

TVS LOGISTICS SERVICES LIMITED

**CONSOLIDATED FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

COMPANY INFORMATION

BOARD OF DIRECTORS

Sri. Suresh Krishna – Chairman
Sri. S Ram
Sri. R Dinesh – Managing Director
Sri. Gopal Srinivasan
Ms. Shobhana Ramachandhran
Sri. S Mahalingam
Sri. V Anantha Nageswaran
Sri. C K Ranganathan
Sri. S Ravichandran – Deputy Managing Director
Sri Bobby Pauly (appointed as Director w.e.f. 30.09.2015)
Ms. Anita George (appointed as Director w.e.f. 11.01.2017)
Sri. Sanjeev Kishen Mehra
(ceased to be Director w.e.f. 11.01.2017)
Sri Ajay Bharat Candade
(ceased to be Director w.e.f. 11.01.2017)

SECRETARY

Sri. P D Krishna Prasad

AUDITORS

M/s B S R and Associates
Chartered Accountants

BANKERS

State Bank of India,
HDFC Bank, Corporate Banking, India
DBS Bank, Corporate Banking, India
Standard Chartered Bank, Wholesale Banking, India
Export Import Bank of India, India
Axis Bank Limited, India

REGISTERED OFFICE

TVS Building
7-B, West Veli Street
Madurai – 625 001

SUBSIDIARY / JOINT VENTURE/ ASSOCIATE COMPANIES

DOMESTIC

Drive India Enterprise Solutions Limited
TVS Dynamic Global Freight Services Limited
TVS Commutation Solutions Limited
TVS Aviation Logistics Limited
(formerly TVS GMR Aviation Logistics Limited)
FLEXOL Packaging (India) Limited
TVS Toyota Tsusho Supply Chain Solutions Limited
TVS Infrastructure Limited

FOREIGN

TVS Logistics Investment UK Limited, UK
(Standalone and Consolidated)
TVS Supply Chain Solutions Limited, UK
MSys Software Solutions Limited, UK
Multipart Limited, UK
TVS Autoserv GmbH, Germany
TVS Logistics Iberia S.L., Spain
Rico Logistics Limited, UK (Consolidated)
including subsidiaries
Ricochet Spain S.L., Spain
Tri-Tec Computer Support Limited, Northern Ireland
Tri-Tec Support Limited, Ireland
Rico Logistique, France
Rico Logistics Pty Limited, Australia
Circle Express Limited, UK
T&T One Asia Limited, Hong Kong (Consolidated)
Subsidiaries of T&T One Asia Limited
China Network Logistics Limited, China
Shanghai HurryTop Warehouse and Delivery Co.,
Ltd., China
Shanghai Feipeng Logistics Co., Ltd., China
Shanghai Hurrytop E-commerce Delivery Co.
Limited, China
Shanghai Hurrytop Supply Chain Management Co.
Limited, China
TVS Logistics Investments USA Inc., USA
(Standalone)
TVS Logistics Investments USA Inc., USA
(Consolidated)
Wainwright Industries Inc., USA (Consolidated)
including subsidiaries
Waintrans LLC, USA
TVS America Inc., USA
TVS Logistics Siam Limited, Thailand
TVS-Asianics Supply Chain Solutions Pte. Limited,
Singapore (Consolidated)
including subsidiaries
TVS-Asianics Supply Chain Solutions Pty. Limited,
Australia
TIF Holdings Pty Ltd
Subsidiaries of TIF Holdings Pty Ltd
Transtar International Freight (Australia) Pty Ltd
Transtar International Freight Limited
KAHN Nominees Pty Ltd
Transtar International Freight Limited
Transtar International Freight (Singapore) Pte.
Limited
Transtar International Freight (Shanghai) Limited
Transtar International Freight Limited
Transtar International Freight (Malaysia) SD Bhd
TIF Holdings (USA) LLC
Transtar International Freight (USA) LLC

Independent Auditors' Report on Consolidated Financial Statements To the Members of TVS Logistics Services Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **TVS Logistics Services Limited** ("the Holding Company") and its subsidiaries, its joint ventures and associates, (collectively referred to as "the Group") which comprise the consolidated balance sheet as at March 31, 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Director of the Holding Company, as aforesaid.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

Independent Auditor's Report
To the members of TVS Logistics Services Limited
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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of matter

We draw attention to note 2.38 to the consolidated financial statements regarding a scheme of amalgamation and arrangement ("Scheme"), for demerger of the third party logistics services business of a Drive India Enterprises Solutions Limited and the amalgamation of a subsidiary - TVS Commutations Solutions Limited, which was approved by the Hon'ble National Company Law Tribunal vide order dated 23 March 2017. As more fully discussed in the aforesaid note, the accounting treatment in the Scheme inter-alia comprises certain adjustments to the reserves and surplus account including securities premium account. Pursuant to the aforesaid Scheme, a sum of ₹ 1,146.11 million has been transferred from the securities premium account to the demerger adjustment account.

Our opinion is not modified in respect of this matter.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Company, as at March 31, 2016, and its consolidated profit and their consolidated cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

Independent Auditor's Report
To the members of TVS Logistics Services Limited
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- (c) The consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and read with note 2.38 to the financial statements in connection with scheme of amalgamation and arrangement.
- (e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of Holding Company and the report of statutory auditors of subsidiary companies incorporated in India, none of the Directors of Group companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a Director of the company in terms of sub section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 2.46 to the financial statements
 - ii The Group has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any on derivative contracts.
 - iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

Other matters

We did not audit the financial statements and other financial information of certain subsidiaries, joint venture and associates, which have been audited by other auditors whose reports have been furnished to us, and our opinion is based on the report of other auditors. In respect of some of such subsidiaries and associates incorporated outside India, for the purpose of preparing consolidated financial statements, local GAAP financial statements have been converted by the management so that these conform to the generally accepted accounting principles in India on the basis of a reporting package. The reporting package made for this purpose have been audited by the other auditors to the extent of the local GAAP of the respective countries and the GAAP conversion related adjustments / disclosures have been verified by us.

The attached consolidated financial statements include total assets of ₹ 12,895 million as at March 31, 2016, total revenue of ₹ 27,439 million and net cash outflow amounting to ₹ 431 million in respect of the aforesaid subsidiaries, joint venture and associates for the year then ended.

Independent Auditor's Report
To the members of TVS Logistics Services Limited
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In addition, the consolidated financial statements and other financial information of a foreign joint venture have not been subjected to audit either by us or by other auditors, and therefore, unaudited financial statements for the year ended March 31, 2016 of this joint venture have been furnished to us by the management. Such joint venture accounts for 1.5% of total assets as at March 31, 2016, 1.8% of total revenue and 3.3% of net cash inflow as shown in these consolidated financial statements, and therefore are not considered material to the consolidated financial statements of the Group, either individually or in the aggregate.

Our opinion is not modified in respect of this matter.

for **BSR and Associates**
Chartered Accountants
ICAI Firm Registration No: 128901W

S Sethuraman
Partner
Membership No: 203491
Chennai
Date: March 28, 2017

Annexure A to the Independent Auditor's Report to the members of TVS Logistics Services Limited for the year ended March 31, 2016

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of **TVS Logistics Services Limited** (hereinafter referred to as "the Holding Company"), its subsidiary and joint venture companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company, its subsidiary companies and joint venture, which are companies incorporated in India, are 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 (the "Guidance Note") 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 the respective 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Annexure A to the Independent Auditor's Report to the members of TVS Logistics Services Limited for the year ended March 31, 2016

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company its subsidiary companies and joint venture, which are companies incorporated in India, have, 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, 2016, 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 ICAI.

for **BSR and Associates**

Chartered Accountants

ICAI Firm Registration No: 128901W

S Sethuraman

Partner

Membership No: 203491

Chennai

Date: March 28, 2017

TVS LOGISTICS SERVICES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016
(All amounts are in Indian rupees (₹) except share data and otherwise stated)

	Note	As at 31 March 2016 ₹	As at 31 March 2015 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	255,523,424	235,814,154
Reserves and surplus	2.2	3,764,120,759	3,155,281,153
		4,019,644,183	3,391,095,307
Share application money pending allotment	2.3	200,000	-
Minority interest	2.4	345,122,417	386,833,097
Non current liabilities			
Long term borrowings	2.5	3,546,302,526	3,871,664,524
Deferred tax liability (net)	2.6	149,086,980	92,736,288
Other long term liabilities	2.7	96,952,171	31,072,665
Long term provisions	2.8	134,549,052	157,591,124
		3,926,890,729	4,153,064,601
Current liabilities			
Short term borrowings	2.9	5,400,216,067	2,043,311,199
Trade payables	2.10	6,759,555,029	4,082,979,726
Other current liabilities	2.11	2,538,245,349	1,985,027,047
Short term provisions	2.8	256,372,812	304,238,871
		14,954,389,257	8,415,556,843
		23,246,246,586	16,346,549,848
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.12	3,949,682,101	2,892,877,003
Intangible assets	2.13	3,532,400,301	2,666,538,112
Capital work in progress		6,532,307	2,081,026
Non current investments	2.14	259,859,101	13,123
Deferred tax asset (net)	2.15	15,374,933	10,065,175
Long term loans and advances	2.16	1,086,400,538	457,492,111
Other non-current assets	2.17	22,332,298	19,376,066
		8,872,581,579	6,048,442,616
Current assets			
Current investments	2.18	10,700,000	-
Inventories	2.19	1,292,616,025	1,250,344,953
Trade receivables	2.20	9,052,026,513	5,150,625,330
Cash and bank balances	2.21	1,799,250,682	2,558,821,566
Short term loans and advances	2.22	1,101,369,367	580,626,051
Other current assets	2.23	1,117,702,420	757,689,332
		14,373,665,007	10,298,107,232
		23,246,246,586	16,346,549,848

SIGNIFICANT ACCOUNTING POLICIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The notes referred to above form an integral part of the consolidated financial statements

As per our report attached

for **B S R and Associates**

Firm Registration Number :128901W

Chartered Accountants

S Sethuraman

Partner

Membership No.: 203491

**For and on behalf of Board of Directors of
TVS Logistics Services Limited**

Suresh Krishna

Chairman

R Dinesh

Managing Director

S Ravichandran

Deputy Managing Director

P D Krishna Prasad

Company Secretary

Baskar Lakshmanan

Chief Financial Officer

Place: Chennai

Date: 28 March 2017

Place: Chennai

Date: 28 March 2017

TVS LOGISTICS SERVICES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

	Note	Year ended 31 March 2016 ₹	Year ended 31 March 2015 ₹
REVENUE			
Revenue from operations	2.24	42,926,857,935	31,273,587,372
Other income	2.25	321,573,405	128,606,135
		43,248,431,340	31,402,193,507
EXPENSES			
Cost of material consumed	2.26	44,459,886	34,136,369
Purchases of stock	2.27	10,878,765,008	8,927,598,523
Changes in inventories of stock in trade	2.28	(45,734,340)	588,810,955
Employee benefit expenses	2.29	8,186,326,215	5,968,198,660
Other expenses	2.30	21,790,564,795	13,930,993,302
Depreciation and amortisation	2.31	670,709,251	739,065,745
Finance costs	2.32	577,158,206	519,464,290
		42,102,249,021	30,708,267,844
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		1,146,182,319	693,925,663
Exceptional items	2.33	(171,151,767)	-
PROFIT BEFORE TAX AND MINORITY INTEREST		1,317,334,086	693,925,663
Tax expenses	2.34	436,838,944	319,286,901
PROFIT FOR THE YEAR BEFORE SHARE IN (LOSS) OF ASSOCIATES AND MINORITY INTEREST		880,495,142	374,638,762
Share in loss of associates	2.35	8,221,552	-
PROFIT FOR THE YEAR BEFORE MINORITY INTEREST		872,273,590	374,638,762
Minority interest in the profit/(loss) for the year (net)	2.36	66,058,303	66,058,343
PROFIT FOR THE YEAR		806,215,287	308,580,419
EARNINGS PER SHARE	2.37		
Basic		32.60	13.09
Diluted		32.28	12.86
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic		24,731,750	23,578,766
Diluted		24,978,631	24,000,617
NOMINAL VALUE OF ORDINARY SHARES		10	10

SIGNIFICANT ACCOUNTING POLICIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The notes referred to above form an integral part of the consolidated financial statements

As per our report attached

for **B S R and Associates**

Firm Registration Number :128901W

Chartered Accountants

**For and on behalf of Board of Directors of
TVS Logistics Services Limited**

S Sethuraman

Partner

Membership No.: 203491

Suresh Krishna

Chairman

R Dinesh

Managing Director

S Ravichandran

Deputy Managing Director

P D Krishna Prasad

Company Secretary

Baskar Lakshmanan

Chief Financial Officer

Place: Chennai

Date: 28 March 2017

Place: Chennai

Date: 28 March 2017

TVS LOGISTICS SERVICES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016
(All amounts are in Indian rupees (₹) except share data and otherwise stated)

	Year ended 31 March 2016 ₹	Year ended 31 March 2015 ₹
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit /(loss) before tax	1,317,334,086	693,925,663
Adjustments for:		
Depreciation and amortisation	670,709,251	739,065,745
Profit on sale of fixed assets, net	(12,122,130)	(22,765,854)
Provision for doubtful debts	149,310,218	142,549,912
Provision for impairment of tangible assets	1,045,330	7,775,372
Provision for impairment of intangible assets	159,554,179	-
Interest income	(13,361,267)	(5,294,535)
Finance costs	577,158,206	519,464,290
Provision no longer required written back	(207,423,800)	(70,818,754)
Liabilities no longer required written back	-	(3,186,471)
Dividend income from mutual funds	(5,208,094)	(4,288,460)
Bad debts written off	54,676,221	18,737,644
Exceptional items	(171,151,767)	-
Operating profit before working capital changes	2,520,520,433	2,015,164,552
Adjustments for changes in working capital:		
(Increase) / decrease in trade receivables	(1,162,604,211)	(181,192,271)
(Increase) / decrease in inventories	352,587,014	505,330,812
(Increase) / decrease in loans and advances	150,817,507	(72,618,467)
(Increase) / decrease in other assets	(101,876,709)	7,368,364
Increase / (decrease) in trade payables	740,817,130	(85,673,156)
Increase / (decrease) in provisions	(68,343,556)	(45,029,031)
Increase / (decrease) in other liabilities	198,958,124	(224,017,088)
Cash generated from operations	2,630,875,732	1,919,333,715
Direct taxes paid - net of refunds	(918,936,778)	(154,086,237)
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	1,711,938,954	1,765,247,478
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, and capital work-in-progress	(1,757,240,002)	(126,829,121)
Proceeds from sale of fixed assets	102,118,499	278,270,637
Purchase of non current investments, including share application money	(40,067,530)	(940)
Purchase of current investments, net of proceeds from sale/maturity	-	7,886,266
Investments / (redemptions) relating to bank deposits having original maturity of more than three months, net	70,963,543	(30,258,440)
Interest received	12,510,198	5,469,834
Dividend received	5,208,094	-
Cash paid for acquisition, net of cash acquired	(2,286,076,215)	(206,055,997)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES (B)	(3,892,583,413)	(71,517,761)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	1,256,417,591	391,870
Proceeds / (repayment) of long term borrowings, net	187,432,801	549,130,375
Proceeds / (repayment) of short term borrowings, net	615,678,928	(755,926,044)
Finance costs paid	(570,005,640)	(515,874,701)
Dividend paid on equity shares	(69,978,350)	(29,446,147)
Dividend paid on preference shares	-	(2,254,882)
Dividend distribution tax paid on equity dividend	-	(15,706,137)
Dividend distribution tax paid on preference dividend	-	(383,217)
NET CASH FLOWS (USED IN) / FROM FINANCING ACTIVITIES (C)	1,419,545,330	(770,068,883)
EXCHANGE DIFFERENCE ON TRANSLATION OF FOREIGN CURRENCY (D)	81,298,208	(107,046,300)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(679,800,921)	816,614,534
Cash and cash equivalents at the beginning of the year	2,400,711,330	1,584,096,796
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (see note below)	1,720,910,409	2,400,711,330
(Refer to note 2.21 - Cash and cash equivalents)		

TVS LOGISTICS SERVICES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

Year ended 31 March 2016	Year ended 31 March 2015
₹	₹
21,260,630	11,879,980
17,057,928	27,854
1,561,395,890	1,953,341,699
121,195,961	435,461,797
1,720,910,409	2,400,711,330

Notes to consolidated cash flow statement

1. Components of cash and cash equivalents

Cash on hand	21,260,630	11,879,980
Cheques on hand	17,057,928	27,854
Balance with banks		
On current accounts	1,561,395,890	1,953,341,699
On deposits accounts (with original maturity of 3 months or less)	121,195,961	435,461,797
	1,720,910,409	2,400,711,330

SIGNIFICANT ACCOUNTING POLICIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The notes referred to above form an integral part of the consolidated financial statements

As per our report attached

for B S R and Associates

Firm Registration Number :128901W

Chartered Accountants

1

2

**For and on behalf of Board of Directors of
TVS Logistics Services Limited**

S Sethuraman

Partner

Membership No.: 203491

Suresh Krishna
Chairman

R Dinesh
Managing Director

S Ravichandran
Deputy Managing Director

P D Krishna Prasad
Company Secretary

Baskar Lakshmanan
Chief Financial Officer

Place: Chennai
Date: 28 March 2017

Place: Chennai
Date: 28 March 2017

TVS LOGISTICS SERVICES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2016 (continued)
Company Overview:

TVS Logistics Services Limited (“TVS LSL” or the “parent company”) was incorporated on 16 November 2004 and is in the business of providing logistics services. The parent company, its subsidiaries, joint ventures and associates (collectively, “the Group”) are primarily engaged in the business of outsourced inventory management, aftermarket warehouse, in-plant warehouse, global supply chain management services, material handling services etc.,

Subsidiaries, step-down subsidiaries, joint ventures and associates of the parent company are

Name of the company	Country of incorporation	Percentage of holding %
Subsidiaries		
TVS Dynamic Global Freight Services Limited	India	85
Drive India Enterprises Solutions Limited (from 01 September 2015)	India	100
TVS Commutation Solutions Limited (merged with TVS Logistics Services Limited on 31 March 2016)	India	NA
TVS Aviation Logistics Limited (formerly TVS GMR Aviation Logistics Limited)	India	99.99
TVS RHR Finished Vehicles Logistics Solutions Limited (disposed on 29 January 2015)	India	NA
FLEXOL Packaging (India) Limited	India	67.55
Cargowings Logistics Limited (disposed on 29 January 2015)	India	NA
TVS Logistics Investment UK Ltd.	United Kingdom	100
TVS Logistics Investments USA Inc.	USA	100
TVS Logistics Siam Limited	Thailand	55
TVS-Asianics Supply Chain Solutions Pte. Limited (from 09 October 2014)	Singapore	100
TVS Toyota Tsusho Supply Chain Solutions Limited (from 28 November 2014)	India	60
Step-down subsidiaries		
TVS Supply Chain Solutions Limited	United Kingdom	100
Msys Software Solutions Limited	United Kingdom	100
Multipart Limited	United Kingdom	100
TVS Autoserv GmbH	Germany	51
TVS Logistics Iberia SL	Spain	100
Rico Logistics Limited	United Kingdom	97.47
Ricochet Spain, SL	Spain	97.47
Tri - Tec Computer Support Limited	Ireland	97.47
Tri - Tec Support Limited	Ireland	97.47
Rico Logistique (from 01 April 2015)	France	97.47
Rico Logistics Pty Limited (from 22 December 2015)	Australia	97.47
Circle Express Limited (from 18 January 2016)	United Kingdom	82.85
Wainwright Industries Inc.	USA	92.83
Waintrans LLC	USA	92.83
Manufacturers Equipment & Supply Company (merged with Wainwright Industries Inc. on 31 March 2015)	USA	NA
TVS America Inc.	USA	100
TVS Supply Chain Solutions De Mexico (from 30 June 2015)	Mexico	83.55
TVS-Asianics Supply Chain Solutions Pty Limited (from 15 July 2015)	Australia	100

TVS LOGISTICS SERVICES LIMITED**Notes to consolidated financial statements for the year ended 31 March 2016 (continued)****Company Overview: (continued)**

Name of the company	Country of incorporation	Percentage of holding %
Step-down subsidiaries (continued)		
TIF Holdings Pty Ltd	Australia	100
Subsidiaries of TIF Holdings Pty Ltd		
Transtar International Freight (Aust) Pty Ltd	Australia	55
Transtar International Freight Limited	New Zealand	55
KAHN Nominees Pty Ltd	Australia	55
Transtar International Freight Limited	Hong Kong	55
Transtar International Freight (Singapore) Pte. Limited	Singapore	55
Transtar International Freight (Shanghai) Limited	China	55
Transtar International Freight Limited	Thailand	55
Transtar International Freight (Malaysia) SD Bhd	Malaysia	55
TIF Holdings (USA) LLC	USA	55
Transtar International Freight (USA) LLC	USA	55
Joint venture		
TVS Infrastructure Private Limited (formerly TVS Infrastructure Limited)	India	50
T&T One Asia Limited (T&T One) (from 26 June 2014)	Hong Kong	50
Subsidiaries of T&T One (from 26 June 2014)		
China Network Logistics Limited	China	29.85
Shanghai Hurrytop Warehouse and Delivery Co., Ltd.	China	29.85
Shanghai Feipeng Logistics Co., Ltd.	China	29.85
Shanghai Hurrytop E-commerce Delivery Co. Limited	China	29.85
Shanghai Hurrytop Supply Chain Management Co. Limited	China	29.85
Associates		
Montara Verpacken mit System GmbH (Montara) (from 23 October 2015)	Germany	21
Subsidiaries of Montara (from 23 October 2015)		
Montara North America Corporation	USA	21
Montara India Pvt. Ltd	India	21

1 Significant accounting policies

The accounting policies set out below have been applied consistently (except as stated) to the periods presented in these consolidated financial statements.

1.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('IndianGAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, pronouncements of the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, to the extent applicable. The consolidated financial statements are presented in Indian rupees.

TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

1 Significant accounting policies (continued)

1.2 Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.3 Principles of consolidation

In accordance with AS 21 – “Consolidated Financial Statements”, the consolidated financial statements include the financial statements of the parent company and all of its subsidiaries (collectively referred to as “the Group”), in which the parent company has more than one-half of the voting power of an enterprise or where the Company controls the composition of the board of directors. In accordance with AS 27 – “Financial Reporting of Interests in Joint Ventures”, the Group has accounted for its proportionate share of interest in joint ventures by the proportionate consolidation method.

These consolidated financial statements have been prepared on the following basis:

The financial statements of the parent company and the subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the group. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.

The proportionate share of Group’s interest in Joint Ventures is combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group transactions and resulting unrealised profits, to the extent it pertains to the Group.

An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture. The share of profit / loss of associate companies is accounted under the ‘Equity method’ wherein the investment is initially recorded at cost identifying any goodwill / capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the investors share of the net assets of the investee. The consolidated statement of profit and loss reflects the investors share of results of the investee.

The excess / deficit of cost to the parent company of its investment in the subsidiaries and joint ventures over its portion of equity at the respective dates on which investment in such entities were made is recognised in the financial statements as goodwill / capital reserve.

Minority interest in the net assets of consolidated subsidiaries consists of :

- a) The amount of equity attributable to the minorities at the dates on which investment in a subsidiary is made; and
- b) The minorities share of movements in equity since the date of parent-subsidiary relationship came into existence.

Minority interest in share of net result for the year is identified and adjusted against the profit after tax. Excess of loss, if any, attributable to the minority over and above the minority interest in the equity of the subsidiaries is absorbed by the Group.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

1.4 Tangible fixed assets and capital work in progress

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Tangible fixed assets which are acquired but not ready for their intended use before balance sheet date and assets under construction are disclosed as capital work-in-progress.

Leases under which the Group assumes substantially all the risk and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease management fees, legal charges and other initial direct costs are capitalised.

TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

1 Significant accounting policies (continued)

1.4 Tangible fixed assets and capital work in progress (continued)

A tangible fixed asset is eliminated from the consolidated financial statements on disposal. Losses arising from retirement or gains or losses arising from disposal of tangible fixed assets which are carried at cost are recognised in the consolidated statement of profit and loss.

1.5 Intangible assets

Acquired intangible assets

Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

An Intangible asset is derecognised on disposal or when no further benefit is expected from its use and disposal.

Losses arising from retirement or gains or losses arising from disposal of intangible assets are measured as the difference between the new disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit and loss.

Goodwill

Goodwill comprises the excess of purchase consideration over the fair value of the net assets of the acquired enterprise. Goodwill arising on consolidation is not amortised but is tested for impairment.

1.6 Depreciation and amortisation

Depreciation on tangible assets is calculated on pro-rata basis (i.e., from the date the asset is ready to use) on the straight line method ("SLM") except that depreciation on certain plant and machinery (material handling equipment) used in the business of material handling services are provided on written down value method ("WDV"). Depreciation is provided over management's estimate of the useful life of such assets. With effect from 1 April 2014 pursuant to the requirement of Companies Act 2013, the Group carried out a technical evaluation and determined the useful life of the assets as under:

Categories of tangible assets	Useful life (in years)
Buildings	30-60
Plant and equipment	02-30
Furniture and fixtures	03-10
Vehicles	02-10
Office equipment	5
Computer equipment	01-06
Leasehold improvements	*

* Leasehold improvements are depreciated over the shorter of the lease term and their useful life unless it is reasonably certain that the Group will obtain ownership by the end of the lease term, in which case depreciation rates applicable for similar assets owned by the Group are applied.

Intangible assets are amortised in the consolidated statement of profit and loss over their estimated useful lives, from the date that they are available for use, based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis. In accordance with the applicable accounting standard, the Group follows a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. However, if there is persuasive evidence that the useful life of an intangible asset is longer than ten years, it is amortised over the best estimate of its useful life.

The amortisation rates are as follows

Categories of intangible assets	Useful life (in years)
Customer related intangibles etc.,	5
Computer software	03-10
Goodwill on acquisition	10

1.7 Impairment

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount (higher of net selling price and value in use) of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit ("CGU") to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the consolidated statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

1 Significant accounting policies (continued)

1.8 Operating leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the consolidated statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the consolidated statement of profit and loss over the lease term.

1.9 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Group in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognised as an expense in the period in which they are incurred.

1.10 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long-term investments which are expected to be realized within 12 months after the reporting date are also presented under 'current assets' as "current portion of long term investments".

Long-term investments (including current portion thereof) are carried at cost less any other temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e., equity shares, preference shares etc.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the consolidated statement of profit and loss.

1.11 Inventories

Inventories consist of packing materials, stock in trade, stores and spare parts. Inventories are valued at the lower of cost and net realisable value. Net realisable value (NRV) is the estimated selling price in the ordinary course of the business, less the estimated costs of completion (if applicable) and the estimated costs necessary to make the sale. Cost of inventories comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The costs of all categories of inventories are determined using first in first out (FIFO) method.

1.12 Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving 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 to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plan

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 Indian entities of the Group makes specified monthly contributions towards employee provident fund and superannuation fund to Government and Life Insurance Corporation ("LIC") respectively which are defined contribution plans.

US entities of the Group have a profit-sharing plan with 401(k) provisions, which allows all employees to participate and make contributions. The plan provides for the Group to make discretionary matching contributions. Employers are 100% vested in their own plan contributions and become vested in employer contributions after meeting certain years of service criteria. Certain UK entities of the Group also operate personal pension plans, which are defined contribution plans.

The Group's contribution is recognised as an expense in the consolidated statement of profit and loss during the period in which the employee renders the related service.

TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

1 Significant accounting policies (continued)

1.12 Employee benefits (continued)

Defined benefit plans

Indian entities of the Group have an obligation towards gratuity, a defined benefit plan. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Group's obligation under the plan is performed as at the balance sheet date by a qualified actuary using the projected unit credit method.

The Group recognizes all actuarial gains and losses arising from defined benefit plans immediately in the consolidated statement of profit and loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the consolidated statement of profit and loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in consolidated statement of profit and loss on a straight-line basis over the average period until the benefits become vested. The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when curtailment or settlement occurs.

Compensated Absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The calculation of the Group's obligation under the plan is performed as at the balance sheet date by a qualified actuary using the projected unit credit method.

1.13 Revenue recognition

Revenue from logistics services are recognised when the relevant services are rendered, provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection of the consideration. Income from leasing of warehouses is recognised on a straight line basis over the tenure of lease agreement.

Revenue from sale of goods is recognised when the property in the products or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of the goods as well as regarding its collection.

The amount of recognised revenue is exclusive of sales tax, value added taxes (VAT) and service tax, and is net of returns and discounts.

Interest income is recognised on a time proportion basis. Dividend income is recognised when the right to receive payment is established.

1.14 Foreign currency transactions and translation of financial statements of foreign subsidiaries

The reporting currency of the Group is the Indian Rupee ("₹"). However, the local currencies of non-integral foreign subsidiaries are different from the reporting currencies of the Group.

Foreign currency transactions

Foreign exchange transactions are recorded into Indian Rupees ("₹") using the exchange rate on the dates of the respective transactions. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian Rupees ("₹") at the closing exchange rates on that date. The resultant exchange differences are recognised in the consolidated statement of profit and loss.

Translation of financial statements of foreign subsidiaries

All the foreign subsidiaries of the parent company included in the consolidated financial statements have been identified as non-integral operations in accordance with the requirements of AS-11 "The Effect of Changes in Foreign Exchange Rates".

The financial statements of such foreign non-integral operations are translated into India Rupees as follows:

- Share capital and opening reserves and surplus are carried at historical cost.
- All assets and liabilities, both monetary and non-monetary, (excluding share capital, opening reserves and surplus) are translated using closing rates at balance sheet date.
- Profit and loss items are translated at the respective average exchange rates during the period.
- The resulting net exchange difference is credited or debited to the "Foreign Currency Translation Reserve" (FCTR).
- Contingent liabilities are translated at the closing rates at balance sheet date.

The items of Cash flow statement are translated at the respective average rates during the period. The effect of changes in exchange rates on cash and cash equivalents held in a foreign currency is reported separately as part of the reconciliation of the changes in cash and cash equivalents during the period.

TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

1 Significant accounting policies (continued)

1.15 Provisions, contingent liabilities and contingent assets

Provisions

A provision is recognised if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.16 Income taxes

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in the consolidated statement of profit and loss except that tax expense relating to items recognised directly in reserves is also recognized in those reserves. Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws.

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

The break-up of the major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the entity has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

For Indian entities, Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the consolidated statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

1.17 Earnings per share

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

1.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the Group are segregated.

TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.12 Tangible assets ****

	Land	Building	Plant and equipment *	Furniture and fixtures	Vehicles *	Office equipment	Computer equipment	Lease hold improvement s	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Gross Block									
Balance as at 01 April 2014	420,551,162	1,978,078,834	1,572,538,705	1,197,444,487	1,277,608,126	54,745,031	113,266,075	56,530,271	6,670,762,691
On acquisitions	-	-	-	-	8,634,672	34,195,702	9,497,222	29,793,896	82,121,492
Additions	32,958,960	(1,204,644)	183,143,834	115,628,622	19,688,252	9,579,568	37,605,248	52,218,157	449,617,997
Disposals ^	-	-	(304,113,082)	(24,008,175)	(783,737,422)	(13,222,649)	(3,816,364)	(2,639,273)	(1,131,536,965)
Translation adjustments	(26,705,902)	(126,392,179)	(16,705,063)	(77,246,689)	1,026,355	934,576	1,986,153	(108,124)	(243,210,873)
Balance as at 31 March 2015	426,804,220	1,850,482,011	1,434,864,394	1,211,818,245	523,219,983	86,232,228	158,538,334	135,794,927	5,827,754,342
Balance as at 01 April 2015	426,804,220	1,850,482,011	1,434,864,394	1,211,818,245	523,219,983	86,232,228	158,538,334	135,794,927	5,827,754,342
On acquisitions	-	285,699,882	182,206,977	254,065,587	51,288,388	82,591,437	217,784,385	111,186,561	1,184,823,217
Additions	175,084,385	2,469,113	381,799,154	265,084,641	23,419,796	23,254,446	36,951,010	12,367,520	920,430,065
Transfer to asset held for sale (refer note 2.23	-	-	-	-	(140,402,469)	-	-	-	(140,402,469)
Disposals	-	-	(30,924,333)	(3,744,319)	(331,458,478)	(3,530,219)	(5,780,699)	(16,020,394)	(391,458,442)
Translation adjustments	9,500,113	44,871,981	35,675,749	22,470,097	306,177	2,113,085	4,969,888	4,449,371	124,356,461
Balance as at 31 March 2016	611,388,718	2,183,522,987	2,003,621,941	1,749,694,251	126,373,397	190,660,977	412,462,918	247,777,985	7,525,503,174
Accumulated depreciation									
Balance as at 01 April 2014	-	683,225,308	883,758,324	792,428,280	447,675,620	13,595,416	51,536,447	33,060,084	2,905,279,479
On acquisitions	-	-	-	-	6,206,314	21,287,376	7,536,607	17,614,690	52,644,987
Charge for the year	-	59,773,711	272,205,349	108,586,277	178,806,742	19,932,364	37,905,309	10,280,229	687,489,981
Impairment loss/(reversal) during the year	-	-	(49,539)	-	5,959,330	(70,154)	-	-	5,839,637
Disposals ^	-	(599,099)	(278,271,279)	(30,382,677)	(281,126,573)	(9,132,384)	(3,098,897)	9,279,589	(593,331,320)
Translation adjustments	-	(51,324,883)	(18,367,538)	(55,820,730)	560,201	584,591	1,044,214	278,720	(123,045,425)
Balance as at 31 March 2015	-	691,075,037	859,275,317	814,811,150	358,081,634	46,197,209	94,923,680	70,513,312	2,934,877,339
Balance as at 01 April 2015	-	691,075,037	859,275,317	814,811,150	358,081,634	46,197,209	94,923,680	70,513,312	2,934,877,339
On acquisitions	-	30,054,364	54,666,248	49,840,177	4,208,466	54,268,363	181,183,502	12,895,409	387,116,529
Transfer to asset held for sale (refer note 2.23	-	-	-	-	(124,925,532)	-	-	-	(124,925,532)
Charge for the year	-	62,072,707	253,117,835	147,475,214	68,732,644	25,982,860	41,513,009	21,494,947	620,389,216
Impairment loss/(reversal) during the year	-	-	-	-	(2,307,096)	(130,502)	-	-	(2,437,598)
Disposals	-	-	(19,992,756)	(1,377,503)	(263,705,203)	(1,919,980)	(5,210,112)	(6,770,973)	(298,976,527)
Translation adjustments	-	16,734,830	15,881,192	17,560,986	1,095,143	1,523,574	3,270,933	3,710,988	59,777,646
Balance as at 31 March 2016	-	799,936,938	1,162,947,836	1,028,310,024	41,180,056	125,921,524	315,681,012	101,843,683	3,575,821,073
Net block									
As at 31 March 2015	426,804,220	1,159,406,974	575,589,077	397,007,095	165,138,349	40,035,019	63,614,654	65,281,615	2,892,877,003
As at 31 March 2016	611,388,718	1,383,586,049	840,674,105	721,384,227	85,193,341	64,739,453	96,781,906	145,934,302	3,949,682,101

* The gross and net carrying amount of assets acquired under finance lease and included in above is as follows

	31 March 2016	31 March 2015
	₹	₹
Gross block	233,531,567	309,190,151
Accumulated depreciation	(127,255,615)	(62,683,485)
Depreciation charge for the year	(39,966,166)	(112,849,502)
Net book value	66,309,786	133,657,164

**** Refer note 2.38 - Scheme of amalgamation and arrangement

^ Disposals include Gross block ₹ Nil (31 March 2015: ₹ 314,059,088) and Accumulated depreciation ₹ Nil (31 March 2015: ₹ 138,066,027) towards assets held for sale classified separately under Other Current Assets as per note 2.23. Also refer note 2.39.

TVS LOGISTICS SERVICES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2016 (continued)
(All amounts are in Indian rupees (₹) except share data and otherwise stated)
2.13 Intangible assets ****

	Goodwill on consolidation	Goodwill on acquisition	Customer related intangible etc.,	Non compete *	Computer software	Total
	₹	₹	₹	₹	₹	₹
Gross Block						
Balance as at 01 April 2014	2,443,951,679	34,538,745	206,379,732	71,640,255	242,422,535	2,998,932,946
On acquisitions	437,075,036	-	-	-	13,530,631	450,605,667
Additions	10,463,290	-	-	-	24,008,416	34,471,706
Disposals	(69,615,429)	-	(158,879,732)	(71,640,255)	(4,398,853)	(304,534,269)
Translation adjustments	(19,453,933)	(2,926,030)	-	-	4,224,476	(18,155,487)
Balance as at 31 March 2015	2,802,420,643	31,612,715	47,500,000	-	279,787,205	3,161,320,563
Balance as at 01 April 2015	2,802,420,643	31,612,715	47,500,000	-	279,787,205	3,161,320,563
On acquisitions	507,710,029	16,126,904	-	-	197,544,274	721,381,207
Additions	355,338,542	-	-	-	29,107,829	384,446,371
Disposals	(185,582,444)	-	-	-	(72,981)	(185,655,425)
Translation adjustments	124,029,329	1,667,207	-	-	8,864,739	134,561,275
Balance as at 31 March 2016	3,603,916,099	49,406,826	47,500,000	-	515,231,066	4,216,053,991
Accumulated amortisation and impairment						
Balance as at 01 April 2014	65,054,580	1,647,122	66,035,970	8,358,030	142,035,394	283,131,096
On acquisitions	-	-	-	-	13,434,038	13,434,038
Amortisation for the year	-	3,902,144	26,842,723	12,103,618	32,589,946	75,438,431
Impairment loss during the year	185,582,444	-	-	-	-	185,582,444
Disposals	-	-	(45,378,693)	(20,461,648)	(2,466,662)	(68,307,003)
Translation adjustments	2,323,149	(363,512)	-	-	3,543,808	5,503,445
Balance as at 31 March 2015	252,960,173	5,185,754	47,500,000	-	189,136,524	494,782,451
Balance as at 01 April 2015	252,960,173	5,185,754	47,500,000	-	189,136,524	494,782,451
On acquisitions	-	-	-	-	159,823,051	159,823,051
Amortisation for the year	-	3,920,063	-	-	46,399,972	50,320,035
Impairment loss during the year **	159,554,179	-	-	-	-	159,554,179
Reversal of impairment loss (refer note 2.38)	(185,582,444)	-	-	-	315,224	(185,267,220)
Translation adjustments	(2,449,151)	1,541	-	-	6,888,804	4,441,194
Balance as at 31 March 2016	224,482,757	9,107,358	47,500,000	-	402,563,575	683,653,690
Net block						
As at 31 March 2015	2,549,460,470	26,426,961	-	-	90,650,681	2,666,538,112
As at 31 March 2016	3,379,433,342	40,299,468	-	-	112,667,491	3,532,400,301

**** Refer note 2.38 - Scheme of amalgamation and arrangement

* Refer note 2.39 - Accounting for Business Reconstruction Reserve ('BRR')

** Represents impairment of goodwill in connection with investments in T&T One Asia Limited and its subsidiaries.

TVS LOGISTICS SERVICES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2 Notes to accounts
2.1 Share capital

	31 March 2016	31 March 2015
Authorised shares		
29,800,000 (31 March 2015: 28,800,000) equity shares of ₹ 10 each	298,000,000	288,000,000
1,200,000 (31 March 2015: 1,200,000) preference shares of ₹ 10 each	12,000,000	12,000,000
Refer note 2.38 - Scheme of amalgamation and arrangement		
Issued		
13,810,401 (31 March 2015: 13,810,401) equity shares of ₹ 10 each at par	138,104,010	138,104,010
5,066,800 (31 March 2015: 5,066,800) equity shares of ₹ 10 each at a premium of ₹ 185.72 per share	50,668,000	50,668,000
390,800 (31 March 2015: 390,800) equity shares of ₹ 10 each at a premium of ₹ 185 per share	3,908,000	3,908,000
275,800 (31 March 2015: 275,800) equity shares of ₹ 10 each at a premium of ₹ 65 per share	2,758,000	2,758,000
4,456,816 (31 March 2015: 4,456,816) equity shares of ₹ 10 each at a premium of ₹ 424.92 per share	44,568,160	44,568,160
1,798,607 (31 March 2015 : Nil) equity shares of ₹10 each at a premium of ₹ 685 per share	17,986,070	-
	257,992,240	240,006,170
Called, Subscribed and Paid up		
2,57,99,224 (31 March 2015: 24,000,617) equity shares of ₹ 10 each	257,992,240	240,006,170
Less: Calls unpaid on 308,602 (31 March 2015: 524,002) equity shares of ₹ 10 each, ₹ 8 unpaid		
By directors and officers	-	(3,086,400)
By others	(2,468,816)	(1,105,616)
	255,523,424	235,814,154
	255,523,424	235,814,154

a Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	31 March 2016		31 March 2015	
	Nos	₹	Nos	₹
Equity shares				
At the beginning of the year	24,000,617	235,814,154	24,000,616	235,769,360
Issued during the year	1,798,607	17,986,070	1	10
Calls made and received on partly paid shares	-	1,723,200	-	44,784
Outstanding at the end of the year	25,799,224	255,523,424	24,000,617	235,814,154

b Terms/rights attached to equity shares

The Company has one class of equity shares having face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend 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 ("AGM").

The Board of directors at its meeting held on 30 March 2016 has paid an interim dividend of ₹ 0.60 (31 March 2015: ₹ Nil) per equity share.

During the year ended 31 March 2016, the amount of per share dividend recognised as distribution to equity shareholders was ₹ Nil (31 March 2015: ₹ 2.25)

c Shares held by holding company / enterprise having substantial interest

Out of the equity shares issued by the Company, shares held by the holding company / enterprise having substantial interest are stated below

	31 March 2016	31 March 2015
T V Sundram Iyengar & Sons Private Limited		
10,516,817 (31 March 2015: 10,516,817) equity shares of ₹ 10 each	105,168,170	105,168,170

TVS LOGISTICS SERVICES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.1 Share capital (continued)
d Details of shareholders holding more than 5% shares in the Company

	31 March 2016		31 March 2015	
	Nos	% of holding in the class	Nos	% of holding in the class
Equity shares of ₹ 10 each, fully paid up				
T V Sundram Iyengar & Sons Private Limited	10,516,817	40.76%	10,516,817	43.80%
G S Logistics Holdings Limited	5,432,537	21.06%	5,432,537	22.60%
Zumrut Investments Limited	5,574,262	21.61%	5,574,262	23.20%
Omega TC Holdings Pte Ltd, Singapore	1,647,464	6.39%	-	0.00%

Note:

Subsequent to the balance sheet date, pursuant to certain shareholder arrangements, CDPQ Private Equity Asia Pte Ltd (CDPQ) has acquired 38.15% stake in the equity share capital of the Company from some of the existing shareholders.

2.2 Reserves and surplus

	31 March 2016	31 March 2015
Securities premium account **		
At the commencement of the year	2,039,596,819	2,766,476,722
Add / (less):		
Premium received on equity shares	1,267,608,595	347,076
Amount transferred to Business Reconstruction Reserve account (refer note 2.39)	-	(727,226,979)
Amount transferred to Demerger Adjustment account (refer note 2.38)	(1,146,113,803)	-
Expenses incurred in connection with issue of shares	(30,700,274)	-
	2,130,391,337	2,039,596,819
Business reconstruction reserve account (refer note 2.39)		
At the commencement of the year	-	-
Add / (less):		
Amount transferred from securities premium account pursuant to scheme of arrangement	-	727,226,979
Net amount debited to Business reconstruction reserve account	-	(727,226,979)
	-	-
Demerger adjustment account (refer note 2.38)		
At the commencement of the year	-	-
Add / (less):		
Amount transferred from securities premium account pursuant to Scheme of amalgamation and arrangement	1,146,113,803	-
Net amount debited to Demerger adjustment account	(1,146,113,803)	-
	-	-
General reserve		
At the commencement of the year	68,637,132	58,974,145
Add:		
Amount transferred from surplus balance in the statement of profit and loss	10,750,000	10,497,980
Adjustment pursuant to scheme of amalgamation and arrangement (refer note 2.38)	(38,563,513)	-
Net (increase) / decrease on minority interest	-	(834,993)
	40,823,619	68,637,132
Foreign currency translation reserve		
At the commencement of the year	137,481,954	316,368,820
Add:		
On account of translation for the year	32,996,138	(178,886,866)
	170,478,092	137,481,954

** Net of premium unpaid as on 31 March 2016 ₹ 41,981,324 (31 March 2015: ₹ 77,544,124) of which ₹ Nil (31 March 2015: ₹ 70,215,600) pertains to amounts due by directors and officers.

TVS LOGISTICS SERVICES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.2 Reserves and surplus (continued)

	31 March 2016	31 March 2015
Surplus (Profit and loss balance)		
At the commencement of the year	909,565,248	712,729,925
<i>Less: Adjustments</i>		
Net (increase) / decrease on minority interest	6,041,019	(12,503,355)
Transitional adjustment as per schedule II to the Companies Act, 2013 (refer note 2.49)	-	(23,862,667)
Adjustment pursuant to scheme of amalgamation and arrangement (refer note 2.38)	(262,676,933)	-
Add: Profit for the year	806,215,287	308,580,419
<i>Less: Appropriations</i>		
Proposed equity dividend (amount per share ₹ Nil (31 March 2015: ₹ 2.25)	-	(53,048,854)
Interim equity dividend	(16,926,496)	(1,620,009)
Tax on proposed equity dividend ^^	-	(5,627,580)
Tax on interim equity dividend ***	(9,040,414)	(4,584,651)
Transfer to general reserve	(10,750,000)	(10,497,980)
	1,422,427,711	909,565,248
	3,764,120,759	3,155,281,153

^^ Tax on proposed equity dividend includes dividend tax relating to prior years amounting to ₹ Nil (31 March 2015: ₹ 352,564) and net of dividend tax credit on dividend received during the year amounting to ₹ Nil (31 March 2015: ₹ 5,134,707).

*** Tax on interim equity dividend includes dividend tax relating to prior years amounting to ₹ 3,280,404 (31 March 2015: ₹ Nil) and net of dividend tax credit on dividend received during the year amounting to ₹ 1,869,046 (31 March 2015: ₹ Nil).

2.3 Share application money pending allotment

	31 March 2016	31 March 2015
20,000 (31 March 2015: Nil) 0.0001% non convertible cumulative redeemable preference share of ₹ 10 each ^^	200,000	-
	200,000	-

^^ Refer note 2.38 - Scheme of amalgamation and arrangement

2.4 Minority interest

	31 March 2016	31 March 2015
The share of minority shareholders in net assets of respective entities is as under:		
TVS Dynamic Global Freight Services Limited	32,059,980	25,312,552
FLEXOL Packaging (India) Limited	20,699,855	25,733,870
TVS Logistics Siam Limited, Thailand	2,787,508	10,098,088
TVS Autoserv GmbH, Germany	31,610,456	21,507,743
Rico Logistics Limited, UK and its subsidiaries	52,270,744	241,872,174
Wainwright Industries Inc., USA and its subsidiaries	89,727,586	54,137,411
TVS Toyota Tsusho Supply Chain Solutions Limited	10,528,796	8,171,259
TIF Holdings Pty Limited, Australia and its subsidiaries	105,437,492	-
	345,122,417	386,833,097

TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.5 Long term borrowings

	Non-current portion		Current portion #	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Term loans				
From banks (secured) *	3,233,495,411	3,754,258,828	1,032,208,291	655,540,802
From financial institutions (secured) ^	257,232,750	23,217,960	25,207,691	57,404,791
From financial institutions (unsecured) ^	-	-	-	75,000,000
From others (unsecured) ^^	34,838,676	21,535,698	-	-
Other loans				
Finance lease obligations (secured) ***	20,735,689	72,652,038	40,640,541	88,240,400
	3,546,302,526	3,871,664,524	1,098,056,523	876,185,993

Amount disclosed under "other current liabilities" (refer note 2.11)

* Term loans from banks

(1) Rupee loans includes

(a) Term loans from banks of ₹ Nil (31 March 2015: ₹ 32,514,112) availed by TVS Infrastructure Private Limited (TVS IPL) are secured by pari-passu charge on immovable properties and by pari-passu charge on specified movable and current assets of TVS IPL, both present and future. Such loan has been repaid during the year.

(b) Term loan obligations from ICICI Bank of ₹ Nil (31 March 2015: ₹ 21,015,009) availed by TVS Commutation Solutions Limited (TVS CS) are secured by the hypothecation of vehicles of TVS CS. The term loan outstanding is paid monthly in instalments over a period of thirty six to sixty months. Interest rate ranges from 11.10% p.a. to 15.50% p.a.. Such loan have been repaid during the year.

(c) Term loan from HDFC Bank Limited amounting to ₹ Nil (31 March 2015: ₹ 74,997,933) is secured by specified fixed assets of the parent company acquired out of the bank's term loan. The term loan carries an interest rate 10.50% p.a. The loan is repayable in three years in twelve equal instalments starting from the date of availment of loan. Such loan has been repaid during the year.

(2) Foreign currency loans includes

(a) Foreign currency loan from DBS, UK, amounting to £ 8,600,000 (31 March 2015: £ 10,600,000) equivalent to ₹ 817,758,520 (31 March 2015: ₹ 980,066,460) availed by Rico Logistics Limited ('Rico') is secured by a charge over the total share capital of Rico held by TVS Logistics Investment UK Limited ('TVS LIUK'). Guarantees over the loan are also provided by parent company, and Rico. There is also a floating charge over the assets of Rico. Repayments comprise of three instalments of £1,000,000, followed by four instalments of £1,250,000 and two instalments of £1,300,000. An interest rate swap has been purchased which results in the effective interest being charged at a fixed rate of 5.22% p.a.

(b) Foreign currency loan from DBS, UK, amounting to £ 333,336 (31 March 2015: £ 667,000) equivalent to ₹ 31,696,320 (31 March 2015: ₹ 61,670,220) availed by Rico is secured against the assets of Rico. The loan carries an interest rate of 3.50% p.a. above LIBOR and is repayable in six biannual instalments of £167,000 from June 2014.

(c) Foreign currency loan from ICICI Bank, UK amounting to £ 9,130,000 (31 March 2015: £ 11,010,000) equivalent to ₹ 868,155,266 (31 March 2015: ₹ 1,017,974,691) was availed by TVS Supply Chain Solutions Limited, UK ('TVS SCS'). The loan is secured by charge over the property and other assets of TVS SCS. The loan is repayable in eight quarterly instalments from March 2016. Repayments comprise of four instalments of £ 1,030,000, followed by three instalments of £ 1,455,000, followed by a final instalment of £ 645,000. It carries interest at an effective interest rate of LIBOR plus 4.10% p.a..

(d) Foreign currency loan from a DBS bank, UK amounting to £ 3,080,000 (31 March 2015: £ 3,960,000) equivalent to ₹ 292,871,656 (31 March 2015: ₹ 366,138,036) availed by TVS LIUK is secured by a charge over the total investment in Rico held by TVS LIUK. Guarantees over the loan are also provided by parent company and Rico. The loan is repayable in ten biannual instalments of £ 440,000 from February 2015. It carries fixed interest rate 4.49% p.a.

TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.5 Long term borrowings (continued)

(2) Foreign currency loans includes (continued)

(e) Foreign currency loan from £ 4,800,000 (31 March 2015: £ Nil) equivalent to ₹ 456,423,360 (31 March 2015: ₹ Nil) availed by TVS LIUK is secured by a charge over the total investment in Rico held by TVS LIUK and a floating charge over the assets of Rico. Guarantees over the loan are also provided by parent company and Rico. The loan is repayable in eight biannual instalments of £ 600,000 from March 2017. It carries an interest rate of LIBOR plus 3% p.a.

(f) Foreign currency loan from Export-Import Bank of India ('EXIM'), India, amounting to US\$ 12,838,965 (31 March 2015: US\$ 10,395,000) equivalent to ₹ 851,645,781 (31 March 2015: ₹ 650,631,366) availed by TVS Logistics Investments USA Inc., USA ('TVS LIUSA') is secured by a corporate guarantee of the parent company and a non-disposable undertaking on the shares held by the parent company in TVS LIUSA and shares held by TVS LIUSA in Wainwright Industries Inc. ('WW'). The term loan is repayable over a period of seven years in 20 quarterly instalments, with the first instalment due at the end of 24 months from the date of the loan. The loan bears interest at an effective interest rate of 1.30% p.a. above LIBOR.

(g) Foreign currency loan from Bank of America ('BofA') amounting to US\$ 6,521,099 (31 March 2015: US\$ Nil) equivalent to ₹ 432,563,408 (31 March 2015: ₹ Nil) availed by WW is secured by charge on current assets of WW and assets acquired out of such loan by WW. During the year, the loan agreement was amended on 19 February 2016 towards revision in repayment date from 15 March 2016 to 31 October 2017. The loan outstanding includes a sum of US\$ 3,000,000 equivalent to ₹ 198,998,700 availed by WW in June 2015 by entering an agreement with BofA to repay existing term loan with Comerica Bank. The loan is repayable over a period of five (5) years in 20 equal instalments commencing from December 2015. The loan carries an interest between LIBOR plus 1.20% p.a. to 2.50% p.a.

(h) Foreign currency loan from Comerica Bank ('Comerica'), USA, amounting to US\$ Nil (31 March 2015: US\$ 3,000,000) equivalent to ₹ Nil (31 March 2015: ₹ 187,772,400) availed by Manufacturers Equipment and Supply Company, USA (MESCO) is secured by a first perfected security interest on all tangible and intangible assets owned, created or acquired by MESCO including but not limited to all accounts, notes, contracts receivable, inventory, machinery and equipment, real estate and general intangibles. The loan is repayable over a period of five years in 20 quarterly instalments. MESCO has not complied with certain loan covenants. This loan was refinanced with Bank of America ("BofA") during the current year.

(i) Foreign currency term loan from EXIM Bank amounting to SG\$ 10,498,332 (31 March 2015: SG\$ Nil) equivalent to ₹ 514,589,391 (31 March 2015: ₹ Nil) availed by TVS-Asianics Supply Chain Solutions Pte. Limited ('TVS ASCS'). The loan is secured by corporate guarantee from Parent Company. The loan is repayable in 16 instalments and the first instalment commence from 01 October 2017. The term loan carries interest of USD LIBOR (6 months) plus 2.25% p.a with quarterly basis.

(j) Foreign currency loan from Standard Chartered Bank, UK ('SCB') amounting to £ Nil (31 March 2015: £ 11,000,000) equivalent to ₹ Nil (31 March 2015: ₹ 1,017,050,100) represents a revolving loan facility held by TVS SCS. The loan becomes repayable in full in August 2016. The borrowings bear an effective interest rate of 3.60% p.a. and are secured by a deed of charge over the assets of TVS SCS.

^ Term loans from financial institutions

(a) Term loans from L&T Finance Limited of ₹ 7,862,831 (31 March 2015: ₹ 22,241,370) availed by Flexol Packaging (India) Limited ('FLEXOL') are secured by a specific charge on first and exclusive charge on assets owned by FLEXOL, demand promissory note and comfort letter from Parent Company. The said loan is repayable in 33 equated instalments commencing from December 2013 at interest rate of 12.02% p.a..

(b) Term loan from financial institution amounting to ₹ Nil (31 March 2015: ₹ 13,500,305) availed by TVS CS is secured by the hypothecation of vehicles owned by TVS CS. The term loan outstanding is paid monthly in instalments over a period of thirty six months to sixty months. Interest rate ranges from 11.50% p.a. to 15.50% p.a.. Such loan have been repaid during the year

(c) The term loan from Tata Capital Financial Services Limited of ₹ Nil (31 March 2015: ₹ 75,000,000) availed by the Demerged Undertaking is repayable in 6 quarterly instalments commencing from 29 August 2014. The term loan carried an interest rate 12% p.a. (31 March 2015: 12% p.a..). Refer note 2.38 - scheme of amalgamation and arrangement.

(d) Term loans from Sundaram Finance Limited amounting to ₹ 17,344,860 (31 March 2015: ₹ 44,377,846) availed by Parent Company are secured by hypothecation of vehicles and equipments acquired out of the loan. The term loans carry interest rate ranging from 10.25% p.a. to 12.52% p.a. (31 March 2015: 10.10% p.a. to 11.72% p.a.). Such loans have been repaid during the year.

(e) Term Loan from Tata Capital Financial Services Limited amounting to ₹ 250,000,000 (31 March 2015: ₹ Nil) availed by the Demerged Undertaking is secured by an exclusive mortgage of immovable property located at Mumbai and first and exclusive charge by way of hypothecation on identified movable fixed assets. The loan is repayable in three years in 12 equal quarterly instalments starting from February 2018 and carries an interest rate of 10.25%. Refer note 2.38 - scheme of amalgamation and arrangement.

(f) Term loans from L&T Finance Limited amounting to ₹ 7,232,750 (31 March 2015: ₹ Nil) availed by Parent Company are secured by hypothecation of vehicles and equipments acquired out of the loan. Such loans are payable in monthly instalments over three years and carries interest rate of 10.46% p.a. (31 March 2015: Nil).

TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.5 Long term borrowings (continued)

^^^ Term loan from others includes

Loan from third party shareholder of T & T One Asia Limited (T&T One) amounting to HK\$ 4,087,459 (31 March 2015: HK\$ 2,667,521) equivalent to ₹ 34,838,676 (31 March 2015: ₹ 21,535,698) is unsecured. The loan bears interest at a rate of LIBOR plus 4% p.a. and repayable in full by 20 October 2017.

*** Finance lease obligations

(a) Finance lease obligations amounting to ₹ 53,414,579 (31 March 2015: ₹ 120,136,940) availed by Parent Company are secured against the respective assets of Parent Company taken on finance lease. The lease term varies from twenty four months to sixty months with monthly payments generally beginning from the month subsequent to the commencement of lease. The finance lease obligations carries interest rate ranging from 12.25% to 13% p.a.

(b) Finance lease obligations amounting to ₹ Nil (31 March 2015: ₹ 40,326,478) availed by TVS CS are secured against the respective assets taken on finance lease. The lease term is for a period of thirty six months with monthly payments beginning from June 2013. Interest rate ranges from 13% p.a. to 14% p.a. Refer note 2.38 - scheme of amalgamation and arrangement.

(c) Finance lease obligations from Bank of America Leasing and Capital, LLC of US\$ 117,748 (31 March 2015: US\$ Nil) equivalent to ₹ 7,810,566 (31 March 2015: ₹ Nil) availed by WW and are secured against the respective assets taken on finance lease. The lease term is for a period ranging from 36 months to 60 months with monthly payments beginning from April 2015. Interest rate ranges from 2.925% p.a.

(d) Finance lease obligations from Sundaram Finance Limited of ₹ 151,085 (31 March 2015: ₹ 429,020) availed by TVS Dynamic Global Freight Services Limited ('TVS DGFS') are secured by assets acquired out of such lease. The lease term is for 36 months and the lease period ends on 15 September 2016. The lease carries interest of 10.55% p.a. (31 March 2015: 10.55% p.a.)

The total future minimum lease payments at the balance sheet date, element of interest included in such payments, and present value of these minimum lease payments are as follows:

	Non-current portion		Current portion	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
(a) Total future minimum lease payments	21,419,801	78,545,083	45,419,070	104,173,120
(b) Future interest included in (a) above	684,112	5,893,045	4,778,529	15,932,720
(c) Present value of future minimum lease payments	20,735,689	72,652,038	40,640,541	88,240,400

The maturity profile of finance lease obligations is as follows:

	Minimum lease payments		Present value	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Payable within 1 year	45,419,070	104,173,120	40,640,541	88,240,400
Payable between 1 - 5 years	21,419,801	78,545,083	20,735,689	72,652,038

2.6 Deferred tax liability (net)

	31 March 2016	31 March 2015
Deferred tax assets		
Provision for employee benefits	9,096,589	19,778,693
Others	33,365,449	38,242,979
	42,462,038	58,021,672
Deferred tax liabilities		
Depreciation / amortisation	180,805,737	150,757,960
Others	10,743,281	-
	191,549,018	150,757,960
	149,086,980	92,736,288

TVS LOGISTICS SERVICES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.7 Other long term liabilities

	31 March 2016	31 March 2015
Deferred consideration **	43,750,000	-
Security deposit	4,985,103	25,109,700
Other liabilities	48,217,068	5,962,965
	96,952,171	31,072,665

** towards acquisition of shares in TVS Commutations Solutions Limited prior to the scheme of amalgamation.

2.8 Provisions

	Long-term		Short-term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Provision for employee benefits				
Provision for gratuity (refer note 2.42)	7,376,283	584,403	5,488,957	22,290,999
Provision for compensated absences	57,128,713	24,866,055	59,392,268	21,660,714
	64,504,996	25,450,458	64,881,225	43,951,713
Other provisions				
Provision for warranties (refer note 2.50)	-	-	10,542,049	7,653,765
Proposed equity dividend	-	-	-	53,048,854
Tax on equity dividend	-	-	4,742,756	2,305,490
Provision for income taxes net of advance income taxes	-	4,698,134	176,206,782	197,279,049
Provision for dilapidation (refer note 2.50)	46,930,591	123,866,532	-	-
Others (refer note 2.50)	23,113,465	3,576,000	-	-
	70,044,056	132,140,666	191,491,587	260,287,158
	134,549,052	157,591,124	256,372,812	304,238,871

2.9 Short term borrowings

	31 March 2016	31 March 2015
Cash credit from banks **		
Secured	564,145,314	91,482,077
Unsecured	47,460,545	-
Loans repayable on demand ***		
Secured	2,662,698,784	1,121,852,305
Unsecured	605,820,449	335,603,941
Commercial paper (secured) ****	-	230,000,000
Buyer's credit (secured) ^^	848,709,811	-
Bills discounting (secured) **	364,906,102	-
Short term loan from others (unsecured) ##	306,475,062	264,372,876
	5,400,216,067	2,043,311,199

**** Cash Credit and bills discounted from banks includes**

(a) Cash credit from State Bank of India ('SBI') amounting to ₹ 137,099,957 (31 March 2015: ₹ 35,539,465) availed by Parent Company is secured by a first charge on book debts and current assets of the Company and carries interest ranging between 10.55 % p.a. to 11.25 % p.a. (31 March 2015: 10.50 % p.a. to 13.50% p.a.).

(b) Cash credit from Yes Bank Limited ("YBL") amounting to ₹ 44,253,785 (31 March 2015: ₹ Nil) availed by Parent Company and is unsecured. The loan carries interest ranging between 11.25 % p.a. to 11.75 % p.a. (31 March 2015: Nil)

(c) Cash credit from ANZ Bank ('ANZ') amounting to ₹ 247,644,599 and bills discounted amounting to ₹ 21,079,152 (31 March 2015: ₹ Nil) availed by the Demerged Undertaking is secured by a first pari passu charge on the current assets of the Demerged Undertaking both present and future. The loan carries interest ranging between 9.80% p.a. to 11.50% p.a. Also refer to Note 2.38

TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.9 Short term borrowings (continued)

** Cash Credit and bills discounted from banks includes (continued)

(d) Cash credit from ICICI Bank ('ICICI') amounting to ₹ 38,527,130 (31 March 2015: ₹ Nil) availed by Demerged Undertaking is secured by first pari passu charge on the current assets of the Demerged Undertaking both present and future. The loan carries interest ranging between 10.10 % p.a. to 10.75 % p.a. Also refer to Note 2.38

(e) Cash credit from ANZ Bank ('ANZ') amounting to ₹ 88,339,770 (31 March 2015: ₹ Nil) availed by Drive India Enterprise Solutions Limited ('DIESL') is secured by first pari passu charge on the current Assets of DIESL both present and future. The loan carries interest ranging between 9.80% p.a. to 11.50% p.a.

(f) Cash credit from HDFC Bank amounting to ₹ 22,930,144 (31 March 2015: ₹ 10,063,415) availed by TVSIPL is secured by hypothecation of movable and current assets of TVSIPL both present and future. The cash credit is repayable on demand and carries interest ranging between 10.00% p.a. to 11.00% p.a. computed on a monthly basis on a actual amount utilised

(g) Cash credit from SBI amounting to ₹ Nil (31 March 2015: ₹ 18,178,844) availed by TVSCS was secured against hypothecation of book debts, cash, current assets and all movable property other than those covered under hire purchase agreements. The cash credit was repayable on demand and carried interest at 11.70% p.a (31 March 2015: 11.70% p.a.) computed on a monthly basis on the actual amount utilised. The cash credit facility with the bankers have been closed during the year.

(h) Cash credit includes € 350,000 (31 March 2015: € 350,000) equivalent to ₹ 29,603,714 (31 March 2015: ₹ 23,668,605) availed by TVS Autoserv GmbH is secured against the assets of TVS Autoserv GmbH. The loan is repayable within one year and carries interest rate of EURIBOR plus 3.50% p.a.

(i) Cash credit from Indian Overseas Bank amounting to THB 1,709,725 (31 March 2015: THB 2,104,033) equivalent to ₹ 3,206,760 (31 March 2015: ₹ 4,031,748) availed by TVS Logistics SIAM Limited is unsecured and repayable on demand.

(j) Bill discounting from Close Finance amounting to £ 3,615,874 (31 March 2015: £ Nil) equivalent to ₹ 343,826,950 (31 March 2015: ₹ Nil) availed by Circle Express Limited ('Circle Express').

*** Loans repayable on demand from banks includes

(a) From State Bank of India ('SBI') amounting to ₹ 745,000,000 (31 March 2015: ₹ 495,000,000) availed by Parent Company is secured by a first charge on the entire current assets of the Parent Company and carries interest of 9.90% p.a. (31 March 2015: 9.90% p.a. to 10.60% p.a.)

(b) From DBS amounting to ₹ 100,000,000 (31 March 2015: ₹ Nil) availed by Parent Company and secured by first pari-passu charge on current assets of the Company and carries interest 9.60% p.a. (31 March 2015: Nil)

(c) From HDFC amounting to ₹ 100,000,000 (31 March 2015: ₹ Nil) availed by Parent Company and secured by first pari-passu charge on current assets of the Parent Company and carries interest of 9.50% p.a. (31 March 2015: Nil)

(d) From DBS amounting to ₹ 51,054,875 (31 March 2015: ₹ 161,543,810) availed by Parent Company is unsecured and carries interest of 9.60% p.a. (31 March 2015: 9.55% p.a. to 11.75% p.a.)

(e) From HDFC amounting to ₹ 550,000,000 (31 March 2015: ₹ 150,000,000) availed by Parent Company is unsecured and carries interest of 9.50% p.a. (31 March 2015: 9.50% p.a. to 10.60% p.a.)

(f) Amex fleet card facility amounting to ₹ 4,765,574 (31 March 2015: ₹ 24,060,131) availed by Parent Company is unsecured.

(g) From Standard Chartered Bank, UK ('SCB') amounting to £ 7,000,000 (31 March 2015: £ Nil) equivalent to ₹ 665,617,400 (31 March 2015: ₹ Nil) revolving loan facility availed by TVS SCS and secured by a deed of charge over the assets of TVS SCS. The loan becomes repayable in full in August 2016. The borrowings bear an effective interest rate of 3.60% p.a.

(h) From DBS Bank amounting to £ 3,000,000 (31 March 2015: £ 3,000,000) equivalent to ₹ 285,264,600 (31 March 2015: ₹ 277,377,300) availed by Rico and secured by a charge over the assets of Rico. The loan is repayable within one year and carries an interest rate of LIBOR plus 3.00% p.a.

(i) Working capital loan repayable on demand £ 172,183 (31 March 2015: £ 34,279) equivalent to ₹ 16,372,572 (31 March 2015: ₹ 3,259,528) is availed by TVS Logistics Iberia. The loan is secured by charge over the assets of TVS Logistics Iberia. The loan is repayable within one year and carries an effective interest rate of 4.20% p.a.(31 March 2015: 3.75% above URIBOR)

(j) From Bank of America ('BofA') amounting to US\$ 1,963,435 (31 March 2015: US\$ Nil) equivalent to ₹ 130,240,338 (31 March 2015: ₹ Nil) availed by WW and secured by charge on current assets of WW. The facility was availed by WW in June 2015 by entering an agreement with BofA to replace existing loan repayable on demand from Comerica Bank. The cash credit was availed by providing stand by letter of credit issued by EXIM Bank supported by corporate guarantee from Parent Company. It carries interest of LIBOR plus 2.50% p.a.

(k) From Comerica Bank amounting to US\$ Nil (31 March 2015: US\$ 1,873,100) equivalent to ₹ Nil (31 March 2015: ₹ 117,238,827) availed by WW and carries an interest of LIBOR plus 1.20% p.a. The loan was repaid in June 2015.

TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.9 Short term borrowings (continued)

*** Loans repayable on demand from banks includes

(l) From Australia and New Zealand Banking Group Limited ('ANZ bank') amounting to AU\$ 9,547,986 (31 March 2015: AU\$ Nil) equivalent to ₹ 468,006,946 (31 March 2015: ₹ Nil) availed by TVS Asianics Australia Pty. Limited ('TVS ASCSA') and is secured by fixed and floating charges over all present and future assets, undertaking (including goodwill) and unpaid or uncalled capital of that T.I.F Holdings Pty. Limited, corporate guarantee and indemnity unlimited by TVS ASCSA and TVS ASCS. The cash credit carries interest of Base rate plus 1.15% p.a renewed on a monthly basis.

(m) Revolving banking facility amounting to RMB 14,854,826 (31 March 2015: RMB 24,570,811) equivalent to ₹ 152,196,528 (31 March 2015: ₹ 229,066,773) Under the bank facility agreements, T&T One has been granted two revolving credit facilities of RMB 66,545,700. The term and conditions of the facilities (1) RMB 30,000,000 revolving banking facility bearing interest at a rate per annum equal to 120% of the prevailing base lending rate as announced by the People's Bank of China ("PBOC") and (2) RMB 36,545,700 revolving banking facility bearing interest at a rate per annum equal to the prevailing base lending rate as announced by the PBOC plus 1.5%. These facilities are secured by T&T One's restricted bank deposits and trade receivables. In addition, its subsidiaries and a director of a subsidiary of T&T One Asia have provided a guarantee for these facilities.

**** Commercial paper includes

Commercial paper raised from State Bank of India ('SBI') amounting to ₹ Nil (31 March 2015: ₹ 230,000,000) by Parent Company is secured by a first charge on book debts and current assets of the Parent Company. The commercial paper carried interest rate ranging between 8.85 % p.a. to 9.45 % p.a. (31 March 2015: 8.85 % p.a. to 9.45 % p.a.)

^^ Buyer's credit from banks includes

Buyer's credit from Rathnakar Bank Limited ('RBL') amounting to ₹ 270,060,353 (31 March 2015: ₹ Nil) is secured by first pari passu charge on the current assets of the Demerged Undertaking both present and future. Buyer's credit carry interest ranging between 0.42% to 1.32 % for the tenure of the buyers credit. Also refer to Note 2.38

Buyer's credit from ICICI Bank ('ICICI') amounting to ₹ 578,649,457 (31 March 2015: ₹ Nil) is secured by first pari passu charge on the current Assets of the Demerged Undertaking both present and future. Buyer's credit carry interest ranging between 0.50% to 1.63% for the tenure of the buyers credit. Also refer to Note 2.38

Short term loan from others includes

The short term loan from Bank Direct Capital Finance amounting to US\$ 412,554 (31 March 2015: US\$ Nil) equivalent to ₹ 27,365,903 (31 March 2015: ₹ Nil) was availed by WW and is unsecured. The loan was availed towards commercial insurance premium financing. The loan is repayable over a period of 11 months commencing from Jan 2016. It carries interest of 3.59% p.a.

Loan from third party shareholder of T & T One Asia Limited (T&T One) amounting to HK\$ 32,746,569 (31 March 2015: HK\$ 32,746,569) equivalent to ₹ 279,109,159 (31 March 2015: ₹ 264,372,876) is unsecured.

2.10 Trade payables

	31 March 2016	31 March 2015
Trade payables	6,759,555,029	4,082,979,726
	6,759,555,029	4,082,979,726

2.11 Other current liabilities

	31 March 2016	31 March 2015
Current maturities of long term borrowings (refer note 2.5)	1,098,056,523	876,185,993
Interest accrued but not due on borrowings	12,309,861	8,140,899
Interest accrued and due on borrowings	11,146,779	9,323,400
Unearned revenue	142,975,256	86,622,466
Amount due to employees	268,394,511	243,034,030
Statutory dues	629,886,405	382,013,487
Advance from customers	106,378,165	1,325,757
Dues payable in respect of purchase of fixed assets	71,787,635	7,427,124
Security deposits	25,819,597	5,570,000
Contingent consideration	60,500,000	344,249,400
Forward Contract Payable	46,053,881	-
Other current liabilities	64,936,736	21,134,491
	2,538,245,349	1,985,027,047

TVS LOGISTICS SERVICES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.14 Non current investments

	<u>31 March 2016</u>	<u>31 March 2015</u>
Unquoted investments in equity instruments		
Investments in associates		
Montara Verpacken mit System GmbH	31,845,038	-
21,000 (31 March 2015: Nil) shares of € 1 each fully paid up		
Unquoted investments in preference shares		
Investments in others		
Cargowings Logistics Limited	250,000,000	250,000,000
25,000,000 (31 March 2015: 25,000,000) redeemable preference shares ("RPS") of ₹ 10 each fully paid up		
Unquoted government securities		
National savings certificate	14,063	13,123
Unquoted Debentures *		
Others		
Prasanna Purple Mobility Solutions Private Limited **	73,800,000	-
73,800 (31 March 2015: Nil) Series I NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each		
Prasanna Purple Mobility Solutions Private Limited **	74,200,000	-
74,200 (31 March 2015: Nil) Series II NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each		
Prasanna Purple Mobility Solutions Private Limited ^^	80,000,000	-
80,000 (31 March 2015: Nil) Optionally Convertible Debentures of ₹ 1000 each		
Provision for decline, other than temporary, in the value of investments		
Unquoted investments in preference shares		
Cargowings Logistics Limited ^^	(250,000,000)	(250,000,000)
	<u>259,859,101</u>	<u>13,123</u>
Aggregate book value of unquoted investments in associate	<u>31,845,038</u>	<u>-</u>

* Refer note 2.38 - Scheme of amalgamation and arrangement

^^ Refer note 2.39 - Accounting for Business Reconstruction Reserve ('BRR')

Details of equity accounted associate: 21% stake in Montara Verpacken mit System GmbH

(i) Cost of investment (including goodwill of ₹ 22,762,285)	40,066,590	-
(ii) Share of loss	(8,221,552)	-

** Series I NCD, 0.1% Unsecured Non-Convertible Debentures and Series II NCD, 0.1% Unsecured Non-Convertible Debentures carries interest at 0.1% p.a. and redeemable over a period commencing from July 31, 2016 as stated below.

Series I NCD (redemption date)	Amount	Series II NCD (redemption date)	Amount
31 July 2016	10,700,000	30 November 2017	23,944,000
31 July 2017	27,900,000	30 November 2018	19,566,000
31 July 2018	20,500,000	30 November 2019	9,990,000
31 July 2019	13,500,000	30 November 2020	16,200,000
31 July 2020	9,600,000	30 November 2021	4,500,000
31 July 2021	2,300,000		
	<u>84,500,000</u>		<u>74,200,000</u>

^^^The optionally Convertible Debentures ("OCD") is either redeemable or convertible into equity shares of Prasanna Purple Mobility Solutions Private Limited as per the terms and conditions set out in the shareholder's agreement between TVS Commutation Solutions Limited and Prasanna Purple Mobility Solutions Private Limited.

TVS LOGISTICS SERVICES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.15 Deferred tax asset (net)

	31 March 2016	31 March 2015
Deferred tax assets		
Provision for employee benefits	2,307,518	1,079,047
Expenditure covered by section 43B of Income-tax Act, 1961	12,761,239	9,304,038
Provision for doubtful trade receivables / advances	89,820	-
Others	261,112	261,104
	15,419,689	10,644,189
Deferred tax liabilities		
Depreciation / amortisation	44,756	579,014
	44,756	579,014
Net deferred tax asset	15,374,933	10,065,175

2.16 Long term loans and advances

	Non-current portion		Current portion**	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
To parties other than related parties				
<i>Capital advances</i>				
Secured	-	135,000,000	-	-
Unsecured and considered good	10,346,456	910,000	-	-
Doubtful	175,367	175,367		
	10,521,823	136,085,367	-	-
Provision for doubtful advances	(175,367)	(175,367)		
	10,346,456	135,910,000	-	-
<i>Security deposits (unsecured)</i>				
Unsecured	241,975,082	67,386,618	4,808,500	14,718,221
Doubtful	-	-	3,742,727	-
	241,975,082	67,386,618	8,551,227	14,718,221
Provision for doubtful security deposits	-	-	(3,742,727)	-
	241,975,082	67,386,618	4,808,500	14,718,221
<i>Advances recoverable in cash or kind</i>				
Unsecured and considered doubtful	441,756,391	-	-	-
	441,756,391	-	-	-
Provision for doubtful advances	(441,756,391)	-	-	-
	-	-	-	-
<i>Other loans and advances (unsecured)</i>				
Advance income tax, net of provision for taxation	630,675,497	165,618,021	19,225,006	17,124,735
MAT credit entitlement	97,810,120	43,085,886	-	-
Finance lease receivables ^^	-	35,866,912	35,866,914	74,785,832
Balances with statutory and government authorities				
Considered good	99,145,783	-	-	-
Considered doubtful	22,107,875	-	-	-
Prepaid expenses	6,251,252	-	2,947,768	-
Other advances	196,348	5,549,915	-	-
	856,186,875	250,120,734	58,039,688	91,910,567
Provision for doubtful loans and advances	(22,107,875)	-	-	-
	834,079,000	250,120,734	58,039,688	91,910,567
To related parties (unsecured)				
Security deposit	-	4,074,759	-	-
	1,086,400,538	457,492,111	62,848,188	106,628,788

** Amount disclosed under "short term loans and advances"(refer note no 2.22)

TVS LOGISTICS SERVICES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.16 Long term loans and advances (continued)

^^ The total future minimum lease receipts at the balance sheet date, element of interest included in such receipts, and present value of these minimum lease receipts are as follows:

	Non-current portion		Current portion	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
(a) Total future minimum lease receipts	-	38,395,210	38,395,210	98,456,307
(b) Future interest included in (a) above	-	2,528,298	2,528,296	23,670,475
(c) Present value of future minimum lease receivables	-	35,866,912	35,866,914	74,785,832

The maturity profile of finance lease receivables is as follows:

	Minimum lease receivables		Present value	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Receivable within 1 year	38,395,210	98,456,307	35,866,914	74,785,832
Receivable between 1 - 5 years	-	38,395,210	-	35,866,912

2.17 Other non-current assets

	31 March 2016	31 March 2015
Unsecured, considered good		
<i>Other bank balances</i>		
Margin money deposits with banks (refer note 2.21)	22,321,958	19,376,066
Other non-current assets		
Interest accrued on fixed deposits	10,340	-
	22,332,298	19,376,066

2.18 Current investments

	31 March 2016	31 March 2015
Current investments		
Others		
<i>Valued at lower of cost and fair value</i>		
Unquoted Debentures *		
Prasanna Purple Mobility Solutions Private Limited	10,700,000	-
10,700 (31 March 2015: Nil) Series I NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each		
	10,700,000	-

* Refer note 2.38 - Scheme of amalgamation and arrangement

2.19 Inventories

(valued at lower of cost or net realisable value)	31 March 2016	31 March 2015
Packing material	5,263,495	6,650,424
Stock in trade	1,264,654,969	1,218,920,629
Stores and spares	22,697,561	24,773,900
	1,292,616,025	1,250,344,953

TVS LOGISTICS SERVICES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.20 Trade receivables

	31 March 2016	31 March 2015
Unsecured, unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	316,502,064	111,789,527
Considered doubtful	359,056,755	197,026,099
	<u>675,558,819</u>	<u>308,815,626</u>
Provision for doubtful receivables	(359,056,755)	(197,026,099)
	<u>316,502,064</u>	<u>111,789,527</u>
Other receivables		
Considered good	8,735,524,449	5,038,835,803
Considered doubtful	211,014,921	19,840,013
	<u>8,946,539,370</u>	<u>5,058,675,816</u>
Provision for doubtful receivables	(211,014,921)	(19,840,013)
	<u>8,735,524,449</u>	<u>5,038,835,803</u>
	<u>9,052,026,513</u>	<u>5,150,625,330</u>

2.21 Cash and bank balances

	31 March 2016	31 March 2015
Cash and cash equivalents		
Cash on hand	21,260,630	11,879,980
Cheques on hand	17,057,928	27,854
Balance with banks		
On current accounts	1,561,395,890	1,953,341,699
On deposits accounts (with original maturity of 3 months or less)	121,195,961	435,461,797
	<u>1,720,910,409</u>	<u>2,400,711,330</u>
Other bank balances		
Margin money balances	21,090,034	-
Bank balances available on deposits with original maturity of more than 3 months but less than 12 months	65,000	68,868,866
Deposits due to mature within 12 months of the reporting date	57,185,239	89,241,370
	<u>78,340,273</u>	<u>158,110,236</u>
	<u>1,799,250,682</u>	<u>2,558,821,566</u>
Details of Bank balance / deposits		
Bank balances available on deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	1,682,591,851	2,388,803,496
Bank deposit due to mature within 12 months of reporting date included under 'Other bank balance'	78,340,273	158,110,236
Bank deposit due to mature after 12 months of reporting date included under 'Other non-current assets (refer note 2.17)	22,321,958	19,376,066

TVS LOGISTICS SERVICES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.22 Short term loans and advances

	31 March 2016	31 March 2015
Unsecured , considered good unless otherwise stated		
Current portion of long-term loans and advances (refer note 2.16)		
To parties other than related parties	62,848,188	106,628,788
Other short-term loans and advances		
To parties other than related parties		
Short-term loan to employees	41,691,146	24,466,571
Prepaid expenses	404,603,551	178,391,187
Advance for supply of goods and services		
Considered good	238,609,444	217,262,119
Considered doubtful **	157,897,695	87,996,061
Security deposit	110,188,339	18,201,652
Loans to others (considered doubtful) **	135,462,626	135,462,626
Balances with statutory and government authorities	157,072,724	15,203,546
Others	65,883,601	7,072,051
	<u>1,311,409,126</u>	<u>684,055,813</u>
Provision for doubtful loans and advances **	(293,360,321)	(223,458,687)
	<u>1,018,048,805</u>	<u>460,597,126</u>
To related parties		
Advance for supply of services and goods	2,997,478	-
Security deposits	17,474,896	13,400,137
	<u>20,472,374</u>	<u>13,400,137</u>
	<u>1,101,369,367</u>	<u>580,626,051</u>

** Refer note 2.39 - Accounting for Business Reconstruction Reserve ("BRR").

2.23 Other current assets

	31 March 2016	31 March 2015
Unsecured, considered good unless stated otherwise		
Unamortized premium on forward contracts	9,467,839	-
Unbilled revenue	994,038,594	582,204,758
Fixed assets held for sale **	42,180,847	74,673,069
Interest accrued on fixed deposits	1,729,662	888,245
Interest accrued on investments	13,479	-
Others		
Considered good	70,271,999	99,923,260
Considered doubtful	18,073,622	18,073,622
	<u>1,126,308,203</u>	<u>775,762,954</u>
Provision for other current assets ^^	(18,073,622)	(18,073,622)
	<u>1,117,702,420</u>	<u>757,689,332</u>

** Fixed assets held for sale have been stated at their estimated realisable value after considering write down of ₹ 34,865,921 (31 March 2015: ₹ 101,319,992). Also refer note 2.39.

^^ Refer note 2.39 - Accounting for Business Reconstruction Reserve ("BRR")

TVS LOGISTICS SERVICES LIMITED**Notes to consolidated financial statements for the year ended 31 March 2016 (continued)**

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.24 Revenue from operations

	Year ended 31 March 2016	Year ended 31 March 2015
Sales - logistics operations		
Goods	14,165,118,280	12,037,094,689
Services	28,751,597,263	19,130,402,708
Other operating revenues	10,142,392	106,089,975
	42,926,857,935	31,273,587,372

2.25 Other income

	Year ended 31 March 2016	Year ended 31 March 2015
Interest income	13,361,267	5,294,535
Provisions no longer required written back (including reversal of goodwill impairment of ₹ 185,582,444) **	207,423,800	74,005,225
Exchange difference gain (net)	43,895,549	3,314,853
Gain on sale of tangible assets net	15,051,128	35,630,601
Dividend income from mutual funds	5,208,094	4,288,460
Other non operating income	36,633,567	6,072,461
	321,573,405	128,606,135

** Refer note 2.38 - Scheme of amalgamation and arrangement

2.26 Cost of material consumed

	Year ended 31 March 2016	Year ended 31 March 2015
Inventory at the beginning of the year	6,650,424	752,957
Purchases	43,072,957	40,033,836
Inventory at the end of the year	(5,263,495)	(6,650,424)
	44,459,886	34,136,369

2.27 Purchases of stock

	Year ended 31 March 2016	Year ended 31 March 2015
Purchases of stock in trade	10,878,765,008	8,927,598,523
	10,878,765,008	8,927,598,523

2.28 Changes in inventories of stock in trade

	Year ended 31 March 2016	Year ended 31 March 2015
Inventories at the end of the year		
Stock in trade	1,264,654,969	1,218,920,629
Inventories at the beginning of the year		
Stock in trade	1,218,920,629	1,807,731,584
	(45,734,340)	588,810,955

2.29 Employee benefit expenses

	Year ended 31 March 2016	Year ended 31 March 2015
Salaries and wages	7,171,578,185	5,211,678,100
Contribution to provident and other funds	640,346,115	452,650,819
Staff welfare expenses	374,401,915	303,869,741
	8,186,326,215	5,968,198,660

TVS LOGISTICS SERVICES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.30 Other expenses

	Year ended 31 March 2016	Year ended 31 March 2015
Freight, packing and forwarding expenses	9,869,378,827	4,525,244,720
Clearing forwarding and handling charges	116,309,006	100,685,856
Staff transportation charges	49,859,776	30,509,854
Material handling charges	94,064,175	90,295,048
Casual labour charges	6,061,853,494	4,968,752,171
Hire charges	110,443,824	56,420,325
Transportation expenses	-	85,811,097
Consumption of stores and spares	135,735,965	166,151,663
Power and fuel	324,143,929	490,166,428
Rent	1,805,117,613	1,015,444,251
Rates and taxes	313,127,017	282,919,557
Insurance	313,923,704	221,901,305
Repairs and maintenance		
Plant and machinery	86,979,321	118,569,492
Buildings	72,975,887	31,887,148
Others	371,106,878	254,816,097
Advertisement and business promotion expenses	64,810,837	29,829,861
Travelling and conveyance expenses	238,599,386	154,495,393
Communication expenses	212,997,562	164,258,828
Printing and stationery	71,419,751	51,806,185
Bank charges	30,085,609	20,554,768
Legal and professional charges	762,227,286	744,149,539
Security charges	178,881,108	73,189,451
Exchange differences net	646,466	4,949,160
Bad debts (net of adjustment against provision for doubtful receivables ₹ 14,650,906 (31 March 2015: ₹ 83,043,722))	54,676,221	18,737,644
Provision for doubtful debts	149,310,218	142,549,912
Provision for doubtful loans and advances	50,558,459	-
Loss on sale of fixed assets, net	2,928,998	12,864,747
Impairment of tangible fixed assets	1,045,330	7,775,372
Impairment of goodwill (refer note 2.13)	159,554,179	-
Miscellaneous expenses	87,803,969	66,257,430
	21,790,564,795	13,930,993,302

2.31 Depreciation and amortisation

	Year ended 31 March 2016	Year ended 31 March 2015
Depreciation of tangible assets (refer note 2.12)	620,389,216	687,489,981
Amortization of intangible assets (refer note 2.13)	50,320,035	75,438,431
Less: Transitional adjustment as per schedule II to the Companies Act, 2013 (refer note 2.49)	-	(23,862,667)
	670,709,251	739,065,745

2.32 Finance costs

	Year ended 31 March 2016	Year ended 31 March 2015
Interest expenses	467,272,707	457,709,941
Other borrowing costs	72,743,594	61,754,349
Loss / (gain) on foreign currency transactions and translations	37,141,905	-
	577,158,206	519,464,290

TVS LOGISTICS SERVICES LIMITED**Notes to consolidated financial statements for the year ended 31 March 2016 (continued)**

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.33 Exceptional items

	Year ended 31 March 2016	Year ended 31 March 2015
Profit on sale of assets	171,151,767	-
	171,151,767	-

During the year, a subsidiary company sold some of its assets under a slump sale arrangement to a third party. The profit on sale has been disclosed as exceptional item in the consolidated statement of profit and loss.

2.34 Tax expenses

	Year ended 31 March 2016	Year ended 31 March 2015
Current tax		
MAT for the year	463,917,290	316,452,247
MAT credit entitlement	(83,568,064)	(16,017,775)
Deferred tax	50,635,844	18,852,429
Relating to prior years	5,853,874	-
	436,838,944	319,286,901

2.35 Share in loss of associates

	Year ended 31 March 2016	Year ended 31 March 2015
Montara Verpacken mit System GmbH	8,221,552	-
	8,221,552	-

2.36 The share of minority shareholders in profit / (loss) for the year of respective entities is as under:

	Year ended 31 March 2016	Year ended 31 March 2015
TVS Dynamic Global Freight Services Limited	6,747,418	5,345,188
TVS Commutation Solutions Limited	-	(5,351,671)
FLEXOL Packaging (India) Limited	(5,034,015)	(5,987,638)
TVS Logistics Siam Limited, Thailand	(7,011,493)	(3,938,417)
TVS Autoserv GmbH, Germany	6,265,225	6,056,499
Rico Logistics Limited, UK and its subsidiaries	9,380,751	50,134,537
Wainwright Industries Inc. and its subsidiaries	27,635,791	19,628,586
TVS Toyota Tsusho Supply Chain Solutions Limited	2,357,537	171,259
TIF Holdings Pty Limited, Australia and its subsidiaries	25,134,338	-
Circle Express Limited	582,751	-
	66,058,303	66,058,343

TVS LOGISTICS SERVICES LIMITED**Notes to consolidated financial statements for the year ended 31 March 2016 (continued)****(All amounts are in Indian rupees (₹) except share data and otherwise stated)****2.37 Earnings per share (“EPS”)****Basic earnings per share**

The calculation of basic earnings per share was based on the profit attributable to equity shareholders and weighted average number of equity shares outstanding.

Diluted earnings per share

The calculation of diluted earnings per share was based on the profit attributable to equity shareholder and weighted average number of equity shares outstanding after adjustment for the effects of all dilutive potential equity shares.

Earnings	31 March 2016	31 March 2015
Profit after tax and minority interest, as reported	806,215,287	308,580,419
Net profit for calculation of basic and diluted EPS	806,215,287	308,580,419
Equity shares (Nominal value of ₹ 10 each)	31 March 2016	31 March 2015
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	24,731,750	23,578,766
Effect of dilutive potential equity shares		
Partly paid shares	246,881	421,851
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	24,978,631	24,000,617

2.38 Scheme of amalgamation and arrangement

A scheme of amalgamation and arrangement in respect of demerger of the third party logistics services business (‘Services Business’/ ‘Demerged Undertaking’) of a subsidiary - Drive India Enterprise Solutions Limited (‘DIESL demerger’) and amalgamation of a subsidiary - TVS Commutation Solutions Limited (‘TVS CS amalgamation’) was approved by the National Company Law Tribunal vide order dated 23 March 2017. The certified copy of the said order was filed with the Registrar of Companies on 24 March 2017 (‘Effective Date’). Accordingly the following Scheme has been given effect in the Consolidated financial statements.

DIESL demerger

Pursuant to the DIESL demerger, the Services Business of Drive India Enterprise Solutions Limited (‘DIESL’) was demerged and stood vested in the parent company.

The demerger appointed date for the DIESL demerger is 1 September 2015.

The salient features of the Scheme of DIESL demerger were as follows:

- With effect from the demerger appointed date, the Demerged Undertaking of DIESL shall stand transferred to and vested in or deemed to have been transferred to or vested in the parent company pursuant to sections 391 and 394 of the Companies Act, 1956. The Demerged Undertaking comprises of all the assets of its Services Business including tangible or intangible assets, trade receivables, inventories, loans and advances, cash and bank balances, other current assets and all its liabilities including borrowings, trade payables, other current liabilities and provisions.
- The parent company shall record the assets and liabilities of the Demerged Undertaking at the respective book values at the close of business at the day immediately preceding the demerger appointed date i.e. 1 September 2015.
- Loans and advances and other dues outstanding as of the Demerger Appointed Date between DIESL and the parent company, including the loans and advances provided by the parent company to DIESL between the Demerger Appointed Date and the date of the Scheme becoming effective under the regulations, relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- The parent company on the demerger Appointed Date shall cancel the portion of its investment attributable to the Demerged Undertaking in the same proportion as the cancellation of the equity share capital of DIESL.
- The parent company shall credit to its preference share capital, the aggregate value of the preference share issued by it.
- The difference of book value of assets over the book value of liabilities of the Demerged Undertaking transferred from DIESL and recorded by the parent company after making adjustments referred to in clause (c) and (d) above, together with the amount adjusted for the issue of preference shares capital as referred to in clause (e) above shall be adjusted to the reserves and surplus of the parent company.

TVS LOGISTICS SERVICES LIMITED**Notes to consolidated financial statements for the year ended 31 March 2016 (continued)****(All amounts are in Indian rupees (₹) except share data and otherwise stated)****2.38 Scheme of amalgamation and arrangement (continued)**

Accordingly, the accounting of DIESL demerger given effect to as below in the financial statements:

Particulars	Amount
A. Liabilities	
Long term provisions	16,117,330
Short term borrowings	1,664,912,505
Trade payables	793,043,950
Other current liabilities	27,042,783
Short term provision	3,081,636
Total liabilities taken over	2,504,198,204
B. Assets	
Fixed assets	1,076,070,600
Accumulated depreciation	(445,259,063)
Long-term loans and advances	168,693,308
Trade receivables (net of provision of ₹ 133,031,403)	835,857,998
Cash and cash equivalents	6,473,026
Short term loans and advances (net of provision of ₹ 14,138,573)	137,329,983
Other current assets	109,284,337
Total assets taken over	1,888,450,189
Net liabilities taken over (A-B)	615,748,015
Cancellation of the portion of the investment attributable to the Demerged Undertaking	530,165,788
Issue of preference share capital (see note 2 below)	200,000
Amount credited to Reserves and surplus (in Demerger Adjustment Account), also refer note 1 below	1,146,113,803

Notes:

1. Pursuant to the Scheme, ₹ 1,146,113,803 has been transferred from the securities premium account to the Demerger Adjustment Account. Such transfer has been approved by the Board of Directors at their meeting held on 28 March 2017.

2. In addition to the cancellation of the portion of the investment attributable to the Demerged Undertaking, in consideration for the transfer of and vesting of the Demerged Undertaking in the parent company, the parent company shall also issue and allot 20,000 cumulative redeemable non-convertible preference shares of ₹10 each as fully paid to the preference shareholders of DIESL. The aforesaid 20,000 cumulative redeemable non-convertible preference shares of ₹10 each will be allotted after the scheme becomes effective. i.e during the financial year 2016-17.

3. Consequent to the DIESL demerger, borrowings and cash and bank balances held at the appointed date of the demerger have been identified by DIESL and recorded by the parent company. The parent company is in the process of operationalising the transfer of such accounts and recording the transfers of the charge documents.

Further, for the purpose of these consolidated financial statements, DIESL has considered the effect of the deletion of the assets and liabilities of the Demerged Undertaking transferred to and vested in the parent company under the Scheme.

TVS LOGISTICS SERVICES LIMITED**Notes to consolidated financial statements for the year ended 31 March 2016 (continued)****(All amounts are in Indian rupees (₹) except share data and otherwise stated)****2.38 Scheme of amalgamation and arrangement (continued)****TVS CS amalgamation**

Pursuant to the Scheme, the entire business of TVS Commutation Solutions Limited ('Transferor Company / TVS CS') would be merged and vested in the parent company.

The amalgamation appointed date for the aforesaid Propose Scheme of TVS CS amalgamation was 31 March 2016.

The salient features of the Scheme of TVS CS amalgamation were as follows:

- a) With effect from the amalgamation appointed date, the entire business including all assets and liabilities of the Transferor Company shall stand transferred to and vested in or deemed to have been transferred to or vested in the parent company pursuant to sections 394 of the Companies Act, 1956;
- b) The parent company shall record the assets and liabilities of TVS CS at the respective book values at the amalgamation appointed date i.e. 31 March 2016.
- c) Loans and advances or dues or balances outstanding as of the amalgamation appointed date between the Transferor Company and the parent company will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- d) Provisions recorded in connection with Goodwill arising on consolidation in the consolidated financial statements would stand reversed and credited to the consolidated statement of profit and loss.
- e) The excess of, or deficit in, the value of the assets over the value of the liabilities of the Transferor Company vested in the parent company pursuant to the Scheme as recorded in the books of account of the Transferor Company and after making adjustments contemplated in the Scheme shall be credited to / adjusted in the General Reserve / accumulated surplus in the profit and loss account in the books of the parent company.

Accordingly, the accounting for TVS CS amalgamation given effect to as below in the financial statements:

Particulars	Amount
A. Liabilities	
Short term borrowings	268,700,000
Trade payables	9,435,914
Other current liabilities	4,082,149
Total liabilities taken over	282,218,063
B. Assets	
Investments	238,700,000
Trade receivables	4,575,667
Cash and cash equivalents	3,633,426
Loans and advances	89,461,448
Other current assets	15,490,416
Total assets taken over	351,860,957
Net assets included in the consolidated financial statements (B-A)	69,642,894
Consideration i.e. cancellation of the investment	378,592,896
Less: Balance in reserve and surplus included in the consolidated financial statements	7,709,556
Amount debited to Reserves and surplus (refer note 2 below)	301,240,446

Notes:

- Pursuant to the Scheme, ₹ 38,563,513 has been adjusted in General Reserve and ₹ 262,676,933 has been adjusted in the Surplus (profit and loss balance).
- The authorised capital of the Transferor Company stands combined with the authorized capital of the parent company. Accordingly, the authorised capital in respect of equity shares of the parent company stands increased from 28,800,000 equity shares to 29,800,000 equity shares of INR 10 each.
- Pursuant to amalgamation under the Scheme, provision for impairment of the related goodwill of ₹ 185,582,444 has been reversed in the consolidated statement of profit and loss.

TVS LOGISTICS SERVICES LIMITED**Notes to consolidated financial statements for the year ended 31 March 2016 (continued)****(All amounts are in Indian rupees (₹) except share data and otherwise stated)****2.39 Accounting for Business Reconstruction Reserve (“BRR”)**

During the previous year ended 31 March 2015, a Scheme of Arrangement (“BRR Scheme”) was entered into between the parent company and its shareholders under Sections 391 to 394 read with Sections 100 to 103 of Companies Act, 1956 and Section 52 of the Companies Act, 2013. This BRR Scheme was approved by Honorable High Court of Judicature of Madras on 24 July 2015. The certified copy of the said order was filed with the Registrar of Companies on 20 August 2015 (‘Effective Date’).

The aforesaid BRR Scheme had been entered into pursuant to a financial restructuring exercise undertaken by the parent company. The BRR Scheme for financial restructuring exercise inter-alia comprises the upward / downward (as the case may be) revaluation of certain investments in or components of its investments in asset based business (as may be determined by the Board), determination and utilization of gains or losses arising from fair valuation, transfers of investments or components of its investments, if any, as part of the consolidation and or rationalization of its structure and consequent reorganization of its reserves by creating a Business Reconstruction Reserve including utilizing balances in Securities premium account and set off of certain determined expenses (as per the BRR Scheme).

The appointed date for the aforesaid scheme is 1 April 2014. The BRR Scheme has been given effect to in the Relevant Financial Year (financial year beginning from the appointed date, as set out in the BRR Scheme) i.e. financial year ended 31 March 2015.

The details of amount debited / credited to BRR from the appointed date and consequent transfer from Securities premium account are set out below:

Particulars	Amount
(Gains)/Losses arising from transfer of investments in asset based business or components thereof: (net of losses recognized on consolidation until the date of transfer i.e. 29 January 2015 and consequential write off of goodwill pursuant to the transfer)	
- Cargowings Logistics Limited	(141,796,137)
- TVS RHR Finished Vehicles Logistics Solutions Limited	(17,082,375)
Diminution in value of investments in subsidiary companies and / or joint ventures	
- Investment in redeemable preference shares of Cargowings Logistics Limited	250,000,000
Impairment, amortisation and / or write-off of goodwill and other intangible assets (primarily representing goodwill on consolidation in respect of TVS Commutation Solutions Private Limited)	185,582,443
Unrealisable loans and / or advances, interest and other finance charges receivable, identified in connection with discontinued / disposed asset based businesses and / or others (disclosed under short term loans and advances amounting to ₹ 214,357,218 and under other current assets amounting to ₹ 18,073,622)	232,430,840
Revaluation gain of ₹ 639,937,510 on certain investments (TVS Dynamic Global Freight Services Limited) in or components of its investment in asset based business, net of equivalent write off of goodwill on consolidation arising from such revaluation	-
Amounts written off or impaired towards obsolete or unrealizable assets (comprises ₹ 101,319,992 towards write down of fixed assets held for sale, ₹ 70,882,414 towards customer claim and ₹ 6,725,292 towards inventory write off)	178,927,698
Losses and / or costs incurred in relation to transfer / disposal of assets	39,164,510
Net amount debited to Business Reconstruction Reserve Account	727,226,979
Less : Amount transferred from Securities premium account	(727,226,979)
Balance in Business Reconstruction Reserve Account	-

Had the Company not adopted the above scheme, the profit for the year ended 31 March 2015 would have been lower by ₹ 727,226,979 and with a corresponding impact on Securities premium account amounting to ₹ 727,226,979.

TVS LOGISTICS SERVICES LIMITED**Notes to consolidated financial statements for the year ended 31 March 2016 (continued)****(All amounts are in Indian rupees (₹) except share data and otherwise stated)****2.40 Acquisitions***A. Acquisition during the year***TVS Supply Chain Solutions De Mexico, Mexico ("TVS SCS Mexico")**

On 30 June 2015, the Group, through its step down subsidiary - Wainwright Industries Inc., USA ('WW') acquired 90% interest in TVS Supply Chain Solutions De Mexico, Mexico ('TVS SCS Mexico'). The investments of WW in TVS SCS Mexico was US\$ 100,000 equivalent to ₹ 6,384,781. TVS SCS Mexico is primarily engaged in the business of providing services such as third party containment, sub-assembly, rework, staffing services, maintenance and washing of packaging returnable containers and warehousing services.

The total purchase consideration has been allocated to the Group's share of acquired assets and liabilities at book values on the date of acquisition as follows:

	Amount in ₹
Fixed assets net of accumulated depreciation and amortization	1,963,715
Current assets	6,598,249
Less: Current liabilities	(2,416,247)
	6,145,717
Goodwill	239,064
Purchase Consideration	6,384,781

TIF Holdings Limited ("Transtar Group")

On 07 August 2015, the Group, through its step down subsidiary - TVS-Asianics Supply Chain Solutions Pty. Limited, Australia, acquired 55% interest in TIF Holdings Limited, Australia. The investments of TVS-Asianics Supply Chain Solutions Pty. Limited, Australia in TIF Holdings Limited was AU\$ 11,866,950 equivalent to ₹ 577,483,763. TIF Holdings Limited, Australia is the holding company of Transtar International Freight ('Transtar') group of companies incorporated and operating in countries such as Australia, New Zealand, Thailand, Singapore, Malaysia, China, Hong Kong and United States of America. The Transtar group is primarily engaged in the business of providing services such as warehousing and distribution services, international import and export, freight forwarding via sea and air, licensed customs clearance broking, export documentation and third party logistics services.

The total purchase consideration has been allocated to the Group's share of acquired assets and liabilities at book values on the date of acquisition as follows:

	Amount in ₹
Fixed assets net of accumulated depreciation and amortization	42,332,648
Non current assets	5,087,617
Current assets	596,286,961
Less : Non current liabilities	(34,480,282)
Current liabilities	(508,643,075)
	100,583,869
Goodwill	476,899,894
Purchase Consideration	577,483,763

TVS LOGISTICS SERVICES LIMITED**Notes to consolidated financial statements for the year ended 31 March 2016 (continued)****(All amounts are in Indian rupees (₹) except share data and otherwise stated)****2.40 Acquisitions (continued)***A. Acquisition during the year (continued)***Drive India Enterprises Solutions Limited ("Diesl") *****

On 31 August 2015, the parent company - TVS Logistics Services Limited ('TVS LSL') acquired 100% interest in Drive India Enterprises Solutions Limited ('Diesl'). The investments of TVS LSL in Diesl was ₹ 402,143,393, net off the adjustments pursuant to the scheme of amalgamation and arrangement. Diesl is primarily engaged in the business of providing services such as distribution of handsets and other equipment to providing warehousing and distribution solutions for logistics services. It caters to industries such as telecommunication, consumer durables, fast moving consumer goods, retail, direct to home, project logistics, automobile, etc.

The total purchase consideration has been allocated to the Group's share of acquired assets and liabilities at book values on the date of acquisition as follows:

	Amount in ₹
Fixed assets net of accumulated depreciation and amortization	125,851
Non current assets	377,262,188
Current assets	945,590,485
Less : Non current liabilities	(301,204)
Current liabilities	(952,620,438)
	370,056,882
Goodwill	32,086,511
Purchase Consideration	402,143,393

*** Refer note 2.38 - Scheme of amalgamation and arrangement. The balances of assets and liabilities, included above, are net off the balances on account of the demerger of the services business pursuant to the Scheme.

Montara verpacken mit system GmbH, Germany ("Montara")

On 23 October 2015, the Group, through its subsidiary - TVS Logistics Investment UK Limited, UK ('TVS LIUK'), acquired 21% interest in Montara verpacken mit system GmbH, Germany ('Montara'). The investments of TVS LIUK in Montara was € 546,000 equivalent to ₹ 40,066,590. Montara is primarily engaged in the business of providing services such as packaging and material handling solutions, building of prototypes, foam processing services, processing corrugated cardboard, waterjet cutting and strip punching.

The total purchase consideration is as follows:

	Amount in ₹
Purchase Consideration	40,066,590

Circle Express Limited, UK

On 18 January 2016, the Group, through its step down subsidiary - Rico Logistics Limited, UK ('Rico'), acquired 85% interest in Circle Express Limited, UK ('Circle Express'). The investments of Rico in Circle Express was £ 1. Circle Express is primarily engaged in the business of providing services such as specialist air freight warehousing and distribution services, same day services, specialist service for the hazardous and dangerous goods sector, storage and cross docking services, ADR Training, trunking and X-ray services.

The total purchase consideration has been allocated to the Group's share of acquired assets and liabilities at book values on the date of acquisition as follows:

	Amount in ₹
Fixed assets net of accumulated depreciation and amortization	112,814,452
Current assets	518,803,631
Less: Current liabilities	(630,102,546)
	1,515,537
Goodwill	(1,515,440)
Purchase Consideration	97

TVS LOGISTICS SERVICES LIMITED**Notes to consolidated financial statements for the year ended 31 March 2016 (continued)**

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.40 Acquisitions (continued)*A. Acquisition during the year (continued)***Rico Logistics Limited, UK**

On 02 September 2015, the Group, through its subsidiary TVS Logistics Investment UK Limited, UK ('TVS LIUK'), acquired 12.47% additional interest in Rico Logistics Limited, UK ('Rico'). The additional interest acquired resulted in increase of overall interest by TVS LIUK from 85% to 97.47%. The investment of TVS LIUK in Rico was £ 6,030,000 equivalent to ₹ 573,381,846. The additional interest in Rico has resulted in increase in goodwill ₹ 355,338,542. Incremental goodwill is arrived based on Group's share of net assets on the date of acquiring additional interest of 12.47% in Rico.

*B. Acquisition during the previous year ended 31 March 2015***T&T One Asia Limited, Hong Kong ('T&T One')**

On 26 June 2014, the Group, through its step down subsidiary - TVS Supply Chain Solutions Limited, UK (TVS SCS), acquired 50% interest in T&T One Asia Limited. The investment of TVS SCS in T&T One was ₹ 214,089,139. The results of T&T One's operations have been included in the consolidated financial statements since that date using proportionate consolidation method. T&T One and its group is primarily engaged in the business of providing transportation and warehouse management solutions including value added solutions.

The total purchase consideration has been allocated to the Group's share of acquired assets and liabilities at book values on the date of acquisition as follows:

	Amount in ₹
Fixed assets net of accumulated depreciation and amortization	29,772,135
Current assets	465,189,414
Less: Current liabilities	(717,947,446)
	(222,985,897)
Goodwill	437,075,036
Purchase Consideration	214,089,139

2.41 Accounting for interest in Joint Venture (JV)

The Group has 50% interest in TVS IPL, a JV in India and has 50% interest in T&T One, a JV in Hong Kong.

In accordance with AS 27, the Group has accounted for its interest in the JV's by the proportionate consolidation method. Thus the Group's statement of profit and loss, balance sheet and cash flow statement incorporate the Group's share of income, expenses, assets, liabilities and cash flows of the JV on a line-by-line basis.

The amount of the assets, liabilities, income and expenses related to the Group's share (50%) in the JV included in these financial statements as of and for the year ended 31 March 2016 and 31 March 2015 are given below:

TVS Infrastructure Private Limited

TVS IPL is primarily engaged in the business of creating industrial infrastructure facilities by executing turn-key projects taking care of setting up or relocation of infrastructure.

TVS Infrastructure Private Limited: Balance Sheet

Particulars	As at 31 March 2016	As at 31 March 2015
Fixed assets, Net	323,457,763	323,910,647
Non-current investments	14,063	13,123
Long term loans and advances	11,342,037	3,830,198
Trade receivables	43,941	3,644,469
Cash and cash equivalents	67,829	191,979
Short term loans and advances	2,621,248	5,303,588
Other current assets	12,864,000	-
Long term borrowings	-	26,694,112
Deferred tax liabilities (net)	36,418,349	31,094,360
Other long term liabilities	22,460,000	47,154,297
Short term borrowings	22,930,144	10,063,415
Trade payables	4,546,491	1,498,114
Other current liabilities	27,753,416	8,900,684
Short term provisions	-	2,749,191

TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.41 Accounting for interest in Joint Venture (JV) (continued)

TVS Infrastructure Private Limited: Statement of profit and loss

Particulars	As at 31 March 2016	As at 31 March 2015
Revenue		
Revenue from operations	99,925,649	88,762,481
Other income	948,216	2,491,605
Expenses		
Employee benefit expenses	8,792,748	4,059,560
Operating, administrative and other expenses	13,651,817	14,846,644
Depreciation and amortisation	13,527,020	13,533,151
Finance costs	2,437,175	7,734,452
Profit before taxation	62,465,105	51,080,279
Tax expenses	21,663,115	15,608,143
Profit / (loss) for the year	40,801,990	35,472,136

T&T One Asia Limited, Hong Kong: Balance Sheet

Particulars	As at 31 March 2016	As at 31 March 2015
Fixed assets, Net	16,766,979	23,259,282
Trade receivables	173,543,482	214,990,009
Cash and cash equivalents	101,808,576	156,120,620
Short term loans and advances	7,291,112	8,622,281
Other current assets	47,666,598	42,596,382
Long term borrowings	34,838,676	21,535,698
Short term borrowings	431,305,687	493,439,649
Trade payables	134,327,783	164,010,817
Other current liabilities	6,954,910	12,734,472
Short term provisions	-	35,959

T&T One Asia Limited, Hong Kong: Statement of profit and loss

Particulars	As at 31 March 2016	As at 31 March 2015
Revenue		
Revenue from operations	770,510,062	672,335,344
Other income	4,856,559	2,070,958
Expenses		
Employee benefit expenses	70,537,305	50,214,426
Operating, administrative and other expenses	679,018,753	618,928,310
Depreciation and amortisation	8,218,968	6,964,622
Finance costs	20,935,530	12,115,179
Loss before taxation	(3,343,935)	(13,816,235)
Tax expenses	13,025	-
Loss for the period	(3,356,960)	(13,816,235)

TVS LOGISTICS SERVICES LIMITED**Notes to consolidated financial statements for the year ended 31 March 2016 (continued)**

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.42 Employee benefits**Defined contribution plans**

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is defined contribution plan. The Group has no obligations other than to make the specified contributions. The contributions are charged to the consolidated statement of profit and loss as they accrue.

Defined benefit plans

The Group operates post-employment defined benefit plan that provides gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit.

The following table summarises the position of assets and obligations relating to the plan.

Gratuity

Asset / (liability) recognized in balance sheet	31 March 2016	31 March 2015
Fair value of plan assets	94,232,078	44,812,863
Present value of obligations	(107,097,318)	(67,688,265)
	(12,865,240)	(22,875,402)

Classification into current / non-current

The asset / (liability) in respect of the plan comprises of the following non-current and current portions:

Gratuity	31 March 2016	31 March 2015
Non-current	(7,376,283)	(584,403)
Current	(5,488,957)	(22,290,999)
	(12,865,240)	(22,875,402)

Movement in present values of defined benefit obligations	31 March 2016	31 March 2015
Opening defined benefit obligation	67,688,265	55,466,519
Amount transferred pursuant to the scheme of Arrangements	18,230,192	-
Current service cost	24,286,869	19,157,737
Interest cost	6,363,541	4,527,377
Actuarial (gains) / losses	2,249,936	(5,548,578)
Benefits paid by the plan	(11,721,485)	(5,914,790)
Closing defined benefit obligation	107,097,318	67,688,265

Movement in fair value of plan assets	31 March 2016	31 March 2015
Opening fair value of plan assets	44,812,863	40,056,460
Amount transferred pursuant to the scheme of Arrangements	16,862,473	-
Contributions paid into the plan	36,587,800	6,855,679
Benefits paid by the plan	(11,758,876)	(5,914,790)
Expected return on plan assets	6,031,758	3,258,548
Actuarial (losses) / gains	1,696,060	556,966
Closing fair value of plan assets	94,232,078	44,812,863

Expense recognised in statement of profit and loss *	31 March 2016	31 March 2015
Current service cost	24,777,224	19,157,737
Interest on obligation	6,363,541	4,527,377
Expected return on plan assets	(6,031,758)	(3,258,548)
Net actuarial (gain) / loss recognised in the year	553,876	(6,105,544)
	25,662,883	14,321,022

* included in note 2.29 Employee benefits under contribution to provident and other funds.

TVS LOGISTICS SERVICES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.42 Employee benefits (continued)

	31 March 2016	31 March 2015
Actual return of plan assets		
Expected return on plan assets	6,031,758	3,258,548
Actuarial gain / (loss) on plan assets	1,696,060	556,966
Actual return on plan assets	7,727,818	3,815,514

Principal actuarial assumptions

The following are the principal actuarial assumptions at the reporting data (expressed as weighted averages)

	31 March 2016	31 March 2015
Discount rate	7.21% - 8.10%	7.80% - 8.00%
Expected return on plan assets	5.00% - 8.00%	8.00%
Future salary increases	5.00% - 10.00%	5.00% - 15.00%
Attrition rate	5.00% - 55.00%	4.00% - 60.00%

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Five year information	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligation	(107,097,318)	(67,688,265)	(55,466,519)	(44,932,158)	(26,622,219)
Fair value of plan assets	94,232,078	44,812,863	40,056,460	28,011,446	18,785,361
Surplus (deficit) in the plan	(12,865,240)	(22,875,402)	(15,410,059)	(16,920,712)	(7,836,858)
Experience adjustments arising on plan liability:	2,249,936	(5,548,578)	(7,061,052)	(8,905,931)	339,556
Experience adjustments arising on plan assets	1,696,060	556,966	791,926	289,489	(421,838)

2.43 Leases
Operating lease as lessee

The Group has taken a number of warehouses and material handling equipment under operating leases. Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows.

	31 March 2016	31 March 2015
Payable within one year	601,697,753	116,766,264
Payable between one and five years	1,409,492,388	187,699,505
Payable later than five years	1,124,132,700	40,404,627
	3,135,322,841	344,870,396

During the year an amount of ₹ 683,300,606 (31 March 2015: ₹ 991,321,849) were recognised as an expense in the consolidated statement of profit and loss in respect of operating leases.

Operating lease as lessor

The Group has leased out certain assets. The carrying amount of assets given on operating leases and depreciation thereon for the year are as follows

	31 March 2016	31 March 2015
Gross carrying amount	269,210,610	269,210,610
Accumulated depreciation	(53,925,512)	(41,282,658)
Depreciation charge for the year	(12,642,858)	(12,639,182)
Net book value	202,642,240	215,288,770

The future minimum lease payments under non-cancellable operating leases are as follows:

	31 March 2016	31 March 2015
Receivable within one year	50,148,500	77,116,000
Receivable between one and five years	114,156,000	139,645,000
Receivable after five years	15,605,000	30,667,000
	179,909,500	247,428,000

During the year an amount of ₹ 119,098,404 (31 March 2015: ₹ 83,251,320) was recognised as income in the consolidated statement of profit and loss.

TVS LOGISTICS SERVICES LIMITED**Notes to consolidated financial statements for the year ended 31 March 2016 (continued)**

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.44 Segment information*Business segments*

The Company's business activity falls within a single primary business segment viz. 'Integrated logistics services'

Geographical segment

The Group's business is organized into key geographic segments. Revenues are attributable to individual geographic segments based upon the location of the customers. Assets and liabilities are attributable to individual geographic segments based upon the location of the respective assets / liabilities.

Other information

The accounting policies consistently used in the preparation of the consolidated financial statements are also applied to the revenues and expenditure of individual segments.

a) Primary segment information

The Group's business activity falls within a single primary business segment viz. 'Integrated logistics services'

b) Secondary segment information - Geographical

Particulars	India	Europe	USA	Rest of the world	Total
Segment revenue **					
31 March 2016	11,533,966,170	16,124,964,143	5,117,246,366	10,150,681,256	42,926,857,935
31 March 2015	7,494,387,931	16,393,169,243	3,920,273,697	3,465,756,501	31,273,587,372
Segment assets ^^					
31 March 2016	6,823,003,633	9,240,343,885	1,838,643,849	1,519,857,946	19,421,849,313
31 March 2015	3,501,315,556	8,364,057,621	1,361,294,946	391,395,138	13,618,063,261
Capital expenditure ^^					
31 March 2016	294,222,048	208,346,198	291,120,884	36,554,232	830,243,362
31 March 2015	218,649,992	130,398,210	110,307,350	4,181,820	463,537,372

** on the basis of location of customers

^^ on the basis of location of assets

2.45 Related party disclosures**Names of the related parties and nature of relationship where control exists****A. Holding Company/ Enterprise having substantial interest**

T V Sundram Iyengar & Sons Private Limited
(formerly known as T V Sundram Iyengar & Sons Limited)

B. Subsidiaries of A

TVS Motor Company Limited
Sundaram Clayton Limited
Lucas-TVS Limited
Sundaram Industries Private Limited
(formerly known as Sundaram Industries Limited)
Lucas Indian Service Limited
Sundaram Auto Components Limited
TVS Automobile Solutions Private Limited
(converted to Private Limited Company with effect from 06 May 2016)

C. Joint Ventures

TVS Infrastructure Private Limited
(formerly known as TVS Infrastructure Limited)
T&T One Asia Limited (T&T), Hong Kong
(from 26 June 2014)
Subsidiaries of T&T One Asia Limited
China Network Logistics Limited, China
Shanghai Hurrytop Warehouse and Delivery Co., Ltd.
Shanghai Feipeng Logistics Co., Ltd.
Shanghai Hurrytop E-commerce Delivery Co. Limited, China
Shanghai Hurrytop Supply Chain Management Co. Limited, China

D. Key management personnel

Mr. R. Dinesh
Mr. S. Ravichandran

TVS LOGISTICS SERVICES LIMITED**Notes to consolidated financial statements for the year ended 31 March 2016 (continued)**

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.45 Related party disclosures (continued)

Transaction during the year	Year ended 31 March 2016	Year ended 31 March 2015
Income from logistics services		
T V Sundram Iyengar & Sons Private Limited	238,580	14,670,450
TVS Motor Company Limited	677,470,802	673,633,115
Sundaram Clayton Limited	22,226,110	43,465,263
Lucas-TVS Limited	140,013,307	145,861,875
Sundaram Industries Private Limited	8,749,028	7,595,859
Sundaram Auto Components Limited	966,225	-
Purchase of Spares, Fuel, Others		
T V Sundram Iyengar & Sons Private Limited	82,621	9,361,184
Sundaram Industries Private Limited	7,626,426	12,084,914
Lucas Indian Service Limited	1,884,963	897,775
Operating, administrative and other expenses		
T V Sundram Iyengar & Sons Private Limited	25,747,068	38,530,846
Sundaram Industries Private Limited	864,638	1,628,112
TVS Automobile Solutions Private Limited	20,655	1,740,673
Remuneration to Key Managerial Personnel		
Salaries, wages and bonus	19,744,420	21,234,420
Contribution to provident and other funds	403,200	403,200
Commission to managing director	25,000,000	15,000,000

As the future liabilities of gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the KMP is not ascertainable separately and therefore not included above.

Year end balances:	31 March 2016	31 March 2015
Receivables		
T V Sundram Iyengar & Sons Private Limited	156,240	3,996,000
TVS Motor Company Limited	103,272,067	68,376,574
Sundaram Clayton Limited	3,354,948	10,526,694
Lucas-TVS Limited	39,475,304	31,706,411
Sundaram Industries Private Limited	854,376	731,805
Sundaram Auto Components Limited	349,197	-
TVS Infrastructure Private Limited	20,472,374	17,474,896
Payables		
T V Sundram Iyengar & Sons Private Limited	8,095,765	18,770,956
Sundaram Clayton Limited	15,357	-
Sundaram Industries Private Limited	1,846,361	1,173,891
Lucas Indian Service Limited	259,365	-
TVS Automobile Solutions Private Limited	98,564	-
Payable to Key Managerial Personnel		
Salaries, wages and bonus	7,500,000	5,000,000
Commission to managing director	13,750,000	15,000,000

TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.46 Capital commitments and contingencies

	31 March 2016	31 March 2015
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	93,582,989	28,014,047
<i>Contingencies:</i>		
Employee related matters	218,359,394	124,909,184
Bank guarantee	29,683,865	-
Bills of exchange discounted	21,438,017	20,091,899
Income tax related matters	52,050,264	25,158,230
Service tax related matters	684,450,380	24,193,494
Sales tax related matters	398,049,815	-
Claims against company not acknowledged as debt	50,851,261	-
Others	-	5,872,000

From time to time, the Group are involved in claims and legal matters arising in the ordinary course of business. Management is not currently aware of any matters that will have a material adverse effect on the financial position, results of operations, or cash flows of the Group.

2.47 Derivative instruments

The Company uses forward exchange contracts to hedge its exposure in Foreign Currency.

Forward exchange contracts outstanding are as follows:

	31 March 2016	31 March 2015
Sell USD/Buy INR		
Number of Contracts	37	-
Foreign Currency (USD)	12,794,704	-
Reporting currency (INR)	881,309,377	-

2.48 Transfer pricing

The Group has international and domestic transactions with related parties. The management confirms that it maintains documents as prescribed by the Income Tax Act to prove that the international and domestic transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

2.49 Change in estimates

With effect from 1 April 2014, pursuant to the requirement of Companies Act, 2013, the Company has revised the useful life of its fixed assets, based on technical evaluation. As a result of this change, the depreciation charge was higher by ₹ 110,570,417 for the year ended 31 March 2015. In respect of assets whose useful life is already exhausted as on 1 April 2014, depreciation impact of ₹ 23,862,667 on such assets has been adjusted in the Reserves and Surplus in accordance with the requirements of Schedule II of the Companies Act, 2013.

2.50 Provisions

The schedule of provisions as required to be disclosed in compliance with Accounting Standard 29 on "Provisions, Contingent Liabilities and Contingent Assets" is as under:

	Provision for dilapidation	Provision for warranties	Others
Balance as at 01 April 2014	195,212,451	12,419,917	3,576,000
Provision made	7,243,376	18,332	-
Utilisation	(8,673,403)	(4,119,078)	-
Reversal	(59,221,800)	-	-
Foreign exchange adjustments	(10,694,092)	(665,406)	-
Balance as at 31 March 2015	123,866,532	7,653,765	3,576,000
Provision made	5,234,519	2,773,900	19,537,465
Utilisation	(9,777,686)	-	-
Reversal	(79,110,365)	-	-
Foreign exchange adjustments	6,717,591	114,384	-
Balance as at 31 March 2016	46,930,591	10,542,049	23,113,465

TVS LOGISTICS SERVICES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2016 (continued)
(All amounts are in Indian rupees (₹) except share data and otherwise stated)
2.51 Share of individual companies in the Consolidated net assets and Consolidated profit or loss

Name of the entity	As at 31 March 2016		As at 31 March 2015	
	Net Assets		Net Assets	
	i.e., Total Assets minus Total		i.e., Total Assets minus Total	
	Liabilities		Liabilities	
	As a % of Consolidated net assets	Amount	As a % of Consolidated net assets	Amount
Parent:				
TVS Logistics Services Limited	-0.09%	(4,001,121)	20.11%	759,644,095
Domestic subsidiaries:				
Drive India Enterprises Services Limited	9.64%	420,842,860	0.00%	-
TVS Dynamic Global Freight Services Limited	4.73%	206,437,495	4.81%	181,688,352
FLEXOL Packaging (India) Limited	1.57%	68,459,958	3.56%	134,580,135
TVS Aviation Logistics Limited	0.00%	50,896	0.00%	155,870
TVS Toyota Tsusho Supply Chain Solutions Limited	0.50%	21,777,067	0.54%	20,427,573
TVS Commutation Solutions Limited	0.00%	-	3.98%	150,213,524
Foreign subsidiaries:				
TVS Logistics Investment USA Inc., USA	11.04%	481,989,584	4.74%	179,115,643
Wainwright Industries Inc., USA	13.06%	570,057,648	13.11%	495,241,279
Waintrans LLC, USA	0.05%	2,241,521	0.05%	1,937,185
TVS America Inc., USA	-0.06%	(2,670,562)	-0.07%	(2,519,905)
TVS Supply Chain Solutions De Mexico, Mexico	0.25%	10,739,033	0.00%	-
TVS Logistics Investment UK Limited, UK	4.58%	200,024,931	1.90%	71,935,544
TVS Supply Chain Solutions Limited, UK	28.92%	1,262,507,629	36.21%	1,367,879,077
Rico Logistics Limited, UK and its subsidiaries	15.74%	687,200,331	7.16%	270,633,791
TVS Autoserv GmbH, Germany	1.94%	84,548,623	1.32%	49,749,451
TVS Logistics Iberia, Spain	1.73%	75,620,198	1.77%	67,021,112
TVS Logistics Siam Limited, Thailand	0.62%	26,903,009	0.72%	27,016,852
TVS-Asianics Supply Chain Solutions Limited, Singapore and its subsidiaries	5.86%	255,757,280	-0.37%	(13,819,669)
Joint Venture:				
TVS Infrastructure Private Limited	5.88%	256,830,525	6.97%	263,196,514
T&T One Asia Limited and its subsidiaries	-5.96%	(260,350,305)	-6.52%	(246,168,019)
	100.00%	4,364,966,600	100.00%	3,777,928,404

TVS LOGISTICS SERVICES LIMITED
Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.51 Share of individual companies in the Consolidated net assets and Consolidated profit or loss (continued)

Name of the entity	Year ended 31 March 2016		Year ended 31 March 2015	
	Share in profit or loss		Share in profit or loss	
	As a % of Consolidated profit or loss	Amount	As a % of Consolidated profit or loss	Amount
Parent:				
TVS Logistics Services Limited	-39.25%	(316,412,286)	-96.76%	(298,569,667)
Domestic subsidiaries:				
Drive India Enterprises Services Limited	6.39%	51,484,790	0.00%	-
TVS Dynamic Global Freight Services Limited	7.14%	57,527,280	25.13%	77,560,665
FLEXOL Packaging (India) Limited	-1.11%	(8,912,611)	1.92%	5,932,472
TVS Aviation Logistics Limited	-0.01%	(104,974)	-0.06%	(176,202)
TVS Toyota Tsusho Supply Chain Solutions Limited	0.00%	13,650	0.08%	256,314
TVS Commutation Solutions Limited	10.11%	81,488,119	-47.00%	(145,027,526)
TVS RHR Finished Vehicles Logistics Solution Limited	0.00%	-	-11.22%	(34,611,469)
Cargowings Logistics Limited	0.00%	-	-29.85%	(92,104,659)
Foreign subsidiaries:				
TVS Logistics Investment USA Inc., USA	-2.77%	(22,359,923)	-11.52%	(35,541,081)
Wainwright Industries Inc., USA	39.19%	315,930,399	49.87%	153,897,596
Waintrans LLC, USA	2.41%	19,398,808	4.11%	12,686,369
TVS America Inc., USA	0.00%	-	-0.85%	(2,616,734)
TVS Supply Chain Solutions De Mexico, Mexico	-0.52%	(4,222,195)	0.00%	-
TVS Logistics Investment UK Limited, UK	-5.59%	(45,064,539)	-27.68%	(85,409,267)
TVS Supply Chain Solutions Limited, UK	33.79%	272,419,130	120.16%	370,791,430
Rico Logistics Limited, UK and its subsidiaries	56.07%	452,038,523	129.17%	398,606,545
TVS Autoserv GmbH, Germany	1.81%	14,555,542	6.10%	18,825,512
TVS Logistics Iberia, Spain	6.11%	49,247,081	11.37%	35,094,385
TVS Logistics Siam Limited, Thailand	-0.95%	(7,639,292)	-1.55%	(4,795,822)
TVS-Asianics Supply Chain Solutions Limited, Singapore and its subsidiaries	-7.33%	(59,109,797)	-18.38%	(56,732,352)
Joint Venture:				
TVS Infrastructure Private Limited	-5.05%	(40,705,460)	1.43%	4,413,577
T&T One Asia Limited	-0.42%	(3,356,958)	-4.50%	(13,899,667)
	100.00%	806,215,287	100.00%	308,580,419

TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.52 Comparative figures

Prior year figures have been reclassified / regrouped wherever necessary to conform to the current year's classification. Previous year figures are not comparable with that at the current year figures due to various acquisitions and divestment during the current year and previous year.

The notes referred to above form an integral part of the consolidated financial statements

As per our report attached

for B S R and Associates

Firm Registration Number :128901W

Chartered Accountants

For and on behalf of Board of Directors of

TVS Logistics Services Limited

S Sethuraman

Partner

Membership No.: 203491

Suresh Krishna

Chairman

R Dinesh

Managing Director

S Ravichandran

Deputy Managing Director

P D Krishna Prasad

Company Secretary

Baskar Lakshmanan

Chief Financial Officer

Place: Chennai

Date: 28 March 2017

Place: Chennai

Date: 28 March 2017

FINANCIAL INFORMATION OF SUBSIDIARIES / JOINT VENTURES (CONSIDERED FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

Sl.no	Name of the Company ^	Country	Reporting Currency	Exchange rate	Capital	Reserves	Total Assets	Total Liabilities	Details of Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Dividend declared	% share holding
SUBSIDIARIES															
1	TVS Dynamic Global Freight Services Limited	India	INR	1	12,000,000	188,734,509	430,467,802	229,733,293	-	1,624,253,986	76,067,546	31,084,759	44,982,787	(10,800,000)	85
2	Drive India Enterprise Solutions Limited	India	INR	1	22,900,000	398,641,672	1,510,134,562	1,088,592,890	-	2,171,485,544	51,484,790	-	51,484,790	-	100.00
3	TVS Aviation Logistics Limited (formerly known as TVS GMR Aviation Logistics Limited)	India	INR	1	60,000,000	(59,949,104)	271,822	220,926	-	-	(104,974)	-	(104,974)	-	99.99
4	FLEXOL Packaging (India) Limited	India	INR	1	7,704,160	56,085,843	109,715,247	45,925,244	-	119,858,949	(15,513,138)	-	(15,513,138)	-	67.55
5	TVS Toyoto Tsusho Supply Chain Solutions Limited	India	INR	1	20,000,000	6,336,291	47,970,499	21,634,208	-	151,913,264	8,561,905	2,653,187	5,908,718	-	60
6	TVS Logistics Siam Limited	Thailand	THB	1.88	10,935,738	(4,741,281)	62,835,671	56,641,214	-	82,450,598	(8,408,124)	-	(8,408,124)	-	55
7	TVS Logistics Investment UK Limited	UK	GBP	95.09	519,060,519	1,734,503,389	10,579,743,568	8,326,179,660	252,021,860	206,287,494	7,643,924	1,810,633	5,833,291	-	100
8	TVS Logistics Investments USA Inc.	USA	USD	66.33	322,285,934	412,891,358	3,182,508,736	2,447,331,444	-	78,600,909	7,089,798	2,635,694	4,454,104	-	100
9	TVS America Inc.	USA	USD	66.33	18,028,187	(74,155,107)	5,108	56,132,028	-	-	(7,817)	-	(7,817)	-	100
10	TVS-Asianics Supply Chain Solutions Pte. Limited and its subsidiaries	Singapore	SGD	49.02	35,322,548	(120,402,541)	1,710,891,601	1,795,971,594	-	105,700,494	(204,022)	476,077	(680,099)	-	100
STEP DOWN SUBSIDIARIES															
10	TVS Supply Chain Solutions Limited	UK	GBP	95.09	151	2,446,441,901	6,503,110,811	4,056,668,759	277,123,528	102,365,793	2,787,096	614,637	2,172,459	-	100
11	MSys Software Solutions Limited, UK	UK	GBP	95.09	76	9,223,574	9,223,650	-	-	-	-	-	-	-	100
12	Multipart Limited	UK	GBP	95.09	76	19	95	-	-	-	-	-	-	-	100
13	TVS Logistics Iberia S.L.	Spain	EURO	75.14	9,621,415	33,259,988	244,214,832	201,333,429	-	6,051,696	233,976	65,799	168,177	-	100
14	TVS Autoserv GmbH	Germany	EURO	75.14	11,874,171	51,534,158	204,536,904	141,128,575	-	4,355,923	185,043	55,581	129,462	-	51
15	Rico Logistics Limited and its subsidiaries	UK	GBP	95.09	4,582,994	1,994,201,780	4,905,102,205	2,906,317,431	-	93,522,820	4,875,957	1,127,167	3,748,790	-	97.47
16	Wainwright Industries Inc. and its subsidiaries	USA	USD	66.33	127,988,461	1,047,139,725	2,462,762,741	1,287,634,555	6,633,290	78,600,909	7,491,947	2,495,882	4,996,065	-	92.83
JOINT VENTURES															
17	TVS Infrastructure Limited	India	INR	1.00	27,500,000	208,802,481	350,410,881	464,519,280	28,126	99,925,649	62,465,105	21,663,115	40,801,990	(11,000,000)	50
18	T&T One Asia Limited and its subsidiaries	Hong Kong	HKD	8.52	4,092,950	(264,443,258)	347,076,748	954,503,803	-	90,094,954	(391,003)	1,523	(392,526)	-	50

^ The financial year of all the Companies listed above is ended on 31 March 2016.

TVS LOGISTICS SERVICES LIMITED

STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

COMPANY INFORMATION

BOARD OF DIRECTORS

Sri. Suresh Krishna – Chairman
Sri. S Ram
Sri. R Dinesh – Managing Director
Sri. Gopal Srinivasan
Ms. Shobhana Ramachandhran
Sri. S Mahalingam
Sri. V Anantha Nageswaran
Sri. C K Ranganathan
Sri. S Ravichandran – Deputy Managing Director
Sri Bobby Pauly (appointed as Director w.e.f. 30.09.2015)
Ms. Anita George (appointed as Director w.e.f. 11.01.2017)
Sri. Sanjeev Kishen Mehra
(ceased to be Director w.e.f. 11.01.2017)
Sri Ajay Bharat Candade
(ceased to be Director w.e.f. 11.01.2017)

SECRETARY

Sri. P D Krishna Prasad

AUDITORS

M/s B S R and Associates
Chartered Accountants

BANKERS

State Bank of India,
HDFC Bank, Corporate Banking, India
DBS Bank, Corporate Banking, India
Standard Chartered Bank, Wholesale Banking, India
Export Import Bank of India, India
Axis Bank Limited, India

REGISTERED OFFICE

TVS Building
7-B, West Veli Street
Madurai – 625 001

SUBSIDIARY / JOINT VENTURE/ ASSOCIATE COMPANIES

DOMESTIC

Drive India Enterprise Solutions Limited
TVS Dynamic Global Freight Services Limited
TVS Commutation Solutions Limited
TVS Aviation Logistics Limited
(formerly TVS GMR Aviation Logistics Limited)
FLEXOL Packaging (India) Limited
TVS Toyota Tsusho Supply Chain Solutions Limited
TVS Infrastructure Limited

FOREIGN

TVS Logistics Investment UK Limited, UK
(Standalone and Consolidated)
TVS Supply Chain Solutions Limited, UK
MSys Software Solutions Limited, UK
Multipart Limited, UK
TVS Autoserv GmbH, Germany
TVS Logistics Iberia S.L., Spain
Rico Logistics Limited, UK (Consolidated)
including subsidiaries
Ricochet Spain S.L., Spain
Tri-Tec Computer Support Limited, Northern Ireland
Tri-Tec Support Limited, Ireland
Rico Logistique, France
Rico Logistics Pty Limited, Australia
Circle Express Limited, UK
T&T One Asia Limited, Hong Kong (Consolidated)
Subsidiaries of T&T One Asia Limited
China Network Logistics Limited, China
Shanghai HurryTop Warehouse and Delivery Co.,
Ltd., China
Shanghai Feipeng Logistics Co., Ltd., China
Shanghai Hurrytop E-commerce Delivery Co.
Limited, China
Shanghai Hurrytop Supply Chain Management Co.
Limited, China
TVS Logistics Investments USA Inc., USA
(Standalone)
TVS Logistics Investments USA Inc., USA
(Consolidated)
Wainwright Industries Inc., USA (Consolidated)
including subsidiaries
Waintrans LLC, USA
TVS America Inc., USA
TVS Logistics Siam Limited, Thailand
TVS-Asianics Supply Chain Solutions Pte. Limited,
Singapore (Consolidated)
including subsidiaries
TVS-Asianics Supply Chain Solutions Pty. Limited,
Australia
TIF Holdings Pty Ltd
Subsidiaries of TIF Holdings Pty Ltd
Transtar International Freight (Australia) Pty Ltd
Transtar International Freight Limited
KAHN Nominees Pty Ltd
Transtar International Freight Limited
Transtar International Freight (Singapore) Pte.
Limited
Transtar International Freight (Shanghai) Limited
Transtar International Freight Limited
Transtar International Freight (Malaysia) SD Bhd
TIF Holdings (USA) LLC
Transtar International Freight (USA) LLC

TVS LOGISTICS SERVICES LIMITED

DIRECTOR'S REPORT

To,
The Members,
TVS LOGISTICS SERVICES LIMITED

Dear Members,

Your Directors have pleasure in submitting their Twelfth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

	<i>(Amount Rs. In lakhs)</i>	
	2015-16	2014-15
Net profits after Tax adjustments	1552.09	703.81
Surplus brought forward from previous year	1575.36	1690.43
Adjustment pursuant to Scheme of Arrangement	(2705.86)	-
Transitional adjustment as per Schedule II of Companies Act, 2013	-	(232.12)
Amount available for appropriation	421.59	2162.12
APPROPRIATION		
General Reserve	-	-
Interim Dividend on Equity Shares	153.06	-
Proposed Dividend on Equity Shares	-	530.49
Tax on Dividend	46.02	56.27
Surplus – Balance carried to Balance Sheet	222.51	1575.36

The Financial Results for the year includes the results relating to Services Business, which was demerged by our Subsidiary Drive India Enterprise Solution Limited and transferred and vested into your Company with effect from 01.09.2015 and merger of our Subsidiary TVS Commutation Solutions Limited into our Company effective 31.03.2016, in terms of the Scheme of Amalgamation and Arrangement approved by the Hon'ble National Company Law Tribunal, Chennai vide order dated 23.03.2017.

REVIEW OF BUSINESS OPERATIONS

The operating income of the Company for the year under review amounts to Rs 735.98 crore as against Rs.503.83 crore reported in the previous year. The results are detailed in the Profit & Loss Account attached hereto.

The overall slowdown in the economy which has impacted automobile industry has also affected the profitability of the Company for the year under review. The Company had taken various steps to improve its operating margin but at the same time made significant revenue investments in several initiatives which has affected the profits of the Company during the year under review. However, the Company has taken various initiatives to improve the profitability of the Company going forward.

SCHEME OF AMALGAMATION AND ARRANGEMENT

Applications have been filed in the Hon'ble High Court of Judicature at Madras under Section 391 to 394 of the Companies Act, 1956 for the Scheme of Amalgamation and Arrangement between Drive India Enterprise Solutions Limited and TVS Commutation Solutions Limited with the Company for getting sanction of the Hon'ble High Court (Scheme).

As per Companies (Transfer of Pending Proceedings) Rules, 2016 issued by Ministry of Corporate Affairs vide Notification No G.S.R. 1119(E). dated December 7, 2016, all pending proceedings including those related to Scheme of Amalgamation and Arrangement before a High Court stands transferred to the Benches of the National Company Law Tribunal exercising respective territorial jurisdiction with effect from December 15, 2016. Accordingly, the Scheme pending before the Hon'ble High Court of Judicature at Madras stands transferred to National Company Law Tribunal, Chennai(NCLT). NCLT has vide order dated 23.3.2017 has approved the Scheme in terms of which the Services Business, of our Subsidiary Drive India Enterprise Solution Limited stands demerged, transferred and vested into your Company with effect from 01.09.2015 and merger of our Subsidiary TVS Commutation Solutions Limited into our Company effective 31.03.2016

DIVIDEND

The Directors have declared and paid an interim dividend of 6% on the paid up capital of the Company for the financial year under review In order to conserve the resources of the Company and to build up reserves and considering the business plans of the Company, no further dividend was proposed for the financial year under review.

TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves during the financial year.

PROSPECTS

The Company had taken various steps to strengthen the business development team and exit the less profitable projects. These measures are expected to enable the Company to achieve higher turnover and profits in the years to come.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

No material changes and commitments have occurred affecting the financial position of the Company after March 31, 2016 till the date of this report.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rules, the audited Consolidated Financial Statement of the Company and of all subsidiary, associate companies, and joint ventures is enclosed.

SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES

A separate statement containing the salient features of the audited financial statement of all the subsidiary, associate companies and joint ventures is attached to this Report.

The Company will make available the Annual Financial Statements of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual Financial Statements of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of subsidiary companies concerned. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

The details of investments made in various subsidiaries are provided as part of the Financial Statements for the year.

In September 2015, your Company has acquired 100% shareholding in Drive India Enterprise Solutions Limited, a 50-50 JV between Tata Industries Limited and Tata International Limited

Your Company has acquired the shareholding held by other shareholders in TVS Commutation Services Limited, a subsidiary of the Company and it becomes a wholly owned subsidiary of the Company with effect from 8th March, 2016.

TVS Aviation Logistics Limited (earlier known as TVS GMR Aviation Logistics Limited) currently has not been carrying on any business. Your Company is considering various options for this Company for identifying a suitable line of business.

SHARE CAPITAL

During the year, the following changes have occurred in the issued, called, subscribed and paid-up equity share capital of the Company:

a) (i) 16,47,464 equity shares having a face value of Rs. 10/- each at a price of Rs. 695/- per equity share including a premium of Rs. 685/- per equity share, to Omega TC Holdings Pte Ltd, and; (ii) 1,51,143 equity shares having face value Rs.10/- each, at a price of Rs. 695 per equity share, including a premium of Rs. 685/- per equity share to Tata Capital Financial Services Limited,

b) 215,400 equity shares were becoming fully paid up during the year.

Accordingly, the paid up capital of the Company increased from Rs. 23,58,14,154 to Rs.25,55,23,424

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sri. Suresh Krishna (DIN: 00046919), Sri. S Ram (DIN: 00046919), and Sri. S Ravichandran (DIN.01485845), Directors are liable to retire by rotation at the ensuing Annual General Meeting and being eligible for reappointment. Sri. Sanjeev Mehra was co-opted to the Board as an Additional Director with effect from 18th December, 2015. Sri. V Anantha Nageswaran, being eligible, was re-appointed as Independent Director of the Company, for period of five years, with effect from 19th March, 2016.

Your Directors recommend their re-appointment.

Sri. L Baskar Lakshmanan was appointed as Chief Financial Officer with effect from 18th December, 2015.

STATUTORY AUDITORS

M/s. B S R and Associates (Firm Registration No. 128901W), Chartered Accountants, Chennai who are the Statutory Auditors of the Company, hold office until the conclusion of ensuing Annual General Meeting and are eligible for appointment. As required by the provisions of the Companies Act, 2013, their appointment is subject to ratification by Members every year and hence, requisite resolution forms part of the Notice convening this Annual General Meeting.

INTERNAL AUDITORS

The Company has appointed M/s Ernst & Young LLP, as Internal Auditors of the Company, to conduct the Internal Audit of the Company and its subsidiaries.

BOARD MEETINGS

During the year, the Board of Directors of your Company met six times. The dates of meetings are 29.06.2015 02.09.2015, 18.1.2.2015 and 31.03.2016.

ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return is annexed to this Report.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Mr. K Venugopalan, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the year ended 31st March, 2016. The Secretarial Audit Report is attached to this Report.

AUDIT COMMITTEE

The Audit Committee consists Sri. V Anantha Nageswaran, Chairman, Sri. S Mahalingam and Sri. C K Ranganathan as members. During the year under review, the Board has accepted all the recommendations of the Committee.

VIGIL MECHANISM /WHISTLE BLOWER POLICY

In accordance with Section 177(9) of the Companies Act, 2013, the Company has established a Vigil Mechanism and has a Whistle Blower Policy for the Directors and employees to report genuine concerns in such manner as may be prescribed.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists Sri. C K Ranganathan, Chairman, Sri. S Mahalingam and Sri. Anantha Nageswaran, Members in terms of Section 178 of the Companies Act, 2013. The Company has framed a policy on the director's appointment and remuneration including criteria for determining for qualifications, Independence of a director and other matters provided under section 178 (3) of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY

The Board has constituted a Corporate Social Responsibility Committee consists of Sri. C K Ranganathan, Chairman, Ms. Shobhana Ramachandran and Sri. S Mahalingam, Members. The Company has adopted a Corporate Social Responsibility (CSR) policy pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rule, 2014 and the Report on CSR Activities as required thereunder is attached to this Report.

DEPOSITS

During the year, the Company has not accepted any Deposits within the meaning of Section 73 of the Companies Act, 2013 read with Companies Acceptance of Rules, 2014. No amount on Deposits was outstanding as on the Balance Sheet date.

LOANS, GUARANTEES OR INVESTMENTS

Details of loans, investments and guarantees covered under Section 186 of the Companies Act, 2013 are given in Note No.22 to the Notes on accounts for the financial year 2015-16.

RELATED PARTY TRANSACTIONS

All Related Party Transactions entered by the Company in financial year 2014-15 were during the ordinary course of business and at Arm's length basis. The details of the transactions with Related Parties are provided in the accompanying Financial Statements.

INDEPENDENT DIRECTORS

The Company has appointed Sri. C K Ranganathan as Independent Director on the Board of the Company, for a period of three years, with effect from 19th March 2015. Sri. Anantha Nageswaran was re-appointed as Independent Director of the Company, for a period of five years, with effect from 19th March, 2016. The Company has received the declarations of Independence from them pursuant to Section 149(6) of the Companies Act, 2013.

EVALUATION OF BOARD /BOARD COMMITTEES

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out performance evaluation of its own performance, the directors individually as well as evaluation of the working of the Committees of the Board.

PARTICULARS OF EMPLOYEES

A statement containing the information as required under Section 134 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached to this Report.

INTERNAL FINANCIAL CONTROLS

Your company has well defined and adequate internal financial controls and procedures commensurate with its size & nature of its operations. This is further strengthened by the Internal Audit done concurrently and periodical reporting to the Audit Committee.

RISK MANAGEMENT

Periodic risk assessment of business risk environment is carried to identify significant risks to the achievement of business objectives of the Company. Key risks are reported and evaluated at appropriate forums and levels within the Company.

ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS

There has been no order passed by any Regulators or Court or Tribunal impacting the going concern status and future operations of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- (b) appropriate accounting policies have been selected and applied consistently and judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the Company for the year ended on that date;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively; and
- (f) proper internal financial controls to be followed by the Company have been laid down and such internal financial controls are adequate and are operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no activity relating to conservation of energy or technology absorption.

Details of foreign exchange inflow or outflow are:

Foreign Exchange earnings	: Rs 5.77 crore
Foreign Exchange Outgo	: Rs 9.19 crore

THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an anti-sexual harassment policy in line with the requirements of the captioned Act and Rules made thereunder. The Company has not received any complaint during the year under review.

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledges gratefully the promoter company, the shareholders and the subsidiary /joint venture companies for their support and confidence reposed on your Company.

Your Directors would also like to place on record their appreciation of the dedicated, individual and collective contribution of all the employees in the overall growth and progress of the Company.

For and on behalf of the Board

Place: Chennai
Date: 28.03.2017

Suresh Krishna
Chairman

Annexure to the Board's Report

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U63011TN2004PLC054655
2.	Registration Date	16.11.2004
3.	Name of the Company	TVS LOGISTICS SERVICES LIMITED
4.	Category/Sub-category of the Company	PUBLIC COMPANY
5.	Address of the Registered office & contact details	No.10, Jawahar Road Chokkikulam Madurai 625 002
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NIL

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated) :

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Logistics Services	99831162	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1.	TVS Dynamic Global Freight Services Limited	U63010TN2007PLC064282	Subsidiary	85	2(87)
2.	TVS Commutation Solutions Limited	U60200TN2008PLC068631	Subsidiary	100	2(87)
3.	TVS Aviation Logistics Limited	U60100TN2010PLC074341	Subsidiary	100	2(87)

c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	151143	-	151144	0.58	-
ii) Overseas	-	11006799	11006799	45.86	7080001	5574262	12654263	49.06	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	138218S	138218	0.57	-	198218	206338	0.80	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	2207958	2207958	9.19	-	2147959	2147959	8.30	-
c) Others (specify)									
Non Resident Indians	-	6000	6000	0.02		6000	6000	0.02	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	10344	10344	0.43		10344	10344	0.04	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	114480	114480	0.47	-	114480	114480	0.44	-
Foreign Bodies Corpoartes	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	13483799	13483799	56.18	7231144	8051263	15282407	59.24	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	13483799	13483799	56.18	7231144	8051263	15282407	59.24	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	10516817	13483799	24000616	100	17747961	8051263	25799224	100	-

ii) Shareholding of Promoter:

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	T V Sundram Iyengar & Sons Private Limited	10516817	43.82	0	10516817	40.76	0	3.06

iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

**iv) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	11535823	48.07	11535823	48.07
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g.	-	-	1798607 (allotment 07/09/2015)	0.02

	allotment / transfer / bonus/ sweat equity etc.):			190400 (Transfer dated 30/06/2015)	0.38
	At the end of the year	13566174	52.58	13566174	52.58

v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	830244	3.46	830244	3.46
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	1798607 (allotment 07/09/2015) 190400 (Transfer dated 30/06/2015)	0.02 0.38
	At the end of the year	683350	2.65	683350	2.65

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.
(in Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,00,00,52,196	41,06,03,941	0	1,41,06,56,137
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	76,61,989	0	0	76,61,989
Total (i+ii+iii)	1,00,77,14,185	41,06,03,941	0	1,41,83,18,126
Change in Indebtedness during the financial year				
* Addition	1,86,00,00,000	2,71,00,00,000	0	4,57,00,00,000
* Reduction	(34,50,87,256)	(2,47,05,29,307)	0	(2,81,56,16,563)
Net Change	1,51,49,12,744	23,94,70,693	0	1,75,43,83,437
Indebtedness at the end of the financial year				

i) Principal Amount	2,51,12,84,230	65,00,74,634	0	3,16,13,58,864
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	1,13,42,699		0	
Total (i+ii+iii)	2,52,26,26,929	65,00,74,634	0	3,17,27,01,563

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER (In Rupees)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Sri. R Dinesh, Managing Director	Sri. S Ravichandran, Executive Director	
1	Gross salary	-	Rs. 1,76,47,520/-	Rs. 1,76,47,520/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	Rs. 2,62,50,000/-		Rs. 2,62,50,000/-
5	Others, please specify	-	-	-
	Total (A)	Rs. 2,62,50,000/-*	Rs. 1,76,47,520/- *	Rs.4,38,97,520/-
	Ceiling as per the Act			

*Minimum Remuneration

B. REMUNERATION TO OTHER DIRECTORS

SN.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors	NIL	
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (1)		
2	Other Non-Executive Directors		
	Fee for attending board committee meetings		
	Commission		

	Others, please specify
	Total (2)
	Total (B)=(1+2)
	Total Managerial Remuneration
	Overall Ceiling as per the Act

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD(In Rupees)

SN	Particulars of Remuneration	Key Managerial Personnel	
		CFO	Company Secretary
1	Gross salary	Rs.26,48,505	Rs. 26,43,942
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	others, specify...	-	-
5	Others, please specify	-	-
	Total	Rs, 26,48,505*	Rs. 26,43,942

* for part of the year

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

Annexure to Board's Report

Form – MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

M/s TVS LOGISTICS SERVICES LIMITED

58, Eldams Road, Teynampet,

Chennai- 600018.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TVS LOGISTICS SERVICES LIMITED** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under so far as they are made applicable;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; (not applicable to the Company during audit period since the Company is unlisted)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent of the equity shares held in dematerialized form;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (not applicable to the Company during audit period since the Company is unlisted)
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (not applicable to the Company during audit period since the Company is unlisted)
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable to the Company during audit period since the Company is unlisted)
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 to the extent applicable; (not applicable to the Company during audit period since the Company is unlisted)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable to the Company during audit period since the Company is unlisted)
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (not applicable to the Company during audit period since the Company is unlisted)
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during audit period since the Company is unlisted); and

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
(not applicable to the Company during audit period since the Company is unlisted);

(vi) Other Applicable Laws –

- a) Reserve Bank of India Act, 1934, Rules, Regulations, guidelines, circulars, directions, notifications made thereunder.
- b) The Payment of Gratuity Act, 1972
- c) The Maternity Benefit Act, 1961
- d) The Minimum Wages Act, 1948
- e) Payment of Bonus Act, 1968
- f) Employees Provident Fund and Miscellaneous Provisions Act, 1952 and such other labour laws applicable to the Company.
- g) Carriage by Road Act, 2007
- h) Motor Vehicles Act, 1988

With respect to Fiscal laws such as Income Tax, Wealth Tax, Professional Tax, Central Sales Tax & Local Sales Tax, based on the information and explanation provided to us by the management and officers of the Company and also on verification of reports of professionals including reports of Internal Audit, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

I have also examined compliance with the applicable clauses of the following:

- (i) The Secretarial Standards on General and Board Meetings issued by the Institute of Company Secretaries of India (ICSI) as prescribed under Section 118 (10) of the Act were notified on 1st July, 2015 have been complied with.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s) -
(not applicable to the Company during audit period since the Company is unlisted);

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and Woman Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors before schedule of the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the verification of the records and minutes, the decisions were carried out with the consent of majority of the Board of Directors / Committee Members and there were no dissenting members views recorded in the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and nature of operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has passed special resolutions in pursuance to Section 180 of the Companies Act, 2013.

K.Venugopalan
Company Secretary in Practice
CP No. 6015
FCS No. 2526

Place : Chennai

Date : 04/08/2016

Annexure to Board's Report

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

As an integral part of contribution to the society, the Company believes in actively assisting in the improvement of the quality of life of communities around through its CSR endeavours. The Company undertakes CSR projects/activities as per its CSR Policy, which is aligned with Schedule VII under Section 135 of the Companies Act, 2013. The Company's CSR initiatives are being carried out under the CSR Policy adopted by Company. The Board based on the recommendation of CSR Committee, approved to spend for providing education and skill development to the economically weaker/underprivileged sections of the society during the year ended on March 31, 2016.

2. The Composition of the CSR Committee.

The CSR Committee comprises of Sri. C K Ranganathan, Chairman, Sri. S Mahalingam and Ms. Shobhana Ramachandran, Members.

3. Average net profit of the company for last three financial years: Rs. 1192.08 Lacs
4. Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above):
Rs. 23.84 Lacs
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year: Rs. 23.84 Lacs;
 - (b) Amount unspent, if any : NIL ;
 - (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub Heads: (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency

1	Vocational Training	Sector (ii)	Chennai, Tamil Nadu	Rs. 125.36 Lakhs	Rs. 125.36 Lakhs	Same as (6)	Direct
	Total				Rs.125.36 Lakhs		Direct

6. In case the company has failed to spend the two per cent. of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not Applicable.

7. We hereby affirm that the CSR Policy ("Policy") of the Company as approved by the Board of Directors of the Company is monitored by the CSR Committee and the CSR activities have been implemented in accordance with the Policy.

R. Dinesh
Managing Director

C K Ranganathan
Chairman -CSR Committee

Independent Auditors' Report

To the Members of TVS Logistics Services Limited

Report on the financial statements

We have audited the accompanying financial statements of **TVS Logistics Services Limited** ("the Company"), which comprise the balance sheet as at March 31, 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

Independent Auditors' Report

To the Members of TVS Logistics Services Limited

Page 2 of 3

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of matter

We draw attention to note 2.30 to the financial statements regarding a scheme of amalgamation and arrangement ("Scheme"), for demerger of the third party logistics services business of a Drive India Enterprises Solutions Limited and the amalgamation of a subsidiary - TVS Commutations Solutions Limited, which was approved by the Hon'ble National Company Law Tribunal vide order dated 23 March 2017. As more fully discussed in the aforesaid note, the accounting treatment in the Scheme inter-alia comprises certain adjustments to the reserves and surplus account including securities premium account. Pursuant to the aforesaid Scheme, a sum of ₹ 1,146.11 million has been transferred from the securities premium account to the demerger adjustment account.

Our opinion is not modified in respect of this matter.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we enclose in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit;

Independent Auditors' Report

To the Members of TVS Logistics Services Limited

Page 3 of 3

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and read with note 2.30 to the financial statements in connection with scheme of amalgamation and arrangement;
- (e) On the basis of written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2016 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"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 2.37 to the financial statements;
 - ii The Company has made provision, as required under the applicable law or accounting standards for material foreseeable losses, if any on derivative contracts.
 - iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for BSR and Associates

Chartered Accountants

ICAI Firm Registration No: 128901W

S Sethuraman

Partner

Membership No: 203491

Chennai

Date: March 28, 2017

Annexure A to the Independent Auditor's Report to the members of TVS Logistics Services Limited for the year ended March 31, 2016

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- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company / confirmation from the custodian (Financial Institution), the title deeds of immovable property which are freehold, are held in the name of the Company as at the balance sheet date. Also refer note 2.30 to the financial statements.
- (ii) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) In our opinion and according to the information and explanations given to us, the Company has granted unsecured loans to five companies / other parties covered in the register maintained under Section 189 of the Companies Act, 2013;
 - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the companies / other parties listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - (b) In the case of the loans granted to the companies / other parties listed in the register maintained under Section 189 of the Act, the borrowers have been regular in the payment of principal and interest as stipulated
 - (c) There are no overdue amounts in respect of the loan granted to a companies / other parties listed in the register maintained under Section 189 of the Act.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security, as applicable.

Annexure A to the Independent Auditor's Report to the members of TVS Logistics Services Limited for the year ended March 31, 2016

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- (v) According to the information and explanations given to us, the Company has not accepted deposits as mentioned in the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for sale of goods and the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax, cess and any other statutory dues have been generally deposited regularly during the year by the Company with the appropriate authorities except for certain minor delays in remittances of service tax and professional tax. As explained to us, the Company did not have any dues on account of duty of excise and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, value added tax and any other material statutory dues were in arrears as at March 31, 2016 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 dues of income tax, sales-tax, service tax, duty of custom and value added tax which have not been deposited with the appropriate authorities on account of any disputes except in the following cases:

Name of the Statute	Nature of Dues	Amount in (Rs)	Period to which the amount relates	Forum where the dispute is pending
Income – tax Act, 1961	Income tax dues	3,157,718	2010 – 2011	CIT (Appeals)
Income – tax Act, 1961	Income tax dues	29,748,120	2011 – 2012	ITAT
Income – tax Act, 1961	Income tax dues	14,387,970	2012 - 2013	CIT (Appeals)
Income – tax Act, 1961	Income tax dues	3,076,750	2013 - 2014	CIT (Appeals)

Annexure A to the Independent Auditor's Report to the members of TVS Logistics Services Limited for the year ended March 31, 2016

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- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding loans or borrowings to government or dues to debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration for the year ended 31 March 2016 has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has during the year offered shares for private placement and has complied with the provisions of Section 42, of the Companies Act, 2013. According to the information and explanations given to us and based on our examination of the records of the Company, the amount so raised have been used for the purpose for which the funds were raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

Annexure A to the Independent Auditor's Report to the members of TVS Logistics Services Limited for the year ended March 31, 2016

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(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **BSR and Associates**

Chartered Accountants

ICAI Firm Registration No: 128901W

S Sethuraman

Partner

Membership No: 203491

Chennai

Date: March 28, 2017

Annexure B to the Independent Auditor's Report to the members of TVS Logistics Services Limited for the year ended March 31, 2016

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

We have audited the internal financial controls over financial reporting of **TVS Logistics Services Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Annexure B to the Independent Auditor's Report to the members of TVS Logistics Services Limited for the year ended March 31, 2016

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 issued by ICAI.

for BSR and Associates

Chartered Accountants

ICAI Firm Registration No: 128901W

S Sethuraman

Partner

Membership No: 203491

Chennai

Date: March 28, 2017

TVS LOGISTICS SERVICES LIMITED
BALANCE SHEET AS AT 31 MARCH 2016
(All amounts are in Indian rupees (₹) except share data and otherwise stated)

	Note	As at 31 March 2016 ₹	As at 31 March 2015 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	255,523,424	235,814,154
Reserves and surplus	2.2	2,314,612,660	2,397,467,477
		2,570,136,084	2,633,281,631
Share application money pending allotment	2.3	200,000	-
Non current liabilities			
Long term borrowings	2.4	273,223,581	113,486,271
Other long term liabilities	2.5	43,750,000	-
Long term provisions	2.6	40,223,914	26,217,468
		357,197,495	139,703,739
Current liabilities			
Short term borrowings	2.7	2,888,135,283	1,096,143,406
Trade payables	2.8	1,473,095,916	494,005,605
Other current liabilities	2.9	524,663,148	424,452,703
Short term provisions	2.6	41,532,533	96,439,774
		4,927,426,880	2,111,041,488
		7,854,960,459	4,884,026,858
ASSETS			
Non current assets			
Fixed assets			
Tangible assets	2.10	1,178,802,853	422,548,705
Intangible assets	2.11	91,275,248	88,717,721
Capital work in progress		1,004,260	2,051,753
Non current investments	2.12	2,452,831,562	1,931,021,367
Deferred tax asset (net)	2.13	-	-
Long term loans and advances	2.14	721,916,549	416,168,775
Other non current assets	2.15	9,997,214	9,311,523
		4,455,827,686	2,869,819,844
Current assets			
Current investments	2.16	10,700,000	-
Inventories	2.17	16,319,197	21,564,868
Trade receivables	2.18	2,012,047,120	667,720,814
Cash and bank balances	2.19	363,234,628	609,257,751
Short term loans and advances	2.20	663,734,563	357,253,378
Other current assets	2.21	333,097,265	358,410,203
		3,399,132,773	2,014,207,014
		7,854,960,459	4,884,026,858

SIGNIFICANT ACCOUNTING POLICIES

NOTES TO ACCOUNTS

The notes referred to above form an integral part of the financial statements

As per our report attached
for **B S R and Associates**

ICAI firm Registration Number : 128901W
Chartered Accountants

S Sethuraman
Partner
Membership No. 203491

**For and on behalf of the Board of Directors of
TVS Logistics Services Limited**

Suresh Krishna
Chairman

R.Dinesh
Managing Director

S Ravichandran
Deputy Managing Director

P D Krishna Prasad
Company Secretary

Baskar Lakshmanan
Chief Financial Officer

Place: Chennai
Date: 28 March 2017

Place: Chennai
Date: 28 March 2017

TVS LOGISTICS SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016
(All amounts are in Indian rupees (₹) except share data and otherwise stated)

	Note	Year ended 31 March 2016 ₹	Year ended 31 March 2015 ₹
REVENUE			
Revenue from operations	2.22	7,359,799,638	5,038,328,554
Other income	2.23	676,895,046	554,908,088
		8,036,694,684	5,593,236,642
EXPENSES			
Employee benefit expenses	2.24	2,162,864,649	1,686,776,519
Other expenses	2.25	5,204,034,954	3,357,069,833
Depreciation and amortisation	2.26	262,862,197	284,142,811
Finance costs	2.27	245,923,283	173,799,106
		7,875,685,083	5,501,788,269
PROFIT BEFORE TAX		161,009,601	91,448,373
Tax expenses	2.28	5,800,000	21,067,329
PROFIT FOR THE YEAR		155,209,601	70,381,044
EARNINGS PER SHARE	2.29		
Basic		6.28	2.98
Diluted		6.21	2.93
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic		24,731,750	23,578,766
Diluted		24,978,631	24,000,617
NOMINAL VALUE OF ORDINARY SHARES		10	10
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES TO ACCOUNTS	2		
The notes referred to above form an integral part of the financial statements			

As per our report attached
for **B S R and Associates**
ICAI firm Registration Number : 128901W
Chartered Accountants

**For and on behalf of the Board of Directors of
TVS Logistics Services limited**

S Sethuraman
Partner
Membership No. 203491

Suresh Krishna
Chairman

R.Dinesh
Managing Director

S Ravichandran
Deputy Managing Director

P D Krishna Prasad
Company Secretary

Baskar Lakshmanan
Chief Financial Officer

Place: Chennai
Date: 28 March 2017

Place: Chennai
Date: 28 March 2017

TVS LOGISTICS SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016
(All amounts are in Indian rupees (₹) except share data and otherwise stated)

	Year ended 31 March 2016 ₹	Year ended 31 March 2015 ₹
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	161,009,601	91,448,373
Adjustments for:		
Depreciation and amortisation	262,862,197	284,142,811
Loss / (Profit) on sale of fixed assets (net)	924,319	(181,409)
Provision for doubtful debts	120,546,353	123,120,022
Provision for impairment of tangible assets	1,388,557	-
Interest income	(19,875,954)	(13,491,236)
Dividend income from subsidiaries	(20,179,991)	(80,643,034)
Finance costs	245,923,283	173,799,106
Net gain / (loss) on sale of investments	-	(229,658,234)
Provision no longer required written back	(330,056,748)	-
Income from mutual funds	(5,208,094)	(2,673,915)
Exchange loss / (gain)	-	2,855,000
Bad debts written off	36,624,842	1,478,652
Operating profit before working capital changes	453,958,365	350,196,136
Adjustments for changes in working capital:		
(Increase) / decrease in trade receivables	(598,898,059)	(21,232,630)
(Increase) / decrease in inventories	5,245,671	11,091,947
(Increase) / decrease in loans and advances	(94,293,700)	(79,327,246)
(Increase) / decrease in other assets	117,550,174	(45,318,623)
Increase / (decrease) in trade payables	173,839,524	(18,504,434)
Increase / (decrease) in provisions	(6,955,215)	18,891,472
Increase / (decrease) in other liabilities	42,395,454	30,179,521
Cash generated from operations	92,842,214	245,976,143
Direct taxes paid - net of refunds	(150,410,563)	16,411,551
NET CASH FLOWS (USED IN) / GENERATED FROM OPERATING ACTIVITIES (A)	(57,568,349)	262,387,694
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, and capital work-in-progress	(1,302,789,661)	(119,798,102)
Proceeds from sale of fixed assets	663,123,183	33,114,241
Purchase of non current investments, including share application money	(357,429,795)	(352,122,548)
Proceeds of non current investments	-	331,478,810
Purchase of current investments, net of proceeds from sale/maturity	-	6,271,721
Investments / (redemptions) relating to bank deposits having original maturity of more than three months, net	54,314,309	(30,121,733)
Loan to subsidiaries, net	179,382,053	(185,710,372)
Interest received	19,921,249	32,622,014
Dividend received from subsidiaries	-	80,643,034
Mutual fund dividend received	(5,208,094)	-
Dividend received	20,179,991	-
Cash paid for acquisition, net of cash acquired	(523,692,767)	-
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES (B)	(1,252,199,532)	(203,622,935)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	1,256,617,591	391,870
Proceeds from share application money	-	(10)
Proceeds / (repayment) of long term borrowings, net	38,011,660	(238,405,219)
Proceeds / (repayment) of short term borrowings, net	127,079,372	333,222,482
Finance costs paid	(242,242,573)	(172,203,391)
Dividend paid on equity shares	(60,721,292)	(29,446,147)
Dividend paid on preference shares	-	(2,254,882)
Dividend distribution tax paid on equity dividend	-	(7,741,287)
Dividend distribution tax paid on preference dividend	-	(383,217)
NET CASH FLOWS GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)	1,118,744,758	(116,819,801)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(191,023,123)	(58,055,042)
Cash and cash equivalents at the beginning of the year	554,257,751	612,312,793
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (see note below)	363,234,628	554,257,751
(Refer to note 2.19 - Cash and cash equivalents)		

TVS LOGISTICS SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

Notes to cash flow statement

1. Components of cash and cash equivalents

Cash on hand	1,682,351	1,484,391
Cheques on hand	4,430,018	27,854
Balance with banks		
On current accounts	241,141,315	136,085,289
On deposits accounts (with original maturity of 3 months or less)	115,980,944	416,660,217

SIGNIFICANT ACCOUNTING POLICIES

NOTES TO ACCOUNTS

The notes referred to above form an integral part of the financial statements

As per our report attached

for **B S R and Associates**

ICAI firm Registration Number : 128901W

Chartered Accountants

1

2

**For and on behalf of the Board of Directors of
TVS Logistics Services limited**

S Sethuraman

Partner

Membership No. 203491

Suresh Krishna

Chairman

R.Dinesh

Managing Director

S Ravichandran

Deputy Managing Director

P D Krishna Prasad

Company Secretary

Baskar Lakshmanan

Chief Financial Officer

Place: Chennai

Date: 28 March 2017

Place: Chennai

Date: 28 March 2017

TVS LOGISTICS SERVICES LIMITED

Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

Company Overview:

TVS Logistics Services Limited ("the Company") was incorporated on 16 November 2004 and is in the business of providing logistics services. The Company has been providing the entire basket of logistics services including aftermarket warehouse, in-plant warehouse, global supply chain management services, domestic supply chain management services and material handling services.

1 Significant accounting policies

The accounting policies set out below have been applied consistently (except as stated) to the periods presented in these financial statements.

1.1. Basis of preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 and other pronouncements of Institute of Chartered Accountants of India. The financial statements have been prepared on accrual basis under the historical cost convention.

1.2. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.3. Tangible fixed assets and capital work in progress

Tangible fixed assets are carried at cost of acquisition less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Tangible fixed assets which are acquired but not ready for their intended use before balance sheet date and assets under construction are disclosed as capital work-in-progress.

Leases under which the Company assumes substantially all the risk and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease management fees, legal charges and other initial direct costs are capitalised.

A tangible fixed asset is eliminated from the financial statements on disposal. Losses arising from retirement or gains or losses arising from disposal of tangible fixed assets which are carried at cost are recognised in the statement of profit and loss.

1.4. Intangible assets

Acquired intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and / or accumulated impairment loss, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

An Intangible asset is derecognised on disposal or when no further benefit is expected from its use and disposal.

Losses arising from retirement or gains or losses arising from disposal of intangible assets 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 and loss.

1.5. Depreciation and amortisation

Depreciation on tangible assets is calculated on pro-rata basis (ie. from the date the asset is ready to use) on the straight line method ("SLM") except that depreciation on certain plant and machinery (material handling equipment) used in the business of material handling services are provided on written down value method ("WDV"). Depreciation is provided over management's estimate of the useful life of such assets. With effect from 1 April 2014 pursuant to the requirement of Companies Act 2013, the Company carried out a technical evaluation and determined the useful life of the assets as under:

Categories of tangible assets	Useful life (in years)
Building	60
Plant and equipment	03-10
Furniture and fixtures	01-10
Vehicles	08-10
Office equipment	5
Computer equipment	03-06

TVS LOGISTICS SERVICES LIMITED**Notes to financial statements for the year ended 31 March 2016 (continued)****(All amounts are in Indian rupees (₹) except share data and otherwise stated)****1.5. Depreciation and amortisation (continued)**

Leasehold improvements are amortised on a straight line basis over the useful life of the asset or the lease period whichever is lower.

Intangible assets are amortised in the statement of profit and loss over their estimated useful lives, from the date that they are available for use, based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis. In accordance with the applicable accounting standard, the Company follows a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. However, if there is persuasive evidence that the useful life of an intangible asset is longer than ten years, it is amortised over the best estimate of its useful life.

The amortisation lives are as follows :

Categories of intangible assets**Useful life
(in years)**

Customer related intangibles, etc.,

5

Computer software

3-10

1.6. Impairment

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount (higher of net selling price and value in use) of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit ("CGU") to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

1.7. Operating leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the statement of profit and loss over the lease term.

1.8. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognised as an expense in the period in which they are incurred.

1.9. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long-term investments which are expected to be realized within 12 months after the reporting date are also presented under 'current assets' as "current portion of long term investments".

Long-term investments (including current portion thereof) are carried at cost less any other temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e., equity shares, preference shares etc.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.

1.10. Inventories

Inventories consist of stores and spare parts, which are valued at cost ascertained on first in first out basis.

1.11. Employee benefits*Short-term employee benefits*

Employee benefits payable wholly within twelve months of receiving 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 to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

*Post-employment benefits**Defined contribution plan*

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 contribution towards employee provident fund and superannuation fund to Government and Life Insurance Corporation (LIC) respectively which are defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

TVS LOGISTICS SERVICES LIMITED

Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

1.11. Employee benefits (continued)

Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed as at the balance sheet date by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the statement of profit and loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the statement of profit and loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in statement of profit and loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when curtailment or settlement occurs.

Compensated Absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation under the plan is measured on the basis of independent actuarial valuation using the projected unit credit method as at the balance sheet date.

1.12. Revenue recognition

Revenue from logistics services are recognised when the relevant services are rendered, provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection of the consideration.

The amount of recognised revenue is exclusive of value added taxes (VAT) and service tax, and is net of returns, trade discounts and quantity discounts.

Interest income is recognised on a time proportion basis. Dividend income is recognised when the right to receive payment is established.

1.13. Foreign currency transactions and translations

Foreign exchange transactions are recorded into Indian rupees ("₹") using the exchange rate on the dates of the respective transactions.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian rupees ("₹") at the closing exchange rates on that date. The resultant exchange differences are recognised in the statement of profit and loss.

1.14. Provisions, contingent liabilities and contingent assets

Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

1.15. Income taxes

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in statement of profit and loss except that tax expense relating to items recognised directly in reserves is also recognized in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws.

TVS LOGISTICS SERVICES LIMITED**Notes to financial statements for the year ended 31 March 2016 (continued)****(All amounts are in Indian rupees (₹) except share data and otherwise stated)****1.15. Income taxes (continued)**

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Minimum Alternative Tax ("MAT") under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

1.16. Earnings per share

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

1.17. Cash flow statement

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

TVS LOGISTICS SERVICES LIMITED
Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2 Notes to accounts
2.1 Share capital

	31 March 2016	31 March 2015
Authorised shares		
29,800,000 (31 March 2015: 28,800,000) equity shares of ₹ 10 each*	298,000,000	288,000,000
1,200,000 (31 March 2015: 1,200,000) preference shares of ₹ 10 each	12,000,000	12,000,000
* Refer note 2.30 - Scheme of amalgamation and arrangement.		
Issued		
13,810,401 (31 March 2015: 13,810,401) equity shares of ₹ 10 each at par	138,104,010	138,104,010
5,066,800 (31 March 2015: 5,066,800) equity shares of ₹ 10 each at a premium of ₹ 185.72 per share	50,668,000	50,668,000
390,800 (31 March 2015: 390,800) equity shares of ₹ 10 each at a premium of ₹ 185 per share	3,908,000	3,908,000
275,800 (31 March 2015: 275,800) equity shares of ₹ 10 each at a premium of ₹ 65 per share	2,758,000	2,758,000
4,456,816 (31 March 2015: 4,456,816) equity shares of ₹ 10 each at a premium of ₹ 424.92 per share	44,568,160	44,568,160
1,798,607 (31 March 2015 : Nil) equity shares of ₹10 each at a premium of ₹ 685 per share	17,986,070	-
	257,992,240	240,006,170
Called, Subscribed and Paid up		
2,57,99,224 (31 March 2015: 24,000,617) equity shares of ₹ 10 each	257,992,240	240,006,170
Less: Calls unpaid on 308,602 (31 March 2015: 524,002) equity shares of ₹ 10 each, ₹ 8 unpaid		
By directors and officers	-	(3,086,400)
By others	(2,468,816)	(1,105,616)
	255,523,424	235,814,154
	255,523,424	235,814,154

a Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	31 March 2016		31 March 2015	
	Nos	₹	Nos	₹
Equity shares				
At the beginning of the year	24,000,617	235,814,154	24,000,616	235,769,360
Issued during the year	1,798,607	17,986,070	1	10
Calls made and received on partly paid shares	-	1,723,200	-	44,784
Outstanding at the end of the year	25,799,224	255,523,424	24,000,617	235,814,154

b Terms/rights attached to equity shares

The Company has one class of equity shares having face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend 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 ("AGM").

The Board of Directors at its meeting held on 30 March 2016 has paid an Interim Dividend of ₹ 0.60 (31 March 2015: ₹ Nil) per equity share.

During the year ended 31 March 2016, the amount of proposed dividend to equity shareholders was ₹ Nil (31 March 2015: ₹ 2.25) per equity share.

c Shares held by holding company / enterprise having substantial interest

Out of the equity shares issued by the Company, shares held by the holding company / enterprise having substantial interest are stated below

	31 March 2016	31 March 2015
T V Sundram Iyengar & Sons Private Limited		
10,516,817 (31 March 2015: 10,516,817) equity shares of ₹ 10 each	105,168,170	105,168,170

TVS LOGISTICS SERVICES LIMITED**Notes to financial statements for the year ended 31 March 2016 (continued)**

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.1 Share capital (continued)**d Details of shareholders holding more than 5% shares in the Company**

	31 March 2016		31 March 2015	
	Nos	% of holding in the class	Nos	% of holding in the class
Equity shares of ₹ 10 each, fully paid up				
T V Sundram Iyengar & Sons Private Limited	10,516,817	40.76%	10,516,817	43.80%
G S Logistics Holdings Limited	5,432,537	21.06%	5,432,537	22.60%
Zumrut Investments Limited	5,574,262	21.61%	5,574,262	23.20%
Omega Tc Holdings Pte Ltd, Singapore	1,647,464	6.39%	-	0.00%

Note:

Subsequent to the balance sheet date, pursuant to certain shareholder arrangements, CDPQ Private Equity Asia Pte Ltd (CDPQ) has acquired 38.15% stake in the equity share capital of the Company from some of the existing shareholders.

2.2 Reserves and surplus

	31 March 2016	31 March 2015
Securities premium account **		
At the commencement of the year	2,201,367,592	2,766,476,722
Add / (less):		
Premium received on equity shares	1,267,808,595	347,076
Amount transferred to Business Reconstruction Reserve account (refer note 2.31)	-	(565,456,206)
Amount transferred to demerger adjustment account (refer note 2.30)	(1,146,113,803)	-
Expenses incurred in connection with issue of shares	(30,700,274)	-
	2,292,362,110	2,201,367,592
Business reconstruction reserve account (refer note 2.31)		
At the commencement of the year	-	-
Amount transferred from securities premium account pursuant to Scheme of arrangement	-	565,456,206
Net amount debited to Business reconstruction reserve account	-	(565,456,206)
	-	-
Demerger adjustment account (refer note 2.30)		
At the commencement of the year	-	-
Amount transferred from securities premium account pursuant to Scheme of amalgamation and arrangement	1,146,113,803	-
Net amount debited to Demerger adjustment account	(1,146,113,803)	-
	-	-
General reserve		
At the commencement of the year	38,363,513	38,563,513
Adjustment pursuant to scheme of amalgamation and arrangement (refer note 2.30)	(38,363,513)	-
	-	38,563,513

TVS LOGISTICS SERVICES LIMITED
Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.2 Reserves and surplus (continued)	31 March 2016	31 March 2015
Surplus (Profit and loss balance)		
At the commencement of the year	157,536,372	169,043,269
Transitional adjustment as per schedule II to the Companies Act, 2013 (refer note 2.44)	-	(23,211,507)
Adjustment pursuant to scheme of amalgamation and arrangement (refer note 2.30)	(270,586,489)	-
Profit for the year	155,209,601	70,381,044
<i>Less: Appropriations</i>		
Proposed equity dividend (amount per share ₹ Nil (31 March 2015: ₹ 2.25)	-	(53,048,854)
Interim equity dividend (amount per share ₹ 0.60 (31 March 2015: ₹ Nil)	(15,306,487)	-
Tax on proposed equity dividend ^^	-	(5,627,580)
Tax on interim equity dividend ^^^	(4,602,447)	-
	22,250,550	157,536,372
	2,314,612,660	2,397,467,477

** Net of premium unpaid as on 31 March 2016 ₹ 41,981,324 (31 March 2015: ₹ 77,544,124) of which ₹ Nil (31 March 2015: ₹ 70,215,600) pertains to amounts due by directors and officers.

^^ Tax on proposed equity dividend includes dividend tax relating to prior years amounting to ₹ Nil (31 March 2015: ₹ 352,564) and net of dividend tax credit on dividend received during the year amounting to ₹ Nil (31 March 2015: ₹ 5,134,707)

^^^ Tax on interim equity dividend includes dividend tax relating to prior years amounting to ₹ 3,280,404 (31 March 2015: ₹ Nil) and net of dividend tax credit on dividend received during the year amounting to ₹ 1,869,046 (31 March 2015: ₹ Nil).

2.3 Share application money pending allotment

	31 March 2016	31 March 2015
20,000 (31 March 2015: Nil) 0.0001% non convertible cumulative redeemable preference share of ₹ 10 each ^^	200,000	-
	200,000	-

^^ Refer note 2.30 - scheme of amalgamation and arrangement.

2.4 Long term borrowings

	Non-current portion		Current portion #	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Term loans				
From banks (secured) *	-	41,665,515	-	33,332,418
From financial institutions (secured) ^	257,232,750	14,843,865	17,344,860	29,533,981
From financial institutions (unsecured) ^	-	-	-	75,000,000
Other loans				
Finance lease obligations (secured) ***	15,990,831	56,976,891	37,423,748	63,160,067
	273,223,581	113,486,271	54,768,608	201,026,466

Amount disclosed under "Other current liabilities" (refer note 2.9)

*** Term loans from banks**

Term loan from HDFC Bank Limited amounting to ₹ Nil (31 March 2015: ₹ 74,997,933) are secured by specified fixed assets acquired out of the bank's term loan. The term loan carries an interest rate 10.50% p.a. Such loan have been repaid during the year.

^ Term loans from financial institutions

(a) Term loans from Sundaram Finance Limited amounting to ₹ 17,344,860 (31 March 2015: ₹ 44,377,846) are secured by hypothecation of vehicles and equipments acquired out of the loan. The term loans carry interest rate ranging from 10.25% p.a. to 12.52% p.a. (31 March 2015: 10.10% p.a. to 11.72% p.a.).

TVS LOGISTICS SERVICES LIMITED

Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.4 Long term borrowings (continued)

(b) Term loans from L&T Finance Limited amounting to ₹ 7,232,750 (31 March 2015: ₹ Nil) are secured by hypothecation of vehicles and equipments acquired out of the loan. Such loans are payable in monthly instalments over three years and carries interest rate of 10.46% p.a. (31 March 2015: 9.45% p.a. to 10.46% p.a.).

(c) The term loan from Tata Capital Financial Services Limited amounting to ₹ Nil (31 March 2015: ₹ 75,000,000) which is repayable in 6 quarterly instalments commencing from 29 August 2014. The term loan carried an interest rate 12% p.a. (31 March 2015: 12% p.a.).

(e) Term Loan from Tata Capital Financial Services Limited amounting to ₹ 250,000,000 (31 March 2015: ₹ Nil) availed by the Demerged Undertaking is secured by an exclusive mortgage of immovable property located at Mumbai and first and exclusive charge by way of hypothecation on identified movable fixed assets. The loan is repayable in three years in 12 equal quarterly instalments starting from February 2018 and carries an interest rate of 10.25%. Refer note 2.30 - Scheme of amalgamation and arrangement.

*** Finance lease obligations

(a) Finance lease obligations amounting to ₹ 53,414,579 (31 March 2015: ₹ 120,136,958) are secured against the respective assets taken on finance lease. The lease term varies from 2 to 5 years with monthly payments generally beginning from the month subsequent to the commencement of lease. The finance lease obligations carries interest rate ranging from 12.25% to 13.00% p.a.

The total future minimum lease payments at the balance sheet date, element of interest included in such payments, and present value of these minimum lease payments are as follows:

	Non-current portion		Current portion	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
(a) Total future minimum lease payments	16,429,909	62,221,050	41,866,375	75,393,526
(b) Future interest included in (a) above	439,078	5,244,159	4,442,627	12,233,459
(c) Present value of future minimum lease payments	15,990,831	56,976,891	37,423,748	63,160,067

The maturity profile of finance lease obligations is as follows:

	Minimum lease payments		Present value	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Payable within 1 year	41,866,375	75,393,526	37,423,748	63,160,067
Payable between 1 - 5 years	16,429,909	62,221,050	15,990,831	56,976,891

2.5 Other long term liabilities

	31 March 2016	31 March 2015
Deferred consideration **	43,750,000	-
	43,750,000	-

** towards acquisition of shares on TVS Commutation Solutions Limited prior to the scheme of amalgamation.

2.6 Provisions

	Long term		Short term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Provision for employee benefits				
Provision for gratuity (refer note 2.32)	7,171,331	-	3,689,206	21,810,838
Provision for compensated absences	33,052,583	21,519,334	33,100,571	21,439,773
	40,223,914	21,519,334	36,789,777	43,250,611
Other provisions				
Proposed equity dividend	-	-	-	53,048,854
Tax on equity dividend	-	-	4,742,756	140,309
Provision for income taxes net of advance income taxes	-	4,698,134	-	-
	-	4,698,134	4,742,756	53,189,163
	40,223,914	26,217,468	41,532,533	96,439,774

TVS LOGISTICS SERVICES LIMITED**Notes to financial statements for the year ended 31 March 2016 (continued)**

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.7 Short term borrowings

	<u>31 March 2016</u>	<u>31 March 2015</u>
Cash credit from banks **		
Secured	423,271,686	35,539,465
Unsecured	44,253,785	-
Loans repayable on demand ***		
Secured	945,000,000	495,000,000
Unsecured	605,820,849	335,603,941
Commercial paper (Secured) ****	-	230,000,000
Buyer's credit (secured) ^^	848,709,811	-
Bills discounting (secured) ^^	21,079,152	-
	<u>2,888,135,283</u>	<u>1,096,143,406</u>

**** Cash Credit from banks includes**

Cash credit from State Bank of India ('SBI') amounting to ₹ 137,099,957 (31 March 2015: ₹ 35,539,465) is secured by a first charge on book debts and current assets of the Company and carries interest ranging between 10.55 % p.a. to 11.25 % p.a. (31 March 2015: 10.50 % p.a. to 13.50% p.a.).

Cash credit from Yes Bank Limited ("YBL") amounting to ₹ 44,253,785 (31 March 2015: ₹ Nil) is unsecured and carries interest ranging between 11.25 % p.a. to 11.75 % p.a. (31 March 2015: Nil)

Cash credit from ANZ Bank ('ANZ') amounting to ₹ 247,644,599 (31 March 2015: ₹ Nil) is secured by first pari passu charge on the current Assets of the Demerged undertaking both present and future. Cash credit carry interest ranging between 9.80% p.a. to 11.50% p.a. Also refer to Note 2.30 - Scheme of amalgamation and arrangement.

Cash credit from ICICI Bank ('ICICI') amounting to ₹ 38,527,130 (31 March 2015: ₹ Nil) is secured by first pari passu charge on the current Assets of the Demerged undertaking both present and future. Cash credit carry interest ranging between 10.10 % p.a. to 10.75 % p.a. Also refer to Note 2.30 - Scheme of amalgamation and arrangement.

***** Loans repayable on demand from banks includes**

From State Bank of India ('SBI') amounting to ₹ 745,000,000 (31 March 2015: ₹ 495,000,000) is secured by a first charge on entire current assets of the Company and it carries interest of 9.90 % p.a. (31 March 2015: 9.50% p.a. to 11.75% p.a.)

From DBS amounting to ₹ 100,000,000 (31 March 2015: ₹ Nil) is secured by first pari-passu charge on current assets of the Company and it carries interest 9.60% p.a. (31 March 2015: Nil)

From HDFC amounting to ₹ 100,000,000 (31 March 2015: ₹ Nil) is secured by first pari-passu charge on current assets of the Company and it carries interest of 9.50% p.a. (31 March 2015: Nil)

From DBS amounting to ₹ 51,054,875 (31 March 2015: ₹ 161,543,810) is unsecured and carries interest of 9.60% p.a. (31 March 2015: 9.55% p.a. to 11.75% p.a.)

From HDFC amounting to ₹ 550,000,000 (31 March 2015: ₹ 150,000,000) is unsecured and carries interest of 9.50% p.a. (31 March 2015: 9.50% p.a. to 10.60% p.a.)

Amex fleet card facility amounting to ₹ 4,765,974 (31 March 2015: ₹ 24,060,131) is unsecured.

****** Commercial paper includes**

Commercial paper raised from State Bank of India ('SBI') amounting to ₹ Nil (31 March 2015: ₹ 230,000,000) is secured by a first charge on book debts and current assets of the Company. And carried interest rate ranging between 8.85 % p.a. to 9.45 % p.a. (31 March 2015: 8.85 % p.a. to 9.45 % p.a.)

TVS LOGISTICS SERVICES LIMITED**Notes to financial statements for the year ended 31 March 2016 (continued)**

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.7 Short-term borrowings (continued)**^^ Buyer's credit from banks includes**

Buyer's credit from Rathnakar Bank Limited ('RBL') amounting to ₹ 270,060,354 (31 March 2015: ₹ Nil) is secured by first pari passu charge on the current Assets of the Demerged undertaking both present and future. Buyer's credit carry interest ranging between 0.42% to 1.32% for the tenure of buyer's credit. Also refer to Note 2.30 - Scheme of amalgamation and arrangement.

Buyer's credit from ICICI Bank ('ICICI') amounting to ₹ 578,649,457 (31 March 2015: ₹ Nil) is secured by first pari passu charge on the current Assets of the Demerged undertaking both present and future. Buyer's credit carry interest ranging between 0.50% to 1.63% for the tenure of buyer's credit. Also refer to Note 2.30 - Scheme of arrangement and amalgamation.

^^^ Bills discounting includes

Bills discounting from ANZ Banking Group Limited ("ANZ") amounting to ₹ 21,079,152 (31 March 2015: ₹ Nil)) is secured by first pari passu charge on the current Assets of the Demerged undertaking both present and future. Bill discounting carry interest ranging between 0.70% p.a. to 1.12% p.a. Also refer to Note 2.30 - Scheme of arrangement and amalgamation.

2.8 Trade payables

	31 March 2016	31 March 2015
Amount due to small and medium enterprises	16,908,544	-
Others	1,456,187,372	494,005,605
(refer note 2.35 for details of dues to micro and small enterprises)		
	1,473,095,916	494,005,605

2.9 Other current liabilities

	31 March 2016	31 March 2015
Current maturities of long term borrowings (refer note 2.4)	54,768,608	201,026,466
Interest accrued but not due on borrowings	11,342,699	7,661,989
Amount due to employees	165,547,429	131,604,985
Statutory dues	95,748,915	38,696,657
Dues payable in respect of purchase of fixed assets	71,787,635	7,083,302
Consideration payable *	60,500,000	-
Forward Contract Payable	32,599,566	-
Dues to subsidiaries	21,671,423	18,843,586
Advance from customers	8,127,946	-
Other current liabilities	2,568,927	19,535,718
	524,663,148	424,452,703

* Payable towards acquisition of shares in Drive India Enterprises Solutions Limited.

TVS LOGISTICS SERVICES LIMITED
Notes to financial statements for the year ended 31 March 2016 (continued)
(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.10 Tangible assets

	Land	Building	Plant and equipment *	Furniture and fixtures	Vehicles *	Office equipment	Computer equipment	Total
	₹	₹	₹	₹	₹	₹	₹	₹
Gross Block								
Balance as at 01 April 2014	-	-	673,155,189	171,286,334	316,127,587	47,691,475	75,386,422	1,283,647,007
Additions	-	-	121,656,109	31,480,143	15,576,846	6,937,401	9,748,205	185,398,704
Disposals ^	-	-	(151,844,743)	(1,658,163)	(306,624,967)	(1,153,503)	(871,133)	(462,152,509)
Balance as at 31 March 2015	-	-	642,966,555	201,108,314	25,079,466	53,475,373	84,263,494	1,006,893,202
On acquisitions ****	-	285,699,882	133,596,845	245,827,670	1,674,288	62,182,588	160,312,869	889,294,142
Additions	168,047,945	-	96,090,249	71,130,199	13,694,414	20,342,632	19,935,759	389,241,198
Disposals ^	-	-	(20,530,509)	(2,009,617)	(6,173,540)	(1,794,631)	(460,774)	(30,969,071)
Balance as at 31 March 2016	168,047,945	285,699,882	852,123,140	516,056,566	34,274,628	134,205,962	264,051,348	2,254,459,471
Accumulated depreciation								
Balance as at 01 April 2014	-	-	350,433,474	63,305,563	68,397,525	9,283,330	32,566,228	523,986,120
Charge for the year	-	-	182,307,948	26,507,898	26,229,836	16,494,168	22,880,633	274,420,483
Disposals ^	-	-	(125,126,117)	(1,126,485)	(86,912,881)	(322,484)	(574,139)	(214,062,106)
Balance as at 31 March 2015	-	-	407,615,305	88,686,976	7,714,480	25,455,014	54,872,722	584,344,497
On acquisitions ****	-	30,054,364	57,656,105	22,701,792	807,249	35,668,880	145,491,786	292,380,176
Charge for the year	-	2,625,640	95,993,360	71,749,301	4,235,486	25,356,509	18,603,081	218,563,377
Disposals ^	-	-	(15,489,673)	(71,825)	(3,372,899)	(323,565)	(373,470)	(19,631,432)
Balance as at 31 March 2016	-	32,680,004	545,775,097	183,066,244	9,384,316	86,156,838	218,594,119	1,075,656,618
Net block								
As at 31 March 2015	-	-	235,351,250	112,421,338	17,364,986	28,020,359	29,390,772	422,548,705
As at 31 March 2016	168,047,945	253,019,878	306,348,043	332,990,322	24,890,312	48,049,124	45,457,229	1,178,802,853

* The gross and net carrying amount of assets acquired under finance lease and included in above is as follows:

	31 March 2016	31 March 2015
	₹	₹
Gross block	223,087,992	247,620,200
Accumulated depreciation	(127,255,615)	(62,683,485)
Depreciation charge for the year	(38,439,351)	(79,906,397)
Net book value	57,393,026	105,030,318

**** Refer note 2.30 - Scheme of amalgamation and arrangement
^ Disposals include Gross block ₹ Nil (31 March 2015: ₹ 314.059,088) and accumulated depreciation ₹ Nil (31 March 2015: ₹ 138,066,027) towards assets held for sale classified separately under Other current assets as per note 2.21. Also refer note 2.31.

TVS LOGISTICS SERVICES LIMITED

Notes to financial statements for the year ended 31 March 2016 (continued)
(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.11 Intangible assets

	Customer related intangibles etc.	Computer software	Total
	₹	₹	₹
Gross Block			
Balance as at 01 April 2014	47,500,000	177,195,249	224,695,249
Additions	-	5,706,201	5,706,201
Balance as at 31 March 2015	47,500,000	182,901,450	230,401,450
On acquisitions **	-	186,781,393	186,781,393
Additions	-	12,953,842	12,953,842
Balance as at 31 March 2016	47,500,000	382,636,685	430,136,685
Accumulated amortisation and impairment			
Balance as at 01 April 2014	47,500,000	61,249,894	108,749,894
Amortisation for the year	-	32,933,835	32,933,835
Balance as at 31 March 2015	47,500,000	94,183,729	141,683,729
On acquisitions **	-	152,878,888	152,878,888
Amortisation for the year	-	44,298,820	44,298,820
Balance as at 31 March 2016	47,500,000	291,361,437	338,861,437
Net block			
As at 31 March 2015	-	88,717,721	88,717,721
As at 31 March 2016	-	91,275,248	91,275,248

** Refer note 2.30 - Scheme of amalgamation and arrangement

TVS LOGISTICS SERVICES LIMITED
Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.12 Non current investments

	31 March 2016	31 March 2015
Unquoted investments in equity instruments		
Investments in subsidiaries		
TVS Dynamic Global Freight Services Limited ^^	680,000,000	680,000,000
1,019,999 (31 March 2015: 1,019,999) equity shares of ₹ 10 each fully paid up		
TVS Commutation Solutions Limited ****	-	261,012,896
Nil (31 March 2015: 564,795) equity shares of ₹ 10 each fully paid up		
TVS Aviation Logistics Limited	30,609,940	30,609,940
(formerly known as TVS GMR Aviation Logistics Limited)		
5,999,994 (31 March 2015: 5,999,994) equity shares of ₹ 10 each fully paid up		
TVS Logistics SIAM Limited, Thailand	6,014,656	6,014,656
55,000 (31 March 2015: 55,000) ordinary shares of 100 Baht each fully paid up		
TVS America Inc., USA	9,004,485	9,004,485
490 (31 March 2015: 490) shares of no par value		
TVS Logistics Investment UK Limited, UK	519,060,519	519,060,519
6,359,865 (31 March 2015 : 6,359,865) ordinary shares of 1 GBP each fully paid up		
TVS Logistics Investments USA Inc., USA	366,659,536	366,659,536
61,510 (31 March 2015: 61,510) shares of no par value		
FLEXOL Packaging (India) Limited	93,630,910	93,630,910
520,416 (31 March 2015: 520,416) equity shares of ₹ 10 each fully paid up		
TVS-Asianics Supply Chain Solutions Pte. Limited	35,322,548	48
750,001 (31 March 2015: 1) equity shares of SGD 1 each fully paid up		
TVS Toyoto Tsusho Supply Chain Solutions Limited	12,000,000	12,000,000
1,200,000 (31 March 2015: 1,200,000) equity shares of ₹ 10 each fully paid up		
Drive India Enterprises Solutions Limited ****	402,143,393	-
2,210,000 (31 March 2015 : Nil) equity shares of ₹ 10 each fully paid up		
Investments in joint ventures		
TVS Infrastructure Limited	110,000,000	110,000,000
2,750,000 (31 March 2015: 2,750,000) equity shares of ₹ 10 each fully paid up		
Unquoted investments in preference shares		
Others		
Cargowings Logistics Limited **	250,000,000	250,000,000
25,000,000 (31 March 2015: 25,000,000) redeemable preference shares ("RPS") of ₹ 10 each fully paid up		
Unquoted debentures		
Others		
Prasanna Purple Mobility Solutions Private Limited ***	73,800,000	-
73,800 (31 March 2015: Nil) Series I NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each		
Prasanna Purple Mobility Solutions Private Limited ***	74,200,000	-
74,200 (31 March 2015: Nil) Series II NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each		
Prasanna Purple Mobility Solutions Private Limited ^^	80,000,000	-
80,000 (31 March 2015: Nil) Optionally Convertible Debentures of ₹ 1000 each		
Provision for decline, other than temporary, in the value of investments		
Unquoted investments in equity instruments / preference shares		
TVS Commutation Solutions Limited ****	-	(117,357,198)
TVS Aviation Logistics Limited **	(30,609,940)	(30,609,940)
TVS America Inc., USA	(9,004,485)	(9,004,485)
Cargowings Logistics Limited **	(250,000,000)	(250,000,000)
	2,452,831,562	1,931,021,367

**** Refer note 2.30 - Scheme of amalgamation and arrangement.

** Refer note 2.31

TVS LOGISTICS SERVICES LIMITED

Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.12 Non-current investments (continued)

^^ Investment value as at 31 March 2016 includes revaluation amount of ₹ 639,937,510 (31 March 2015: ₹ 639,937,510) based on an independent valuation. Also, refer note 2.31 and note 2.48.

*** Series I NCD, 0.1% Unsecured Non-Convertible Debentures and Series II NCD, 0.1% Unsecured Non-Convertible Debentures carries Interest at 0.1% p.a and redeemable over a period commencing from July 31, 2016 as stated below :

Series I NCD	Amount	Series II NCD	Amount
31-July-2016	10,700,000	30-November-2017	23,944,000
31 July 2017	27,900,000	30 November 2018	19,566,000
31 July 2018	20,500,000	30 November 2019	9,990,000
31 July 2019	13,500,000	30 November 2020	16,200,000
31 July 2020	9,600,000	30 November 2021	4,500,000
31 July 2021	2,300,000		
	<u>84,500,000</u>		<u>74,200,000</u>

^^^The optionally Convertible Debentures ("OCD") is either redeemable or convertible into equity shares of Prasanna Purple Mobility Solutions Private Limited as per the terms and conditions set out in the shareholder's agreement between TVS Commutation Solutions Limited and Prasanna Purple Mobility Solutions Private Limited.

2.13 Deferred tax asset (net)

The Company has deferred tax assets primarily on account of unabsorbed depreciation and carry forward business losses, provision for doubtful trade receivables / advances, provision for employee benefits and other items which has not been recognised in the financial statement in the absence of virtual certainty.

2.14 Long term loans and advances

(Unsecured, considered good unless otherwise stated)

	Non-current portion		Current portion*	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
To parties other than related parties				
<i>Capital advances</i>				
Secured	-	135,000,000	-	-
Unsecured	738,704	-	-	-
	<u>738,704</u>	<u>135,000,000</u>	<u>-</u>	<u>-</u>
<i>Security deposits</i>				
Considered good	230,539,125	62,657,490	64,315,870	14,718,221
Considered doubtful	-	-	3,742,727	-
	<u>230,539,125</u>	<u>62,657,490</u>	<u>68,058,597</u>	<u>14,718,221</u>
Provision for doubtful security deposits	-	-	(3,742,727)	-
	<u>230,539,125</u>	<u>62,657,490</u>	<u>64,315,870</u>	<u>14,718,221</u>
<i>Other loans and advances</i>				
Advance income tax, net of provision for taxation	190,372,350	132,697,894	-	-
MAT credit entitlement	97,065,607	42,341,373	-	-
Prepaid expenses	8,663	-	-	-
	<u>287,446,620</u>	<u>175,039,267</u>	<u>-</u>	<u>-</u>
To related parties				
Advance to TVS-Asianics Supply Chain Solutions Pte. Limited (towards equity) **	203,192,100	35,322,500	-	-
Security deposit	-	8,149,518	34,949,793	26,800,275
	<u>203,192,100</u>	<u>43,472,018</u>	<u>34,949,793</u>	<u>26,800,275</u>
	<u>721,916,549</u>	<u>416,168,775</u>	<u>99,265,663</u>	<u>41,518,496</u>

* Amount disclosed under "short term loans and advances" (refer note 2.20)

** Subsequent to the balance sheet date, shares have been allotted by TVS Asianics Supply Chain Solutions Pte. Limited against these advances.

TVS LOGISTICS SERVICES LIMITED
Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.15 Other non current assets

	31 March 2016	31 March 2015
Unsecured, considered good		
<i>Other bank balances</i>		
Margin money deposits with banks (refer note 2.19)	9,997,214	9,311,523
	9,997,214	9,311,523

2.16 Current investments

	31 March 2015	31 March 2014
Unquoted debentures *		
Others		
Prasanna Purple Mobility Solutions Private Limited	10,700,000	-
10,700 (31 March 2015: Nil) Series I NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each		
	10,700,000	-

* Refer note 2.30 - Scheme of amalgamation and arrangement

2.17 Inventories

(valued at lower of cost or net realisable value)

	31 March 2016	31 March 2015
Stores and spares	16,319,197	21,564,868
	16,319,197	21,564,868

2.18 Trade receivables

	31 March 2016	31 March 2015
Unsecured, unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	147,693,178	10,595,428
Considered doubtful	232,050,786	125,353,358
	379,743,964	135,948,786
Provision for doubtful receivables	(232,050,786)	(125,353,358)
	147,693,178	10,595,428
Other receivables		
Considered good	1,864,353,942	657,125,386
Considered doubtful	88,757,028	16,342,715
	1,953,110,970	673,468,101
Provision for doubtful receivables	(88,757,028)	(16,342,715)
	1,864,353,942	657,125,386
	2,012,047,120	667,720,814

TVS LOGISTICS SERVICES LIMITED
Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.19 Cash and bank balances

	31 March 2016	31 March 2015
Cash and cash equivalents		
Cash on hand	1,682,351	1,484,391
Cheques on hand	4,430,018	27,854
Balance with banks		
On current accounts	241,141,315	136,085,289
On deposits accounts (with original maturity of 3 months or less)	115,980,944	416,660,217
	363,234,628	554,257,751
Other bank balances		
Bank balances available on deposits with original maturity of more than 3 months but less than 12 months	-	55,000,000
	363,234,628	609,257,751

Details of bank balance / deposits

	31 March 2016	31 March 2015
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	357,122,259	552,745,506
Bank deposit due to mature within 12 months of reporting date included under "Other bank balances"	-	55,000,000
Bank deposits due to mature after 12 months of the reporting date included under "other non-current assets" (Refer note 2.15).	9,997,214	9,311,523
	367,119,473	617,057,029

2.20 Short term loans and advances

	31 March 2016	31 March 2015
Unsecured, considered good unless otherwise stated		
Current portion of long-term loans and advances (refer note 2.14)		
To parties other than related parties	64,315,870	14,718,221
To related parties	34,949,793	26,800,275
	99,265,663	41,518,496
Other short-term loans and advances		
To parties other than related parties		
Short-term loan to employees	40,922,450	24,113,284
Prepaid expenses	33,266,447	19,357,199
Advance for supply of goods and services		
Considered good	136,322,057	84,840,813
Considered doubtful	153,415,827	78,894,591
Security deposit (considered good)	26,374,644	6,992,500
Loans to others (considered doubtful)	135,462,626	135,462,626
Others	294,966	731,326
Other balances with statutory and government authorities	7,182,403	-
	533,241,420	350,392,339
Provision for doubtful loans and advances ^^	(288,878,453)	(214,357,217)
	244,362,967	136,035,122
To related parties		
Loans to subsidiaries		
Considered good	310,217,707	179,699,760
Considered doubtful	-	97,200,000
Advance for supply of services and goods		
Considered good	9,888,226	-
Considered doubtful	-	115,500,000
	320,105,933	392,399,760
Provision for doubtful loans and advances ^^	-	(212,700,000)
	320,105,933	179,699,760
	663,734,563	357,253,378

^^ Also refer note 2.31

TVS LOGISTICS SERVICES LIMITED**Notes to financial statements for the year ended 31 March 2016 (continued)****(All amounts are in Indian rupees (₹) except share data and otherwise stated)****2.21 Other current assets**

	31 March 2016	31 March 2015
Unsecured, considered good unless stated otherwise		
Unamortized premium on forward contracts	9,467,839	-
Interest accrued on fixed deposits	659,786	718,560
Interest accrued on investments	13,479	-
Unbilled revenue	62,813,648	57,275,174
Dues from subsidiaries	217,681,112	216,814,653
Fixed assets held for sale **	42,180,847	74,673,069
Others		
Considered good	280,554	8,928,747
Considered doubtful	18,073,622	18,073,622
	351,170,887	376,483,825
Provision for other current assets ^^	(18,073,622)	(18,073,622)
	333,097,265	358,410,203
	333,097,265	358,410,203

^^ Also refer note 2.31

** Fixed assets held for sale have been stated at their estimated realisable value. Also refer note 2.10

TVS LOGISTICS SERVICES LIMITED
Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.22 Revenue from operations

	Year ended 31 March 2016	Year ended 31 March 2015
Income from logistics services	7,350,604,102	5,031,943,962
Other operating revenues	9,195,536	6,384,592
	7,359,799,638	5,038,328,554

Details of logistics services rendered

Transportation & integrated logistics ("T&IL")	3,429,119,261	2,400,216,652
After market warehouse ("AMWH")	1,858,946,035	694,736,243
Material handling services ("MHS")	1,172,556,602	684,717,022
Inplant warehouse ("IPWH")	567,539,978	980,738,512
Other logistics services	331,637,762	277,920,125
	7,359,799,638	5,038,328,554

2.23 Other income

	Year ended 31 March 2016	Year ended 31 March 2015
Interest income	19,875,954	13,491,236
Dividend income	20,179,991	80,643,034
Net gain / (loss) on sale of investments*	-	229,658,234
Provisions no longer required written back**	330,056,748	-
Exchange difference gain (net)	12,613,792	-
Gain on sale of tangible assets net	-	181,409
Income from mutual funds	5,208,094	2,673,915
Other non operating income	288,960,467	228,260,260
	676,895,046	554,908,088

* Represents gain arising from buy back of shares by TVS Logistics Investment UK Limited, UK

** Represents write back of provisions arising from Amalgamation of TVS Commutation Solutions Limited. Also refer note 2.30 - Scheme of amalgamation and arrangement.

2.24 Employee benefit expenses

	Year ended 31 March 2016	Year ended 31 March 2015
Salaries and wages	1,810,927,381	1,397,337,942
Contribution to provident and other funds	155,770,357	122,109,271
Staff welfare expenses	196,166,911	167,329,306
	2,162,864,649	1,686,776,519

TVS LOGISTICS SERVICES LIMITED
Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.25 Other expenses

	Year ended 31 March 2016	Year ended 31 March 2015
Freight, packing and forwarding expenses	2,841,030,695	2,031,683,949
Staff transportation charges	95,166,263	97,993,209
Material handling charges	52,033,180	33,334,874
Casual labour charges	572,304,814	343,833,538
Consumption of stores and spares	76,718,040	111,505,718
Power and fuel	32,756,466	8,683,983
Rent	698,076,932	256,302,428
Rates and taxes	9,185,887	8,781,100
Insurance	19,792,237	20,196,778
Repairs and maintenance		
Plant and machinery	953,897	1,261,130
Buildings	45,195,224	5,657,514
Others	50,498,651	15,483,995
Advertisement and business promotion expenses	10,864,553	15,591,530
Travelling and conveyance expenses	96,506,847	64,329,787
Communication expenses	32,465,348	22,569,114
Printing and stationery	24,683,285	11,837,972
Bank charges	6,775,269	4,491,798
Legal and professional charges	203,633,984	106,904,066
Security charges	140,817,108	39,886,741
Payment to auditors (refer note 2.43)	18,137,613	14,588,754
Bad debts written off (net of adjustment against provision for doubtful receivables ₹ 14,806,086 (31 March 2015: ₹ 62,336,467))	36,624,842	1,478,652
Provision for doubtful debts	60,886,424	123,120,022
Provision for doubtful loans and advances	59,659,929	-
Donations	3,879,888	1,190,001
Loss on sale of fixed assets, net	924,319	-
Impairment of fixed assets held for sale	1,388,557	-
Miscellaneous expenses	13,074,702	16,363,180
	5,204,034,954	3,357,069,833

2.26 Depreciation and amortisation

	Year ended 31 March 2016	Year ended 31 March 2015
Depreciation of tangible assets (refer note 2.10)	218,563,377	274,420,483
Amortization of intangible assets (refer note 2.11)	44,298,820	32,933,835
Less: Transitional adjustment as per schedule II to the Companies Act, 2013 (refer note 2.44)	-	(23,211,507)
	262,862,197	284,142,811

2.27 Finance costs

	Year ended 31 March 2016	Year ended 31 March 2015
Interest expenses	200,010,357	165,885,862
Other borrowing costs	8,763,377	7,913,244
Loss / (gain) on foreign currency transactions and translations	37,149,549	-
	245,923,283	173,799,106

TVS LOGISTICS SERVICES LIMITED**Notes to financial statements for the year ended 31 March 2016 (continued)****(All amounts are in Indian rupees (₹) except share data and otherwise stated)****2.28 Tax expenses**

	Year ended 31 March 2016	Year ended 31 March 2015
Current tax		
MAT for the year	54,724,234	21,776,303
MAT Credit entitlement	(54,724,234)	(21,084,354)
Deferred tax	-	20,375,380
Prior period tax	5,800,000	-
	5,800,000	21,067,329

TVS LOGISTICS SERVICES LIMITED**Notes to financial statements for the year ended 31 March 2016 (continued)****(All amounts are in Indian rupees (₹) except share data and otherwise stated)****2.29 Earnings per share ("EPS")****Basic earnings per share**

The calculation of basic earnings per share was based on the profit attributable to equity shareholders and weighted average number of equity shares outstanding.

Diluted earnings per share

The calculation of diluted earnings per share was based on the profit attributable to equity shareholder and weighted average number of equity shares outstanding after adjustment for the effects of all dilutive potential equity shares.

Earnings	31 March 2016	31 March 2015
Profit after tax as reported	155,209,601	70,381,044
Net profit for calculation of basic and diluted EPS	155,209,601	70,381,044
Equity shares (Nominal value of ₹ 10 each)	31 March 2016	31 March 2015
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	24,731,750	23,578,766
Effect of dilutive potential equity shares		
Partly paid shares	246,881	421,851
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	24,978,631	24,000,617

2.30 Scheme of amalgamation and arrangement

A scheme of amalgamation and arrangement ('The Scheme') in respect of demerger of the third party logistics services business ('Service Business'/Demerged undertaking) of Drive India Enterprise Solutions Limited ('DIESL demerger') and amalgamation of a subsidiary - TVS Commutation Solutions Limited ('TVS CS amalgamation') was approved by the National Company Law Tribunal vide order dated 23 March 2017. The certified copy of the said order was filed with the Registrar of Companies on 24 March 2017 ('Effective Date'). Accordingly the following scheme has been given effect to in these financial statements.

DIESL Demerger

Pursuant to the DIESL demerger, the Services Business of Drive India Enterprise Solutions Limited ('Demerged Company / DIESL') was demerged and stood vested in the Company.

The demerger appointed date for the aforesaid DIESL demerger is 1 September 2015.

The salient features of the Scheme of DIESL demerger were as follows:

- With effect from the demerger appointed date, the Demerged Undertaking of the DIESL shall stand transferred to and vested in or deemed to have been transferred to or vested in the Company pursuant to sections 391 and 394 of the Companies Act, 1956; The Demerged Undertaking comprises of all the assets of its Services Business including tangible or intangible assets, trade receivables, inventories, loans and advances, cash and bank balances, other current assets and all its liabilities including borrowings, trade payables, other current liabilities and provisions.
- The Company shall record the assets and liabilities of the Demerged Undertaking at the respective book values at the close of business at the day immediately preceding the demerger appointed date i.e. 1 September 2015.
- Loans and advances and other dues outstanding as of the Demerger Appointed Date between the DIESL and the Company, including the loans and advances provided by the Company to the DIESL between the Demerger Appointed Date and the date of the Scheme becoming effective under the regulations, relating to the Demerged Undertaking will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- The Company on the demerger Appointed Date shall cancel the portion of its investment attributable to the Demerged Undertaking in the same proportion as the cancellation of the equity share capital of DIESL.
- The company shall credit to it preference share capital, the aggregate value of the preference share issued by it.
- The difference of book value of assets over the book value of liabilities of the Demerged Undertaking transferred from DIESL and recorded by the Company and after making adjustments referred to in clause (c) and (d) above, together with the amount adjusted for the issue of preference shares capital as referred to in clause (e) above shall be adjusted to the reserves and surplus of the Company.

TVS LOGISTICS SERVICES LIMITED**Notes to financial statements for the year ended 31 March 2016 (continued)****(All amounts are in Indian rupees (₹) except share data and otherwise stated)****2.30 Scheme of amalgamation and arrangement (continued)**

Accordingly, the accounting of DIESL demerger given effect to as below in the financial statements:

Particulars	Amount
A. Liabilities	
Long-term Provisions	16,117,330
Short-term borrowings	1,664,912,505
Trade Payables	793,043,950
Other Current liabilities	27,042,783
Short-term provision	3,081,636
Total liabilities taken over	2,504,198,204
B. Assets	
Fixed assets	1,076,070,600
Accumulated depreciation	(445,259,063)
Long-term loans and advances	168,693,308
Trade receivables (net of provision of ₹ 133,031,403)	835,857,998
Cash and cash equivalents	6,473,026
Short term Loans and advances (net of provision of ₹ 14,138,573)	137,329,983
Other current assets	109,284,337
Total assets taken over	1,888,450,189
Net liabilities taken over (A-B)	615,748,015
Cancellation of the portion of the investment attributable to the Demerged Undertaking	530,165,788
Issue of Preference share capital (refer note 2 below)	200,000
Amount Credited to Reserves and surplus (in Demerger Adjustment Account) also refer note 1 below	1,146,113,803

Notes :

1. Pursuant to the scheme ₹ 1,146,113,803 was transferred from the securities premium account to the Demerger Adjustment Account. Such transfer has been approved by the Board of Directors at their meeting held on 28 March 2017.
2. In addition to the cancellation of the portion of the investment attributable to the Demerged Undertaking, in consideration for the transfer of and vesting of the Demerged Undertaking in the Company, the Company shall also issue and allot 20,000 cumulative redeemable non-convertible preference shares of ₹10 each as fully paid to the preference shareholders of DIESL. The aforesaid 20,000 cumulative redeemable non-convertible preference shares of ₹10 each will be allotted after the scheme becomes effective i.e. during the financial year 2016-17.
3. Consequent to the DIESL demerger, borrowings and cash and bank balances held at the appointed date of the demerger have been identified by DIESL and recorded by the Company. The Company is in the process of operationalising the transfer of such accounts and recording the transfers of the charge documents.

TVS CS amalgamation

Pursuant to this Scheme, the entire business of TVS Commutation Solutions Limited ('Transferor Company / TVS CS') was merged and stood vested in the Company.

The amalgamation appointed date for the aforesaid scheme of TVS CS amalgamation was 31 March 2016.

The salient features of the Scheme of TVS CS amalgamation were as follows:

- a) With effect from the amalgamation appointed date, the entire business including all assets and liabilities of the transferor company shall stand transferred to and vested in or deemed to have been transferred to or vested in the Company pursuant to sections 394 of the Companies Act, 1956;
- b) The Company shall record the assets and liabilities of TVS CS at the respective book values at the amalgamation appointed date i.e. 31 March 2016.
- c) Loans and advances or balance dues outstanding as of the Amalgamation appointed date between the Transferor Company and the Company, will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- d) The excess of, or deficit in, the value of the assets over the value of the liabilities of the Transferor Company vested in the Company pursuant to this Scheme as recorded in the books of account of the Transferor Company and after making adjustments contemplated in the Scheme shall be credited to / adjusted in the General Reserve / accumulated surplus in the profit and loss account in the books of the Company.

TVS LOGISTICS SERVICES LIMITED**Notes to financial statements for the year ended 31 March 2016 (continued)****(All amounts are in Indian rupees (₹) except share data and otherwise stated)****2.30 Scheme of amalgamation and arrangement (continued)**

Accordingly, the accounting for this Scheme of TVS CS amalgamation given effect to as below in the financial statements:

Particulars	Amount
A. Liabilities	
Short-term borrowing	268,700,000
Trade payables	9,435,914
Other current liabilities	4,082,149
Total liabilities taken over	282,218,063
B. Assets	
Investments	238,700,000
Trade receivables	4,575,667
Cash and cash equivalents	3,633,426
Loans and advances	89,461,448
Other current assets	15,490,416
Total assets taken over	351,860,957
Net assets taken over (B-A)	69,642,894
Consideration i.e. cancellation of the investment	378,592,896
Amount debited to Reserves and surplus	308,950,002

Notes :

1. Pursuant to the Scheme ₹ 38,563,513 has been adjusted in General Reserve and ₹ 270,386,489 has been adjusted in the Surplus in Profit and loss balance.
2. The authorised capital of the Transferor Company stands combined with the authorised capital of the Company. Accordingly authorised capital in respect of equity shares of the Company stands increased from 28,800,000 equity shares to equity of Rs.10 each.
3. Pursuant to amalgamation under the Scheme, provision for advances of ₹212,700,000 and provision for Investment of ₹ 117,357,198 has been reversed and credited to provision no longer required and disclosed under other income. Refer note 2.23.

2.31 Accounting for Business Reconstruction Reserve ("BRR")

During the previous year ended 31 March 2015, a Scheme of Arrangement ("BRR Scheme") was entered into between the company and its shareholders under Sections 391 to 394 read with Sections 100 to 103 of Companies Act, 1956 and Section 52 of the Companies Act, 2013. This BRR Scheme was approved by Honorable High Court of Judicature of Madras on 24 July 2015. The certified copy of the said order was filed with the Registrar of Companies on 20 August 2015 ('Effective Date').

The aforesaid BRR Scheme had been entered into pursuant to a financial restructuring exercise undertaken by the Company. The BRR Scheme for financial restructuring exercise inter-alia comprises the upward / downward (as the case may be) revaluation of certain investments in or components of its investments in asset based business (as may be determined by the Board), determining and utilization of gains or losses arising from fair valuation, transfers of investments or components of its investments, if any, as part of the consolidation and or rationalization of its structure and consequent reorganization of its reserves by creating a Business Reconstruction Reserve including utilizing balances in Securities premium account and set off of certain determined expenses (as per the BRR Scheme).

The appointed date for the aforesaid scheme is 1 April 2014. The BRR Scheme has been given effect to in the relevant financial year (financial year beginning from the appointed date, as set out in the BRR Scheme) i.e. financial year ended 31 March 2015.

TVS LOGISTICS SERVICES LIMITED

Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.31 Accounting for Business Reconstruction Reserve ("BRR") (continued)

The details of amount debited / credited to BRR from the appointed date and consequent transfer from Securities premium account are set out below:

Particulars	Amount
Losses arising from transfer of investments in asset based business or components thereof:	
Cargowings Logistics Limited (116,667 equity shares of ₹ 10/- each and 116,667 cumulative compulsorily convertible preference shares of ₹ 10/- each)	119,912,121
TVS RHR Finished Vehicles Logistics Solutions Limited (408,650 equity shares of ₹ 10/- each)	39,591,350
Diminution in value of investments in subsidiary companies and / or joint ventures	
Cargowings Logistics Limited	250,000,000
TVS Commutation Solutions Limited	117,357,198
TVS Aviation Logistics Limited	15,310,000
Unrealisable loans and / or advances, interest and other finance charges receivable, identified in connection with discontinued / disposed asset based businesses and / or others (disclosed under short term loans and advances amounting to ₹ 427,057,217 and under other current assets amounting to ₹ 18,073,622)	445,130,839
Revaluation gain on certain investment in or components of its investment in asset based business - TVS Dynamic Global Freight Services Limited	(639,937,510)
Amounts written off or impaired towards obsolete or unrealizable assets (comprises ₹ 101,319,992 towards write down of fixed assets held for sale, ₹ 70,882,414 towards customer claim and ₹ 6,725,292 towards inventory write off)	178,927,698
Losses and / or costs incurred in relation to transfer / disposal of assets	39,164,510
Net amount debited to Business Reconstruction Reserve Account	565,456,206
Less : Amount transferred from Securities premium account	(565,456,206)
Balance in Business Reconstruction Reserve Account	-

Had the Company not adopted the above Scheme, the profit for the year ended 31 March 2015 would have been lower by ₹ 1,205,393,716 (excluding revaluation gain of ₹ 639,937,510) and with corresponding impact on securities premium account amounting to 565,456,206).

2.32 Employee benefits

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to ₹ 78,030,501 (31 March 2015: ₹ 60,876,925)

Defined benefit plans

The Company operates post-employment defined benefit plan that provides gratuity. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service at the time of retirement/exit.

The following table summarises the position of assets and obligations relating to the plan.

Gratuity

Asset / (liability) recognized in balance sheet	31 March 2016	31 March 2015
Fair value of plan assets	86,508,016	38,079,904
Present value of obligations	(97,368,554)	(59,890,742)
	(10,860,538)	(21,810,838)

Classification into current / non-current

The asset / (liability) in respect of the plan comprises of the following non-current and current portions:

Current	31 March 2016	31 March 2015
Gratuity	(3,689,206)	(21,810,838)

TVS LOGISTICS SERVICES LIMITED
Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.32 Employee benefits (continued)

Non current	31 March 2016	31 March 2015
Gratuity	(7,171,331)	-
Movement in present values of defined benefit obligation	31 March 2016	31 March 2015
Opening defined benefit obligation	59,890,742	49,163,449
Amount transferred pursuant to the Scheme of amalgamation and arrangement (refer note 2.30)	18,230,192	-
Current service cost	23,012,117	17,685,124
Interest cost	5,797,080	3,963,847
Actuarial (gains) / losses	1,891,959	(4,777,262)
Benefits paid by the plan	(11,453,536)	(6,144,416)
Closing defined benefit obligation	97,368,554	59,890,742
Movement in fair value of plan assets	31 March 2016	31 March 2015
Opening fair value of plan assets	38,079,904	34,231,334
Amount transferred pursuant to the Scheme of amalgamation and arrangement (refer note 2.30)	16,862,473	-
Contributions paid into the plan	35,888,573	6,688,247
Benefits paid by the plan	(11,453,536)	(6,144,416)
Expected return on plan assets	5,481,928	2,803,588
Actuarial (losses) / gains	1,648,674	501,151
Closing fair value of plan assets	86,508,016	38,079,904
Expense recognised in statement of profit and loss *	31 March 2016	31 March 2015
Current service cost	23,012,117	17,685,124
Interest on obligation	5,797,080	3,963,847
Expected return on plan assets	(5,481,928)	(2,803,588)
Net actuarial (gain) / loss recognised in the year	378,951	(5,278,414)
	23,706,220	13,566,969

* included in note 2.24 – Employee benefits under contribution to provident and other funds.

Actual return of plan assets	31 March 2016	31 March 2015
Expected return on plan assets	5,481,928	2,803,588
Actuarial gain / (loss) on plan assets	1,648,674	501,152
Actual return on plan assets	7,130,602	3,304,740

Principal actuarial assumptions

The following are the principal actuarial assumptions at the reporting data (expressed as weighted averages)

	31 March 2016	31 March 2015
Discount rate	7.21%	7.95%
Expected return on plan assets	7.50%	8.00%
Future salary increases	5.00%	5.00%
Attrition rate	46.00%	44.00%

The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Five year information	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligation	(97,368,554)	(59,890,742)	(49,163,449)	(38,991,741)	(24,743,828)
Fair value of plan assets	86,508,016	38,079,904	34,231,334	26,221,395	17,174,362
Surplus (deficit) in the plan	(10,860,538)	(21,810,838)	(14,932,115)	(12,770,346)	(7,569,466)
Experience adjustments arising on plan liabilities	1,891,959	4,777,262	(6,713,371)	(9,062,548)	367,433
Experience adjustments arising on plan assets	1,648,674	501,151	791,926	289,489	(421,838)

TVS LOGISTICS SERVICES LIMITED**Notes to financial statements for the year ended 31 March 2016 (continued)****(All amounts are in Indian rupees (₹) except share data and otherwise stated)****2.33 Leases****Operating lease**

The Company has taken a number of warehouses and material handling equipment under operating leases. Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

	31 March 2016	31 March 2015
Payable within one year	87,097,185	24,584,542
Payable between one and five years	80,887,870	284,910
Payable later than five years	-	-

During the year an amount of ₹ 668,741,082 (31 March 2015: ₹ 259,194,458) were recognised as an expense in the statement of profit and loss in respect of operating leases.

2.34 Segment information

In accordance with AS-17 "Segment Reporting", segment information has been given in the consolidated financial statements of TVS Logistics Services Limited and therefore no separate disclosure on segment information is given in these financial statements.

2.35 Dues to micro and small suppliers

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2016 has been made in the financial statements based on information received and available with the Company, to the extent identified by the management. There are no overdue balances as at 31 March 2016 to micro, small and medium enterprises.

	31 March 2016	31 March 2015
The amounts remaining unpaid to micro and small suppliers as at end of the year		
Principal	16,908,544	-
Interest	1,398,549	-
The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amount of payments made to the micro and small suppliers beyond the appointed day during each accounting year	19,519,375	-
The 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 year) but without adding the interest specified under MSMED Act, 2006	325,780	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	209,466	-
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 enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	877,909	-

2.36 Related party disclosures**Names of the related parties and nature of relationship where control exists**

A. Holding Company/ Enterprise having substantial interest	T V Sundram Iyengar & Sons Private Limited (formerly known as T V Sundram Iyengar & Sons Limited)
B. Subsidiaries	TVS Dynamic Global Freight Services Limited TVS Commutation Solutions Limited (upto 31 March 2016) TVS Logistics SIAM Limited TVS Logistics Investment UK Limited TVS Logistics Investments USA Inc. TVS Aviation Logistics Limited TVS RHR Finished Vehicles Logistics Solutions Limited (upto 29 January 2015) Drive India Enterprises Solutions Limited (1 September 2015)

* Also refer note 2.30 - Scheme of amalgamation and arrangement

TVS LOGISTICS SERVICES LIMITED

Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.36 Related party disclosures (continued)

B. Subsidiaries

TVS America Inc., USA
FLEXOL Packaging (India) Limited
Cargowings Logistics Limited
(upto 29 January 2015)
TVS-Asianics Supply Chain Solutions Pte. Limited
(from 09 October 2014)
TVS Toyota Tsusho Supply Chain Solutions Limited
(from 28 November 2014)

C. Step down subsidiaries

TVS Supply Chain Solutions Limited, UK
MSys Software Solutions Limited, UK
Multipart Limited, UK
TVS Logistics Iberia S.L., Spain
TVS Autoserv GmbH, Germany
Manufacturers Equipment and Supply Company, USA
(upto 31 March 2015)
TVS Supply Chain Solutions De Mexico
(from 30 June 2015)
Rico Logistics Limited, UK
Wainwright Industries Inc, USA
Waintrans LLC, USA
Ricochet Spain, S.L., Spain
Rico Logistique
(from 1 April 2015)
Rico Logistics Pty Limited
(from 22 December 2015)
Tri - Tec Computer Support Limited, UK
Tri - Tec Support Limited, UK
Circle Express Limited
(from 18 January 2016)
TVS-Asianics Supply Chain Solutions Pty Limited
(from 15 July 2015)
Subsidiaries of TIF Holdings Pty Ltd
Transtar International Freight (Aust) Pty Ltd, Australia
Transtar International Freight Limited, New Zealand
KAHN Nominees Pty Ltd, Australia
Transtar International Freight Limited, Hong Kong
Transtar International Freight (Singapore) Pte. Limited, Singapore
Transtar International Freight (Shanghai) Limited, China
Transtar International Freight Limited, Thailand
Transtar International Freight (Malaysia) SD Bhd, Malaysia
Transtar International Freight (USA) LLC, USA
Transtar Holdings (USA) LLC, USA

D. Subsidiaries of A

TVS Motor Company Limited
Sundaram Clayton Limited
Lucas-TVS Limited
Sundaram Industries Private Limited
(formerly known as Sundaram Industries Limited)
Lucas Indian Service Limited
Sundaram Auto Components Limited
TVS Automobile Solutions Private Limited
(converted to Private Limited Company with effect from 06 May 2016)

TVS LOGISTICS SERVICES LIMITED**Notes to financial statements for the year ended 31 March 2016 (continued)**

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.36 Related party disclosures (continued)**E. Joint Ventures**

TVS Infrastructure Private Limited
 (formerly known as TVS Infrastructure Private Limited)
 T&T One Asia Limited (T&T), Hong Kong (from 26 June 2014)
 Subsidiaries of T&T One Asia Limited
 China Network Logistics Limited, China
 Shanghai Hurrytop Warehouse and Delivery Co., Ltd.
 Shanghai Feipeng Logistics Co., Ltd.
 Shanghai Hurrytop E-commerce Delivery Co. Limited, China
 Shanghai Hurrytop Supply Chain Management Co. Limited, China

F. Key management personnel

Mr. R. Dinesh
 Mr. S. Ravichandran

Transaction during the year

	Year ended 31 March 2016	Year ended 31 March 2015
Income from logistics services		
Lucas-TVS Limited	140,013,307	145,861,875
Sundaram Industries Private Limited	8,749,028	7,595,859
TVS Motor Company Limited	677,470,802	673,633,115
Sundaram Clayton Limited	22,226,110	24,792,808
FLEXOL Packaging (India) Limited	150,095	-
Sundaram Auto Components Limited	966,225	-
T V Sundram Iyengar & Sons Private Limited	96,970	-
Other income		
TVS Dynamic Global Freight Services Limited	18,000,000	26,175,200
TVS Logistics Investments USA Inc., USA	66,451,025	71,760,728
FLEXOL Packaging (India) Limited	12,438,000	18,446,846
TVS Logistics Investment UK Limited, UK	164,232,299	118,348,343
Cargowings Logistics Limited	-	914,161
TVS Toyota Tsusho Supply Chain Solutions Limited	3,024,297	-
Dividend income		
TVS Dynamic Global Freight Services Limited	9,179,991	9,179,991
TVS Infrastructure Private Limited	11,000,000	41,250,000
TVS Logistics Investment UK Limited, UK	-	30,213,043
Interest income		
FLEXOL Packaging (India) Limited	1,883,957	6,390,097
TVS Logistics Investments USA Inc., USA	4,143,473	2,704,922
TVS Logistics SIAM Limited	669,010	-
TVS Logistics Investment UK Limited, UK	3,530,014	-
TVS-Asianics Supply Chain Solutions Pte. Limited, Singapore	1,081,015	-
TVS Commutation Solutions Limited	691,260	-
Profit on sale of investments		
TVS Logistics Investment UK Limited, UK	-	229,658,234
Purchase of Spares, Fuel, Others		
T V Sundram Iyengar & Sons Private Limited	82,621	8,485,076
Sundaram Industries Private Limited	7,626,426	12,084,914
Lucas Indian Service Limited	1,884,963	897,775
Freight, packing and forwarding expenses		
TVS Dynamic Global Freight Services Limited	3,006,409	3,555,914
TVS RHR Finished Vehicles Logistics Solutions Limited	-	34,599,978
FLEXOL Packaging (India) Limited	12,793,216	6,460,220
Cargowings Logistics Limited	-	755,689
Sundaram Industries Private Limited	7,215	-
TVS Toyota Tsusho Supply Chain Solutions Limited	3,066,000	-
Staff transporation charges		
TVS Commutation Solutions Limited	48,502,573	67,734,188

TVS LOGISTICS SERVICES LIMITED
Notes to financial statements for the year ended 31 March 2016 (continued)
(All amounts are in Indian rupees (₹) except share data and otherwise stated)
2.36 Related party disclosures (continued)
Transaction during the year (continued)

	Year ended 31 March 2016	Year ended 31 March 2015
Rent		
TVS Infrastructure Private Limited	87,013,803	84,202,765
T V Sundram Iyengar & Sons Private Limited	13,020,000	15,730,400
Repairs and maintenance		
T V Sundram Iyengar & Sons Private Limited	3,783,414	2,809,000
TVS Automobile Solutions Private Limited	20,655	929,985
Sundaram Industries Private Limited	857,423	-
Reimbursement of expenses to		
Manufacturers Equipment and Supply Company, USA	-	2,008,643
TVS Supply Chain Solutions Limited, UK	-	2,140,865
TVS-Asianics Supply Chain Solutions Pte. Limited	2,546,030	-
Other expenses		
T V Sundram Iyengar & Sons Limited	8,943,654	13,899,107
TVS Automobile Solutions Private Limited	-	810,688
TVS Toyota Tsusho Supply Chain Solutions Limited	4,511,899	-
TVS Dynamic Global Freight Services Limited	1,500,000	-
Purchase of fixed assets		
FLEXOL Packaging (India) Limited	41,000	-
Investment in / (Liquidation of) equity shares		
TVS Logistics Investments USA Inc., USA	-	29,737,500
TVS Dynamic Global Freight Services Limited	-	25,062,500
TVS-Asianics Supply Chain Solutions Pte. Limited	35,322,500	48
TVS Toyota Tsusho Supply Chain Solutions Limited	-	12,000,000
TVS Logistics Investment UK Limited, UK	-	(101,295,260)
TVS RHR Finished Vehicles Logistics Solutions Limited	-	(40,000,000)
Cargowings Logistics Limited	-	(66,028,788)
Investment in / (Liquidation of) preference shares		
Cargowings Logistics Limited	-	(54,000,000)
Conversion of loan to redeemable preference shares		
Cargowings Logistics Limited	-	250,000,000
Loans and advances		
<i>Given during the year</i>		
TVS Commutations Solution Limited	56,000,000	212,700,000
TVS Logistics Investments USA Inc., USA	136,957,500	62,725,000
TVS RHR Finished Vehicles Logistics Solution Limited	-	95,235,278
Cargowings Logistics Limited	-	226,637,998
TVS Logistics Investments USA Inc., USA	176,006,520	35,322,500
TVS Logistics SIAM Limited	19,478,356	-
TVS Logistics Investment UK Ltd	114,105,840	-
<i>Repaid during the year</i>		
FLEXOL Packaging (India) Limited	34,000,000	33,800,000
TVS Logistics Investments USA Inc., USA	134,844,760	-
Guarantees		
TVS Logistics Investments USA Inc., USA	269,576,906	-
TVS Logistics Investments USA Inc., USA	1,280,016,813	-
Stand-by Letter of Credit		
TVS Logistics Investments USA Inc., USA	-	203,420,100
TVS Logistics Investment UK Ltd	-	1,017,974,691
Remuneration to Key Managerial Personnel		
Salaries, wages and bonus	19,744,420	21,234,420
Contribution to provident and other funds	403,200	403,200
Commission to managing director	21,250,000	15,000,000

As the future liabilities of gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the KMP is not ascertainable separately and therefore not included above.

Also refer note 2.30 - Scheme of amalgamation and arrangement

TVS LOGISTICS SERVICES LIMITED**Notes to financial statements for the year ended 31 March 2016 (continued)**

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.36 Related party disclosures (continued)**Year end balances:****Receivables**

	31 March 2016	31 March 2015
Lucas-TVS Limited	39,475,304	31,706,411
Sundaram Clayton Limited	1,906,370	2,332,040
Sundaram Industries Private Limited	854,376	731,805
TVS Dynamic Global Freight Services Limited	4,702,500	6,141,600
TVS Logistics Investment UK Limited, UK	245,370,060	130,410,223
TVS Logistics Investments USA Inc., USA	208,630,833	198,757,201
TVS Motor Company Limited	103,272,067	68,376,574
Manufacturers Equipment and Supply Company, USA	-	5,133,833
Wainwright Industries Inc, USA	5,440,757	-
FLEXOL Packaging (India) Limited	10,693,815	56,408,651
TVS Commutations Solution Limited	-	212,722,563
TVS Infrastructure Private Limited	40,944,752	34,949,793
TVS- Asianics Supply Chain Solutions Pte Ltd	177,123,672	35,322,500
Sundaram Auto Components Limited	349,197	-
TVS Logistics SIAM Limited	20,139,753	-
TVS Toyota Tsusho Supply Chain Solutions Limited	3,160,390	-
TVS Supply Chain Solutions Limited, UK	61,237	-
Rico Logistics Limited, UK	635,570	-

Payables

T V Sundram Iyengar & Sons Private Limited	8,095,765	5,190,554
Sundaram Industries Private Limited	1,846,361	874,877
Lucas Indian Service Limited	259,365	-
FLEXOL Packaging (India) Limited	6,003,613	1,131,557
TVS Dynamic Global Freight Services Ltd	1,160,727	1,566,992
TVS Infrastructure Private Limited	-	2,148,838
TVS Logistics Investments USA Inc., USA	19,970,183	18,843,586
TVS Supply Chain Solutions Limited, UK	-	427,783
Manufacturers Equipment and Supply Company, USA	-	1,605,280
Wainwright Industries Inc., USA	1,701,240	-
TVS- Asianics Supply Chain Solutions Pte Ltd	2,546,030	-
TVS Automobile Solutions Private Limited	98,564	-
TVS Toyota Tsusho Supply Chain Solutions Limited	7,719,614	-
Sundaram Clayton Limited	15,357	-

Guarantees

TVS Logistics Investments USA Inc., USA	985,972,226	675,980,640
TVS Logistics Investment UK Limited, UK	564,823,908	549,207,054
TVS- Asianics Supply Chain Solutions Pte Ltd	1,280,016,813	-

Stand-by Letter of Credit

TVS Logistics Investments USA Inc., USA	-	203,420,100
TVS Logistics Investment UK Limited, UK	912,846,720	1,017,974,691

Payable to Key Managerial Personnel

Salaries, wages and bonus	7,500,000	5,000,000
Commission to managing director	13,750,000	15,000,000

Also refer note 2.30 - Scheme of amalgamation and arrangement

TVS LOGISTICS SERVICES LIMITED
Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.37 Capital commitments and contingencies	31 March 2016	31 March 2015
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	31,313,050	19,415,351
<i>Contingencies:</i>		
Employee related matters	218,359,394	124,909,184
Corporate guarantee	2,830,812,947	1,225,187,694
Stand-by letter of credit	912,846,720	1,221,394,791
Bills of exchange discounted	21,438,017	20,091,899
Income tax related matters	50,370,558	21,462,843
Bank guarantees issued	9,384,500	-
Claims not acknowledged as debt	27,064,261	-
From time to time, the Company is involved in claims and legal matters arising in the ordinary course of business. Management is not currently aware of any matters that will have a material adverse effect on the financial position, results of operations, or cash flows of the Company.		
2.38 Derivative instruments	31 March 2016	31 March 2015
The Company uses forward exchange contracts to hedge its exposure in Foreign Currency.		
Forward exchange contracts outstanding are as follows:		
Sell USD/Buy INR		
Number of Contracts	37	-
Foreign Currency (USD)	12,794,704	-
Reporting currency (INR)	881,309,377	-
2.39 Un-hedged foreign currency exposures	31 March 2016	31 March 2015
Trade Receivables		
Foreign currency (USD)	145,372	11,655
Reporting currency (INR)	9,642,949	729,523
Receivables from subsidiaries		
Foreign currency (USD)	1,127,231	1,057,524
Foreign currency (GBP)	1,387,775	1,080,930
Foreign currency (THB)	353,133	-
Foreign currency (SGD)	124,646	-
Reporting currency (INR)	213,488,976	166,133,088
Loans and advances		
Foreign currency (SGD)	3,600,000	-
Foreign currency (USD)	2,394,550	2,200,000
Foreign currency (GBP)	1,200,000	-
Reporting currency (INR)	449,011,202	137,699,760
Trade payables		
Foreign currency (USD)	472,948	390,407
Foreign currency (GBP)	-	4,627
Foreign currency (YEN)	260,948	262,514
Foreign currency (EURO)	2,708	1,486
Foreign currency (AUD)	-	11,660
Reporting currency (INR)	31,729,427	25,661,398
Advance to Suppliers		
Foreign Currency (YEN)	103,956	-
Reporting Currency (INR)	61,397	-
Interest Payables		
Foreign currency (USD)	23,633	-
Reporting currency (INR)	1,567,624	-

TVS LOGISTICS SERVICES LIMITED
Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.40	Value of import on CIF basis	31 March 2016	31 March 2015
	Capital goods	14,239,653	-
	Spares	5,038,334	24,978,820
		19,277,987	24,978,820
2.41	Earnings in foreign currency	31 March 2016	31 March 2015
	Income from logistics Services	12,794,811	724,851
	Interest income on loan to subsidiary	14,248,750	2,704,922
	Other income	230,683,324	190,109,071
	Dividend from subsidiaries	-	30,213,043
	Profit on sale of investments	-	229,658,234
		257,726,885	453,410,121
2.42	Expenditure in foreign currency	31 March 2016	31 March 2015
	Travel	7,590,801	8,333,464
	Professional charges	59,895,529	10,943,193
	Others	11,563,749	8,788,399
		79,050,079	28,065,056
2.43	Payment to auditors	31 March 2016	31 March 2015
	Statutory audit fees	2,600,000	2,100,000
	Tax audit fees	150,000	150,000
	Other audit services (including certification etc.,)	14,500,000	12,000,000
	Out of pocket expenses	887,613	338,754
		18,137,613	14,588,754
2.44	Change in estimates		
	With effect from 1 April 2014, pursuant to the requirement of Companies Act, 2013, the Company has revised the useful life of its fixed assets, based on technical evaluation. As a result of this change, the depreciation charge is higher by ₹ 88,184,547 for the previous year ended 31 March 2015. In respect of assets whose useful life is already exhausted as on 1 April 2014, depreciation impact of ₹ 23,211,507 on such assets has been adjusted in the Reserves and Surplus in accordance with the requirements of Schedule II of the Act.		
2.45	Corporate social responsibility ("CSR") expenditure		
	During the year, the Company has incurred an amount of ₹ 12,535,873 (31 March 2015: ₹ 8,992,927) following amount towards corporate social responsibility related activities and such expenditure has been classified in the following heads under other expenses (refer note 2.25). These are subject to ratification at the meeting of the CSR Committee.		
		31 March 2016	31 March 2015
	Rent	12,535,873	8,847,927
	Professional charges	-	145,000
		12,535,873	8,992,927
2.46	Dividend remittance in foreign currency	31 March 2016	31 March 2015
	Equity dividend		
	Year to which the dividend relates	2014-15	2013-14
	Amount remitted during the year	24,772,653	13,762,586
	Number of non-resident shareholders	6	6
	Number of shares on which dividend was due	11,023,143	11,023,143
	Unpaid dividend	7,355	4,087
	Preference dividend		
	Year to which the dividend relates	-	2013-14
	Amount remitted during the year	-	2,254,882
	Number of non-resident shareholders	-	2
	Number of shares on which dividend was due	-	1,114,203
	Interim equity dividend		
	Year to which the dividend relates	2015-16	2014-15
	Amount remitted during the year	7,592,557	-
	Number of non-resident shareholders	7	-
	Number of shares on which dividend was due	12,670,607	-
	Unpaid dividend	1,962	-

TVS LOGISTICS SERVICES LIMITED
Notes to financial statements for the year ended March 31, 2016 (continued)
2.47 Transfer Pricing

The Company has international and domestic transactions with related parties. The management confirms that it maintains documents as prescribed by the Income Tax Act to prove that the international and domestic transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

2.48 Investments

S.no	Particulars	Face value	Balance as at 01 April 2015		Additions		Sales / Redemption *		Balance as at 31 March 2016	
			No. of shares / units	Cost	No. of shares /	Cost	No. of shares / units	Cost	No. of shares / units	Cost
A	Unquoted investments in equity instruments									
	Investments in subsidiaries									
	TVS Dynamic Global Freight Services Limited	10	1,019,999	680,000,000	-	-			1,019,999	680,000,000
	TVS Commutation Solutions Limited	10	564,795	261,012,896	154,300	117,580,000	719,095	378,592,896	-	-
	TVS Aviation Logistics Limited	10	5,999,994	30,609,940	-	-	-	-	5,999,994	30,609,940
	FLEXOL Packaging (India) Limited	10	520,416	93,630,910	-	-	-	-	520,416	93,630,910
	TVS America Inc.	NA	490	9,004,485	-	-	-	-	490	9,004,485
	TVS Logistics SIAM Limited	100	55,000	6,014,656	-	-	-	-	55,000	6,014,656
	TVS-Asianics Supply Chain Solutions Pte Ltd	SGD 1	1	48	1,950,000	35,322,500	-	-	1,950,001	35,322,548
	TVS Logistics Investment UK Limited	GBP 1	6,359,865	519,060,519	-	-	-	-	6,359,865	519,060,519
	TVS Toyota Tsusho Supply Chain Solutions Limited (formerly TVS Supply Chain Solutions Limited)	10	1,200,000	12,000,000	-	-	-	-	1,200,000	12,000,000
	TVS Logistics Investments USA Inc.	NA	61,510	366,659,536	-	-	-	-	61,510	366,659,536
	Drive India Enterprises Solutions Limited	10	-	-	5,120,400	932,309,186	2,910,400	530,165,793	2,210,000	402,143,393
B	Investments in Joint Ventures									
	TVS Infrastructure Limited	10	2,750,000	110,000,000	-	-	-	-	2,750,000	110,000,000
C	Unquoted investments in preference shares									
	Others									
	Cargowings Logistics Limited	10	25,000,000	250,000,000	-	-	-	-	25,000,000	250,000,000
D	Unquoted investments in debentures *									
	Others									
	Series I NCD, 0.1% Unsecured Non-Convertible Debentures									
	Prasanna Purple Mobility Solutions Private Limited - Series I	1,000	-	-	73,800	73,800,000	-	-	73,800	73,800,000
	Prasanna Purple Mobility Solutions Private Limited - Series II	1,000	-	-	74,200	74,200,000	-	-	74,200	74,200,000
	Optionally Convertible Debentures									
	Prasanna Purple Mobility Solutions Private Limited	1,000	-	-	80,000	80,000,000	-	-	80,000	80,000,000

* Refer note 2.30 - Scheme of amalgamation and arrangement

TVS LOGISTICS SERVICES LIMITED

Notes to financial statements for the year ended 31 March 2016 (continued)

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

2.49 Comparative figures

Prior year figures have been reclassified / regrouped wherever necessary to conform to the current year's classification.

As per our report attached
for B S R and Associates
ICAI firm Registration Number : 128901W
Chartered Accountants

**For and on behalf of the Board of Directors of
TVS Logistics Services Limited**

S Sethuraman
Partner
Membership No. 203491

Suresh Krishna
Chairman

R.Dinesh
Managing Director

S Ravichandran
Deputy Managing Director

P D Krishna Prasad
Company Secretary

Place: Chennai
Date: 28 March 2017

Baskar Lakshmanan
Chief Financial Officer
Place: Chennai
Date: 28 March 2017

Statement under Pursusnt to Section 134 of the Companies Act 2013 and forming part of the Director's Report for the year ended 31 3 2016								
	Name	Designation	Remuneration received Rs	Qualification	Experience	Date of Employment	Age	Previous Employment
	Employed through the financial year							
1	R DINESH	Managing Director	26,250,000	B.Com.,A.C.A., AICWA	30 Years	01.09.2008	52	Joint Managing Director, TV Sundram Iyengar & Sons Limited
2	S RAVICHANDRAN	Executive Director	17,647,620	B.E. PGDMA (Agri Management)	30 Years	01.12.2004	61	President Logistics Division T V Sundram Iyengar & Sons Limited
3	SHANKAR R	Chief Executive Officer	10,193,384	B.TECH	29 years	31.12.2012	54	Managing Director, Foton Motors Marketing and Sales India Pvt Ltd-Pune
4	PRASANNA KUMAR M V	Chief Operating Officer	7,581,561	M.E	26 years	20.11.2013	52	Delphi Automotive Systems , SAPCO
5	BALAJI E	President (People Services)	9,915,039	B.SC, MBA	19 Years	04.04.2014	45	RANDSTAD(INDIA)-MANAGEMENT CONSULTANT
6	SURESH RAMANI	Head- Business Development	6,451,080	B.TECH-(ELE) PGDBA	25 Years	01.12.2014	50	TATA CONSULTANCY SERVICES
7	VENKAT R.K	Chief Financial Officer	5,859,684	CA,CWA	17 Years	18.1.2013	44	AIRCEL LIMITED
	Employment for a part of the financial year							
8	RANGARAJ K P	Chief Financial Offier	19,049,348	CA, CWA, CS (Inter)	26 Years	16.09.2011	51	GROUP CFO MARG LTD
9	VAIRAVEL C	Chief Information Officer	2,762,149	BE, MBA	24 Years	12.02.2014	49	FORD MOTOR COMPANY LTD
10	SRIKANTH R	Group CFO	3,120,057	B.COM, FCA, FICWA	31 Years	03.07.2015	53	PRESIDENT & CFO, RELIANCE COMMUNICATIONS LTD
11	DINESH NARAYAN	Group CIO	2,295,128	B.E-ELEC, MS-CS	22 Years	02.12.2015	48	Sr. INDUSTRY PRINCIPAL, INFOSYS, BANGALORE
12	BASKAR LAKSHMANAN	Group CFO	2,648,504	B.SC, CA	28 Years	21-Dec-15	54	REGIONAL CFO,SUN EDISON, CHENNAI

FORM AOC-1

[Pursuant to first proviso to sub section 3 of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE / JOINT VENTURE

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

PART A - SUBSIDIARIES

Sl.no	Name of the Company	Country	Reporting Currency	Exchange rate	Capital	Reserves	Total Assets	Total Liabilities	Details of Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Dividend declared	% share holding
1	TVS Dynamic Global Freight Services Limited	India	INR	1	12,000,000	188,734,509	430,467,802	229,733,293	-	1,624,253,986	76,067,546	31,084,759	44,982,787	(10,800,000)	85
2	Drive India Enterprise Solutions Limited	India	INR	1	22,900,000	398,641,672	1,510,134,562	1,088,592,890	-	2,171,485,544	51,484,790	-	51,484,790	-	100
3	TVS Aviation Logistics Limited (formerly known as TVS GMR Aviation Logistics Limited)	India	INR	1	60,000,000	(59,949,104)	271,822	220,926	-	-	(104,974)	-	(104,974)	-	100
4	FLEXOL Packaging (India) Limited	India	INR	1	7,704,160	56,085,843	109,715,247	45,925,244	-	119,858,949	(15,513,138)	-	(15,513,138)	-	67.55
5	TVS Toyoto Tsusho Supply Chain Solutions Limited	India	INR	1	20,000,000	6,336,291	47,970,499	21,634,208	-	151,913,264	8,561,905	2,653,187	5,908,718	-	60
6	TVS Logistics Siam Limited	Thailand	THB	1.88	10,935,738	(4,741,281)	62,835,671	56,641,214	-	82,450,598	(8,408,124)	-	(8,408,124)	-	55
7	TVS Logistics Investment UK Limited	UK	GBP	95.09	519,060,519	1,734,503,389	10,579,743,568	8,326,179,660	252,021,860	206,287,494	7,643,924	1,810,633	5,833,291	-	100
8	TVS Logistics Investments USA Inc.	USA	USD	66.33	322,285,934	412,891,358	3,182,508,736	2,447,331,444	-	78,600,909	7,089,798	2,635,694	4,454,104	-	100
9	TVS-Asianics Supply Chain Solutions Pte. Limited and its subsidiaries	Singapore	SGD	49.02	35,322,548	(120,402,541)	1,710,891,601	1,795,971,594	-	105,700,494	(204,022)	476,077	(680,099)	-	100

FORM AOC-1

[Pursuant to first proviso to sub section 3 of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE / JOINT VENTURE

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

PART A - SUBSIDIARIES

Our Company does not hold any shares in the following companies, but however they are subsidiaries under section 87(ii) of the Companies Act, 2013

Sl.no	Name of the Company	Country	Reporting Currency	Exchange rate	Capital	Reserves	Total Assets	Total Liabilities	Details of Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Dividend declared	% share holding
1	TVS Supply Chain Solutions Limited	UK	GBP	95.09	151	2,446,441,901	6,503,110,811	4,056,668,759	277,123,528	102,365,793	2,787,096	614,637	2,172,459	-	100
2	MSys Software Solutions Limited, UK	UK	GBP	95.09	76	9,223,574	9,223,650	-	-	-	-	-	-	-	100
3	Multipart Limited	UK	GBP	95.09	76	19	95	-	-	-	-	-	-	-	100
4	TVS Logistics Iberia S.L.	Spain	EURO	75.14	9,621,415	33,259,988	244,214,832	201,333,429	-	6,051,696	233,976	65,799	168,177	-	100
5	TVS Autoserv GmbH	Germany	EURO	75.14	11,874,171	51,534,158	204,536,904	141,128,575	-	4,355,923	185,043	55,581	129,462	-	51
6	Rico Logistics Limited and its subsidiaries	UK	GBP	95.09	4,582,994	1,994,201,780	4,905,102,205	2,906,317,431	-	93,522,820	4,875,957	1,127,167	3,748,790	-	97.47
7	Wainwright Industries Inc. and its subsidiaries	USA	USD	66.33	127,988,461	1,047,139,725	2,462,762,741	1,287,634,555	6,633,290	78,600,909	7,491,947	2,495,882	4,996,065	-	92.83

The following is a subsidiary where our Company owns the entire share capital along with another subsidiary

Sl.no	Name of the Company	Country	Reporting Currency	Exchange rate	Capital	Reserves	Total Assets	Total Liabilities	Details of Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Dividend declared	% share holding
1	TVS America Inc.	USA	USD	66.33	18,028,187	(74,155,107)	5,108	56,132,028	-	-	(7,817)	-	(7,817)	-	100

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / JOINT VENTURE

(All amounts are in Indian rupees (₹) except share data and otherwise stated)

PART B - JOINT VENTURE

Sl.no	Name of the Joint venture	TVS Infrastructure Limited	T&T One Asia Limited (from 26 June 2014) *
1	Latest audited Balance Sheet Date	31 March 2015	31 March 2015
2	Share of Joint venture held by the Company on the year end date		
	No.		
	Amount of Investment in Joint Venture	27,500,000	214,089,139
	Extent of Holding	50%	50%
3	Description of how there is significant influence	No significant influence	No significant influence
4	Reason why the joint venture is not consolidated	Not applicable	Not applicable
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	(114,108,400)	(607,427,056)
6	Profit for the year	81,603,980	(785,052)
i	Considered in consolidation	40,801,990	(392,526)
ii	Not considered in consolidation	-	-

* Unaudited

For and on behalf of the Board of Directors

Suresh Krishna
Chairman

R Dinesh
Managing Director

S Ravichandran
Deputy Managing Director

P D Krishna Prasad
Company Secretary

Baskar Lakshmanan
Chief Financial Officer

Place: Chennai
Date: 28 March 2017