CENVAT receivables	-	-	9,226,489	5,448,595
Others	-	-	(173)	27,934
	-	-	9,294,605	5,479,409

6 **Financial assets**

6.1 **Current investments**

	31 March 2019	31 March 2018
Investments at fair value through P&L (fully paid)		
Quoted mutual funds	4,250,926	-
Total Unquoted investments	-	-

6.2 **Short term loans**

	31 March 2019	31 March 2018
To parties other than related parties		
Loans / advances to employees	1,252,589	1,090,146
Loans / advances to supplier	294,045	-
Total Loans	1,546,634	1,090,146

6.3 **Trade receivables**

	31 March 2019	31 March 2018
Trade receivables		
Receivables from related parties	-	6,306,622
Total trade receivables	-	6,306,622
Total Trade receivables	-	6,306,622

No trade or other receivable are due from directors or other officers of the Holding Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

6.4 **Cash and cash equivalents**

	31 March 2019	31 March 2018
Cash and cash equivalents		
Balances with banks		
- On current accounts	14,374,817	8,492,402
Cash on hand	1,575	1,575
	14,376,392	8,493,977

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7 Share capital

Authorised capital:

	Equity shares	
	No	Amount
At 31 March 2018	1,000,000	10,000,000
Increase / (decrease) during the year	-	-
At 31 March 2019	1,000,000	10,000,000

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	
Issued, subscribed and fully paid-up:	No	Amount
At 31 March 2018	52,341	523,410
Changes during the period	-	-
At 31 March 2019	52,341	523,410

(i) Details of shareholders holding more than 5% shares of a class of shares

	As at 31 March 2019		As at 31 March 2018	
Name of Shareholders	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:

	As at 31 March 2019		As at 31 March 2018	
Equity Shares	No	Amount	No	Amount
At the beginning of the year	52,341	523,410	52,341	523,410
Issued during the period - Bonus shares				
Outstanding at the end of the year	**52,341**	**523,410**	**52,341**	**523,410**

(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, 2018				
Allcargo Logistics Limited	52,341			
As at 31 March, 2019				
Allcargo Logistics Limited	52,341			

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(Amount in Rupees)

8 Net employment defined benefit liabilities

	Long-term		Short-term	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Provision for gratuity	914,615	1,767,972	-	-
Provision for Compensated absences	4,208,909	3,285,179	899,653	544,344
	5,123,524	5,053,151	899,653	544,344

9 Trade payables

	31 March 2019	31 March 2018
Trade payables	2,682,433	1,665,565
Trade payables to related parties	114,889	561,507
	2,797,323	2,227,072

10 Other liabilities

	Non-current portion		Current portion	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Employee benefits payable	-	-	3,677,286	1,133,292
Statutory dues payable	-	-	1,880,578	1,856,658
Advances received from customers	-	-	282,117	-
Others (Stale Cheques)	-	-	4,370	4,370
	-	-	5,844,351	2,994,320

11 Other payables

	31 March 2019	31 March 2018
Provision for expenses	4,241,234	5,502,229
	4,241,234	5,502,229

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(Amount in Rupees)

12 Income tax

12a. Non-current tax Assets (net)

Particulars	31 March 2019	31 March 2018
Advance tax recoverable (net of provision for tax)	396,628	590,230
Others	-	-
	396,628	590,230

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

	31 March 2019	31 March 2018
Accounting profit before tax from continuing operations	8,669,052	10,096,137
Profit/(loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	8,669,052	10,096,137
At India's statutory income tax rate of 25.75% (31 March 2017: 29.87%)		
Computed tax expenses	**2,253,954**	**2,599,755**
Utilisation of previously unrecognised tax losses on which deferred tax is not recognisec		-
Expenses not allowed for tax purpose		4,079
Impact of change in tax rate	-	(8,282)
Expenses not allowed in previous years but allowed in current year	(286,138)	(1,429,258)
Adjustments relating to taxes reversal of earlier years	472,291	259,511
Others Impact	5,359	-
At the effective income tax rate of 28.21% (31 March 2017: 28.24%)	**2,445,466**	**1,425,805**
Income tax expense reported in the statement of profit and loss	2,445,465	1,425,806
	2,445,465	**1,425,806**

12b. Deferred tax:

Deferred tax relates to the following:

	Balance Sheet		profit and loss	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Accelerated depreciation for tax purposes	(87,480)	(134,371)	(46,891)	(40,772)
Fiar Valuation on Investments	(65,241)	-	(65,241)	-
Post-employment benefits	-	-	-	-
Leave Encashments	1,328,226	995,676	(332,550)	(788,195)
Future Valuation			549	281
Deferred tax expense/(income)			**(444,133)**	**(828,686)**
Deferred tax assets/(liabilities)	1,175,505	861,304		
Net deferred tax assets/(liabilities)	**1,175,505**	**861,304**		

Reflected in the balance sheet as follows:

	31 March 2019	31 March 2018
Deferred tax assets (continuing operations)	1,328,226	995,676
Deferred tax liabilities:	(65,241)	-
Continuing operations	(87,480)	(134,371)
Discontinued operations	-	-
Deferred tax (liabilities)/ Assets, net	**1,175,505**	**861,305**

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13 Revenue from operations

	31 March 2019	31 March 2018
Other operating revenue		
Business support charges	110,272,651	91,956,787
Total revenue	**110,272,651**	**91,956,787**

14 Other income

	31 March 2019	31 March 2018
Other non-operating income		
Net gain on account of foreign exchange fluctuations		-
Miscellaneous income	187,064	5,060
Fair value gain on financial instruments through profit or loss	250,927	-
Provision written back		7,000
Others		-
	437,991	**12,060**

15 Finance income

	31 March 2019	31 March 2018
Interest income on		
- loan given to other parties	-	-
- loan given to Employee	16,975	5,046
- Intetest on others		36,276
	16,975	**41,322**

16 Employee benefits expense

	31 March 2019	31 March 2018
Salaries, wages and bonus	86,820,626	64,678,754
Contributions to provident and other funds	4,475,535	3,802,051
Staff welfare expenses	1,589,267	1,237,117
Compensated absences	2,392,114	899,770
Gratuity expense	1,235,266	1,915,588
	96,512,809	**72,533,280**

17 Depreciation and amortisation

	31 March 2019	31 March 2018
Depreciation of property, plant and equipment (note 2)	643,520	447,721
Amortisation of intangible assets (note 3)	116,456	110,705
	759,976	**558,426**

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18 Finance costs

	31 March 2019	31 March 2018
Interest expense		
Interest on Advance Tax	-	9,094
Others	81	317
	81	**9,411**

19 Other expenses

	31 March 2019	31 March 2018
Rent	1,799,080	1,837,297
Legal and professional fees	1,512,742	1,024,216
Travelling expenses	-	3,460,644
Repairs to building and others	154,057	236,807
Printing and stationery	13,192	18,980
Communication charges	13,722	655,455
Rates and taxes	41,798	626,799
Office expenses	834,556	397,056
Payment to auditors	82,500	75,000
Insurance	10,489	15,879
Bank charges	41,980	35,389
Forex exchange loss	281,583	350,066
Miscellaneous expenses	-	79,326
	4,785,699	**8,812,915**

Payments to the auditor:	31 March 2019	31 March 2018
As auditor		
Audit fee	55,000	50,000
Tax audit fee	27,500	25,000
	82,500	**75,000**

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20 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 2019				
Re-measurement gains (losses) on defined benefit plans	-	-	(550,933)	-
	-	-	**(550,933)**	-
During the year ended 31 March 2018	INR	INR	INR	INR
Re-measurement gains (losses) on defined benefit plans	-	-	(260,042)	-
	-	-	**(260,042)**	-

21 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 2019	31 March 2018
Profit attributable to equity holders:		
Continuing operations	6,223,587	8,670,331
Profit attributable to equity holders for basic earnings:	6,223,587	8,670,331
Weighted average number of Equity shares for basic EPS	52,341	52,341
Basic and diluted EPS	118.90	165.65

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22(i) 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-19	31-Mar-18
Defined Benefit Obligation as of Prior Year end	**5,980,610**	**4,157,297**
Service Cost		
a. Current service cost	1,134,025	1,098,889
b. Past service cost	-	653,435
Interest Cost	426,995	303,369
Benefit payments directly by employer	(881,390)	(461,860)
Acquisition / Divestiture	-	-
Actuarial (Gain) / Loss - Demographic Assumptions	(70,694)	(626,774)
Actuarial (Gain) / Loss - Financial Assumptions	145,698	(61,926)
Actuarial (Gain) / Loss - Experience	564,267	918,180
Defined Benefit Obligation as of Current Year	**7,299,510**	**5,980,610**

(b) Change in Fair Value of Plan Assets

Particulars	31-Mar-19	31-Mar-18
Fair value of plan assets at end of prior year	**4,212,638**	1,906,184
Expected Return on Plan Assets	315,948	140,105
Employer contributions	1,767,972	2,196,911
Acquisition / Divestiture	-	-
Actuarial Gain/(Loss) on Plan Assets	88,336	(30,562)
Fair value of plan assets at end of year	**6,384,894**	**4,212,638**

(c) Net Defined Benefit Asset / (Liability)

Particulars	31-Mar-19	31-Mar-18
Defined Benefit Obligation	7,299,510	5,980,610
Fair value of Plan Assets	6,384,894	4,212,638
Surplus / (Deficit)	**914,616**	**1,767,972**
Net Defined Benefit Liability / (Asset)	**914,616**	**1,767,972**

(d) Reconciliation of Amounts in Balance Sheet

Particulars	31-Mar-19	31-Mar-18
Net defined benefit liability (asset) at prior year end	**1,767,972**	2,251,113
Defined benefit cost included in P&L	1,245,072	1,915,588
Total remeasurements included in OCI	550,933	260,042
Employer contributions	(1,767,971)	(2,196,910)
Direct benefit payments by Employer	(881,390)	(461,860)
Net defined benefit liability (asset) - end of period	**914,616**	**1,767,972**

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

Particulars	31-Mar-19	31-Mar-18
Service cost		
a) Current service cost	1,134,025	1,098,889
b) Past service cost	-	653,435
Total service cost	**1,134,025**	**1,752,324**
a) Interest expense on DBO	426,995	303,369
b) Interest (income) on plan assets	(315,948)	(140,105)
Total net interest cost	**111,047**	**163,264**
Defined benefit cost included in P&L	**1,245,072**	**1,915,588**

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

Particulars	31-Mar-19	31-Mar-18
a. Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO	(70,695)	(626,774)
b. Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	145,698	(61,926)
c. Actuarial (Gain) / Loss due to Experience on DBO	564,267	918,180
d.Return on Plan Assets (Greater) / Less than Discount rate	(88,336)	30,562
e. Changes in asset ceiling	-	-
f. Total Actuarial (Gain)/Loss included in OCI	**550,934**	**260,042**

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(g) **Total Cost Recognised in Comprehensive Income**

Particulars	31-Mar-19	31-Mar-18
Cost Recognised in P&L	1,245,073	1,915,588
Remeasurements Effects Recognised in OCI	550,933	260,042
Total Cost Recognised in Comprehensive Income	**1,796,006**	**2,175,630**

(h) **Reconciliation of Statement of Other Comprehensive Income**

Particulars	31-Mar-19	31-Mar-18
Cumulative OCI - (Income)/Expense, Beginning of Period	2,181,549	1,921,507
Total remeasurements included in OCI	550,933	260,042
Cumulative OCI - (Income)/Expense, End of Period	**2,732,482**	**2,181,549**

(i) **Current / Non Current Liability**

Particulars	31-Mar-19	31-Mar-18
Current Liability	-	-
Non Current Liability	914,616	1,767,972
Total	**914,616**	**1,767,972**

(j) **Expected Future Cashflows**

Particulars	31-Mar-19	31-Mar-18
Year 1	872,440	574,675
Year 2	844,736	596,008
Year 3	852,095	588,376
Year 4	853,390	610,097
Year 5	823,847	609,009
Years 6 to 10	3,697,518	3,262,315

Assumptions

Financial Assumptions

	01/04/2018 to 3/31/2019	01/04/2017 to 3/31/2018
Discount rate	7.15%	7.50%
Basic salary increases allowing for regular increases/price inflation/promotional increases	8.00%	8.00%
Expected rate of return on assets	N.A	N.A

Demographic Assumptions

	31-Mar-19	31-Mar-18
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: 17.39% p.a. Service > 4 years: 11.11% 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 increases takes into account regular increases , price inflation , promotional increases and other relevant fatcors if applicable

22(ii) **Defined Contribution Plans**

For the year company an amount of **Rs. 44,75,535/-**,(31 March 2018 : Rs. **38,02,051/-)** contributed to provident funds, ESIC and other funds is recognised by as an expense and included in " Contribution to Provident & Other Funds" Under " Employee benefits expense" in the statement of Profit and Loss.

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23 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. Jatin Jayantilal Chokshi
Mr. Udaya Kumar Shetty
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 19	31st March 18	31st March 19	31st March 18	31st March 19	31st March 18	31st March 18	31st March 17
A)	**P&L Related**								
a	Operational Income	-	-	-	-	-	-	-	-
b	Operational Expenses	47,483	-	-	-	-	-	47,483	-
c	Rent Expenses	-	-	1,800,000	1,800,000	-	-	1,800,000	1,800,000
d	Interest Paid	80	317	-	-	-	-	80	317
e	Employee Benefit Expenses	-	125,198	-	-	-	-	-	125,198
f	Business Support Charges	6,478,186	7,882,135	-	-	107,023,019	91,956,787	113,501,205	99,838,922
g	Interest Received	-	-	-	-	-	-	-	-
B)	**Balance sheet Related**								
a	Trade Receivable	-	-	-	-	-	6,105,755	-	6,105,755
b	Interest payable	-	-	-	-	-	-	-	-
c	Trade payable	114,889	561,507	-	-	-	-	114,889	561,507
d	Provision for expenses	-	125,198	-	-	-	-	-	125,198
e	Outstanding Receivable	-	200,645	-	-	-	-	-	200,645
f	Outstanding payable	-	-	-	-	-	-	-	-
g	Outstanding Loans and advances payable	-	-	-	-	-	-	-	-
h	Paid for Asset purchase	-	-	-	-	-	-	-	-
i	Securty Deposit (rent) given	-	-	450,000	450,000	-	-	450,000	450,000
j	Advance received	(2,500)		-	-	(282,117)	-	(284,617)	-
k	Advance given repaid back	2,500	-	-	-	-	-	2,500	-

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24 (I) Commitments and contingencies

a. Leases

Operating lease commitments

Lease expense recognised for the year are **Rs. 18,00,000** (31 March 2018: **Rs. 18,00,000**). There are no exceptional / restrictive covenants in the lease agreements.

There are no future minimum rentals payable.

24 (II) **a. Dues to Micro and small Suppliers**

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

Particulars	31 March 2019	31 March 2018
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

Revenue from operations	31 March 2019	31 March 2018
- Business support charges	110,272,651	91,956,787
- Reimbursement of expenses	51,761,716	53,214,296
	162,034,366	145,171,083

c. Expenditure in Foreign Currency	31 March 2019	31 March 2018
Foreign Travel Expenses - Directors	5,666,883	2,944,959
Foreign Travel Expenses - Employees	11,859,249	5,503,443
	17,526,132	8,448,402

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25 (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.

26 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-18	Quoted Price in active market (Level 1)	Significant Observable Inputs (Level 2)	Significant unobservable inputs (level 3)
Financial Investments				
Quoted Investments - Mutual Funds	4,250,926	4,250,926	-	-
Total Financial Assets measured at Fair Value	**4,250,926**	-	-	-

	Total	Fair Value		
	31-Mar-17	Quoted Price in active market (Level 1)	Significant Observable Inputs (Level 2)	Significant unobservable inputs (level 3)
Financial Investments				
Quoted Investments - Mutual Funds	-	-	-	-
Total Financial Assets measured at Fair Value	-	-	-	-

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 2019 are Rs. 20,173,962 (31 March 2018: Rs. 16,310,707) which includes trade receivables, short term loans, cash and cash equivalents, other bank balances and other financial assets.

Financial liabilities as at 31 March 2019 are Rs. 7,038,557 (31 March 2018: Rs. 7,729,301) 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 cuurent transaction between willing parties, other than in a forced or liquidation sale.

27 IND AS 116

Ind AS 116 Leases was notified by MCA on 30 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 standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases i.e., leases with a lease term of 12 months or less. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company will adopt the new standard on the required effective date using the modified retrospective method. The Company has established an implementation team to implement Ind AS 116 to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. The Company expects that the adoption will result in an increase in the Company's assets and liabilities. A reliable estimate of the quantitative impact of Ind AS 116 on the financial statements will only be possible once the implementation project has been completed.

SHAPARIA MEHTA & ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS *

Ecu International (Asia) Pvt. Ltd.
Notes to the financial statements as at and for the year ended 31 March 2019

28 Provident Fund ruling by Hon'ble Supreme Court

Hon'ble Supreme Court (SC) has passed judgment on February 28, 2019, on the issue of whether certain allowances should be treated as wages for the purpose of Provident Fund (PF). The SC while delivering the said ruling has provided a set of principles that needs to be looked into while determining the scope of "Basic wages" for the purpose of making PF contributions. There are numerous interpretative issues relating to the above SC judgement. The Company is in the process of assessing the impact of the above Supreme Court ruling. The company will create a provision, if required, on receiving further clarity on the effective date and subject.

29 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

Sanjiv Mehta
Partner
Membership No. 034950

Date: 17-May-2019

SHAPARIA MEHTA & ASSOCIATES LLP
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For and on behalf of Board of directors of
Ecu International (Asia) Pvt. Ltd.
CIN No.: U72300MH2005PTC155205

Adarsh Hegde
Director
DIN:00035040

Jatin Chokshi
Director
DIN NO : 00495015

Date: 17-May-2019