

# B S R and Associates

Chartered Accountants

No 10, Mahatma Gandhi Road  
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## **Independent Auditor's 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 (collectively referred to as "the Group"), its joint ventures and associates, which comprise the consolidated balance sheet as at March 31, 2017, 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 Group including its joint ventures and associates 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 respective Board of Directors of the companies included in the Group and of its joint ventures and associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its joint ventures and associates 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 consolidated 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 Directors 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.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of certain subsidiaries, associates and joint ventures, 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 Group, its joint ventures and associates, as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Other Matters**

We did not audit the financial statements and other financial information of certain subsidiaries, a joint venture and associates, which have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements, in so far as it relates to these subsidiaries, joint venture and associates, is based on the reports 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 ₹ 13,691.06 million as at March 31, 2017, total revenue of ₹ 32,777.78 million and net cash outflow amounting to ₹ 166.35 million in respect of the aforesaid subsidiaries, joint venture and associates for the year then ended.

In addition, the 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, 2017 of this joint venture have been furnished to us by the management. Such joint venture accounts for 0.97% of total assets as at March 31, 2017, 1.27% of total revenue and 1.01% of net cash outflows as shown in these consolidated financial statements. Our opinion on the consolidated financial statements, in so far as it relates to this joint venture, is based on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the management, the financial statements/ financial information of the aforesaid joint venture is not material to the Group.



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**To the members of TVS Logistics Services Limited**  
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Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the management.

**Report on Other Legal and Regulatory Requirements**

- I. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of certain subsidiaries, joint ventures and associates, as noted in "Other Matters" paragraph, 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 and reports of the other auditors.
  - (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.
  - (e) On the basis of written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of Holding Company and the reports of statutory auditors of subsidiaries and joint venture incorporated in India, none of the directors of the Group and its joint venture incorporated in India are disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its joint ventures and associates. Refer note 2.45 to the consolidated financial statements;
    - ii. the Group, its joint ventures and associates did not have any material foreseeable losses on long-term contracts including derivative contracts;



**Independent Auditor's Report**  
**To the members of TVS Logistics Services Limited**  
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- iii there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries and joint venture incorporated in India;
- iv the Holding Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 in respect of the Group and joint venture, incorporated in India. Based on audit procedures, consideration of reports of the other auditors on separate financial statements of certain subsidiaries and joint venture incorporated in India and relying on the management representation, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management. Refer note 2.50 to the consolidated financial statements.

for B S R and Associates  
Chartered Accountants  
ICAI Firm Registration No: 128901W



**S Sethuraman**  
Partner  
Membership No: 303491  
Place: Chennai  
Date: August 28, 2017



**Annexure A to the Independent Auditor's Report to the members of TVS Logistics Services Limited for the year ended March 31, 2017**

**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 Holding Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of TVS Logistics Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and joint venture incorporated in India, as of that date

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary companies and joint venture 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 internal financial controls over financial reporting of the Holding Company, its subsidiaries and joint venture incorporated in India, 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 and audit evidence obtained by other auditors of the subsidiaries and joint venture incorporated in India, in terms of their reports referred to below in 'Other Matters' paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the aforesaid entities.



**Annexure A to the Independent Auditor's Report to the members of TVS Logistics Services Limited for the year ended March 31, 2017**

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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 and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the 'Other Matters' paragraph below, the Holding Company, its subsidiaries and joint venture 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.



**Annexure A to the Independent Auditor's Report to the members of TVS Logistics Services Limited for the year ended March 31, 2017**

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**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiaries and a joint venture incorporated in India, is based on the corresponding report of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters.

*for B S R and Associates*

*Chartered Accountants*

[CAI Firm Registration No: 128901 W]



**S Selvaraman**

*Partner*

Membership No: 203491

Place: Chennai

Date: August 28, 2017

**TVS LOGISTICS SERVICES LIMITED**
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017**

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

	Note	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share capital	2.1	316,871,330	255,525,424
Reserves and surplus	2.2	8,068,350,247	5,764,120,750
		<b>8,385,221,547</b>	<b>6,019,644,183</b>
Share application money pending allotment	2.3	-	200,000
Minority interest	2.4	500,494,707	345,122,417
Non-current liabilities			
Long term borrowings	2.5	2,339,630,018	2,546,302,526
Deferred tax liability (net)	2.6	150,539,850	149,086,940
Other long term liabilities	2.7	72,282,548	96,912,171
Long term provisions	2.8	121,677,980	114,349,071
		<b>2,684,130,405</b>	<b>3,926,690,719</b>
Current liabilities			
Short term borrowings	2.9	5,027,247,622	5,377,136,915
Trade payables	2.10	7,502,783,048	6,752,555,028
Other current liabilities	2.11	2,944,482,072	2,559,124,532
Short term provisions	2.8	215,464,025	255,172,812
		<b>16,389,976,767</b>	<b>14,954,389,257</b>
		<b>27,960,021,421</b>	<b>23,246,246,586</b>
<b>ASSETS</b>			
Non-current assets			
Fixed assets			
Property, plant and equipment	2.12	4,437,075,097	3,649,682,101
Intangible assets	2.12	1,583,253,159	2,532,400,301
Capital work in progress		120,404,158	6,532,307
Non-current investments	2.14	114,522,093	249,819,101
Deferred tax asset (net)	2.15	68,091,774	32,314,931
Long term loans and advances	2.16	1,165,278,055	1,086,400,518
Other non-current assets	2.17	50,355,578	22,112,298
		<b>9,448,975,734</b>	<b>8,872,581,579</b>
Current assets			
Current investments	2.18	151,844,000	10,790,090
Inventories	2.19	1,265,452,462	1,292,516,025
Trade receivables	2.20	10,111,925,251	9,052,326,513
Cash and bank balances	2.21	4,502,411,747	1,799,250,682
Short term loans and advances	2.22	1,134,157,262	1,101,369,357
Other current assets	2.23	1,366,072,475	1,117,702,420
		<b>18,511,843,657</b>	<b>14,373,665,007</b>
		<b>27,960,021,421</b>	<b>23,246,246,586</b>

**SIGNIFICANT ACCOUNTING POLICIES**
**NOTES TO ACCOUNTS**


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

As per our report of even date attached

for B &amp; R and Associates

ICAI Firm Registration Number : 128901W

Chartered Accountants



S. Selvaraman

Partner

Membership No. 263491

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



Suresh Krishna

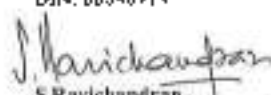
Chairman

DIN: 00346914

R. Dinash

Managing Director

DIN: 00565500



S. Ravichandran

Deputy Managing Director

DIN: 01485845



Baskar Lakshmanan

Group Chief Financial Officer

Place: Chennai

Date: 28 August 2017



C. P. Krishna Prasad

Company Secretary

Place: Chennai

Date: 25 August 2017



**TVS LOGISTICS SERVICES LIMITED**
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017**

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

	Note	Year ended 31 March 2017 ₹	Year ended 31 March 2016 ₹
<b>REVENUE</b>			
Revenue from operations	2.24	55,072,997,087	43,926,557,935
Other income	2.25	90,967,289	321,573,405
		<b>55,763,964,376</b>	<b>43,248,131,340</b>
<b>EXPENSES</b>			
Cost of material consumed	2.26	47,929,434	44,059,886
Purchases of stock	2.27	15,123,464,979	10,578,624,968
Changes in inventories of stock in trade	2.28	24,069,420	(45,734,340)
Employee benefits	2.29	10,619,053,135	3,186,326,215
Finance costs	2.30	693,577,070	577,838,206
Depreciation and amortisation	2.31	702,674,278	670,709,250
Other expenses	2.32	27,256,695,468	21,790,704,836
		<b>54,667,463,784</b>	<b>42,102,249,021</b>
<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>1,096,520,592</b>	<b>1,146,182,319</b>
Exceptional item	2.33	-	(171,151,767)
<b>PROFIT BEFORE PRIOR PERIOD ITEMS AND TAX</b>		<b>1,096,520,592</b>	<b>1,317,334,086</b>
Prior period item	2.34	55,163,713	-
<b>PROFIT BEFORE TAX</b>		<b>1,151,684,305</b>	<b>1,317,334,086</b>
Tax expenses	2.35	117,449,185	436,833,944
<b>PROFIT AFTER TAX</b>		<b>1,034,235,120</b>	<b>880,495,142</b>
Share in loss of associates		9,472,080	8,271,552
<b>PROFIT FOR THE YEAR BEFORE MINORITY INTEREST</b>		<b>1,043,707,200</b>	<b>888,766,694</b>
Minority interest in the profit(loss) for the year (net)	2.36	72,152,682	66,958,303
<b>PROFIT FOR THE YEAR</b>		<b>1,115,859,882</b>	<b>955,725,000</b>
<b>EARNINGS PER SHARE</b>	2.37		
Basic		24.43	32.40
Diluted		24.43	32.28
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>			
Basic		24,285,466	24,731,750
Diluted		24,285,466	24,938,631

**NOMINAL VALUE OF ORDINARY SHARES**
**SIGNIFICANT ACCOUNTING POLICIES**
**NOTES TO ACCOUNTS**

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

As per our report of even date attached

for BSR and Associates

ICAI Firm Registration Number - 128604W

Chartered Accountants



N. Sethuraman

Partner

Membership No. 203441



Suresh Krishna

Chairman

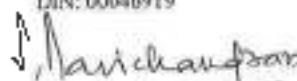
DIN: 00046919



R. Dinesh

Managing Director

DIN: 00362120



S. Ravichandran

Deputy Managing Director

DIN: 01485945

Bankar Lakshmanan

Group Chief Financial Officer

Place: Chennai

Date: 28 August 2017



P. P. Krishna Prasad

Company Secretary

Place: Chennai

Date: 28 August 2017

**TVS LOGISTICS SERVICES LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017**  
(All amounts are in Indian rupees (₹) except share data and otherwise stated)

	Year ended 31 March 2017 ₹	Year ended 31 March 2016 ₹
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	1,096,523,592	1,317,334,086
Adjustments for:		
Depreciation and amortisation	702,574,278	670,709,250
Profit on sale of fixed assets, net	635,939	(12,122,130)
Provision for doubtful debts	105,660,706	149,340,218
Provision for impairment of property, plant and equipment	-	1,045,330
Provision for impairment of intangible assets	46,864,364	159,554,179
Provision for doubtful loans and advances	20,757,916	50,555,494
Interest income	(19,299,205)	(13,361,267)
Finance costs	693,577,071	577,156,206
Net gain/(loss) on sale of investments	(109,258)	-
Amounts withdrawn, as no longer required	(9,311,924)	(287,425,800)
Liabilities no longer required/written back	(4,162,161)	-
Dividend income from mutual funds	(4,438,455)	(5,298,094)
Bad debts written off	2,738,257	54,676,221
Exceptional items	-	(171,151,767)
<b>Operating profit before working capital changes</b>	<b>2,633,888,369</b>	<b>2,571,078,391</b>
Adjustments for changes in working capital:		
(Increase)/decrease in trade receivables	(1,054,350,642)	(1,162,604,211)
(Increase)/decrease in inventories	(14,970,674)	252,587,014
(Increase)/decrease in loans and advances	(111,635,402)	100,259,048
(Increase)/decrease in other assets	(379,917,603)	(101,876,709)
Decrease/(decrease) in trade payables	1,180,209,198	740,817,129
Increase/(decrease) in provisions	(5,788,749)	108,343,556
Increase/(decrease) in other liabilities	34,869,311	220,077,277
<b>Cash generated from operations</b>	<b>1,687,333,768</b>	<b>2,651,954,882</b>
Direct taxes paid - net of refunds	(358,673,753)	(918,976,823)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES (A)</b>	<b>1,328,660,015</b>	<b>1,733,978,059</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets, and capital work-in-progress	(1,037,098,486)	(1,757,240,602)
Proceeds from sale of fixed assets	40,466,347	122,118,499
Purchase of non-current investments	-	(40,067,530)
Proceeds from sale/maturity of current investments	10,700,000	-
Investments/(redemptions) relating to bank deposits having original maturity of more than three months, net	(115,186,159)	50,963,543
Interest received	22,289,000	12,510,198
Dividend received	-	5,208,804
Cash paid for acquisition, net of cash acquired	(420,079,319)	(43,386,076,215)
<b>NET CASH FLOWS (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(1,501,968,817)</b>	<b>(3,892,543,413)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares	1,555,236,580	1,256,417,591
Contribution from minority stakeholders	23,415,739	-
Proceeds/(repayment) of long term borrowings, net	(752,279,171)	187,452,801
Proceeds/(repayment) of short term borrowings, net	808,838,745	554,599,776
Finance costs paid	(707,608,972)	(570,005,640)
Dividend paid on equity shares	(30,345,690)	(69,978,350)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES (C)</b>	<b>2,897,697,869</b>	<b>1,398,406,178</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>2,723,849,067</b>	<b>(761,099,174)</b>
Cash and cash equivalents at the beginning of the year	1,720,910,409	2,400,711,230
Effects of exchange differences on cash and cash equivalents held in foreign currency	(148,151,514)	81,294,795
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (see note below)</b>	<b>4,296,607,962</b>	<b>1,720,910,409</b>
(Refer to note 2.21 - Cash and cash equivalents)		



**TVS LOGISTICS SERVICES LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017**  
 (All amounts are in Indian rupees (₹) except share data and otherwise stated)

	Year ended 31 March 2017	Year ended 31 March 2016
	₹	₹
<b>Notes to consolidated cash flow statement</b>		
<b>1. Components of cash and cash equivalents</b>		
Cash on hand	6,086,831	21,260,670
Cheques on hand	3,277,970	17,057,525
Balance with banks		
On current accounts	4,199,371,319	1,561,395,490
On deposits accounts (with original maturity of 3 months or less)	82,871,392	121,195,961
	<u>4,296,607,962</u>	<u>1,720,910,409</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**NOTES TO ACCOUNTS**

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

As per our report of even date attached

for B S R and Associates

ICAI Firm Registration Number - 123901W

Chartered Accountants

*Sethuraman*

S Sethuraman

Partner

Membership No.: 203491

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

*Suresh Krishnan R. Dinesh*

Suresh Krishnan

Chairman

DIN: 00646919

R Dinesh

Managing Director

DIN: 00163400

*S Ravichandran*

S Ravichandran

Deputy Managing Director

DIN: 00888845

Baskar Lakshmanan

Group Chief Financial Officer

Place: Chennai

Date: 28 August 2017

J D Krishna Prasad

Office Company Secretary

Place: Chennai

Date: 28 August 2017

**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (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 and its subsidiaries (collectively referred to as "the Group"), its joint ventures and associates are primarily engaged in the business of providing integrated logistics services comprising 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 listed below:

Name of the company	Country of Incorporation	Percentage of Holding %
<b>Subsidiaries</b>		
TVS Dynamic Global Freight Services Limited	India	83
Drive India Enterprise 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	India	99.99
FLKXOL Packaging (India) Limited	India	67.55
TVS Logistics Investment UK Ltd	United Kingdom	100
TVS Logistics Investments USA Inc.	USA	100
TVS Logistics SIAM Limited	Thailand	55
TVS-Asiatics Supply Chain Solutions Pte. Limited	Singapore	90.74
TVS Tejra Tejaso Supply Chain Solutions Limited	India	60
<b>Step-down subsidiaries</b>		
TVS Supply Chain Solutions Limited	United Kingdom	100
Maya Software Solutions Limited	United Kingdom	100
Multipart Limited	United Kingdom	100
TVS Autostar GmbH	Germany	51
TVS Logistics Iberia SL	Spain	100
TVS Supply Chain Solutions GmbH	Germany	100
Rico Logistics Limited	United Kingdom	97.47
Ricochet Spain, SL	Spain	97.47
Tri - Tee Computer Support Limited	Northern Ireland	97.47
Tri - Tee Support Limited	Ireland	97.47
Rico Logistique (from 01 April 2015)	France	97.47
Rico Logistics Pty Ltd (from 22 December 2015)	Australia	97.47
Circle Express Limited (from 18 January 2016)	United Kingdom	82.85
SPC International Limited (from 20 February 2017)	United Kingdom	63.06
<b>Subsidiaries of SPC International Limited</b>		
SPCLNT Limited	United Kingdom	63.06
SEU International (Engineering) Limited	United Kingdom	63.06
Picoma 171 Limited	United Kingdom	63.06
SPC EDT Trustees Limited	United Kingdom	63.06
SPC International Inc.	USA	63.06
SPC International s.a.s	France	63.06
SPC International s.r.o.	Slovakia	63.06
SPC International India Private Limited	India	63.06
TVS Supply Chain Solutions North America Inc. (formerly known as Wainwright Industries Inc.)	USA	92.82
Wainwright LLC	USA	92.83
TVS America Inc.	USA	100
TVS Supply Chain Solutions De Mexico (from 30 June 2015)	Mexico	91.90
TVS-Asian & Australia Holdings Pty Limited (from 15 July 2015)	Australia	100



**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

**Company Overview: (continued)**

Name of the company	Country of incorporation	Percentage of holding %
<b>Step-down subsidiaries (continued)</b>		
TIF Holdings Pty Ltd	Australia	100
<b>Subsidiaries of TIF Holdings Pty Ltd</b>		
Transar International Freight (Aust) Pty Ltd	Australia	55
Transar International Freight Limited	New Zealand	55
KAILH Nominees Pty Ltd	Australia	55
Transar International Freight Limited	Hong Kong	55
Transar International Freight (Singapore) Pte. Limited	Singapore	55
Transar International Freight (Shanghai) Limited	China	55
Transar International Freight Limited	Thailand	55
Transar International Freight (Malaysia) SD Bhd	Malaysia	55
TIF Holdings (USA) LLC (liquidated during the year)	USA	55
Transar International Freight (USA) LLC (liquidated during the year)	USA	55
<b>Joint venture</b>		
TVS Infrastructure Private Limited (formerly known as TVS Infrastructure Limited)	India	50
T&T One Asia Limited (T&T One)	Hong Kong	50
<b>Subsidiaries of T&amp;T One</b>		
China Network Logistics Limited	China	29.85
Shanghai Hurytop Warehouse and Delivery Co., Ltd.	China	29.85
Shanghai Feipeng Logistics Co., Ltd.	China	29.85
Shanghai Hurytop E-commerce Delivery Co. Limited	China	29.85
Shanghai Hurytop Supply Chain Management Co. Limited	China	29.85
<b>Associates</b>		
Monira Verpacken mit System GmbH (Monira) (from 23 October 2015)	Germany	21
<b>Subsidiaries of Monira (from 23 October 2015)</b>		
Monira North America Corporation	USA	21
Monira India Pvt. Ltd.	India	21

**3 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.

**3.1 Basis of preparation**

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





## **TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (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 these 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 or loss. 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, in 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 consolidated 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 Property, plant and equipment and capital work in progress**

Property, plant and equipment are valued at cost of acquisition less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment 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 at arriving at the purchase price.

Subsequent expenditures related to an item of property, plant and equipment are added to its book value if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Property, plant and equipment which are acquired but not ready for their intended use before balance sheet date and assets under construction are also cost 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 2017 (continued)

**1 Significant accounting policies (continued)****1.4 Property, plant and equipment and capital work in progress (continued)**

A property, plant and equipment is eliminated from the consolidated financial statements on disposal. Losses arising from retirement or gains or losses arising from disposal of Property, plant and equipment 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 net 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 property, plant and equipment is calculated on pro-rata basis (i.e. from the date the asset is ready to use) on the straight line method ("SLM"). Depreciation is provided over management's estimate of the useful life of such assets. 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	02-10
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 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 2017 (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 property, plant and equipment which necessarily take a substantial period of time to get ready for their intended use are capitalised. 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 realised 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 either than 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 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. Employees 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 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.



**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 earned 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 each 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 entered 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 2017 (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.

##### *Contingent assets*

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 periodically 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. Current tax is measured at the amount expected to be paid to (or 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 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 2017 (continued)

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

**2 Notes to accounts**
**2.1 Share capital**

	31 March 2017	31 March 2016
<b>Authorised shares</b>		
93,600,000 (31 March 2016: 29,800,000) equity shares of ₹ 10 each	118,000,000	298,000,000
1,200,000 (31 March 2016: 1,200,000) preference shares of ₹ 10 each	12,000,000	12,000,000
<b>Issued</b>		
<i>Equity Shares</i>		
12,810,401 (31 March 2016: 13,810,401) equity shares of ₹ 10 each at par	138,104,010	138,104,010
1,066,800 (31 March 2016: 5,066,800) equity shares of ₹ 10 each at a premium of ₹ 185.32 per share	50,668,000	50,668,000
1,225,194 (31 March 2016: 390,800) equity shares of ₹ 10 each at a premium of ₹ 185 per share	32,231,940	3,908,000
275,800 (31 March 2016: 275,800) equity shares of ₹ 10 each at a premium of ₹ 55 per share	2,758,000	2,758,000
4,456,816 (31 March 2016: 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 2016: 1,798,607) equity shares of ₹ 10 each at a premium of ₹ 685 per share	17,986,070	17,986,070
3,163,133 (31 March 2016: Nil) equity shares of ₹ 10 each at a premium of ₹ 940 per share	31,635,130	-
	317,951,330	257,992,240
<b>Less: Shares forfeited, net of shares reissued</b>		
160,000 (31 March 2016: Nil) equity shares of ₹ 10 each at a premium of ₹ 185 per share	(1,600,000)	-
	316,351,330	257,992,240
<i>Preference Shares</i>		
20,000 (31 March 2016: Nil) 0.0001% non convertible, cumulative, redeemable, participating preference shares of ₹ 10 each	200,000	-
	200,000	-
<b>Called, Subscribed and Paid up</b>		
<i>Equity Shares</i>		
31,635,133 (31 March 2016: 25,799,224) equity shares of ₹ 10 each	316,351,330	257,992,240
Add: Amount paid up on 160,000 (31 March 2016: Nil) equity shares forfeited at ₹ 2 each	120,000	-
<b>Less: Calls unpaid on Nil (31 March 2016: 308,602) equity shares of ₹ 10 each, ₹ 8 unpaid</b>		
By others	-	(2,468,816)
	316,671,330	255,523,424
<i>Preference Shares</i>		
20,000 (31 March 2016: Nil) 0.0001% non convertible, cumulative, redeemable, participating preference shares of ₹ 10 each	200,000	-
	316,671,330	255,523,424

**2.2 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

	31 March 2017		31 March 2016	
	Nos	₹	Nos	₹
<b>Equity shares</b>				
At the beginning of the year	25,799,224	255,523,424	24,000,617	235,814,154
Issued during the year	5,995,909	59,959,090	1,798,607	17,986,070
Shares forfeited during the year	(176,344)	(17,763,440)	-	-
Forfeited shares reissued during the year	16,344	163,440	-	-
Calls made and received on partly paid shares	-	2,788,816	-	1,725,200
<b>Outstanding at the end of the year</b>	<b>31,635,133</b>	<b>316,671,330</b>	<b>25,799,224</b>	<b>255,523,424</b>
	31 March 2017		31 March 2016	
	Nos	₹	Nos	₹
<b>Preference shares</b>				
Issued during the year	20,000	200,000	-	-
<b>Outstanding at the end of the year</b>	<b>20,000</b>	<b>200,000</b>	<b>-</b>	<b>-</b>



**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

**2.1 Share capital (continued)**
**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 paid an Interim Dividend of ₹ Nil (31 March 2016: ₹ 0.60) per equity share.

**c Terms/rights attached to preference shares**

The preference shares shall be cumulative, redeemable, non-convertible, participating preference shares ("preference shares"). The preference shares shall carry a preferential right to dividends over the Equity Shares. The preference shares shall carry a fixed rate of preferential dividend at the rate of 0.0001% per annum. In addition to the fixed rate of dividend, the preference shareholders shall, at their discretion, be entitled to additional preferential dividend and carry a preferential right to repayment over the equity shares. The preference shares shall be redeemed, from time to time as may be required by the preference shareholders at face value plus the redemption premium payable thereon no later than 20 years from the date of allotment or longer period as may be prescribed by law.

The holder of preference shares have a right to vote only on resolutions passed before the company which directly affect the rights attached to preference shares and, any resolution for the winding up of the company or for the repayment or reduction of its equity or preference share capital and voting rights on a poll shall be in proportion to the share in the paid-up preference share capital of the company. On winding up or repayment of capital, the preference shareholders shall carry a preferential right of repayment.

**d 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 2017	31 March 2016
T V Sundram Iyengar & Sons Private Limited		
10,727,243 (31 March 2016: 10,516,817) equity shares of ₹ 10 each	107,272,430	105,168,170

**e Details of shareholders holding more than 5% shares in the Company**

	31 March 2017		31 March 2016	
	No.	% of holding in the class	No.	% of holding in the class
<b>Equity shares of ₹ 10 each, fully paid up</b>				
T V Sundram Iyengar & Sons Private Limited	10,727,243	33.91%	10,516,817	41.76%
CDPQ Private Equity Asia Pte. Ltd	12,136,892	38.77%	-	-
Dynam Logistics Services LLP	2,982,464	9.43%	-	-
Omega Te Holdings Pte Ltd, Singapore	2,368,865	7.49%	1,547,464	6.09%
G S Logistics Holdings Limited	-	-	5,432,531	21.06%
Zonnet Investments Limited	-	-	1,574,262	21.61%
<b>Cumulative, redeemable, non-convertible, participating preference shares of ₹ 10 each, fully paid-up</b>				
Tata International Limited	10,002	50.01%	-	-
Tata Industries Limited	9,998	49.99%	-	-

**2.2 Reserves and surplus**

	31 March 2017	31 March 2016
<b>Capital reserve</b>		
At the commencement of the year	-	-
Add: Amount transferred pursuant to reissue of forfeited shares	81,720	-
	<b>81,720</b>	-
<b>Securities premium account **</b>		
At the commencement of the year	2,130,391,337	2,030,596,819
Add: (less)		
Premium received on equity shares	1,509,551,986	1,267,658,595
Amount transferred to Demerger Adjustment account (refer note 2.3d)	-	(1,146,131,803)
Expenses incurred in connection with issue of shares	(15,456,006)	(30,750,274)
Capital profit upon re-issue of forfeited shares transferred to capital reserve	449,032	-
	<b>5,624,438,291</b>	<b>2,130,391,337</b>

\*\* Net of premium unpaid as on 31 March 2017 ₹ Nil (31 March 2016: ₹ 41,581,324) of which ₹ Nil (31 March 2016: ₹ Nil) pertains to amounts due by directors and officers.



**TVS LOGISTICS SERVICES LIMITED**
**Notes to consolidated financial statements for the year ended 31 March 2017 (continued)**
**(All amounts are in Indian rupees (₹) except share data and otherwise stated)**

<b>2.2 Reserves and surplus (continued)</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
<b>Demerger adjustment account (refer note 2.38)</b>		
At the commencement of the year	-	-
Add: (loss)	-	-
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)
	<b>-</b>	<b>-</b>
<b>Revaluation reserve</b>		
At the commencement of the year	-	-
Add	-	-
Reserve arising on fair valuation of property, plant and equipment ***	120,304,799	-
	<b>120,304,799</b>	<b>-</b>
<b>General reserve</b>		
At the commencement of the year	40,827,619	68,617,132
Add:	-	-
Amount transferred from surplus balance in the statement of profit and loss	11,750,000	10,750,000
Adjustment pursuant to scheme of amalgamation and arrangement (refer note 2.38)	-	(38,565,513)
	<b>52,577,619</b>	<b>40,812,619</b>
<b>Foreign currency translation reserve</b>		
At the commencement of the year	170,478,092	127,481,954
Add	-	-
On account of translation for the year	(161,273,665)	12,996,118
	<b>(192,794,973)</b>	<b>170,478,092</b>
<b>Surplus (Profit and loss balance)</b>		
At the commencement of the year	1,422,427,711	909,565,248
<b>Less: Adjustments</b>		
Net (increase) / decrease in minority interest	10,817,113	6,041,119
Adjustment pursuant to scheme of amalgamation and arrangement (refer note 2.38)	-	(262,675,933)
Add: Profit for the year	542,251,932	806,215,287
<b>Less: Appropriations</b>		
Interim equity dividend	-	(16,926,496)
Tax on interim equity dividend ***	-	(8,140,414)
Transfer to general reserve	(11,750,000)	(10,750,000)
	<b>2,063,746,756</b>	<b>1,422,427,711</b>
	<b>8,068,350,212</b>	<b>3,764,120,759</b>

\*\*\* Tax on interim equity dividend includes dividend tax relating to prior years amounting to ₹ Nil (31 March 2016: ₹ 3,283,404) and net of dividend tax credit on dividend received during the year amounting to ₹ Nil (31 March 2016: ₹ 1,369,046)

\*\*\* refer note 2.40 - 'Accounting for interest in Joint Venture'

<b>2.3 Share application money pending allotment</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
Nil (31 March 2016: 20,000) 0.0091% non convertible, cumulative, redeemable, participating preference shares of ₹ 10 each **	-	200,000
	<b>-</b>	<b>200,000</b>

\*\* Refer note 2.38 - Scheme of Amalgamation and Arrangement



## TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

### 2.4 Minority Interest

	31 March 2017	31 March 2016
The share of minority shareholders in net assets of respective entities is as under		
TVS Dynamic Global Freight Services Limited	39,770,858	32,059,980
FL EXOL Packaging (India) Limited	19,499,260	20,699,855
TVS Logistics SIAM Limited, Thailand	-	2,787,508
TVS Autoserv GmbH, Germany	20,688,428	31,610,456
Rico Logistics Limited, UK and its subsidiaries	117,679,828	52,270,744
TVS Supply Chain Solutions North America Inc., USA and its subsidiaries	103,593,013	89,727,586
TVS Toyota Tsubo Supply Chain Solutions Limited	15,546,752	10,528,796
TVS Asia/ics Supply Chain Solutions Pte Limited, Singapore and its subsidiaries	115,711,568	105,437,492
	<u>500,494,707</u>	<u>345,122,417</u>

### 2.5 Long term borrowings

	Non-current portion		Current portion #	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
<b>Term loans</b>				
From banks (secured) *	1,872,118,134	3,213,495,411	1,176,304,764	1,852,208,291
From financial institutions (secured) **	450,848,672	217,232,150	42,757,387	25,207,691
From others (unsecured) ***	34,086,543	14,838,676	-	-
<b>Other loans</b>				
Finance lease obligations (secured) ***	2,806,669	70,795,689	22,111,281	40,640,541
	<u>2,339,860,018</u>	<u>3,546,362,526</u>	<u>1,241,173,432</u>	<u>1,998,056,523</u>

\* Amount disclosed under "Other current liabilities" (refer note 2.11)

\* Term loans from banks

(1) Rupee loans included

(a) Term loan from banks of ₹ 54,050,000 (31 March 2016: ₹ Nil) availed by TVS Infrastructures Private Limited (TVS IPL) are secured by pari-passu charge on immovable properties and are also secured by pari-passu charge on specified movable and current assets of TVS IPL, both present & future. Term loan, carrying interest rate of 11% p.a., is repayable from July 2017 to December 2024.

(2) Foreign currency loans included

(a) Foreign currency loan from DBS, UK, amounting to £ 6,350,000 (31 March 2016: £ 4,600,000) equivalent to ₹ 513,586,095 (31 March 2016: ₹ 817,758,520) 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 LUK). Guarantees over the loan are also provided by parent company, and Rico. There is also a floating charge over the assets of Rico. Balance repayments comprise of three 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 £ Nil (31 March 2016: £ 333,336) equivalent to ₹ Nil (31 March 2016: ₹ 33,596,320) availed by Rico is secured against the assets of Rico. The loan carries an interest rate of 4.50% p.a. above LIBOR and is repayable in six biannual instalments of £167,000 from June 2014.

(c) Foreign currency loan from ECI Bank, UK amounting to £ 5,000,000 (31 March 2016: £ 9,100,000) equivalent to ₹ 405,207,297 (31 March 2016: ₹ 668,151,266) 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 twelve quarterly instalments from March 2015. Repayments comprise of four instalments of £ 1,000,000, 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 4.1% p.a.

(d) Foreign currency loan from a DBS bank, UK amounting to £ 2,700,000 (31 March 2016: £ 3,080,000) equivalent to ₹ 177,931,540 (31 March 2016: ₹ 292,871,656) availed by TVS LUK is secured by a charge over the total investment in Rico held by TVS LUK. 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 4.40% p.a.



## TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

### 2.5 Long term borrowings (continued)

#### (2) Foreign currency loans included (continued)

(e) Foreign currency loan of ₹ 4,200,000 (31 March 2016: ₹ 4,800,000) equivalent to ₹ 339,694,740 (31 March 2016: ₹ 456,423,360) availed by TVS LIUK is secured by a charge over the local investment in Rico held by TVS LIUK and a floating charge over the assets of Rico. Guarantors over the loan are also provided by parent company and Rico. The loan is repayable in eight biannual instalments of ₹ 500,000 from March 2017. It carries an interest rate of LIBOR plus 3% p.a.

(f) Foreign currency loans from Export-Import Bank of India (EXIM), India, amounting to US\$ 10,343,965 (31 March 2016: US\$ 12,838,965) equivalent to ₹ 665,655,929 (31 March 2016: ₹ 851,645,731) 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 TVS Supply Chain Solutions North America Inc. (TVS SCS NA). The term loan is repayable over a period of seven years in 20 quarterly instalments, with the first instalment due on 31 December 2014. The loan bears interest on an effective interest rate of 1.5% p.a. above LIBOR.

(g) Foreign currency loan from Bank of America (BoA) amounting to US\$ 4,295,869 (31 March 2016: US\$ 6,521,399) equivalent to ₹ 278,536,132 (31 March 2016: ₹ 432,365,408) availed by TVS SCS NA is secured by charge on current assets of TVS SCS NA and assets acquired out of such loan by TVS SCS NA. During the previous 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 TVS SCS NA in June 2015 by entering an agreement with BoA to repay existing term loan with America 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 1.2% p.a. to 2.5% p.a. TVS SCS NA has defaulted on certain financial covenants under the loan agreement with BoA. TVS SCS NA has obtained a waiver for past defaults upto 31 March 2017.

(h) Foreign currency term loan from EXIM Bank amounting to US\$ 10,870,994 (31 March 2016: US\$ 11,494,132) equivalent to ₹ 504,064,076 (31 March 2016: ₹ 514,489,391) availed by TVS-Asiatics Supply Chain Solutions Pte. Limited (TVS ASCS). The loan is secured by corporate guarantee from Parent Company. The loan is repayable in 15 instalments and the first instalment commences from 01 October 2017. The term loan carries interest of 3.57% p.a. TVS ASCS has defaulted on certain financial covenants under the loan agreement with EXIM Bank. TVS ASCS has obtained a waiver for past defaults upto 31 March 2017.

(i) Foreign currency loan of ₹ 711,000 (31 March 2016: ₹ Nil) equivalent to ₹ 59,123,061 (31 March 2016: ₹ Nil) represents a fixed term loan facility held by SPC International Limited (SPIC). The repayments commencing from April 2017 comprises 9 quarterly instalments of ₹ 81,250. The borrowings bear an effective interest rate of Libor plus 2.25% p.a. and are secured by a charge over the assets of SPIC.

(j) Foreign currency loan of ₹ 402,675 (31 March 2016: ₹ Nil) equivalent to ₹ 32,568,235 (31 March 2016: ₹ Nil) represents a fixed term loan facility held by SPIC International Limited (SPIC). The repayments commencing from April 2017 comprises 29 monthly instalments of ₹ 4,331 followed by 52 monthly instalments of ₹ 5,324. The borrowings bear an effective interest rate of Libor plus 3.00% p.a. and are secured by a charge over the property of SPIC.

#### \* Term loans from financial institutions includes

(a) Term loans from L&T Finance Limited amounting to ₹ Nil (31 March 2016: ₹ 3,921,648) availed by parent company are secured by hypothecation of vehicles and equipments acquired out of the loans. Such loans are payable in monthly instalments over three years and carries interest rate of 10.46% p.a. (31 March 2016: 10.46% p.a.).

(b) The term loan from Tara Capital Financial Services Limited amounting to ₹ 210,000,000 (31 March 2016: ₹ Nil) availed by parent company is secured by an exclusive charge on specific movable fixed assets. Such loan is repayable in 14 quarterly instalments commencing from 31 March 2018. The term loan carried an interest rate 10.75% p.a. (31 March 2016: Nil).

(c) Term loans from Sundaram Finance Limited amounting to ₹ 13,599,059 (31 March 2016: ₹ 20,654,959) availed by parent company are secured by hypothecation of vehicles and equipment acquired out of the loans. The term loans carry interest rate ranging from 10.20% p.a. to 12.52% p.a. (31 March 2016: 10.25% p.a. to 12.52% p.a.).

(d) Term Loans from Tata Capital Financial Services Limited amounting to ₹ 250,000,000 (31 March 2016: ₹ 250,000,000) 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.

(e) Term loans from L&T Finance Limited amounting to ₹ Nil (31 March 2016: ₹ 7,862,851) availed by Flexol Packaging (India) Limited (FLEXOL) are secured by a specific charge on first and exclusive charge on assets owned by Flexol and also secured by demand promissory note and comfort letter from parent company. The said is fully repaid during the year.





**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (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 2016: HK\$ 4,087,459) equivalent to ₹ 34,086,543 (31 March 2016: ₹ 34,838,676) 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 includes**

(a) Finance lease obligations amounting to ₹ 19,012,140 (31 March 2016: ₹ 53,414,579) availed by parent company 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 15.00% p.a.

(b) Finance lease obligations from Bank of America Leasing and Capital, LLC of US\$ 71,035 (31 March 2016: US\$ 117,748) equivalent to ₹ 4,505,810 (31 March 2016: ₹ 7,810,566) availed by TVS SCS NA 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.

(c) Finance lease obligations from Sundaram Finance Limited of ₹ 1,500,000 (31 March 2016: ₹ 151,045) 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 2016: 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 2017	31 March 2016	31 March 2017	31 March 2016
(a) Total future minimum lease payments	3,078,645	21,419,801	23,544,812	45,419,070
(b) Future interest included in (a) above	211,976	684,112	1,243,521	4,778,529
(c) Present value of future minimum lease payments	<u>2,866,669</u>	<u>20,735,689</u>	<u>22,311,281</u>	<u>40,640,541</u>

The maturity profile of finance lease obligations is as follows:

	Minimum lease payments		Present value	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Payable within 1 year	23,544,812	45,419,070	22,311,281	40,640,541
Payable between 1 - 5 years	3,078,645	21,419,801	2,866,669	20,735,689

**2.6 Deferred tax liability (net)**

	31 March 2017	31 March 2016
<b>Deferred tax assets</b>		
Provision for employee benefits	7,658,878	9,096,589
Others	29,392,754	33,165,449
	<u>37,051,632</u>	<u>42,462,038</u>
<b>Deferred tax liabilities</b>		
Depreciation / amortisation	178,319,650	180,835,737
Others	8,981,841	10,745,281
	<u>187,301,491</u>	<u>191,581,018</u>
	<u>150,249,859</u>	<u>149,086,580</u>



**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

**2.7 Other long term liabilities**

	31 March 2017	31 March 2016
Unearned revenue	17,296,539	-
Deferred consideration **	-	43,750,000
Security deposit	11,321,869	4,985,103
Other liabilities	43,664,140	48,217,068
	<b>72,282,548</b>	<b>96,952,171</b>

\*\* towards acquisition of shares in TVS Communications Solutions Limited prior to the scheme of amalgamation

**2.8 Provisions**

	Long-term		Short-term	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Provision for employee benefits				
Provision for gratuity (refer note 2.41)	12,417,195	7,376,283	26,934,641	5,488,937
Provision for compensated absences	45,455,649	37,128,713	34,979,600	59,592,268
	<b>55,872,844</b>	<b>44,504,996</b>	<b>61,914,241</b>	<b>64,881,205</b>
Other provisions				
Provision for warranties (refer note 2.49)	-	-	11,071,217	10,542,049
Tax on equity dividend	-	-	715,542	4,742,756
Provision for income taxes not of advance income taxes	-	-	141,752,782	136,206,782
Provision for dilapidation (refer note 2.49)	42,691,621	46,930,591	-	-
Others (refer note 2.49)	23,113,465	23,113,465	-	-
	<b>65,805,086</b>	<b>70,044,056</b>	<b>153,549,541</b>	<b>191,491,587</b>
	<b>121,677,930</b>	<b>134,549,052</b>	<b>215,464,025</b>	<b>256,372,812</b>

**2.9 Short term borrowings**

	31 March 2017	31 March 2016
Cash credit from banks **		
Secured	540,401,864	564,145,314
Unsecured	219,865,776	47,460,545
Loans repayable on demand ***		
Secured	3,028,394,914	2,662,698,784
Unsecured	1,479,918,503	603,820,449
Buyer's credit (secured) **	51,135,231	848,709,811
Bills discounting (secured) **	296,942,615	343,626,959
Short term loan from others (secured) **	305,686,714	306,471,062
	<b>5,927,247,422</b>	<b>5,379,136,915</b>

\*\* Cash Credit from banks includes

(a) Cash credit from State Bank of India ("SBI") amounting to ₹ 283,263,389 (31 March 2016: ₹ 117,059,957) availed by parent company is secured by a first charge on book debts and current assets of the Company and carries interest ranging between 9.55% p.a. to 10.55% p.a. (31 March 2016: 11.55% p.a. to 11.25% p.a.)

(b) Cash credit from Yes Bank Limited ("YBL") amounting to ₹ 156,045,410 (31 March 2016: ₹ 44,253,785) availed by parent company is unsecured and carries interest of 11.25% p.a. (31 March 2016: 11.25% p.a. to 11.75% p.a.)

(c) Cash credit from Axis Bank Limited ("ABL") amounting to ₹ 58,929,515 (31 March 2016: ₹ Nil) availed by the demerged undertaking is unsecured and carries interest ranging between 8.35% p.a. to 9.35% p.a. (31 March 2016: Nil)

(d) Cash credit from ANZ Bank ("ANZ") amounting to ₹ Nil (31 March 2016: ₹ 243,544,599) is secured by first pari passu charge on the current assets of the Demerged undertaking both present and future. Cash credit carries interest of Nil (31 March 2016: 10.10% p.a. to 10.75% p.a.) Also refer to Note 2.58 - Scheme of amalgamation and arrangement



## TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

### 2.9 Short term borrowings (continued)

#### \*\* Cash Credit from banks includes (continued)

(e) Cash credit from ICICI Bank ('ICICI') amounting to ₹ Nil (31 March 2016: ₹ 38,527,110) is secured by first pari passu charge on the current assets of the Demerged undertaking both present and future. Cash credit carries interest of Nil (31 March 2016: 10.10 % p.a. to 10.75 % p.a.). Also refer to Note 2.38 - Scheme of amalgamation and arrangement.

(f) Cash credit from ANZ Bank ('ANZ') amounting to ₹ Nil (31 March 2016: ₹ 88,339,770) 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 of Nil (31 March 2016: 9.8% p.a. to 11.5% p.a.)

(g) Cash credit from ICICI Bank ('ICICI') amounting to ₹ 217,140,475 (31 March 2016: ₹ 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. Cash credit carries interest ranging between 9.45% to 10.10% (31 March 2016: 10.10% p.a. to 10.75% p.a.)

(h) Cash credit from HDBC Bank amounting to ₹ Nil (31 March 2016: ₹ 22,930,144) 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.

(i) Cash credit includes ₹ Nil (31 March 2016: ₹ 350,000) equivalent to ₹ Nil (31 March 2016: ₹ 29,603,714) availed by TVS Autoware GmbH is secured against the assets of TVS Autoware GmbH. The loan is repayable within one year and carries interest rate of EURIBOR plus 3.5% p.a.

(j) Cash credit from Indian Overseas Bank amounting to THB 2,566,234 (31 March 2016: THB 1,709,725) equivalent to ₹ 4,890,781 (31 March 2016: ₹ 3,206,760) availed by TVS Logistics SIAAM Limited is unsecured and repayable on demand.

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

(a) From State Bank of India ('SBI') amounting to ₹ 560,000,000 (31 March 2016: ₹ 745,000,000) availed by Parent Company is secured by a first charge on the entire bank debts and current assets of the Parent Company and carries interest between 8.45% p.a. to 8.50% p.a. (31 March 2016: 9.90% p.a.)

(b) From DBS amounting to ₹ 50,000,000 (31 March 2016: ₹ 100,000,000) availed by Parent Company and secured by first pari-passu charge on current assets of the Company and carries interest of 9.90% p.a. (31 March 2016: 9.60% p.a.)

(c) From HDFC amounting to ₹ 100,000,000 (31 March 2016: ₹ 100,000,000) availed by Parent Company and secured by first pari-passu charge on current assets of the Parent Company and carries interest of 8.50% p.a. (31 March 2016: 9.50% p.a.)

(d) From DBS amounting to ₹ Nil (31 March 2016: ₹ 51,054,875) availed by Parent Company is unsecured and carries interest of Nil (31 March 2016: 5.55% p.a. to 11.75% p.a.)

(e) From HDFC amounting to ₹ 550,000,000 (31 March 2016: ₹ 550,000,000) availed by Parent Company is unsecured and carries interest ranging between 8.20% p.a. to 8.50% p.a. (31 March 2016: 9.50% p.a.)

(f) From ABL amounting to ₹ 924,000,000 (31 March 2016: ₹ Nil) is unsecured and carries interest ranging between 8.35% p.a. to 9.15% p.a. (31 March 2016: Nil)

(g) Amex fleet card facility amounting to ₹ 1,818,407 (31 March 2016: ₹ 4,765,574) availed by Parent Company is unsecured

(h) From Standard Chartered Bank, UK ('SCB') amounting to £ 14,000,000 (31 March 2016: ₹ 7,000,000) equivalent to ₹ 1,132,315 and (31 March 2016: ₹ 665,617,400) revolving loan facility availed by TVS SCS and secured by a deed of charge over the assets of TVS SCS. The loan bears an effective interest rate of 3.60% p.a.

(i) From DBS bank amounting to £ 3,000,000 (31 March 2016: £ 3,000,000) equivalent to ₹ 242,679,100 (31 March 2016: ₹ 281,264,600) availed by Hien and secured by a charge over the assets of Hien. The loan is repayable within one year and carries an interest rate of LIBOR plus 3.00% p.a.

(j) Working capital loan repayable on demand £ 483,792 (31 March 2016: ₹ 172,163) equivalent to ₹ 40,127,579 (31 March 2016: ₹ 16,377,372) is availed by TVS Logistics Thera. The loan is secured by charge over the assets of TVS Logistics Thera. The loan is repayable within one year and carries an effective interest rate of 4.20% p.a. (31 March 2016: 4.20% p.a.)

(k) From Bank of America ('BoFA') amounting to US\$ 4,166,407 (31 March 2016: US\$ 1,961,435) equivalent to ₹ 270,143,947 (31 March 2016: ₹ 130,240,338) availed by TVS SCS NA and secured by charge on current assets of TVS SCS NA. The facility was availed by TVS SCS NA in June 2015 by entering an agreement with BoFA to replace existing loan repayable on demand from Commerce 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. TVS SCS NA has defaulted on certain financial covenants under the loan agreement with BoFA. TVS SCS NA has obtained a waiver for past defaults upto 31 March 2017.



## TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2017 (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 (continued)

(l) Loan of ₹ Nil (31 March 2016: ₹ 276,579) equivalent to ₹ Nil (31 March 2016: ₹ 25,298,543) availed by TVS Assurance Global ('TVS AS') carries effective interest rate of 3.50% p.a. above EURIBOR and secured against the assets of TVS AS.

(m) From Australia and New Zealand Banking Group Limited ('ANZ bank') amounting to AUD\$ 11,754,600 (31 March 2016: AUD\$ 9,547,986) equivalent to ₹ 545,035,036 (31 March 2016: ₹ 468,008,946) availed by TVS Assurance 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 TVS Holdings Pty. Limited, corporate guarantee and indemnity unlimited by TVS ASCSA and TVS ASCS. The cash credit carries interest of 4.04% p.a.

(n) Revolving banking facility amounting to RMB 9,770,201 (31 March 2016: RMB 14,854,826) equivalent to ₹ 82,133,472 (31 March 2016: ₹ 152,196,528). Under the bank facility agreements, T&T One has been granted two revolving credit facilities of a total of RMB 66,545,700. The terms 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.

\*\* Buyer's credit from banks includes

(a) Buyer's credit from Rathnagar Bank Limited ('RBL') amounting to ₹ Nil (31 March 2016: ₹ 270,060,253) 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 (31 March 2016: 0.42% to 1.32 % for the tenure of the buyers credit.) Also refer to Note 2.38

(b) Buyer's credit from ICICI Bank ('ICICI') amounting to ₹ 31,109,561 (31 March 2016: ₹ 578,649,457) 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 (31 March 2016: 0.50% to 1.63% for the tenure of the buyers credit.) Also refer to Note 2.38

(c) Buyer's credit from Yes Bank ('YBL') amounting to ₹ 22,025,673 (31 March 2016: ₹ Nil) is secured by first pari passu charge on the current Assets of DIESEL both present and future. Buyer's credit carry interest ranging between 1.66% to 1.70% for the tenure of the buyers credit (31 March 2016: Nil)

\*\*\* Bills discounting includes

Bill discounting from Close Finance amounting to ₹ 3,494,000 (31 March 2016: ₹ 3,615,874) equivalent to ₹ 293,942,613 (31 March 2016: ₹ 343,826,956) availed by Circle Express Limited ('Circle Express')

\*\* Short term loan from others includes

(a) The short term loan from Bank Chrest Capital Finance amounting to US\$ 431,098 (31 March 2016: US\$ 412,554) equivalent to ₹ 27,951,791 (31 March 2016: ₹ 27,365,503) was availed by TVS SCS NA 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.

(b) Loan from third party shareholder of T & T One Asia Limited (T&T One) amounting to HK\$ 32,746,569 (31 March 2016: HK\$ 32,746,569) equivalent to ₹ 273,083,234 (31 March 2016: ₹ 279,107,159) is unsecured

(c) Loan from third party shareholder of TVS SLAM amounting to THB 1,000,000 (31 March 2016: THB Nil) equivalent to ₹ 5,651,460 (31 March 2016: ₹ Nil) is unsecured

### 2.10 Trade payables

	31 March 2017	31 March 2016
Trade payables	7,302,783,048	6,759,555,028
	<u>7,302,783,048</u>	<u>6,759,555,028</u>



# TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

## 2.11 Other current liabilities

	31 March 2017	31 March 2016
Current maturities of long term borrowings (refer note 2.5)	1,241,366,437	1,098,056,523
Interest accrued but not due on borrowings	9,062,078	12,309,861
Interest accrued and due on borrowings	421,912	11,146,779
Unearned revenue	131,039,811	142,975,256
Amount due to employees	299,973,220	268,744,511
Statutory dues	458,542,008	629,886,405
Advance from customers	181,896,248	106,378,165
Vendor bills discounting *	297,119,909	21,079,152
Dues payable in respect of purchase of fixed assets	42,425,526	71,787,675
Security deposits	14,149,597	25,819,597
Contingent consideration **	60,500,000	60,500,000
Deferred consideration ***	43,750,000	-
Contractually reimbursable liability	92,041,850	-
Forward Contract Payable	4,539,011	46,653,881
Other current liabilities	67,652,465	64,934,737
	<b>2,944,482,072</b>	<b>2,559,124,502</b>

\* Vendor bills discounting includes

(a) Bill discounting from Axis Bank ("Axis") held by DIESEL amounting to ₹ 34,621,033 (31 March 2016: ₹ Nil) is unsecured, which is backed by a caution letter from the Parent Company. Bill discounting carries interest of 8.55% p.a. (31 March 2016: Nil)

(b) Bills discounting from ANZ Banking Group Limited ("ANZ") held by parent company amounting to ₹ 18,152,344 (31 March 2016: ₹ 21,079,152) is secured by first pari passu charge on the current Assets of the Demerged undertaking both present and future. Bill discounting carries interest ranging between 0.70% p.a. to 1.12% p.a. (31 March 2016: 0.70% p.a. to 1.12% p.a.) Also refer to Note 2.3K - Scheme of arrangement and amalgamation

(c) Bills discounting from Axis Bank Limited ("AXIS") held by parent company amounting to ₹ 244,306,872 (31 March 2016: Nil) is unsecured and carries interest of 8.54% p.a. (31 March 2016: Nil)

\*\* towards acquisition of shares in Drive India Enterprises Solutions Limited

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





**TVA LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

**2.82 Property, plant and equipment: \*\*\*\***

	Land	Building	Plant and equipment **	Furniture and fixtures	Vehicle **	Office equipment	Computer equipment	Leasehold improvements	Total #
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Green Block</b>									
Balance as at 01 April 2015	426,894,220	890,482,011	1,434,864,794	1,211,818,245	325,233,982	86,222,268	115,539,114	115,794,907	4,627,744,340
On acquisition	-	293,699,882	182,214,977	294,545,967	51,288,284	82,497,497	217,784,285	111,784,761	1,348,411,217
Additions	172,054,389	2,459,112	391,799,134	245,544,640	29,416,796	27,254,445	14,291,010	12,357,120	841,431,090
Transfer to assets held for sale (refer note 2.23)	-	-	-	-	(140,462,869)	-	-	-	(140,462,869)
Disposals	-	-	(33,904,379)	(3,744,319)	(91,428,289)	(9,226,215)	(5,742,699)	(16,002,394)	(391,358,442)
Translation adjustments	9,391,113	99,411,981	35,074,769	22,476,697	306,177	2,112,289	4,949,388	4,447,471	124,156,461
Balance as at 31 March 2016	611,388,718	1,183,532,987	2,882,631,941	1,749,694,291	126,113,397	146,666,877	412,442,918	247,377,985	7,323,804,174
On acquisition	-	-	-	52,328,220	-	-	-	-	52,328,220
Additions	4,749,555	24,310,562	228,928,349	226,759,127	39,264,129	21,750,557	132,761,568	57,782,873	712,254,345
On transfer (refer note 2.43)	520,314,299	-	-	-	-	-	-	-	520,314,299
Disposals	-	-	(110,397,683)	91,442,112	(19,775,782)	(17,212,214)	(49,116,149)	(75,359,319)	(121,011,040)
Translation adjustments	(51,241,662)	(343,234,492)	(77,249,637)	(192,250,479)	(8,146,881)	(2,421,216)	(8,159,722)	(27,181,829)	(666,603,061)
Balance as at 31 March 2017	1,084,921,408	1,491,409,496	1,982,965,944	1,828,165,261	85,989,784	852,407,984	485,649,445	224,919,287	8,612,144,844
Accumulated depreciation									
Balance as at 01 April 2015	-	57,075,037	835,275,917	8,428,113	358,081,434	46,182,209	84,925,182	10,915,112	2,026,411,219
On acquisition	-	32,054,364	34,666,248	49,540,177	4,286,484	34,269,162	88,111,742	12,349,425	117,115,129
Transfer to assets held for sale (refer note 2.23)	-	-	-	-	(124,925,822)	-	-	-	(124,925,822)
Charge for the year	-	52,072,597	253,117,815	147,371,214	48,712,447	22,982,869	41,319,209	11,293,541	600,325,117
Impairment loss/(reversal)/other (refer note)	-	-	-	-	(2,507,156)	(1,337,075)	-	-	(3,844,231)
Disposals	-	-	(15,992,746)	(1,377,323)	(262,703,202)	(1,319,198)	(5,219,112)	(6,730,971)	(296,375,556)
Translation adjustments	-	(15,724,833)	(2,881,132)	(1,460,884)	(675,142)	(1,522,374)	(2,270,322)	(2,761,645)	(60,111,946)
Balance as at 31 March 2016	-	79,402,931	1,163,967,834	8,838,916,524	41,180,854	116,351,546	115,681,012	101,843,684	2,573,828,973
Charge for the year	-	35,003,223	242,109,322	261,661,853	12,355,114	15,472,669	64,272,209	21,429,227	635,450,362
Disposals	-	(1,674)	(116,010,934)	(8,662,598)	(3,328,066)	(16,746,869)	(12,727,771)	(5,385,109)	(190,882,497)
Translation adjustments	-	(144,614,497)	(61,521,857)	(112,642,093)	(1,220,204)	(1,277,379)	(1,759,150)	(8,891,617)	(318,117,840)
Balance as at 31 March 2017	-	74,781,843	1,235,615,543	8,896,252,196	49,899,497	134,247,685	136,423,194	119,648,607	2,795,893,344
<b>Net Block</b>									
As at 31 March 2016	611,388,718	1,183,532,987	2,882,631,941	1,749,694,291	126,113,397	146,666,877	412,442,918	247,377,985	7,323,804,174
As at 31 March 2017	1,084,921,408	1,491,409,496	1,982,965,944	1,828,165,261	85,989,784	852,407,984	485,649,445	224,919,287	8,612,144,844

\* The gross and net carrying amount of assets acquired under finance lease and included in above table is shown

	31 March 2017	31 March 2016
	₹	₹
<b>Green block</b>		
Gross and Depreciation	99,169,623	212,551,591
Depreciation charge for the year	(37,160,132)	(127,255,819)
Net book value	62,009,491	85,295,772

\*\*\*\* Refer note 2.38 - Summary of financial position and contingencies

# Excludes asset held for sale classified separately under other current assets (refer note 2.25)

\*\* With effect from 1 April 2016, the power company has revised the useful life of certain of its plant and machinery for mainly generating of electricity and also has changed the method of depreciation on such assets from the written down value method (WDV) to straight line method (SLM) based on technical evaluation. As a result of this change, the depreciation charge is lower by ₹ 5,619,126 for the year ended 31 March 2017. The effect on the consolidated profit or loss for the future years is not expected to be material.



## TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2017 (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.,	Computer software	Total
	₹	₹	₹	₹	₹
<b>Gross Block</b>					
Balance as at 01 April 2015	2,802,426,641	11,612,715	47,500,000	279,787,205	3,141,326,561
On acquisitions	507,710,029	16,126,904	-	197,344,274	721,181,207
Additions	355,338,542	-	-	29,107,829	384,446,371
Disposals	(165,562,444)	-	-	(72,981)	(165,635,425)
Translation adjustments	124,029,329	1,667,307	-	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
Balance as at 01 April 2016	3,603,916,099	49,406,826	47,500,000	515,231,066	4,216,053,991
On acquisitions	381,713,357	-	-	-	381,713,357
Additions	-	-	-	93,613,174	93,613,174
Disposals	-	-	-	(4,893,199)	(4,893,199)
Translation adjustments	(333,469,467)	(6,530,473)	-	(7,858,007)	(347,857,947)
Balance as at 31 March 2017	3,652,149,989	42,876,353	47,500,000	596,093,034	4,338,619,376
<b>Accumulated amortisation and impairment</b>					
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	-	3,926,603	-	46,399,932	50,326,535
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	9,107,398	47,500,000	402,563,575	683,653,690
Balance as at 01 April 2016	224,482,757	9,107,398	47,500,000	402,563,575	683,653,690
On acquisitions	-	-	-	-	-
Amortisation for the year	-	3,508,285	-	60,675,131	64,183,416
Impairment loss during the year **	46,864,584	-	-	-	46,864,584
Disposals	-	-	-	(5,682,120)	(5,682,120)
Translation adjustments	(27,998,824)	(1,634,202)	-	(4,020,337)	(33,653,363)
Balance as at 31 March 2017	243,348,517	10,981,441	47,500,000	453,536,249	755,366,207
<b>Net block</b>					
As at 31 March 2016	3,379,433,342	40,299,428	-	112,667,491	3,532,400,261
As at 31 March 2017	3,408,801,472	31,894,912	-	142,556,785	3,583,293,169

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

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



**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

**2.14 Non current investments**

	31 March 2017	31 March 2016
<b>Quoted investments in equity instruments</b>		
Investments in associates		
Montana Verpacken mit System GmbH	18,351,604	31,845,038
21,000 (31 March 2016: 21,000) shares of ₹ 1 each fully paid up		
<b>Unquoted investments in preference shares</b>		
Investments in others		
Cingovings Logistics Limited	250,000,000	250,000,000
25,000,000 (31 March 2016: 25,000,000) redeemable preference shares ("RPS") of ₹ 10 each fully paid up		
<b>Unquoted government securities</b>		
National savings certificate	14,489	14,063
<b>Unquoted Debentures *</b>		
Others		
Prasanna Purple Mobility Solutions Private Limited **	45,500,000	73,800,000
45,000 (31 March 2016: 73,800) Series I NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each		
Prasanna Purple Mobility Solutions Private Limited **	50,256,000	74,200,000
50,256 (31 March 2016: 74,200) Series II NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each		
Prasanna Purple Mobility Solutions Private Limited ***	-	80,000,000
Nil (31 March 2016: 80,000) Optionally Convertible Debentures of ₹ 1000 each		
<b>Provision for decline, other than temporary, in the value of investments</b>		
Unquoted investments in preference shares		
Cingovings Logistics Limited	(250,000,000)	(250,000,000)
	<b>114,522,093</b>	<b>259,359,101</b>

\* Refer note 2.14 - Scheme of amalgamation and arrangement

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

(i) Cost of investment (including goodwill of ₹ 22,762,285)	27,824,684	40,066,590
(ii) Share of loss	(9,473,080)	(8,221,552)
<b>Aggregate book value of unquoted investments in associate</b>	<b>18,351,604</b>	<b>31,845,038</b>

\*\* 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	10,100,000	30 November 2017	21,944,000
31 July 2017	21,900,000	30 November 2018	19,566,000
31 July 2018	20,500,000	30 November 2019	9,990,000
31 July 2019	11,500,000	30 November 2020	16,200,000
31 July 2020	9,500,000	30 November 2021	4,500,000
31 July 2021	3,100,000		
	<b>84,500,000</b>		<b>74,200,000</b>

\*\*\*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 Communication Solutions Limited and Prasanna Purple Mobility Solutions Private Limited. The redemption / conversion will be done in two years from the date of issuance.



**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

**2.15 Deferred tax assets (net)**

	31 March 2017	31 March 2016
<b>Deferred tax assets</b>		
Provision for employee benefits	1,820,012	2,307,516
Expenditure covered by section 43B of Income-tax Act, 1961	293,118	12,761,239
Provision for doubtful trade receivables / advances	-	89,820
Others	74,936,876	261,112
	<b>77,050,006</b>	<b>15,419,687</b>
<b>Deferred tax liabilities</b>		
Depreciation / amortisation	7,803	44,756
Others	8,950,427	-
	<b>8,958,230</b>	<b>44,756</b>
<b>Net deferred tax asset</b>	<b>68,091,776</b>	<b>15,374,931</b>

**2.16 Long term loans and advances**

	Non-current portion		Current portion**	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
<b>To parties other than related parties</b>				
<i>Capital advances</i>				
Unsecured and considered good	26,274,091	10,346,456	-	-
Doubtful	(175,367)	(175,367)	-	-
	<b>26,449,458</b>	<b>10,521,823</b>	<b>-</b>	<b>-</b>
Provision for doubtful advances	(175,367)	(175,367)	-	-
	<b>26,274,091</b>	<b>10,346,456</b>	<b>-</b>	<b>-</b>
<i>Security deposits (unsecured)</i>				
Unsecured	237,135,922	241,975,082	180,317,933	4,808,500
Doubtful	-	-	(5,250,977)	(1,742,727)
	<b>237,135,922</b>	<b>241,975,082</b>	<b>185,568,956</b>	<b>4,551,227</b>
Provision for doubtful security deposits	-	-	(5,250,977)	(1,742,727)
	<b>237,135,922</b>	<b>241,975,082</b>	<b>180,317,953</b>	<b>4,808,500</b>
<i>Advances recoverable in cash or kind</i>				
Unsecured and considered doubtful	441,756,391	441,756,391	-	-
	<b>441,756,391</b>	<b>441,756,391</b>	<b>-</b>	<b>-</b>
Provision for doubtful advances	(441,756,391)	(441,756,391)	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Other loans and advances (unsecured)</i>				
Advance income tax, net of provision, for taxation	638,612,593	630,675,497	47,951,787	19,225,006
MAT credit entitlement	126,802,141	97,810,120	-	-
Finance lease receivables**	-	-	-	35,866,914
Balances with statutory and government authorities				
Considered good	139,558,761	99,145,783	-	-
Considered doubtful	(22,107,875)	(22,107,875)	-	-
Prepaid expenses	2,836,259	6,251,252	-	2,947,768
Other advances	206,600	196,348	-	-
	<b>908,124,228</b>	<b>856,186,875</b>	<b>47,951,787</b>	<b>58,039,688</b>
Provision for doubtful loans and advances	(22,107,875)	(22,107,875)	-	-
	<b>909,016,353</b>	<b>854,079,000</b>	<b>47,951,787</b>	<b>58,039,688</b>
<b>To related parties (unsecured)</b>				
Advance for supply of services and goods	4,051,689	-	-	-
Security deposit	13,800,000	-	-	-
	<b>1,185,278,055</b>	<b>1,086,400,538</b>	<b>128,269,720</b>	<b>62,848,188</b>

\*\* 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 2017 (continued)

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

**2.16 Long term loans and advances (continued)**

(a) 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 2017	31 March 2016	31 March 2017	31 March 2016
(a) Total future minimum lease receipts	-	-	-	18,395,210
(b) Future interest included in (a) above	-	-	-	2,528,296
(c) Present value of future minimum lease receivables	-	-	-	35,866,914

The maturity profile of finance lease receivables is as follows:

	Minimum lease receivables		Present value	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Receivable within 1 year	-	38,395,210	-	35,866,914

**2.17 Other non-current assets**

	31 March 2017	31 March 2016
Unsecured, uncollateralised good		
Other bank balances		
Margin money deposits with banks (refer note 2.21)	92,937,571	22,321,958
Other non-current assets		
Interest accrued on fixed deposits	181,571	10,740
Lease sum receivable	17,365,070	-
Other non-current assets	19,867,366	-
	<b>90,353,378</b>	<b>22,332,298</b>

**2.18 Current investments**

	31 March 2017	31 March 2016
Current investments		
Others		
Valued at lower of cost and fair value		
Unquoted Debentures *		
Praasam Purple Mobility Solutions Private Limited		
27,900 (31 March 2016: 10,700) Series I NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each	27,900,000	10,700,000
23,944 (31 March 2016: Nil) Series II NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each	23,944,000	-
Praasam Purple Mobility Solutions Private Limited		
80,000 (31 March 2016: Nil) Optionally Convertible Debentures of ₹ 1000 each	80,000,000	-
	<b>131,844,000</b>	<b>10,700,000</b>

\* Refer note 2.58 - Scheme of amalgamation and arrangement

**2.19 Inventories**

(valued at lower of cost or net realisable value)

	31 March 2017	31 March 2016
Packing material	7,733,074	5,263,484
Stock in trade	1,240,535,549	1,264,654,969
Stores and spares	17,133,834	22,697,563
	<b>1,265,402,457</b>	<b>1,292,616,025</b>



**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

**2.20 Trade receivables**

	31 March 2017	31 March 2016
Unsecured, unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	359,656,821	316,502,064
Considered doubtful	529,146,280	359,056,755
	<u>888,803,101</u>	<u>675,558,819</u>
Provision for doubtful receivables	(529,146,280)	(359,056,755)
	<u>359,656,821</u>	<u>316,502,064</u>
Other receivables		
Considered good	9,752,268,470	8,735,524,449
Considered doubtful	59,209,530	211,314,921
	<u>9,811,478,000</u>	<u>8,946,839,370</u>
Provision for doubtful receivables	(59,209,530)	(211,314,921)
	<u>9,752,268,470</u>	<u>8,735,524,449</u>
	<u>10,111,925,291</u>	<u>9,052,026,513</u>

**2.21 Cash and bank balances**

	31 March 2017	31 March 2016
Cash and cash equivalents		
Cash on hand	6,086,881	21,260,630
Cheques on hand	8,277,970	17,057,928
Balance with banks		
On current accounts	4,199,371,719	1,561,305,493
On deposits accounts (with original maturity of 12 months or less)	82,871,792	121,191,961
	<u>4,296,607,962</u>	<u>1,720,910,409</u>
Other bank balances		
Margin money balances *	10,809,341	21,090,034
Bank balances available on deposits with original maturity of more than 12 months but less than 12 months	71,492,271	65,000
Bank balances available on deposits with original maturity of 12 months or less, restricted	97,143,578	-
Deposits due to mature within 12 months of the reporting date	20,318,655	57,185,259
	<u>205,305,825</u>	<u>78,340,273</u>
	<u>4,502,413,787</u>	<u>1,799,250,682</u>
Margin money balances included under other non-current assets (refer note 2.17)	12,927,571	22,321,958

\* Margin money balances are held as security against bank guarantees given to regulatory authorities



**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

**2.22 Short term loans and advances**

	31 March 2017	31 March 2016
Unsecured, considered good unless otherwise stated		
Current portion of long-term loans and advances (refer note 2.16)		
To parties other than related parties	228,269,720	62,848,188
Other short-term loans and advances		
To parties other than related parties		
Short-term loan to employees	33,736,429	41,691,146
Prepaid expenses	506,118,245	404,601,551
Advance for supply of goods and services		
Considered good	202,950,683	238,609,444
Considered doubtful	178,655,610	157,897,695
Security deposit	-	110,188,599
Loans to others (considered doubtful)	135,462,626	135,462,626
Balances with statutory and government authorities	135,542,757	157,072,724
Others	5,584,625	65,885,601
	<u>1,198,055,985</u>	<u>1,711,420,126</u>
Provision for doubtful loans and advances	(114,118,236)	(293,360,321)
	<u>883,937,749</u>	<u>1,018,059,805</u>
To related parties		
Advance for supply of services and goods	-	2,997,478
Security deposits	21,149,793	17,474,396
	<u>21,149,793</u>	<u>20,472,174</u>
	<u>1,133,357,262</u>	<u>1,101,369,367</u>

**2.23 Other current assets**

	31 March 2017	31 March 2016
Unsecured, considered good unless stated otherwise		
Unamortized premium on forward contracts	40,026	9,467,839
Unbilled revenue	1,285,331,152	994,008,594
Fixed assets held for sale **	7,983,117	42,080,847
Contractually reimbursable advances	4,208,755	5,097
Interest accrued on fixed deposits	3,027,771	1,729,662
Interest accrued on investments	165,056	13,479
Others		
Considered good	65,296,977	70,266,402
Considered doubtful	-	18,073,622
	<u>1,366,052,885</u>	<u>1,115,776,042</u>
Provision for other current assets	-	(18,073,622)
	<u>1,366,052,885</u>	<u>1,117,702,420</u>

\*\* Fixed assets held for sale have been stated at their estimated realisable value after considering write down of ₹ Nil (31 March 2016: ₹ 34,865,921)





**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

**2.24 Revenue from operations**

	Year ended 31 March 2017	Year ended 31 March 2016
Sales - logistics operations		
Goods	19,113,481,304	14,165,115,280
Services	36,546,998,798	28,751,597,263
Other operating revenues	12,516,985	10,142,392
	<b>55,672,997,087</b>	<b>42,926,857,935</b>

**2.25 Other income**

	Year ended 31 March 2017	Year ended 31 March 2016
Interest income	19,299,205	13,561,267
Net gain / (loss) on sale of investments	109,248	-
Provisions no longer required written back (including reversal of goodwill impairment of ₹ Nil (31 March 2016: ₹ 185,582,444) **	13,694,084	237,423,300
Exchange difference gain (net)	-	43,895,542
Gain on sale of property, plant and equipment net	-	15,051,128
Dividend income from mutual funds	4,418,455	5,208,094
Other non operating income	53,446,280	36,633,567
	<b>90,987,289</b>	<b>321,573,405</b>

\*\* Refer note 2.28 - Scheme of amalgamation and arrangement

**2.26 Cost of material consumed**

	Year ended 31 March 2017	Year ended 31 March 2016
Inventory at the beginning of the year	5,263,495	6,690,424
Purchases	50,199,013	41,072,957
Inventory at the end of the year	(7,753,074)	(5,263,495)
	<b>47,929,434</b>	<b>46,459,836</b>

**2.27 Purchases of stock**

	Year ended 31 March 2017	Year ended 31 March 2016
Purchases of stock in trade	15,123,464,979	10,878,624,968
	<b>15,123,464,979</b>	<b>10,878,624,968</b>

**2.28 Changes in inventories of stock in trade**

	Year ended 31 March 2017	Year ended 31 March 2016
Inventories at the beginning of the year		
Stock in trade	1,264,654,969	1,213,920,629
Inventories at the end of the year		
Stock in trade	1,240,585,549	1,264,654,969
	<b>24,069,420</b>	<b>(43,734,340)</b>

**2.29 Employer benefits**

	Year ended 31 March 2017	Year ended 31 March 2016
Salaries and wages	9,561,681,156	7,193,115,650
Contribution to provident and other funds	874,303,336	640,346,115
Staff welfare expenses	781,068,643	552,864,450
	<b>10,817,053,135</b>	<b>8,186,326,215</b>



**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

**2.30 Finance costs**

	Year ended 31 March 2017	Year ended 31 March 2016
Interest expenses	593,151,320	467,232,707
Other borrowing costs	90,927,910	72,743,594
Loss on foreign currency transactions	9,467,840	37,141,905
	<b>693,547,070</b>	<b>577,118,206</b>

**2.31 Depreciation and amortisation**

	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation of property, plant and equipment (refer note 2.12)	638,490,863	620,389,215
Amortisation of intangible assets (refer note 2.13)	64,183,416	59,320,035
	<b>702,674,278</b>	<b>679,709,250</b>

**2.32 Other expenses**

	Year ended 31 March 2017	Year ended 31 March 2016
Freight, packing and forwarding expenses	13,633,898,581	10,174,356,736
Staff transportation charges	169,682,869	169,303,630
Material handling charges	136,481,030	94,064,173
Casual labour charges	6,637,222,943	6,961,853,494
Consumption of stores and spares	214,935,935	133,876,003
Power and fuel	549,030,954	524,143,929
Rent	2,231,686,192	1,616,448,690
Rates and taxes	327,297,557	313,127,417
Insurance	430,346,931	313,923,704
Repairs and maintenance		
Plant and machinery	92,227,791	86,979,321
Buildings	103,408,803	72,973,883
Others	572,799,671	371,166,873
Advertisement, sales and business promotion expenses	250,600,642	64,819,837
Travelling and conveyance expenses	290,935,323	238,599,386
Communication expenses	227,436,412	212,997,562
Printing and stationery	93,934,514	71,419,751
Bank charges	29,150,680	30,083,609
Legal and professional charges	624,511,245	762,227,286
Security charges	287,544,453	178,881,103
Exchange differences net	21,146,800	646,465
Bad debts written off	1,738,257	54,576,221
(net of adjustment against provision for doubtful receivables ₹ 88,176,372 (31 March 2016 : ₹ 14,450,966))		
Provision for doubtful debts	106,566,706	149,310,218
Provision for doubtful loans and advances	20,737,915	30,358,459
Loss on sale of fixed assets, net	635,939	2,928,498
Impairment of property, plant and equipment	-	1,041,330
Impairment of goodwill (refer note 2.15)	46,804,334	139,554,179
Miscellaneous expenses	199,485,374	87,809,569
	<b>27,256,695,468</b>	<b>21,790,704,836</b>



**TVS LOGISTICS SERVICES LIMITED**
**Notes to consolidated financial statements for the year ended 31 March 2017 (continued)**
**(All amounts are in Indian rupees (₹) except share data and otherwise stated)**
**2.33 Exceptional item**

	Year ended 31 March 2017	Year ended 31 March 2016
Profit on sale of assets	-	171,151,767
	<u>-</u>	<u>171,151,767</u>

During the previous 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 Prior period item**

	Year ended 31 March 2017	Year ended 31 March 2016
Write off of specific balances	55,163,713	-
	<u>55,163,713</u>	<u>-</u>

Provisions in relation to certain specific receivable balances by TLF Holdings Pty Ltd and its subsidiaries amounting to ₹ 24,168,091. These balances were part of the acquisition transaction in 2015 and accordingly, charged off to income statement as prior period item. In addition, certain specific receivable balances amounting to ₹ 30,995,622 by a joint venture company, T&T One Asia Limited and its subsidiaries was considered as a prior period item.

**2.35 Tax expenses**

	Year ended 31 March 2017	Year ended 31 March 2016
Current tax		
MAT for the year	342,766,951	463,917,290
MAT credit entitlement	(29,756,574)	(83,568,064)
Deferred tax	4,418,738	50,835,844
Relating to prior years	-	1,855,874
	<u>317,449,185</u>	<u>436,838,944</u>

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

	Year ended 31 March 2017	Year ended 31 March 2016
TVS Dynamic Global Freight Services Limited	7,730,878	6,747,418
PL EXOT Packaging (India) Limited	(1,203,595)	(5,034,015)
TVS Logistics Siam Limited, Thailand	(2,835,024)	(7,011,493)
TVS Amoserv GmbH, Germany	4,122,544	6,265,225
RSC Logistics Limited, UK and its subsidiaries	4,732,679	9,963,502
TVS Supply Chain Solutions North America Inc., USA and its subsidiaries	16,443,459	27,635,791
TVS Taysan Taysan Supply Chain Solutions Limited	5,017,956	2,357,557
TVS-Asiamex Supply Chain Solutions Pte Limited, Singapore and its subsidiaries	33,190,755	25,124,538
	<u>72,182,682</u>	<u>66,658,303</u>



# TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2017 (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 2017	31 March 2016
Profit after tax and minority interest as reported	642,251,932	806,215,247
Net profit for calculation of basic and diluted EPS	<u>642,251,932</u>	<u>806,215,247</u>
Equity shares (Nominal value of ₹ 10 each)	31 March 2017	31 March 2016
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	26,255,466	24,731,750
Effect of dilutive potential equity shares		
Partly paid shares	-	246,881
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	<u>26,255,466</u>	<u>24,978,631</u>

## 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 Computation Solutions Limited ('TVS CS amalgamation') was approved by the National Company Law Tribunal vide order dated 31 March 2017. The sanctioned 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 during the previous year as follows:

### 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:

a) 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 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.

b) 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.

c) 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.

d) 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.

e) The parent company shall credit to its preference share capital, the aggregate value of the preference shares issued by it.

f) 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 share capital as referred to in clause (e) above shall be adjusted to the reserves and surplus of the parent company.



**TVN LOGISTICS SERVICES LIMITED**
**Notes to consolidated financial statements for the year ended 31 March 2017 (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 DIESEL demerger given effect to as below in the financial statements during the previous year

Particulars	Amount
<b>A. Liabilities</b>	
Long term provisions	16,117,330
Short term borrowings	1,664,942,505
Trade payables	791,043,950
Other current liabilities	27,042,787
Short term provision	3,081,636
<b>Total liabilities taken over</b>	<b>2,504,198,204</b>
<b>B. Assets</b>	
Fixed assets	1,076,070,600
Accumulated depreciation	(445,239,053)
Long-term loans and advances	168,693,305
Trade receivables (net of provision of ₹ 133,031,403)	835,857,996
Cash and cash equivalents	6,473,036
Short-term loans and advances (net of provision of ₹ 14,108,373)	137,329,983
Other current assets	109,284,337
<b>Total assets taken over</b>	<b>1,489,450,189</b>
<b>Net liabilities taken over (A-B)</b>	<b>615,748,015</b>
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
<b>Amount credited to Reserves and surplus (in Demerger Adjustment Account), also refer note 1 below</b>	<b>1,146,113,803</b>

**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 voting of the Demerged Undertaking in the parent company, the parent company shall also issue and allot 20,000 cumulative, redeemable, non-convertible, participating preference shares of ₹10 each as fully paid to the preference shareholders of DIESEL. The aforesaid 20,000 cumulative, redeemable, non-convertible, participating preference shares of ₹10 each have been allotted during the year ended 31 March 2017.

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

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



## TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2017 (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 Communication Solutions Limited ("Transferor Company" / "TVS CS") would be merged and vested in the parent 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 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) Losses 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 in the previous year.

e) The excess of the 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 adjusted 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 during the previous year:

Particulars	Amount
<b>A. Liabilities</b>	
Short term borrowing	268,790,000
Trade payables	9,435,911
Other current liabilities	4,082,149
<b>Total liabilities taken over</b>	<b>282,318,060</b>
<b>B. Assets</b>	
Investments	238,799,000
Trade receivables	4,575,667
Cash and cash equivalents	3,633,426
Loans and advances	49,461,648
Other current assets	15,496,416
<b>Total assets taken over</b>	<b>311,966,157</b>
Net assets included in the consolidated financial statements (B-A)	69,642,894
Consideration i.e. cancellation of the investment	118,592,896
Legal balance in reserve and surplus included in the consolidated financial statements	7,706,550
<b>Amount debited to Reserves and surplus (refer note 2 below)</b>	<b>301,240,446</b>

#### Notes:

1. Pursuant to the Scheme, ₹ 18,563,515 has been adjusted in General Reserve and ₹ 268,795,931 has been adjusted in the Surplus (profit and loss balance).

2. The nominal capital of the Transferor Company stands combined with the authorized capital of the parent company. Accordingly, the authorized capital in respect of equity shares of the parent company stands increased from 28,800,000 equity shares to 39,400,123 equity shares of INR. 10 each.

3. 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 2017 (continued)

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

**2.39 Acquisitions**
**A. Acquisition during the year**
**SFC International Limited, UK and its subsidiaries**

On 29 February 2017, the Group, through its step down subsidiary - RICO Logistics Limited UK, acquired 65.96% interest in SFC International Limited, UK (SFC). The investments of Rico in SFC was GBP 5.4 million. The Company was initially established in 1989 in the UK as a POS hardware reseller. SFC provides special at repair work for equipment used within the retail (eg POS machines) and banking (eg ATM) sectors.

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	31,403,180
Current assets	336,796,293
Less: Non-current liabilities	(42,624,615)
Current liabilities	(174,847,482)
	150,727,376
Goodwill	381,703,357
<b>Purchase Consideration</b>	<b>532,430,733</b>

On the date of acquisition, the Group entered into put and call option contracts with the minority shareholders in SFC International Limited which, in the event either option is exercised, would oblige the Group to acquire any or all of the shares held by the minority shareholders.

**B. Acquisition during the previous year ended 31 March 2016**
**TVS Supply Chain Solutions De Mexico, Mexico ("TVS SCS Mexico")**

On 30 June 2015, the Group, through its step down subsidiary - TVS Supply Chain Solutions North America Inc., USA ("WW") acquired 95% 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 containerment, 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
<b>Purchase Consideration</b>	<b>6,384,781</b>

**TIF Holdings Limited ("Transstar Group")**

On 07 August 2015, the Group, through its step down subsidiary - TVS-Asians Supply Chain Solutions Pty. Limited, Australia, acquired 55% interest in TIF Holdings Limited, Australia. The investments of TVS-Asians 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 Transstar International Freight ("Transstar") 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 Transstar 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	42,332,643
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
<b>Purchase Consideration</b>	<b>577,483,763</b>





**TVS LOGISTICS SERVICES LIMITED**
**Notes to consolidated financial statements for the year ended 31 March 2017 (continued)**
**(All amounts are in Indian Rupees (₹) except share data and otherwise stated)**
**2.39 Acquisitions (continued)**
*A. Acquisition during the previous year ended 31 March 2016 (continued)*
**Drive India Enterprise Solutions Limited ("Diest") \*\*\***

On 31 August 2015, the parent company - TVS Logistics Services Limited ("TVS LSL") acquired 100% interest in Drive India Enterprise Solutions Limited ("Diest"). The investments of TVS LSL in Diest was ₹ 402,143,393, net off the adjustments pursuant to the scheme of amalgamation and arrangement. Diest is primarily engaged in the business of providing services such as distribution of hardware and other equipment in 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	945,990,483
Less: Non-current liabilities	(301,264)
Current liabilities	(952,620,433)
	170,096,652
Goodwill	32,086,511
<b>Purchase Consideration</b>	<b>402,143,393</b>

\*\*\* 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 transfer of the services business pursuant to the Scheme.

**Montana Verpackung 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 Montana Verpackung mit System GmbH, Germany ("Montara"). The investments of TVS LIUK in Montara was € 546,590 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, form processing services, processing corrugated cardboard, material cutting and strip punching.

The total purchase consideration is as follows:

	Amount in ₹
<b>Purchase Consideration</b>	<b>40,066,590</b>

**Circle Express Limited, UK**

On 18 January 2016, the Group, through its step-down subsidiary - Rito Logistics Limited, UK ("Rito"), acquired 89% interest in Circle Express Limited, UK ("Circle Express"). The investments of Rito 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, trucking 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	518,833,631
Less: Current liabilities	(630,102,545)
	1,515,537
Goodwill	(1,515,400)
<b>Purchase Consideration</b>	<b>97</b>



# TVS LOGISTICS SERVICES LIMITED

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

## 2.39 Acquisitions (continued)

*B. Acquisition during the previous year ended 31 March 2016 (continued)*

### Rico Logistics Limited, UK

On 01 September 2015, the Group, through its subsidiary TVS Logistics Investments 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 43% to 57.47%. The investment of TVS LIUK in Rico was ₹ 6,010,000 equivalent to ₹ 513,381,846. The additional interest in Rico has resulted in increase in goodwill ₹ 355,336,542. Intangible goodwill is arrived based on Group's share of net assets on the date of acquiring additional interest of 12.47% in Rico.

## 2.40 Accounting for interest in Joint Venture (JV)

The Group has 50% interest in TVS Infrastructure Private Limited ("TVS IPL"), a JV in India and has 50% interest in T&T One Asia Limited, a JV in Hong Kong.

In accordance with AS 27, the Group has accounted for its interest in the JVs 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 2017 and 31 March 2016 are given below:

### TVS Infrastructure Private Limited ("TVS IPL")

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

### TVS Infrastructure Private Limited: Balance Sheet

Particulars	As at 31 March 2017	As at 31 March 2016
Fixed assets, Net	911,356,957	123,457,763
Non-current investments	14,489	14,065
Long term loans and advances	11,441,283	11,342,037
Other non-current assets	17,365,070	-
Trade receivables	2,354,561	41,941
Loans and cash equivalents	2,507,516	61,825
Short term loans and advances	3,272,209	2,623,244
Other current assets	4,256,777	12,864,000
Long term borrowings	50,450,000	-
Deferred tax liabilities (net)	35,794,445	36,918,149
Other long term liabilities	28,795,766	22,460,000
Short term borrowings	-	22,930,144
Trade payables	1,532,924	4,546,491
Other current liabilities	21,332,605	27,755,415
Short term provisions	42,354	-

The joint venture has acquired its freehold land at chikkar and vagar as at 01 April, 2016. Land is recorded at the fair market value in accordance to an independent valuation report provided by M/s Muralidhar Associates Pvt Ltd (a Chartered Engineers, Corporate Valuers & Surveyors). The historical cost of land included in the consolidated financial statements is increased by ₹ 530,104,799.



**TVS LOGISTICS SERVICES LIMITED**
**Notes to consolidated financial statements for the year ended 31 March 2017 (continued)**
**(All amounts are in Indian rupees (₹) except share data and otherwise stated)**
**2.4(i) Accounting for interest in Joint Venture (JV) (Continued)**
**TVS Infrastructure Private Limited: Statement of profit and loss**

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Revenue</b>		
Revenue from operations	₹4,286,633	₹4,225,649
Other income	164,927	948,216
<b>Expenses</b>		
Employee benefit expenses	8,891,130	8,792,748
Finance costs	1,421,963	2,417,173
Depreciation and amortisation	14,077,938	13,527,020
Operating, administrative and other expenses	15,251,887	13,651,517
<b>Profit before taxation</b>	<b>44,742,640</b>	<b>62,465,365</b>
Tax expenses	9,058,066	21,663,115
<b>Profit/(loss) for the year</b>	<b>35,684,574</b>	<b>40,801,990</b>

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

Particulars	As at 31 March 2017	As at 31 March 2016
Fixed assets, Net	22,739,952	16,766,979
Trade receivables	149,337,772	173,543,482
Cash and cash equivalents	43,571,901	107,308,576
Short term loans and advances	11,480,506	7,291,112
Other current assets	45,033,265	47,626,598
Long term borrowings	34,198,145	34,418,676
Short term borrowings	361,216,959	477,003,687
Trade payables	155,743,046	134,127,783
Other current liabilities	5,045,985	6,954,510

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

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Revenue</b>		
Revenue from operations	739,315,916	770,510,062
Other income	2,120,150	4,856,559
<b>Expenses</b>		
Employee benefit expenses	58,464,290	70,537,305
Finance costs	15,622,504	20,935,530
Depreciation and amortisation	5,791,363	3,218,365
Operating, administrative and other expenses	627,694,383	679,018,753
<b>Loss before taxation</b>	<b>3,761,806</b>	<b>(3,343,935)</b>
Prior period item	10,985,622	-
Tax expenses	737,326	1,025
<b>Loss for the year</b>	<b>(27,991,142)</b>	<b>(3,386,960)</b>



**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

**2.41 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.

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

**Gratuity**

Asset / (liability) recognized in balance sheet	31 March 2017	31 March 2016
Fair value of plan assets	103,206,145	94,232,078
Present value of obligations	(142,558,024)	(107,097,318)
	<b>(39,351,879)</b>	<b>(12,865,240)</b>

**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 2017	31 March 2016
Non-current	(12,417,195)	(7,76,285)
Current	(26,934,684)	(5,48,955)
	<b>(39,351,879)</b>	<b>(12,865,240)</b>

**Movement in present values of defined benefit obligations**

	31 March 2017	31 March 2016
Opening defined benefit obligation	107,097,318	67,568,365
Amount transferred pursuant to the scheme of Arrangements	-	18,230,192
Current service cost	27,372,314	24,286,669
Interest cost	7,476,560	6,365,541
Actuarial (gains) / losses	11,415,229	2,249,936
Benefits paid by the plan	(10,823,397)	(11,721,485)
Closing defined benefit obligation	<b>142,558,024</b>	<b>107,097,318</b>

**Movement in fair value of plan assets**

	31 March 2017	31 March 2016
Opening fair value of plan assets	94,232,078	44,812,863
Amount transferred pursuant to the scheme of Arrangements	-	16,562,473
Contributions paid into the plan	11,807,088	16,587,800
Benefits paid by the plan	(10,823,397)	(11,751,876)
Expected return on plan assets	7,041,191	6,011,758
Actuarial (losses) / gains	915,185	1,696,060
Closing fair value of plan assets	<b>103,206,145</b>	<b>94,232,078</b>

**Expense recognised in statement of profit and loss \***

	31 March 2017	31 March 2016
Current service cost	27,372,314	24,277,224
Interest on obligation	7,476,560	6,365,541
Expected return on plan assets	(7,041,191)	(6,031,758)
Net actuarial (gain) / loss recognised in the year	10,807,683	550,967
	<b>38,615,366</b>	<b>25,161,974</b>

\* included in note 2.39 Employee benefits under contribution to provident and other funds



**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

**2.41 Employee benefits (continued)**

	31 March 2017	31 March 2016
Actual return on plan assets		
Expected return on plan assets	7,041,191	6,351,758
Actuarial gain / (loss) on plan assets	919,185	1,646,060
Actual return on plan assets	7,960,376	7,997,818

**Principal actuarial assumptions**

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

	31 March 2017	31 March 2016
Discount rate	6%-8%	7.21% - 8.10%
Expected return on plan assets	0%-7.30%	5.00% - 8.00%
Future salary increases	5%-10%	5.00% - 10.00%
Attrition rate	5%-16%	5.00% - 55.00%

The estimates of future salary increases concerned 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 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Defined benefit obligation	(142,558,024)	(107,097,314)	(67,688,255)	(55,466,519)	(44,952,158)
Fair value of plan assets	133,206,145	94,232,078	44,812,895	40,056,450	28,011,496
Surplus/(deficit) in the plan	(9,351,879)	(12,865,246)	(22,875,402)	(15,410,059)	(16,940,712)
Experience adjustments arising on plan liabilities	(11,415,324)	(2,259,936)	(5,348,578)	(7,061,052)	(8,905,931)
Experience adjustments arising on plan assets	919,185	1,695,060	556,466	791,926	285,489

**2.42 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 2017	31 March 2016
Payable within one year	464,599,271	601,597,752
Payable between one and five years	1,636,168,794	1,409,492,386
Payable later than five years	467,758,301	1,124,132,700
	3,568,526,366	3,135,222,841

During the year an amount of ₹ 1,747,997,266 (31 March 2016: ₹ 687,300,606) 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 thereof for the year are as follows:

	31 March 2017	31 March 2016
Ones carrying amount	415,959,673	269,210,610
Accumulated depreciation	(126,139,647)	(53,925,512)
Depreciation charge for the year	(20,737,909)	(12,643,851)
Net book value	269,112,097	202,641,247

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

	31 March 2017	31 March 2016
Receivable within one year	49,344,352	50,148,581
Receivable between one and five years	1,18,531,981	1,14,156,390
Receivable after five years	-	5,605,100
	167,876,333	169,909,971

During the year an amount of ₹ 132,437,367 (31 March 2016: ₹ 119,099,464) 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 2017 (continued)

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

## 2.43 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 geographical 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'

### bi) Secondary segment information - Geographical

Particulars	India	Europe	USA	Rest of the world	Total
Segment revenue **					
31 March 2017	16,750,643,652	22,421,391,179	5,190,572,101	9,310,985,975	55,672,492,907
31 March 2016	11,511,966,173	20,359,566,060	5,117,246,356	5,006,079,339	42,926,857,935
Segment assets **					
31 March 2017	12,559,149,090	10,004,166,846	2,835,800,139	2,777,719,235	27,577,236,308
31 March 2016	5,888,597,767	10,494,579,537	1,115,555,955	2,630,706,737	22,529,445,956
Capital expenditure **					
31 March 2017	479,157,845	184,692,163	752,474,879	66,414,526	950,736,380
31 March 2016	419,735,592	208,346,148	291,120,884	76,554,252	955,806,916

\*\* on the basis of location of customers

\*\* on the basis of location of assets

## 2.44 Related party disclosures

### 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  
LucasTVS Limited  
Sundaram Industries Private Limited  
(formerly known as Sundaram Industries Limited)  
Lucas Indian Service Limited  
Sundaram Auto Components Limited  
TVS Autochrome Solutions Private Limited  
(formerly known as TVS Autochrome Solutions Limited)

### C. Joint Ventures

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

### D. Key management personnel

Mr. R. Dinesh, Managing director  
Mr. S. Ravichandran, Deputy managing director



**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

**2.44 Related party disclosures (continued)**

Transaction during the year	Year ended 31 March 2017	Year ended 31 March 2016
<b>Income from logistics services</b>		
T V Sundram Iyengar & Sons Private Limited	34,654,854	275,530
TVS Motor Company Limited	740,412,241	677,470,802
Sundaram Clayton Limited	31,899,262	27,776,176
Lucas-TVS Limited	172,027,152	140,313,391
Sundaram Industries Private Limited	8,529,800	8,749,038
Sundaram Auto Components Limited	1,060,111	965,225
<b>Purchase of Spares, Fuel, Others</b>		
T V Sundram Iyengar & Sons Private Limited	950,143	42,621
Sundaram Industries Private Limited	6,754,501	7,626,426
Lucas Indian Service Limited	1,229,866	1,814,965
<b>Freight, packing and forwarding expenses</b>		
T V Sundram Iyengar & Sons Private Limited	4,034,724	-
Lucas-TVS Limited	1,054,788	-
<b>Operating, administrative and other expenses</b>		
T V Sundram Iyengar & Sons Private Limited	12,612,698	25,747,064
Sundaram Industries Private Limited	-	864,633
TVS Automobile Solutions Private Limited	5,365,691	20,655
TVS Infrastructure Private Limited	44,173,151	-
<b>Reimbursement of expenses</b>		
T V Sundram Iyengar & Sons Private Limited	14,836,221	-
<b>Compensation to Key Managerial Personnel</b>		
Salaries, wages and bonus to deputy managing director	74,741,290	79,744,429
Contribution to provident and other funds to deputy managing director	637,548	400,000
Commission to managing director	25,138,000	25,000,000

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 2017	31 March 2016
<b>Receivables</b>		
T V Sundram Iyengar & Sons Private Limited	27,542,432	156,240
TVS Motor Company Limited	134,320,734	103,272,067
Sundaram Clayton Limited	7,914,471	3,354,943
Lucas-TVS Limited	49,957,474	19,475,514
Sundaram Industries Private Limited	1,394,641	854,375
Sundaram Auto Components Limited	378,981	349,197
CDPO Private Equity Asia PTE. LTD	2,366,134	-
Director Logistics Services LLP	328,052	-
DRSR Advisory Services LLP	80,948	-
TVS Infrastructure Private Limited	17,474,697	20,472,374
<b>Payables</b>		
T V Sundram Iyengar & Sons Private Limited	955,563	8,095,366
Sundaram Clayton Limited	-	15,355
Sundaram Industries Private Limited	354,116	1,860,161
Lucas Indian Service Limited	69,722	259,365
TVS Automobile Solutions Private Limited	36,359	98,304
TVS Infrastructure Private Limited	3,894,362	-
<b>Payable to Key Managerial Personnel</b>		
Salaries, wages and bonus to deputy managing director	20,000,000	7,500,000
Commission to managing director	4,250,000	11,750,000





**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

**2.45 Capital commitments and contingencies**

	31 March 2017	31 March 2016
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	171,750,069	93,582,689
<b>Contingencies:</b>		
Employee related matters	120,177,816	218,155,394
Bank guarantee	41,379,476	29,653,365
Stand-by letter of credit	552,476,617	-
Bills of exchange discounted	2,032,566	21,476,917
Income tax related matters	49,397,423	52,359,264
Service tax related matters	1,099,341,350	684,450,150
Sales tax related matters	415,779,375	398,049,615
Claims against company not acknowledged as debt	50,531,847	50,851,261

From time to time, the Group 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 Group.

**2.46 Derivative instruments**

The Company uses forward exchange contracts to hedge its exposure in Foreign Currency. Forward exchange contracts outstanding are as follows:

	31 March 2017	31 March 2016
<b>Sell USD/Buy INR</b>		
Number of Contracts	11	37
Foreign Currency (USD)	3,842,260	12,794,704
Reporting currency (INR)	249,126,765	891,399,377

**2.47 Un-hedged foreign currency exposure**

	31 March 2017	31 March 2016
<b>Trade and other receivables</b>		
Foreign currency (SAR)	331,112	-
Foreign currency (USD)	3,651,192	2,237,069
Foreign currency (NZD)	1,585,551	1,543,416
Foreign currency (AUD)	16,661,197	11,877,609
Foreign currency (CNY)	792,680	501,970
Foreign currency (HKD)	124,833	119,276
Reporting currency (INR)	1,145,713,758	927,618,842
<b>Trade payables</b>		
Foreign currency (USD)	663,638	6,357,129
Foreign currency (JPY)	748	-
Foreign currency (YEN)	1,920,359	266,948
Foreign currency (EUR)	-	2,708
Reporting currency (INR)	717,377,323	915,430,927
<b>Advance to suppliers</b>		
Foreign Currency (YEN)	632	100,956
Foreign Currency (GBP)	12,782	-
Reporting Currency (INR)	91,463	61,397
<b>Interest payables</b>		
Foreign currency (USD)	1,294	27,633
Reporting currency (INR)	213,571	1,567,624
<b>Bank and cash balances</b>		
Foreign currency (USD)	596,377	1,245,015
Foreign currency (NZD)	136,962	184,519
Foreign currency (AUD)	667,674	25,434
Foreign currency (CNY)	181,524	167,375
Foreign currency (HKD)	10,493	15,366
Reporting currency (INR)	79,187,078	91,907,261
<b>Other Payables</b>		
Foreign currency (USD)	2,426,295	1,144,119
Foreign currency (NZD)	654,303	671,165
Foreign currency (AUD)	7,127,978	6,624,271
Foreign currency (CNY)	1,160,808	716,833
Foreign currency (HKD)	78,007	10,896
Reporting currency (INR)	56,969,910	649,311,438
<b>Borrowings</b>		
Foreign currency (USD)	10,870,554	10,479,332
Foreign currency (AUD)	11,751,600	9,547,946
Reporting currency (INR)	1,281,02,993	1,177,711,984



**TVS LOGISTICS SERVICES LIMITED**
**Notes to consolidated financial statements for the year ended 31 March 2017 (continued)**

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

**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 overseas 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 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 2015	121,566,592	7,653,765	1,536,000
Provision made	5,234,319	2,773,903	19,537,465
Utilisation	(9,777,686)	-	-
Reversal	(79,110,365)	-	-
Foreign exchange adjustments	6,777,551	1,4184	-
<b>Balance as at 31 March 2016</b>	<b>46,930,591</b>	<b>10,562,049</b>	<b>23,113,465</b>
Provision made	4,074,533	2,362,224	-
Utilisation	(1,056,365)	-	-
Reversal	-	-	-
Foreign exchange adjustments	(7,246,913)	(1,753,056)	-
<b>Balance as at 31 March 2017</b>	<b>42,697,821</b>	<b>11,071,217</b>	<b>23,113,465</b>

**2.50 Disclosure of specified bank notes**

During the year, the Group has specified bank notes or other denomination notes as defined in the MCA (Banknotes) (S.B. 305)B) dated 31 March 2017 on the details of specified bank notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016. The denomination wise SBN and other notes as per the notification are given below:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	502,500	3,176,150	3,688,650
Add: Permitted receipts	-	14,215,619	14,215,619
Add: Amount withdrawn from banks	-	94,570	94,570
Less: Permitted payments	-	(14,396,310)	(14,396,310)
Less: Amount deposited in banks	(502,500)	-	(502,500)
<b>Closing cash in hand as on 30 December 2016</b>	<b>-</b>	<b>3,100,009</b>	<b>3,100,009</b>



**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (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 2017		As at 31 March 2016	
	Net Assets		Net Assets	
	i.e., Total Assets minus Total Liabilities		i.e., Total Assets minus Total Liabilities	
	As a % of Consolidated net assets	Amount	As a % of Consolidated net assets	Amount
<b>Parent:</b>				
TVS Logistics Services Limited	33.16%	3,124,101,890	40.69%	14,001,1211
<b>Domestic subsidiaries:</b>				
Onco India Enterprises Services Limited	4.97%	441,142,356	5.64%	420,547,490
TVS Dynamic Global Freight Services Limited	3.03%	265,410,741	4.73%	205,411,492
FLXQIL Packaging (India) Limited	0.51%	43,420,306	1.37%	68,452,253
TVS Avizor Logistics Limited	0.00%	123,5651	0.00%	36,896
TVS Toyota-Toshiba Supply Chain Solutions Limited	0.45%	40,090,906	0.50%	21,777,067
<b>Foreign subsidiaries:</b>				
TVS Logistics Investment USA, Inc., USA	6.41%	569,356,616	11.04%	481,082,581
TVS Supply Chain Solutions North America Inc., USA	5.56%	493,278,617	13.06%	570,057,645
Wainmans LLC, USA	-0.02%	(1,375,716)	-0.00%	2,241,521
TVS America Inc., USA	-0.03%	(2,610,402)	-0.06%	(2,673,562)
TVS Supply Chain Solutions De Mexico, Mexico	0.20%	17,703,277	0.25%	10,139,053
TVS Logistics Investment UK Limited, UK	5.35%	475,588,074	4.58%	303,024,951
TVS Supply Chain Solutions Limited, UK	5.48%	487,175,599	28.92%	1,262,507,629
Ten Logistics Limited, UK and its subsidiaries	14.40%	1,223,536,691	15.74%	657,200,531
TVS Accessory GmbH, Germany	1.06%	94,502,206	1.94%	54,548,623
TVS Logistics Iberia, Spain	1.00%	88,455,867	1.73%	15,626,198
TVS Supply Chain Solutions GmbH, Germany	1.46%	1,63,408,610	3.00%	-
TVS Logistics Siam Limited, Thailand	0.21%	18,227,476	0.62%	26,901,004
TVS-Asiatica Supply Chain Solutions Limited, Singapore and its subsidiaries	1.25%	283,507,166	5.80%	255,757,280
<b>Joint Venture:</b>				
TVS Infrastructure Private Limited	4.18%	333,058,336	5.88%	256,530,523
T&T One Asia Limited and its subsidiaries	11.9%	4,253,873,341	5.46%	(261,150,365)
	<b>100.00%</b>	<b>8,885,716,249</b>	<b>100.00%</b>	<b>9,364,366,600</b>



**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

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

Name of the entity	Year ended 31 March 2017		Year ended 31 March 2016	
	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
<b>Parent:</b>				
TVS Logistics Services Limited	-51.91%	(371,909,707)	-59.25%	(316,412,286)
<b>Domestic subsidiaries:</b>				
Drive India Enterprises Services Limited	7.30%	48,137,427	6.39%	51,484,790
TVS Dynamic Global Freight Services Limited	13.49%	86,598,451	7.14%	57,527,260
FLEXDI Packaging (India) Limited	-4.72%	(30,336,139)	-1.11%	(8,912,611)
TVS Aviation Logistics Limited	-0.01%	(79,454)	-0.01%	(104,974)
TVS Toyota Tycho Supply Chain Solutions Limited	1.63%	10,442,053	0.07%	13,630
TVS CommuLink Solutions Limited	0.00%	-	10.11%	81,488,119
<b>Foreign subsidiaries:</b>				
TVS Logistics Investment USA Inc., USA	14.76%	94,382,688	-2.77%	(32,159,923)
TVS Supply Chain Solutions North America Inc., USA	25.96%	166,727,394	19.19%	115,900,366
Wanzon LLC, USA	1.43%	10,366,330	2.41%	19,195,508
TVS America Inc., USA	0.00%	-	0.00%	-
TVS Supply Chain Solutions De Mexico Mexico	-0.16%	(946,845)	-0.52%	(4,221,195)
TVS Logistics Investment UK Limited, UK	-8.36%	(53,034,888)	-5.59%	(45,064,519)
TVS Supply Chain Solutions Limited, UK	92.50%	594,091,171	11.79%	272,419,130
Rico Logistics Limited, UK and its subsidiaries	23.46%	151,870,795	56.07%	452,036,521
TVS Autostar GmbH, Germany	0.79%	6,365,246	1.81%	14,555,542
TVS Logistics Iberia, Spain	7.54%	48,436,643	6.11%	49,247,051
TVS Supply Chain Solutions GmbH, Germany	-2.86%	(18,379,447)	0.00%	-
TVS Logistics Siam Limited, Thailand	-1.90%	(5,781,265)	-0.95%	(7,659,292)
TVS-AgriLink Supply Chain Solutions Limited, Singapore and its subsidiaries	-11.04%	(70,925,559)	-7.11%	(59,109,797)
<b>Joint Venture:</b>				
TVS Infrastructure Private Limited	0.29%	1,851,801	0.05%	(40,705,763)
T&T One Asia Limited and its subsidiaries	-4.36%	(27,991,145)	-0.42%	(3,356,978)
	<b>100.00%</b>	<b>642,251,932</b>	<b>100.00%</b>	<b>404,215,287</b>



**TVS LOGISTICS SERVICES LIMITED**

Notes to consolidated financial statements for the year ended 31 March 2017 (continued)

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

**2.82 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 of 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 of even date attached

for BSR and Associates

ICAI Firm Registration Number: 128901W

Chartered Accountants

For and on behalf of Board of Directors of

TVS Logistics Services Limited



S. Sethuraman

Partner

Membership No.: 201491



Suresh Krishna

Chairman

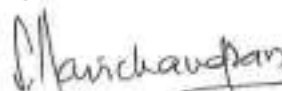
DIN: 01046919



R. Dinesh

Managing Director

DIN: 00361300



S. Ravichandran

Deputy Managing Director

DIN: 00485845



Baskar Lakshmanan

Group Chief Financial Officer

Place: Chennai

Date: 23 August 2017



P. D. Krishna Prasad

Company Secretary

Place: Chennai

Date: 26 August 2017



# B S R and Associates

Chartered Accountants

No 10, Mahatma Gandhi Road  
Nungambakkam  
Chennai - 600 034, India

Telephone: +91 44 3914 5001  
Fax: +91 44 3914 5999

## Independent Auditor's Report

### To the Members of TVS Logistics Services Limited

#### Report on the standalone financial statements

We have audited the accompanying standalone financial statements of **TVS Logistics Services Limited** ("the Company"), which comprise the balance sheet as at March 31, 2017, 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 standalone 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 standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express an opinion on these standalone 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 standalone financial statements are free from material misstatement.



**Independent Auditor's 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 standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 standalone financial statements.

**Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2017, 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;
  - (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;



**Independent Auditor's Report  
To the Members of TVS Logistics Services Limited**

**Page 3 of 3**

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; 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 standalone financial statements. Refer note 2.36 to the standalone financial statements;
  - ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
  - iv The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management. Refer note 2.47 to the standalone financial statements.

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



**S Sethuraman**  
*Partner*  
Membership No: 203491  
Place: Chennai  
Date: August 28, 2017



**Annexure A to the Independent Auditor's Report to the members of TVS Logistics Services Limited for the year ended March 31, 2017**

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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 except for one immovable property comprising of land and building acquired pursuant to the demerger of the third party logistics services business of a subsidiary amounting to a gross book value of ₹ 285.70 million, for which the Company is in the process of registering the title deeds. Also refer note 2.10 to the standalone 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 four 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 bodies corporate 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, where stipulated, regular in the payment of principal and interest.
- (c) There are no overdue amounts in respect of the loans granted to the companies / other parties listed in the register maintained under Section 189 of the Act.



**Annexure A to the Independent Auditor's Report to the members of TVS Logistics Services Limited for the year ended March 31, 2017**

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- (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.
- (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 and any other statutory dues have been generally deposited regularly during the year by the Company with the appropriate authorities except for delays in remittances of professional tax ranging from 4 to 42 days. 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, 2017 for a period of more than six months from the date they became payable.



**Annexure A to the Independent Auditor's Report to the members of TVS Logistics Services Limited for the year ended March 31, 2017**

**Page 3 of 5**

- (b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, duty of customs 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 (₹)	Period to which the amount relates	Forum where the dispute is pending
Income - tax Act, 1961	Income tax dues	16,390,455	AY 2011 - 2012	High Court of Judicature at Madras
Income - tax Act, 1961	Income tax dues	14,387,970	AY 2012 - 2013	CIT (Appeals)
Finance Act, 1994	Service tax dues	37,101,756	April 2009 to September 2014	Custom Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service tax dues	10,482,216	October 2005 to June 2006	Commissioner of Central Excise (Appeals)
Finance Act, 1994	Service tax dues	1,259,905	October 2014 to May 2015	Deputy Commissioner of Service Tax

- (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.



**Annexure A to the Independent Auditor's Report to the members of TVS Logistics Services Limited for the year ended March 31, 2017**

**Page 4 of 5**

- (x) According to the information and explanations given to us, no material frauds by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (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 March 31, 2017 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 and the rules framed thereunder.
- (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 standalone financial statements as required by the applicable accounting standards.
- (xiv) The Company has during the year offered shares on preferential allotment / 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 not been utilised as such funds were raised towards the end of the year. The Company has not made any private placement of fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with 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, 2017**

**Page 5 of 5**

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

*for B S R and Associates*

*Chartered Accountants*

ICAI Firm Registration No: 128901W



**S Sethuraman**

*Partner*

Membership No: 203491

Place Chennai

Date: August 28, 2017

**Annexure B to the Independent Auditor's Report to the members of TVS Logistics Services Limited for the year ended March 31, 2017**

**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, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (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, 2017**

**Page 2 of 2**

**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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

*for B S R and Associates*

*Chartered Accountants*

ICAI Firm Registration No: 128901W



**S Sethuraman**

*Partner*

Membership No: 203491

Place: Chennai

Date: August 28, 2017



**TVS LOGISTICS SERVICES LIMITED**
**STANDALONE BALANCE SHEET AS AT 31 MARCH 2017**

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

	Note	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share capital	2.1	316,871,330	255,523,424
Reserves and surplus	2.2	5,879,196,534	7,314,412,440
		<u>6,187,067,864</u>	<u>2,570,136,084</u>
State application money pending allotment	2.3	-	230,000
Non-current liabilities			
Long term borrowings	2.4	432,456,401	273,223,581
Other long term liabilities	2.5	-	43,750,000
Long term provisions	2.6	50,700,917	40,223,914
		<u>483,157,318</u>	<u>357,197,495</u>
Current liabilities			
Short term borrowings	2.7	2,868,356,891	2,867,056,131
Trade payables	2.8	-	-
Two outstanding dues of micro and small enterprises		25,772,649	6,908,541
Two outstanding dues of creditors other than micro and small enterprises		1,664,565,196	1,456,187,372
Other current liabilities	2.9	826,197,964	444,541,300
Short term provisions	2.6	59,231,514	41,532,553
		<u>5,261,874,610</u>	<u>4,927,476,000</u>
		<u>11,932,099,801</u>	<u>7,854,960,459</u>
<b>ASSETS</b>			
Non-current assets			
Fixed assets			
Property, plant and equipment	2.10	1,152,271,329	1,178,632,851
Intangible assets	2.11	61,530,762	9,275,248
Capital work in progress		121,966,607	1,664,260
Non-current investments	2.12	2,951,894,756	2,452,831,562
Deferred tax asset (net)	2.13	-	-
Long term loans and advances	2.14	635,215,074	721,916,549
Other non-current assets	2.15	-	9,997,214
		<u>4,502,978,528</u>	<u>4,455,627,686</u>
Current assets			
Current investments	2.16	131,944,000	10,700,000
Inventory	2.17	14,545,648	16,319,197
Trade receivables	2.18	2,259,640,400	2,012,042,120
Cash and bank balances	2.19	1,285,630,078	363,234,625
Short term loans and advances	2.20	866,138,591	660,734,563
Other current assets	2.21	651,282,006	333,097,265
		<u>7,429,121,273</u>	<u>3,999,132,773</u>
		<u>11,932,099,801</u>	<u>7,854,960,459</u>

**SIGNIFICANT ACCOUNTING POLICIES**
**NOTES TO ACCOUNTS**

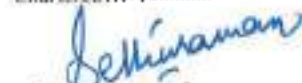
The notes referred to above form an integral part of the standalone financial statements.

As per our report of even date attached

for R &amp; R and Associates

ICAI Firm Registration Number : 123901W

Chartered Accountants



S. Sethuraman

Partner

Membership No. 203491

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



Suresh Krishna

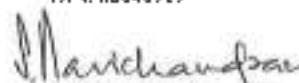
Chairman

DIN: 00046919

R. Dinesh

Managing Director

DIN: 00163060



S. Ravichandran

Deputy Managing Director

DIN: 01185545



Baskar Lakshmanan

Chief Financial Officer

Place: Chennai

Date: 28 August 2017



P. D. Krishna Prasad

Company Secretary

Place: Chennai

Date: 28 August 2017



**TVS LOGISTICS SERVICES LIMITED**
**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017**

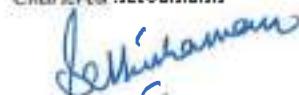
(All amounts are in Indian rupees (₹) except share data and otherwise stated)

	Note	Year ended 31 March 2017 ₹	Year ended 31 March 2016 ₹
<b>REVENUE</b>			
Revenue from operations	2.22	9,862,893,682	7,359,799,638
Other income	2.23	484,727,833	676,895,046
		<b>10,347,621,515</b>	<b>8,036,694,684</b>
<b>EXPENSES</b>			
Employee benefits	2.24	2,651,643,144	2,162,864,649
Finance costs	2.25	318,229,763	245,923,283
Depreciation and amortisation	2.26	282,911,418	252,862,197
Other expenses	2.27	7,030,371,990	5,204,034,954
		<b>10,286,166,315</b>	<b>7,875,685,083</b>
<b>PROFIT BEFORE TAX</b>		<b>61,455,200</b>	<b>161,009,601</b>
Tax expenses	2.28	-	5,800,000
<b>PROFIT FOR THE YEAR</b>		<b>61,455,200</b>	<b>155,209,601</b>
<b>EARNINGS PER SHARE</b>	2.29		
Basic		2.34	6.28
Diluted		2.34	6.21
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>			
Basic		26,285,466	24,731,750
Diluted		26,285,466	24,978,631
<b>NOMINAL VALUE OF ORDINARY SHARES</b>		10	10

**SIGNIFICANT ACCOUNTING POLICIES**
**NOTES TO ACCOUNTS**


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

As per our report of even date attached  
for BSR 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  
DIN: 00046919

R. Dinesh  
Managing Director  
DIN: 00363300



S. Ravichandran  
Deputy Managing Director  
DIN: 01485845

Baskar Lakshmanan  
Chief Financial Officer  
Place: Chennai  
Date: 28 August 2017



P. D. Krishna Prasad  
Company Secretary

Place: Chennai  
Date: 28 August 2017

**TVS LOGISTICS SERVICES LIMITED**

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017**

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

	Year ended 31 March 2017 ₹	Year ended 31 March 2016 ₹
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	61,455,200	161,009,601
Adjustments for:		
Depreciation and amortisation	282,911,418	262,850,197
Loss on sale of fixed assets (net)	91,798	924,319
Provision for doubtful debts	15,719,550	60,886,424
Provision for impairment of property, plant and equipment	-	1,388,557
Provision for doubtful loans and advances	30,757,915	59,658,929
Interest income	(25,452,252)	(19,875,954)
Dividend income from subsidiaries	(36,320,900)	(20,179,991)
Finance costs	318,239,765	245,023,283
Net gain on sale of investments	(66,595,552)	-
Provision to longer required written back	-	(330,056,748)
Income from mutual funds	(4,438,451)	(5,208,094)
Bad debts written off	1,965,016	36,624,842
Operating profit before working capital changes	621,931,495	453,958,365
Adjustments for changes in working capital:		
(Increase) / decrease in trade receivables	(323,277,846)	(539,238,130)
(Increase) / decrease in inventories	1,733,559	1,245,631
(Increase) / decrease in loans and advances	(52,106,924)	111,953,629
(Increase) / decrease in other assets	(518,323,262)	117,550,174
Increase / (decrease) in trade payables	215,241,929	175,839,524
Increase / (decrease) in provisions	32,253,603	(6,955,215)
Increase / (decrease) in other liabilities	271,264,118	63,474,006
Cash generated from operations	252,716,672	113,923,366
Direct taxes paid - net of refunds	(65,603,146)	(150,410,563)
<b>NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES (A)</b>	<b>187,113,526</b>	<b>(36,487,197)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets, and capital work-in-progress	(425,706,071)	(1,302,789,661)
Proceeds from sale of fixed assets	39,959,355	50,123,181
Proceeds / (Purchase) of non-current investments, including share application money	59,281,458	(357,429,755)
Discontinue of current investments, net of proceeds from sale/maturity	10,700,000	-
Investments / (redemptions) relating to bank deposits having original maturity of more than three months, net	4,946,261	54,714,500
Loan to subsidiaries, net	(228,363,726)	179,182,053
Interest received	30,029,628	19,921,249
Mutual fund dividend received	-	(5,208,094)
Dividend received	36,320,900	20,179,991
Cash paid for purchase of non-current investment in Demerged Undertaking	-	(123,692,761)
<b>NET CASH (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(472,812,195)</b>	<b>(1,252,199,532)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	1,555,276,580	1,256,617,591
Proceeds of long term borrowings, net	159,271,484	38,011,660
(Repayment) / proceeds of short term borrowings, net	(178,944,240)	106,000,220
Finance costs paid	(320,393,141)	(242,242,573)
Dividend paid on equity shares	(7,592,557)	(60,721,292)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES (C)</b>	<b>3,207,463,126</b>	<b>1,097,665,606</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>2,912,364,457</b>	<b>(199,022,123)</b>
Cash and cash equivalents at the beginning of the year	361,254,628	554,257,751
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR ( see note below)</b>	<b>3,269,599,085</b>	<b>363,234,628</b>

(Refer to note 2.19 - Cash and cash equivalents)



**TYS LOGISTICS SERVICES LIMITED**

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017**

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

	Year ended 31 March 2017 ₹	Year ended 31 March 2016 ₹
<b>Notes to cash flow statement</b>		
1. Components of cash and cash equivalents		
Cash on hand	697,411	1,682,151
Cheques on hand	-	4,430,018
Balance with banks		
On current accounts	3,197,252,220	241,141,313
On deposits accounts (with original maturity of 12 months or less)	82,649,454	115,580,944
	<u>3,280,599,085</u>	<u>363,234,628</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**NOTES TO ACCOUNTS**

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

As per our report of even date attached  
for **B S R And Associates**  
ICAI firm Registration Number: 138901W  
Chartered Accountants

*Sethuraman*

**S Sethuraman**  
Partner  
Membership No: 203451

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

*Suresh Krishna R. Dinesh*

**Suresh Krishna**  
Chairman  
DIN: 00346919

**R Dinesh**  
Managing Director  
DIN: 00567700

*S Ravichandran*

**S Ravichandran**  
Deputy Managing Director  
DIN: 00485843

*Basheer Lakshmanan*  
**Basheer Lakshmanan**  
Chief Financial Officer  
Place: Chennai  
Date: 28 August 2017

*P D Krishna Prasad*  
**P D Krishna Prasad**  
Company Secretary

Place: Chennai  
Date: 28 August 2017

**TVS LOGISTICS SERVICES LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2017 (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 standalone 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 standalone 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 standalone 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 Property, plant and equipment and capital work-in-progress**

Property, plant and equipment are carried at cost of acquisition less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment 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 property, plant and equipment are added to its book value if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Property, plant and equipment 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.

Property, plant and equipment is eliminated from the standalone financial statements on disposal. Losses arising from retirement or gains or losses arising from disposal of property, plant and equipment 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 (i.e. from the date the asset is ready to use) on the straight line method ("SLM"). 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**

Building  
Plant and equipment  
Furniture and fixtures  
Vehicles  
Office equipment  
Computer equipment

Useful life  
(in years)

65  
03-10  
01-10  
08-10  
5  
03-06



**TVS LOGISTICS SERVICES LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2017 (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 thereon) are carried at cost less other than 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 (assembled 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 contributions towards employee provident fund and superannuation fund to Government and Life Insurance Corporation (LIC) respectively which are defined contribution plans. 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 the standalone financial statements for the year ended 31 March 2017 (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 utilised 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 standalone 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 recognised 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 the standalone financial statements for the year ended 31 March 2017 (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 equity 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 equity 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 the standalone financial statements for the year ended 31 March 2017 (continued)

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

**2 Notes to accounts**
**2.1 Share capital**

	31 March 2017	31 March 2016
<b>Authorized shares</b>		
33,800,000 (31 March 2016: 29,800,000) equity shares of ₹ 10 each	338,000,000	298,000,000
1,200,000 (31 March 2016: 1,200,000) preference shares of ₹ 10 each	12,000,000	12,000,000
<b>Issued</b>		
<i>Equity Shares</i>		
13,810,401 (31 March 2016: 13,810,401) equity shares of ₹ 10 each at par	138,104,010	138,104,010
5,066,800 (31 March 2016: 5,066,800) equity shares of ₹ 10 each at a premium of ₹ 1.5572 per share	50,668,000	50,668,000
3,221,194 (31 March 2016: 3,000,800) equity shares of ₹ 10 each at a premium of ₹ 1.45 per share	32,231,940	3,908,000
275,800 (31 March 2016: 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 2016: 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 2016: 1,798,607) equity shares of ₹ 10 each at a premium of ₹ 685 per share	17,986,070	17,986,070
3,163,313 (31 March 2016: Nil) equity shares of ₹ 10 each at a premium of ₹ 940 per share	31,635,130	-
	<b>317,951,330</b>	<b>257,992,240</b>
<b>Less: Shares forfeited net of shares reissued</b>		
160,000 (31 March 2016: Nil) equity shares of ₹ 10 each at a premium of ₹ 185 per share	(1,600,000)	-
	<b>316,351,330</b>	<b>257,992,240</b>
<i>Preference Shares</i>		
20,000 (31 March 2016: Nil) 0.0001% non convertible, cumulative, redeemable, participating preference shares of ₹ 10 each	200,000	-
	<b>200,000</b>	<b>-</b>
<b>Called, Subscribed and Paid up</b>		
<i>Equity Shares</i>		
31,635,133 (31 March 2016: 25,799,224) equity shares of ₹ 10 each	316,351,330	257,992,240
Add: Amount paid up on 160,000 (31 March 2016: Nil) equity shares forfeited at ₹ 2 each	320,000	-
<b>Less: Calls unpaid on Nil (31 March 2016: 308,007) equity shares of ₹ 10 each, ₹ 8 unpaid by others</b>	-	(3,468,816)
	<b>316,671,330</b>	<b>255,523,424</b>
<i>Preference Shares</i>		
20,000 (31 March 2016: Nil) 0.0001% non convertible, cumulative, redeemable, participating preference shares of ₹ 10 each	200,000	-
	<b>200,000</b>	<b>-</b>
	<b>316,871,330</b>	<b>255,523,424</b>

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

	31 March 2017		31 March 2016	
	Nos	₹	Nos	₹
<b>Equity shares</b>				
At the beginning of the year	25,799,224	255,523,424	24,000,617	235,814,154
Issued during the year	5,995,909	59,959,090	1,798,607	17,936,070
Shares forfeited during the year	(176,344)	(1,763,440)	-	-
Forfeited shares reissued during the year	16,344	163,440	-	-
Calls made and received on partly paid shares	-	2,768,816	-	1,725,700
<b>Outstanding at the end of the year</b>	<b>31,635,133</b>	<b>316,671,330</b>	<b>25,799,224</b>	<b>255,523,424</b>
	31 March 2017		31 March 2016	
	Nos	₹	Nos	₹
<b>Preference shares</b>				
Issued during the year	20,000	200,000	-	-
<b>Outstanding at the end of the year</b>	<b>20,000</b>	<b>200,000</b>	<b>-</b>	<b>-</b>





# TVS LOGISTICS SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2017 (continued)

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

## 2.1 Share capital (continued)

### 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 paid an interim dividend of ₹ 100 (31 March 2016: ₹ 0.60) per equity share.

### c Terms/rights attached to preference shares

The preference shares shall be cumulative, redeemable, non-convertible, participating preference shares ("preference shares"). The preference shares shall carry a preferential right to dividends over the Equity Shares. The preference shares shall carry a fixed rate of preferential dividend at the rate of 0.0001% per annum. In addition to the fixed rate of dividend, the preference shareholders shall, at their discretion, be entitled to additional preferential dividend and carry a preferential right to repayment over the equity shares. The preference shares shall be redeemed from time to time as may be required by the preference shareholders at face value plus the redemption premium payable thereon no later than 20 years from the date of allotment or longer period as may be prescribed by law.

The holders of preference shares have a right to vote only on resolutions placed before the company which directly affect the rights attached to preference shares and, any resolution for the winding up of the company or for the repayment or reduction of its equity or preference share capital and voting right on a poll shall be in proportion to the share in the paid-up preference share capital of the company. On winding up or repayment of capital, the preference shareholders shall carry a preferential right of repayment.

### d 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 2017	31 March 2016
T V Sundram Iyengar & Sons Private Limited		
10,727,343 (31 March 2016: 10,516,517) equity shares of ₹ 10 each	107,273,430	105,168,170

### e Details of shareholders holding more than 5% shares in the Company

	31 March 2017		31 March 2016	
	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	10,727,343	33.91%	10,516,517	40.76%
CDPQ Private Equity Asia Pte. Ltd.	12,136,892	38.17%	-	-
Dinamiq Logistics Services LLP	2,982,464	9.43%	-	-
Omega Te Holdings Pte Ltd, Singapore	2,368,555	7.49%	1,641,464	6.30%
G S Logistics Holdings Limited	-	-	5,492,337	21.06%
Zumra Investments Limited	-	-	5,574,262	21.61%
Cumulative Redeemable Non-Convertible Participating preference shares of ₹ 10 each, fully paid-up				
Tata International Limited	10,002	50.01%	-	-
Tata Industries Limited	9,598	49.99%	-	-



**TVS LOGISTICS SERVICES LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2017 (continued)

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

**2.2 Reserves and surplus**

	31 March 2017	31 March 2016
<b>Capital reserve</b>		
At the commencement and at the end of the year	-	-
Add: Amount transferred pursuant to re-issue of forfeited shares	81,720	-
	<u>81,720</u>	<u>-</u>
<b>Securities premium account **</b>		
At the commencement of the year	2,292,362,110	2,201,367,592
Add / (less):		
Premium received on equity shares	3,509,351,946	1,267,808,595
Amount transferred to demerger adjustment account (refer note 2.30)	-	(1,146,113,802)
Expenses incurred in connection with issue of shares	(15,456,000)	(30,700,274)
Capital profit upon re-issue of forfeited shares transferred to capital reserve	(49,032)	-
	<u>5,736,401,064</u>	<u>2,292,362,110</u>
<b>Demerger adjustment account (refer note 2.30)</b>		
At the commencement of the year	-	-
Amount transferred from securities premium account pursuant to Scheme of amalgamation and arrangement	-	1,146,113,802
Net amount debited to Demerger adjustment account	-	(1,146,113,802)
	<u>-</u>	<u>-</u>
<b>General reserve</b>		
At the commencement of the year	-	38,363,513
Adjustment pursuant to scheme of amalgamation and arrangement (refer note 2.30)	-	(38,363,513)
	<u>-</u>	<u>-</u>
<b>Surplus (Profit) and final balance</b>		
At the commencement of the year	23,250,550	157,536,372
Adjustment pursuant to scheme of amalgamation and arrangement (refer note 2.30)	-	(270,586,469)
Profit for the year	61,454,200	155,209,601
Less: Appropriations		
Interim equity dividend (amount per share ₹ Nil (31 March 2016: ₹ 0.60)	-	(15,305,487)
Tax on interim equity dividend ***	-	(1,602,447)
	<u>83,105,750</u>	<u>13,627,437</u>
	<u><b>5,870,190,834</b></u>	<u><b>2,314,612,660</b></u>

\*\* Net of premium unpaid as on 31 March 2017 ₹ Nil (31 March 2016: ₹ 41,981,324) of which ₹ Nil (31 March 2016: Nil) pertains to amounts due by directors and officers.

\*\*\* Tax on interim equity dividend includes dividend tax relating to prior years amounting to ₹ Nil (31 March 2016: ₹ 3,280,404) and net of dividend tax credit on dividend received amounting to ₹ Nil (31 March 2016: ₹ 1,169,046)

**2.3 Share application money pending allotment**

	31 March 2017	31 March 2016
Nil (31 March 2016: 20,000) 0.0091% non convertible, cumulative, redeemable, participating preference shares of ₹ 10 each **	-	200,000
	<u>-</u>	<u>200,000</u>

\*\* Refer note 2.30 - scheme of amalgamation and arrangement



**TVS LOGISTICS SERVICES LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2017 (continued)

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

**2.4 Long term borrowings**

	Non-current portion		Current portion of	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
<b>Term loans</b>				
From financial institutions (secured) ^	429,848,612	297,212,750	42,749,387	17,344,860
<b>Other loans</b>				
Finance lease obligations (secured) ***	1,607,729	15,990,431	17,404,411	17,423,748
	<b>432,456,401</b>	<b>253,223,581</b>	<b>60,154,798</b>	<b>34,768,608</b>

^ Amount disclosed under 'Other current liabilities' (refer note 2.9)

**^ Term loans from financial institutions**

(a) Term loans from Sundaram Finance Limited amounting to ₹ 12,599,059 (31 March 2016: ₹ 20,655,959) are secured by hypothecation of vehicles and equipments acquired out of the loan. Such loans are repayable in monthly instalments over five years and carries interest rate ranging from 10.20% p.a. to 12.52% p.a. (31 March 2016: 10.25% p.a. to 12.52% p.a.).

(b) Term loans from L&amp;T Finance Limited amounting to ₹ Nil (31 March 2016: ₹ 3,921,649) are secured by hypothecation of vehicles and equipments acquired out of the loan. Such loans have been repaid during the year and carries interest rate of Nil (31 March 2016: 11.00% p.a.).

(c) The term loan from Tata Capital Financial Services Limited amounting to ₹ 210,000,000 (31 March 2016: ₹ Nil) is secured by an exclusive charge on specific movable fixed assets. The loan is repayable in 14 quarterly instalments commencing from 31 March 2018. The term loan carries an interest rate of 10.75% p.a. (31 March 2016: Nil).

(d) Term loan from Tata Capital Financial Services Limited amounting to ₹ 250,000,000 (31 March 2016: ₹ 250,000,000) 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% p.a. (Refer note 2.30 - Scheme of amalgamation and arrangement).

**\*\*\* Finance lease obligations**

(a) Finance lease obligations amounting to ₹ 19,077,140 (31 March 2016: ₹ 55,414,579) are secured against the respective assets taken on finance lease. The lease term varies from 1 to 4 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 2017	31 March 2016	31 March 2017	31 March 2016
(a) Total future minimum lease payments	1,610,485	16,429,909	18,245,292	41,816,375
(b) Future interest included in (a) above	82,756	439,078	493,881	4,442,627
(c) Present value of future minimum lease payments	<b>1,607,729</b>	<b>15,990,831</b>	<b>17,404,411</b>	<b>37,423,748</b>

The maturity profile of finance lease obligations is as follows:

	Minimum lease payments		Present value	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Payable within 1 year	18,255,292	41,866,375	17,404,411	37,423,748
Payable between 1 - 5 years	1,650,485	16,429,909	1,607,729	15,990,431

**2.5 Other long term liabilities**

	31 March 2017	31 March 2016
Deferred consideration **	-	43,750,000
	<b>-</b>	<b>43,750,000</b>

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



**TVS LOGISTICS SERVICES LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2017 (continued)

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

**2.6 Provisions**

	Long term		Short term	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Provision for employee benefits				
Provision for gratuity (refer note 2.51)	11,589,978	7,171,531	24,129,473	3,689,206
Provision for compensated absences	38,710,939	33,052,483	34,436,904	33,100,571
	<u>50,300,917</u>	<u>40,223,914</u>	<u>58,566,377</u>	<u>36,789,777</u>
Other provisions				
Provision on equity dividend	-	-	715,542	4,742,756
	<u>50,300,917</u>	<u>40,223,914</u>	<u>59,281,919</u>	<u>41,532,533</u>

**2.7 Short term borrowings**

	31 March 2017	31 March 2016
Cash credit from banks **		
Secured	283,263,319	423,271,686
Unsecured	214,974,995	44,253,185
Loans repayable on demand ***		
Secured	710,000,000	945,000,000
Unsecured	1,479,818,507	505,820,649
Buyer's credit (secured) **	-	848,709,811
	<u>2,688,056,821</u>	<u>2,667,056,131</u>

**\*\* Cash Credit from banks includes**

Cash credit from State Bank of India ('SBI') amounting to ₹ 283,263,319 (31 March 2016: ₹ 157,099,957) is secured by a first pari passu charge on bank debts and current assets of the Company and carries interest ranging between 9.35 % p.a. to 10.55 % p.a. (31 March 2016: 10.55 % p.a. to 11.75 % p.a.)

Cash credit from Yes Bank Limited ('YBL') amounting to ₹ 156,645,410 (31 March 2016: ₹ 44,253,785) is unsecured and carries interest of 11.25 % p.a. (31 March 2016: 11.25 % p.a. to 11.75 % p.a.)

Cash credit from Axis Bank Limited ('ABL') amounting to ₹ 48,928,585 (31 March 2016: ₹ Nil) is unsecured and carries interest ranging between 8.15% p.a. to 9.75% p.a. (31 March 2016: Nil)

Cash credit from ANZ Bank ('ANZ') amounting to ₹ Nil (31 March 2016: ₹ 245,644,599) is secured by first pari passu charge on the current assets both present and future of the demerged undertaking. Cash credit carries interest of Nil (31 March 2016: 9.80% p.a. to 11.50% p.a.). Also refer to Note 2.50 - Scheme of amalgamation and arrangement.

Cash credit from ICICI Bank ('ICICI') amounting to ₹ Nil (31 March 2016: ₹ 38,527,130) is secured by first pari passu charge on the current assets both present and future of the demerged undertaking. Cash credit carries interest of Nil (31 March 2016: 10.10% p.a. to 10.75 % p.a.) Also refer to Note 2.50 - Scheme of amalgamation and arrangement.

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

From State Bank of India ('SBI') amounting to ₹ 500,000,000 (31 March 2016: ₹ 745,000,000) is secured by a first pari passu charge on bank debts and current assets of the Company and it carries interest of 8.45% p.a. to 8.50% p.a. (31 March 2016: 9.90% p.a.)

From DBS amounting to ₹ 50,000,000 (31 March 2016: ₹ 100,000,000) is secured by first pari-passu charge on current assets of the Company and it carries interest of 9.00% p.a. (31 March 2016: 9.60% p.a.)

From HDFC amounting to ₹ 100,000,000 (31 March 2016: ₹ 100,000,000) is secured by first pari-passu charge on current assets of the Company and it carries interest of 8.50% p.a. (31 March 2016: 9.50% p.a.)

From DBS amounting to ₹ Nil (31 March 2016: ₹ 51,054,875) is unsecured and carries interest of Nil (31 March 2016: 9.55% p.a. to 11.75% p.a.)

From HDFC amounting to ₹ 550,000,000 (31 March 2016: ₹ 550,000,000) is unsecured and carries interest of 8.20% p.a. to 8.50% p.a. (31 March 2016: 9.50% p.a.)

From Axis Bank amounting to ₹ 524,000,000 (31 March 2016: ₹ Nil) is unsecured and carries interest of 8.15% p.a. to 9.15% p.a. (31 March 2016: Nil)

Amex item card facility amounting to ₹ 5,818,507 (31 March 2016: ₹ 4,765,974) is unsecured



**TVS LOGISTICS SERVICES LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2017 (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 Rasthakar Bank Limited ('RBL') amounting to ₹ Nil (31 March 2016: ₹ 270,060,354) 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 ₹ Nil (31 March 2016: ₹ 578,649,457) 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.

**2.8 Trade payables**

	31 March 2017	31 March 2016
Amount due to small and medium enterprises	23,772,649	16,908,544
Others	1,664,565,196	1,456,187,372
(refer note 2.34 for details of dues to micro and small enterprises)		
	<b>1,688,337,845</b>	<b>1,473,095,916</b>

**2.9 Other current liabilities**

	31 March 2017	31 March 2016
Current maturities of long term borrowings (refer note 2.4)	60,154,798	54,768,604
Interest accrued but not due on borrowings	8,689,321	11,342,699
Amount due to employees	195,189,836	165,547,429
Statutory dues	44,440,632	95,748,914
Vendor bills discounting ***	262,488,876	21,079,152
Dues payable in respect of purchase of fixed assets	41,088,926	71,781,635
Consideration payable *	60,500,000	60,500,000
Deferred consideration **	43,750,000	-
Forward Contract Payable	-	32,592,566
Dues to subsidiaries	1,742,834	21,671,423
Advance from customers	99,174,152	8,127,946
Other current liabilities	7,978,609	2,568,927
	<b>826,197,964</b>	<b>545,742,300</b>

\*\*\* Vendor bills discounting includes

Bills discounting from ANZ Banking Group Limited ('ANZ') amounting to ₹ 18,162,544 (31 March 2016: ₹ 21,079,152) is secured by first pari passu charge on the current Assets of the Demerged undertaking both present and future. Bill discounting carry interest rate of Nil (31 March 2016: 0.70% p.a. to 1.12% p.a.) Also refer to Note 2.30 - Scheme of arrangement and amalgamation.

Bills discounting from Axis Bank Limited ('AXIS') amounting to ₹ 244,306,532 (31 March 2016: Nil) is unsecured and carries interest of 8.55% p.a. (31 March 2016: Nil).

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

\*\* Inwards acquisition of shares in TVS Commutation Solutions Limited prior to the scheme of amalgamation.



**TVS LOGISTICS SERVICES LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2017 (continued)

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

**2.14 Property, plant and equipment**

	Land	Building **	Plant and equipment *	Furniture and fixtures	Vehicles †	Office equipment	Computer equipment	Fund III
	₹	₹	₹	₹	₹	₹	₹	₹
<b>Gross block</b>								
Balance as at 01 April 2015	-	-	642,566,552	201,178,574	11,079,462	53,375,371	14,263,494	1,008,395,242
On acquisitions ****	-	285,699,382	123,444,811	245,877,670	1,674,248	42,182,568	180,312,897	882,294,141
Additions	168,567,745	-	47,193,249	71,130,199	13,674,414	20,342,632	19,975,759	339,241,196
Deposits	-	-	(26,532,509)	(2,704,617)	(6,173,540)	(1,794,142)	(460,714)	(30,961,071)
Balance as at 31 March 2016	168,567,745	285,699,382	892,177,841	518,066,866	34,274,624	134,105,962	264,951,346	1,394,469,471
Additions	-	-	19,449,124	102,256,895	8,293,321	16,078,963	22,40,022	246,236,409
Deposits	-	-	(142,069,740)	(18,755,863)	(1,440,749)	(9,970,397)	(11,790,552)	(186,906,961)
Balance as at 31 March 2017	168,567,745	285,699,382	769,557,124	600,561,898	38,127,684	140,214,528	275,560,816	1,253,802,459
<b>Accumulated depreciation</b>								
Balance as at 01 April 2015	-	-	407,215,293	84,946,976	7,714,482	21,455,014	34,272,122	531,444,557
On acquisitions ****	-	30,054,364	57,156,105	22,701,752	817,249	35,668,860	145,451,786	292,280,176
Charge for the year	-	7,627,640	95,509,359	71,749,721	4,235,486	21,751,314	18,653,041	278,361,176
Deposits	-	-	(15,489,672)	(71,822)	(2,372,879)	(322,555)	(975,470)	(19,631,431)
Balance as at 31 March 2016	-	37,682,004	545,778,087	187,866,244	9,364,316	86,156,838	218,394,149	1,075,686,474
Charge for the year	-	4,511,662	96,752,179	85,184,546	4,276,426	19,473,638	22,368,972	221,711,787
Deposits	-	-	(17,279,067)	(11,151,721)	(2,112,859)	(10,586,213)	(10,109,853)	(46,755,795)
Balance as at 31 March 2017	-	42,193,666	624,916,489	261,708,869	11,527,883	95,044,263	230,653,268	1,249,685,679
<b>Net block</b>								
As at 31 March 2016	168,567,745	248,017,378	346,399,864	330,200,622	24,910,308	47,949,124	46,557,229	1,179,002,671
As at 31 March 2017	168,567,745	243,505,716	269,580,659	462,818,527	26,609,799	45,212,367	44,907,548	1,182,171,319

\* The gross and net carrying amount of assets acquired under finance lease are included in above as Nil and -

Gross block

Accumulated depreciation

Depreciation charge for the year

Net block value

\*\* The Company is in the process of transferring the title deeds of immovable properties comprising of land and buildings acquired during the year ended March 31, 2016, from charges of the third party logistics services business (Service Business/Discontinued undertaking) of Drive India Enterprise Solutions Limited (DIESL) amounting to a gross book value of ₹ 285,699,382. Also refer note 2.9 for scheme of amalgamation and arrangement.

\*\*\* Refer note 2.70 - Scheme of amalgamation and arrangement

† Excludes assets held for sale classified separately under other current assets. Refer note 2.21

‡ With effect from 1 April 2016, the Company has revised the useful life of certain of its plant and machinery (primarily comprising of forklifts) and also has changed its method of depreciation on such assets from the written down value method (WDV) to straight line method (SLM) based on technical evaluation. As a result of this change, the depreciation charge is lower by ₹ 5,619,126 for the year ended 31 March 2017. The effect on the profit or loss for the future years is not expected to be material.



**TVS LOGISTICS SERVICES LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2017 (continued)  
(All amounts are in Indian rupees (₹) except share data and otherwise stated)

**2.11 Intangible assets**

	Customer related Intangibles etc.	Computer software	Total
	₹	₹	₹
<b>Gross Block</b>			
Balance as at 01 April 2015	47,500,000	182,901,450	230,401,450
On acquisitions **	-	186,781,193	186,781,193
Additions	-	12,957,842	12,957,842
Balance as at 31 March 2016	47,500,000	382,636,685	430,136,685
Additions	-	20,556,145	20,556,145
Balance as at 31 March 2017	47,500,000	403,192,830	450,692,830
<b>Accumulated amortisation and impairment</b>			
Balance as at 01 April 2015	47,500,000	94,187,729	141,687,729
On acquisitions **	-	152,874,888	152,874,888
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
Amortisation for the year	-	50,200,621	50,200,621
Balance as at 31 March 2017	47,500,000	341,562,058	389,062,058
<b>Net block</b>			
As at 31 March 2016	-	91,275,248	91,275,248
As at 31 March 2017	-	61,630,762	61,630,762

\*\* Reference 2.10 - Scheme of amalgamation and arrangement



**TVS LOGISTICS SERVICES LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2017 (continued)

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

**2.12 Non-current investments**

	31 March 2017	31 March 2016
<b>Unquoted investments in equity instruments</b>		
<b>Investments in subsidiaries</b>		
TVS Dynamic Global Freight Services Limited	680,000,000	680,000,000
1,019,999 (31 March 2016: 1,019,999) equity shares of ₹ 10 each fully paid up		
TVS Aviation Logistics Limited	30,609,940	30,609,940
5,990,994 (31 March 2016: 5,990,994) equity shares of ₹ 10 each fully paid up		
TVS Logistics SLAM Limited, Thailand	6,014,655	6,014,656
55,000 (31 March 2016: 55,000) ordinary shares of 100 Baht each fully paid up		
TVS America Inc., USA	9,004,485	9,004,485
490 (31 March 2016: 490) shares of no par value		
TVS Logistics Investments UK Limited, UK	506,644,158	519,060,519
6,195,698 (31 March 2016: 6,199,865) 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 2016: 61,510) shares of no par value		
FLEXOL Packaging (India) Limited	93,630,910	93,630,910
520,416 (31 March 2016: 520,416) equity shares of ₹ 10 each fully paid up		
TVS-Asiatic Supply Chain Solutions Pte. Limited, Singapore	34,322,548	34,322,548
4,950,001 (31 March 2016: 4,950,001) equity shares of SGD 1 each fully paid up		
TVS Toyota Taisie Supply Chain Solutions Limited	12,000,000	12,000,000
1,200,000 (31 March 2016: 1,200,000) equity shares of ₹ 10 each fully paid up		
Drive India Enterprises Solutions Limited ****	402,143,393	402,143,393
2,210,000 (31 March 2016: 2,210,000) equity shares of ₹ 10 each fully paid up		
<b>Investments in joint ventures</b>		
TVS Infrastructure Private Limited	177,500,000	110,000,000
1,500,000 (31 March 2016: 2,750,000) equity shares of ₹ 10 each fully paid up		
<b>Unquoted investments in preference shares</b>		
<b>Others</b>		
Cargowings Logistics Limited	250,000,000	250,000,000
25,000,000 (31 March 2016: 25,000,000) redeemable preference shares ('RPS') of ₹ 10 each fully paid up		
<b>Unquoted debentures</b>		
<b>Others</b>		
Prasanna Purple Mobility Solutions Private Limited ***	45,900,000	73,400,000
45,900 (31 March 2016: 73,400) Series I NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each		
Prasanna Purple Mobility Solutions Private Limited ***	50,255,000	74,200,000
50,256 (31 March 2016: 74,200) Series II NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each		
Prasanna Purple Mobility Solutions Private Limited ***	-	60,000,000
Nil (31 March 2016: 80,000) Optionally Convertible Debentures of ₹ 1000 each		
<b>Provision for decline, other than temporary, in the value of investments</b>		
<b>Unquoted investments in equity instruments / preference shares</b>		
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)
	<b>2,531,894,766</b>	<b>2,432,831,562</b>

\*\*\*\* Refer Note 2.20 - Scheme of amalgamation and merger





**TVS LOGISTICS SERVICES LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2017 (continued)

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

**2.12 Non-current investments (continued)**

\*\*\* 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	22,944,000
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 Consultation Solutions Limited and Prasanna Purple Mobility Solutions Private Limited. The redemption/conversion will be done in two years from the date of issuance.

**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 standalone financial statements 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 2017	31 March 2016	31 March 2017	31 March 2016
<b>To parties other than related parties</b>				
Capital advances				
Unsecured	14,344,691	758,704	-	-
Security deposits				
Considered good	224,319,960	230,539,125	114,771,236	64,315,870
Considered doubtful	-	-	5,250,977	3,742,727
	<u>224,319,960</u>	<u>230,539,125</u>	<u>120,022,213</u>	<u>68,058,597</u>
Provision for doubtful security deposits	-	-	(5,250,977)	(3,742,727)
	<u>224,319,960</u>	<u>230,539,125</u>	<u>114,771,236</u>	<u>64,315,870</u>
Other loans and advances				
Advance income tax, net of provision for taxation	255,948,282	190,372,350	-	-
VAT credit entitlement	126,802,141	97,065,607	-	-
Prepaid expenses	-	8,663	-	-
	<u>282,750,423</u>	<u>287,446,620</u>	<u>-</u>	<u>-</u>
<b>To related parties</b>				
Advance to TVS-Asianics Supply Chain Solutions Pte. Limited (towards equity)	-	203,192,100	-	-
Security deposit	13,800,000	-	21,149,793	34,949,793
	<u>13,800,000</u>	<u>203,192,100</u>	<u>21,149,793</u>	<u>34,949,793</u>
	<u>438,215,074</u>	<u>721,916,549</u>	<u>135,921,029</u>	<u>99,265,663</u>

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



**TVS LOGISTICS SERVICES LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2017 (continued)

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

**2.15 Other non current assets**

Unsecured, non-current asset

Other bank balances

Margin money deposits with banks (refer note 2.19)

**31 March 2017** **31 March 2016**

- 9,997,214

- 9,997,214

**2.16 Current investments**

Unquoted debt securities \*

Others

Prasanna Purple Mobility Solutions Private Limited

27,900 (31 March 2016: 10,700) Series I NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each

27,900,000 10,700,000

23,944 (31 March 2016: Nil) Series I NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each

23,944,000 -

Prasanna Purple Mobility Solutions Private Limited

80,000 (31 March 2016: Nil) Optionally Convertible Debentures of ₹ 1000 each

80,000,000 -

131,844,000 10,700,000

\* Refer note 2.30 - Scheme of amalgamation and arrangement

**2.17 Inventories**

(valued at lower of cost or net realisable value)

Stores and spares

**31 March 2017** **31 March 2016**

14,585,638 16,319,197

14,585,638 16,319,197

**2.18 Trade receivables**

Unsecured, unless stated otherwise

Outstanding for a period exceeding six months from the date they are due for payment

Considered good

Considered doubtful

57,962,590 147,693,178

364,477,440 232,050,786

402,440,030 379,743,964

(364,477,440) (232,050,786)

Provision for doubtful receivables

37,962,590 147,693,178

Other receivables

Considered good

Considered doubtful

2,221,677,810 1,864,337,942

28,857,164 88,757,028

2,250,534,974 1,953,110,970

(28,857,164) (88,757,028)

Provision for doubtful receivables

2,221,677,810 1,864,337,942

2,259,640,400 2,012,047,120



**TVS LOGISTICS SERVICES LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2017 (continued)

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

**2.19 Cash and bank balances**

	31 March 2017	31 March 2016
Cash and cash equivalents		
Cash on hand	697,411	1,682,351
Cheques on hand	-	4,433,018
Balance with banks		
On current accounts **	3,197,252,220	241,141,315
On deposits accounts (with original maturity of 3 months or less)	82,649,454	815,980,944
Other bank balances		
Bank balances available on deposits with original maturity of more than 3 months but less than 12 months	5,030,953	-

3,285,630,038	363,234,628
---------------	-------------

**Details of bank balance / deposits**

	31 March 2017	31 March 2016
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	3,279,901,674	357,122,259
Bank deposit due to mature within 12 months of reporting date included under 'Other bank balances'	5,030,953	-
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

3,284,932,627	367,119,473
---------------	-------------

\*\* includes funds received towards preferential allotment of equity shares amounting to ₹ 3,005,346,260 (31 March 2016: ₹ Nil) which is unutilised. Such funds are raised for general business purposes.

**2.20 Short term loans and advances**

	31 March 2017	31 March 2016
Measured, considered good unless otherwise stated		
Current portion of long-term loans and advances (refer note 2.14)		
To parties other than related parties	114,771,236	64,315,870
To related parties	21,149,793	31,949,793
	135,921,029	99,265,663
Other short-term loans and advances		
To parties other than related parties		
Short-term advances to employees	31,699,062	40,922,450
Prepaid expenses	29,957,774	53,266,447
Advance for supply of goods and services		
Considered good	107,752,926	196,322,057
Considered doubtful	174,251,801	153,415,827
Security deposit (considered good)	-	26,374,614
Loans to others (considered doubtful)	135,162,626	125,462,626
Others	2,804,299	294,966
Other balances with statutory and government authorities	19,382,068	7,182,403
	521,349,756	513,241,420
Provision for doubtful loans and advances	(309,713,627)	(288,874,453)
	211,636,129	244,366,967
To related parties		
Loans to subsidiaries		
Considered good	538,561,433	310,217,707
Advance for supply of services and goods		
Considered good	-	9,888,226

538,561,433	320,105,933
-------------	-------------

886,136,591	663,734,563
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**TVS LOGISTICS SERVICES LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2017 (continued)

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

**2.21 Other current assets**

	31 March 2017	31 March 2016
Unsecured, considered good unless stated otherwise		
Unamortized premium on forward contracts	-	9,467,839
Interest accrued on fixed deposits	370,288	659,766
Interest accrued on investments	165,056	12,479
Unbilled revenue	455,828,095	62,812,648
Dues from subsidiaries	577,348,051	217,681,112
Fixed assets held for sale **	6,040,356	42,180,847
Others		
Considered good	13,480,780	280,554
Considered doubtful	-	18,073,622
	<u>151,282,606</u>	<u>351,170,687</u>
Provision for other current assets	-	(18,073,622)
	<u>851,282,606</u>	<u>333,097,265</u>

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



**TVS LOGISTICS SERVICES LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2017 (continued)

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

**2.22 Revenue from operations**

	Year ended 31 March 2017	Year ended 31 March 2016
Income from logistics services	9,858,413,314	7,350,604,102
Other operating revenues	4,480,368	9,195,536
	<b>9,862,893,682</b>	<b>7,359,799,638</b>

**Details of logistics services rendered**

Transportation & integrated logistics ("T&IL")	4,637,475,398	3,429,119,261
After market warehouse ("AMWE")	2,852,905,781	1,858,946,335
Material handling services ("MHS")	569,301,877	567,439,978
Inplant warehouse ("IPWE")	1,345,322,707	1,177,156,002
Communication services	11,923,173	-
Other logistics services	475,964,751	331,637,762
	<b>9,862,893,682</b>	<b>7,359,799,638</b>

**2.23 Other income**

	Year ended 31 March 2017	Year ended 31 March 2016
Interest income	25,435,252	19,675,054
Dividend income	36,120,900	20,179,991
Net gain on sale of investments*	68,996,552	-
Provisions no longer required written back**	-	110,056,746
Exchange difference gain (net)	-	12,613,792
Income from mutual funds	4,478,455	5,203,094
Other non operating income	351,515,674	288,960,467
	<b>484,727,833</b>	<b>676,895,046</b>

\* 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 Communication Solutions Limited during the year ended 31 March 2016. Also refer note 2.20 - Scheme of amalgamation and arrangement.

**2.24 Employer benefits**

	Year ended 31 March 2017	Year ended 31 March 2016
Salaries and wages*	2,255,151,158	1,832,464,846
Contributions to provident and other funds	205,041,588	155,770,357
Staff welfare expenses	194,450,793	174,620,446
	<b>2,654,643,544</b>	<b>2,162,864,649</b>

\* net of reimbursement from Drive India Enterprise Solutions Limited amounting to ₹ 27,932,981 (31 March 2016: ₹ Nil)



**TVS LOGISTICS SERVICES LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2017 (continued)

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

**2.25 Finance costs**

	Year ended 31 March 2017	Year ended 31 March 2016
Interest expenses	301,310,792	280,910,347
Other borrowing costs	7,461,831	8,763,377
Loss on foreign currency transactions	9,467,840	17,140,349
	<b>318,239,463</b>	<b>245,923,283</b>

**2.26 Depreciation and amortisation**

	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation of tangible assets (refer note 2.10)	232,710,787	218,563,377
Amortisation of intangible assets (refer note 2.11)	50,200,631	44,298,820
	<b>282,911,418</b>	<b>262,862,197</b>

**2.27 Other expenses**

	Year ended 31 March 2017	Year ended 31 March 2016
Freight, packing and forwarding expenses	5,416,248,324	2,841,030,695
Staff transportation charges	143,471,507	95,166,263
Material handling charges	89,831,545	52,031,180
Casual labour charges	841,414,447	572,304,814
Consumption of stores and spares	81,194,926	76,718,040
Power and fuel	52,151,563	32,756,466
Rent	449,469,653	683,541,039
Rates and taxes	12,995,911	9,185,887
Insurance	25,011,368	19,792,237
Repairs and maintenance		
Plant and machinery	1,110,998	953,897
Buildings	61,185,597	45,195,224
Others	51,580,023	50,498,651
Advertisement and business promotion expenses	12,115,249	10,864,553
Traveling and conveyance expenses	174,401,777	96,506,547
Communication expenses	74,593,981	52,465,148
Printing and stationery	35,492,311	24,683,285
Bank charges	5,352,066	6,775,269
Legal and professional charges	127,751,754	203,633,984
Security charges	227,591,293	140,837,108
Payment to auditors (refer note 2.42)	17,805,124	18,337,613
Exchange differences, net	58,864,766	-
Bad debts written off (net of adjustment against provision for doubtful receivables ₹ 3,192,750 (31 March 2016: ₹ 14,606,086))	1,965,016	36,624,842
Provision for doubtful debts	35,719,550	60,886,424
Provision for doubtful loans and advances	21,757,916	59,659,529
Expenditure on Corporate social responsibility ("CSR") (refer note 2.43)	2,814,000	12,535,873
Donations	876,250	3,879,863
Loss on sale of fixed assets, net	91,391	924,319
Impairment of fixed assets held for sale	-	1,388,557
Miscellaneous expenses	19,508,114	13,074,702
	<b>7,030,371,990</b>	<b>5,204,034,954</b>



**TVS LOGISTICS SERVICES LIMITED**

Notes to the standalone financial statements for the year ended 31 March 2017 (continued)

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

**2.28 Tax expenses**

	Year ended 31 March 2017	Year ended 31 March 2016
MAT for the year	29,736,534	54,724,234
MAT Credit utilised	(29,736,534)	(54,724,234)
Prior period tax	-	5,800,000
	-	5,800,000



**TVS LOGISTICS SERVICES LIMITED**

Notes to standalone financial statements for the year ended 31 March 2017 (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 2017	31 March 2016
Profit after tax as reported	61,455,200	155,209,601
Net profit for calculation of basic and diluted EPS	61,455,200	155,209,601
Equity shares (Nominal value of ₹ 10 each)	31 March 2017	31 March 2016
Weighted average number of equity shares outstanding during the year for calculation of basic EPS	26,285,466	24,731,750
Effect of dilutive potential equity shares		
Partly paid shares	-	246,851
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	26,285,466	24,978,601

**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 standalone financial statements during the previous year.

**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:

a) 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.

b) 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.

c) 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.

d) 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.

e) The company shall credit to its preference share capital, the aggregate value of the preference shares issued by it.

f) 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 share 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 standalone financial statements for the year ended 31 March 2017 (continued)

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

**2.50 Scheme of amalgamation and arrangement (continued)**

Accordingly, the accounting of DIESEL demerger given effect to as below in the standalone financial statements during the previous year:

Particulars	Amount
<b>A. Liabilities</b>	
Long-term Provisions	16,117,330
Short-term borrowings	1,661,912,505
Trade Payables	793,043,950
Other Current liabilities	27,042,783
Short-term provision	3,081,636
<b>Total liabilities taken over</b>	<b>2,501,198,204</b>
<b>B. Assets</b>	
Fixed assets	1,076,070,600
Accumulated depreciation	(445,239,063)
Long-term loans and advances	168,693,308
Trade receivables (net of provision of ₹ 133,031,403)	835,857,998
Cash and cash equivalents	6,473,020
Short-term loans and advances (net of provision of ₹ 14,138,573)	137,329,983
Other current assets	100,284,337
<b>Total assets taken over</b>	<b>1,886,450,189</b>
<b>Net liabilities taken over (A-B)</b>	<b>615,748,015</b>
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
<b>Amount credited to Reserves and surplus (in Demerger Adjustment Account) also refer note 1 below</b>	<b>1,146,113,803</b>

**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, participating preference shares of ₹10 each as fully paid to the preference shareholders of DIESEL. The aforesaid 20,000 cumulative, redeemable, non-convertible, participating preference shares of ₹10 each have been allotted during the year ended 31 March 2017.

3. Consequent to the DIESEL demerger, borrowings and cash and bank balances held at the appointed date of the demerger have been identified by DIESEL 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 294 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 is 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 standalone financial statements for the year ended 31 March 2017 (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 standalone financial statements during the previous year:

Particulars	Amount
<b>A. Liabilities</b>	
Short-term borrowing	268,700,000
Trade payables	9,435,914
Other current liabilities	4,082,140
<b>Total liabilities taken over</b>	<b>282,218,063</b>
<b>B. Assets</b>	
Investments	218,700,000
Trade receivables	4,575,567
Cash and cash equivalents	3,633,426
Loans and advances	89,461,448
Other current assets	15,490,416
<b>Total assets taken over</b>	<b>331,860,957</b>
<b>Net assets taken over (B-A)</b>	<b>69,642,894</b>
Consideration i.e. cancellation of the investments	578,592,894
<b>Amount debited to Reserves and surplus</b>	<b>308,950,002</b>

Notes:

1. Pursuant to the Scheme ₹ 18,563,513 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 ₹ 10 each.

3. Pursuant to amalgamation under the Scheme, provision for advances of ₹212,700,000 and provision for investment of ₹ 117,337,198 has been reversed and credited to provision no longer required and disclosed under other income. Refer note 2.23.

## 2.31 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 ₹ 112,654,102 (31 March 2016: ₹ 87,401,364).

### 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 2017	31 March 2016
Fair value of plan assets	93,664,960	86,508,017
Present value of obligations	(129,784,411)	(97,268,554)
	<b>(36,119,451)</b>	<b>(10,860,537)</b>

### Classification into current / non-current

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

	31 March 2017	31 March 2016
<b>Current</b>		
Gratuity	(24,129,473)	(3,689,206)
	<b>(24,129,473)</b>	<b>(3,689,206)</b>



**TVS LOGISTICS SERVICES LIMITED**
**Notes to standalone financial statements for the year ended 31 March 2017 (continued)**

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

**2.31 Employee benefits (continued)**

	31 March 2017	31 March 2016
<b>Non current</b>		
Gratuity	(11,989,978)	(7,171,311)
<b>Movement in present values of defined benefit obligation</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
Opening defined benefit obligation	97,368,554	49,890,742
Amount transferred pursuant to the Scheme of amalgamation and arrangement (refer note 2.30)	-	18,230,192
Current service cost	25,144,252	23,012,117
Interest cost	6,748,452	5,797,080
Actuarial (gains) / losses	10,631,828	1,891,959
Benefits paid by the plan	(10,108,675)	(11,453,536)
<b>Closing defined benefit obligation</b>	<b>129,784,411</b>	<b>97,368,554</b>
<b>Movement in fair value of plan assets</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
Opening fair value of plan assets	86,508,016	78,079,904
Amount transferred pursuant to the Scheme of amalgamation and arrangement (refer note 2.30)	-	16,862,473
Contributions paid into the plan	10,026,065	25,888,573
Benefits paid by the plan	(10,108,675)	(11,453,536)
Expected return on plan assets	6,398,908	5,481,928
Actuarial (losses) / gains	840,648	1,648,674
<b>Closing fair value of plan assets</b>	<b>93,664,960</b>	<b>86,508,016</b>
<b>Expense recognised in statement of profit and loss *</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
Current service cost	25,144,252	23,012,117
Interest on obligation	6,748,452	5,797,080
Expected return on plan assets	(6,398,908)	(5,481,928)
Net actuarial (gain) / loss recognised in the year	9,791,180	378,951
	<b>35,284,976</b>	<b>23,706,220</b>

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

	31 March 2017	31 March 2016
<b>Actual return of plan assets</b>		
Expected return on plan assets	6,398,908	5,481,928
Actuarial gain / (loss) on plan assets	840,648	1,648,674
<b>Actual return on plan assets</b>	<b>7,239,556</b>	<b>7,130,602</b>

**Principal actuarial assumptions**

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

	31 March 2017	31 March 2016
Discount rate	6.00% - 7.00%	7.00% - 7.85%
Expected return on plan assets	7.21%	8.00%
Future salary increases	6.00% - 10.00%	5.00% - 10.00%
Attrition rate	45.00%	46.00%

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 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Defined benefit obligation	(129,784,411)	(97,368,554)	(59,890,742)	(49,163,449)	(18,991,741)
Fair value of plan assets	93,664,960	86,508,016	38,079,904	34,221,324	26,221,395
Surplus / (deficit) in the plan	(36,119,451)	(10,860,538)	(21,810,838)	(14,942,115)	(12,770,346)
Experience adjustments arising on plan liabilities	(10,631,828)	(1,891,959)	(4,777,262)	(6,713,271)	(9,062,548)
Experience adjustments arising on plan assets	840,648	1,648,674	501,151	591,926	289,489



## TVS LOGISTICS SERVICES LIMITED

Notes to standalone financial statements for the year ended 31 March 2017 (continued)

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

### 2.32 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 2017	31 March 2016
Payable within one year	70,755,058	87,097,135
Payable between one and five years	47,090,634	30,837,370
Payable later than five years	-	-

During the year an amount of ₹ 952,283,453 (31 March 2016: ₹ 698,076,932) were recognised as an expense in the statement of profit and loss in respect of operating leases.

### 2.33 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 standalone financial statements.

### 2.34 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 2017 has been made in the standalone 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 2017 to micro, small and medium enterprises.

	31 March 2017	31 March 2016
The amounts remaining unpaid to micro and small suppliers as at end of the year		
Principal	23,772,649	16,908,541
Interest	2,645,166	1,398,544
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	32,685,144	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	573,799	325,780
The amount of interest accrued and remaining unpaid at the end of each accounting year	686,243	205,466
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	1,539,876	877,909

### 2.35 Related party disclosures

#### 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 Conjuratinn Solutions Limited\*  
(upto 31 March 2016)  
TVS Logistics SIAM Limited  
TVS Logistics Investment UK Limited  
TVS Logistics Investments USA Inc.  
TVS Aviation Logistics Limited  
Drive India Enterprises Solutions Limited\*  
(1 September 2015)

\* Also refer note 2.30 - Scheme of amalgamation and arrangement



# TVS LOGISTICS SERVICES LIMITED

Notes to standalone financial statements for the year ended 31 March 2017 (continued)

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

## 2.35 Related party disclosures (continued)

### B. Subsidiaries (continued)

TVS America Inc., USA  
H H XDI, Packaging (India) Limited  
TVS-Asianics Supply Chain Solutions Pvt. Limited  
TVS Toyota Tsusho Supply Chain Solutions Limited

### C. Step down subsidiaries

TVS Supply Chain Solutions Limited, UK  
M/Sys Software Solutions Limited, LK  
Mullipart Limited, UK  
TVS Logistics Iberia S.L., Spain  
TVS Autovers GmbH, Germany  
TVS Supply Chain Solutions GmbH, Germany  
TVS Supply Chain Solutions Do Mexico  
(from 30 June 2015)  
Rico Logistics Limited, UK  
TVS Supply Chain Solutions North America Inc., USA  
(formerly known as Wainwright Industries Inc. USA)  
Wainwright LLC, USA  
Ricochet Spain, Spain  
Rico Logistique, France  
(from 1 April 2015)  
Rico Logistics Pty Ltd, Australia  
(from 22 December 2015)  
Tri + Tec Computer Support Limited, Northern Ireland  
Tri + Tec Support Limited, Ireland  
Circle Express Limited, UK  
(from 18 January 2016)  
SPC International Limited, UK  
(from 20 February 2017)  
*Subsidiaries of SPC International Limited, UK*  
SPCINT Limited, UK  
SPC International (Engineering) Limited, UK  
Pitrop 171 Limited, UK  
SPC EBT Trustees Limited, UK  
SPC International Inc., USA  
SPC International s.r.l., France  
SPC International s.r.o., Slovakia  
SPC International India Private Limited, India  
TVS-Asiatics Australia Holdings Pty Ltd  
(from 15 July 2015)  
TIF Holdings Pty Ltd.  
*Subsidiaries of TIF Holdings Pty Ltd.*  
Transar International Freight (Aust) Pty Ltd, Australia  
Transar International Freight Limited, New Zealand  
Kuhn Nanzines Pty Ltd, Australia  
Transar International Freight Limited, Hong Kong  
Transar International Freight (Singapore) Pte. Limited, Singapore  
Transar International Freight (Shanghai) Limited, China  
Transar International Freight Limited, Thailand  
Transar International Freight (Malaysia) SD Bhd, Malaysia  
Transar International Freight (USA) LLC, USA  
(liquidated during the year)  
TIF Holdings (USA) LLC, USA  
(liquidated during the year)



# TVS LOGISTICS SERVICES LIMITED

Notes to standalone financial statements for the year ended 31 March 2017 (continued)

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

## 2.35 Related party disclosures (continued)

### 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  
(Formerly known as TVS Automobile Solutions Limited)

### E. Joint Ventures

TVS Infrastructure Private Limited  
(Formerly known as TVS Infrastructure Limited)  
T&T One Asia Limited (T&T), Hong Kong  
Subsidiaries of T&T One Asia Limited  
China Network Logistics Limited, China  
Shanghai Herrytop Warehouse and Delivery Co., Ltd.  
Shanghai Tripping Logistics Co., Ltd., China  
Shanghai Herrytop E-commerce Delivery Co. Limited  
Shanghai Herrytop Supply Chain Management Co. Limited

### F. Key management personnel

Mr. R. Unesh, Managing director  
Mr. S. Ravichandran, Deputy managing director

### Transactions during the year

	Year ended 31 March 2017	Year ended 31 March 2016
<b>Income from logistics services</b>		
Lucas-TVS Limited	172,027,152	140,013,307
Sundaram Industries Private Limited	8,629,800	8,749,023
TVS Motor Company Limited	740,432,241	677,470,802
Sundaram Clayton Limited	20,143,405	22,226,110
FLEXOL Packaging (India) Limited	-	150,095
Sundaram Auto Components Limited	1,086,231	966,225
T V Sundram Iyengar & Sons Private Limited	31,868,344	96,970
TVS Toyota Tsusho Supply Chain Solutions Limited	8,054,011	-
<b>Other income</b>		
TVS Dynamic Global Freight Services Limited	18,000,000	18,000,000
TVS Logistics Investments USA Inc., USA	-	66,451,023
FLEXOL Packaging (India) Limited	-	12,438,000
TVS Logistics Investments UK Limited	-	164,232,299
TVS Toyota Tsusho Supply Chain Solutions Limited	5,157,924	3,024,297
Rico Logistics Limited, UK	13,000,020	-
TVS Supply Chain Solutions Limited, UK	47,417,239	-
TVS Logistics Iberia S.L., Spain	6,563,440	-
TVS Supply Chain Solutions North America Inc., USA	107,607,450	-
<b>Dividend income</b>		
TVS Dynamic Global Freight Services Limited	-	4,170,993
TVS Infrastructure Private Limited	-	1,300,000
TVS Logistics Investment UK Limited, UK	16,320,500	-
<b>Interest income</b>		
FLEXOL Packaging (India) Limited	165,001	1,882,957
TVS Logistics Investments USA Inc., USA	5,821,541	4,141,473
TVS Logistics SIAM Limited	1,458,414	669,010
TVS Logistics Investment UK Limited, UK	5,244,350	3,530,014
TVS-Asimatics Supply Chain Solutions Pte. Limited, Singapore	2,147,238	3,081,015
TVS Communication Solutions Limited	-	691,260
<b>Profit on sale of investments</b>		
TVS Logistics Investment UK Limited, UK	66,996,553	-



**TVS LOGISTICS SERVICES LIMITED**

Notes to standalone financial statements for the year ended 31 March 2017 (continued)

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

**2.35 Related party disclosures (continued)**
**Transactions during the year (continued)**

	Year ended 31 March 2017	Year ended 31 March 2016
<b>Purchase of Spares, Fuel, Others</b>		
T V Sundram Iyengar & Sons Private Limited	930,143	82,621
Sundaram Industries Private Limited	6,754,501	7,626,426
Lucas Indian Service Limited	1,229,366	1,884,962
FLEXOL Packaging (India) Limited	15,204,206	-
<b>Freight, packing and forwarding expenses</b>		
TVS Dynamic Global Freight Services Limited	-	3,006,409
FLEXOL Packaging (India) Limited	549,024	12,792,216
Sundaram Industries Private Limited	-	7,215
TVS Toyota Tsusho Supply Chain Solutions Limited	1,940,700	3,060,009
Lucas-TVS Limited	1,003,768	-
T V Sundram Iyengar & Sons Private Limited	4,433,724	-
<b>Staff transportation charges</b>		
TVS Consultation Solutions Limited	-	48,902,575
<b>Rent</b>		
TVS Infrastructure Private Limited	67,705,536	87,012,803
T V Sundram Iyengar & Sons Private Limited	14,136,439	13,020,000
<b>Repairs and maintenance</b>		
T V Sundram Iyengar & Sons Private Limited	141,324	3,783,414
TVS Automobile Solutions Private Limited	-	20,655
Sundaram Industries Private Limited	-	857,423
FLEXOL Packaging (India) Limited	108,500	-
<b>Reimbursement of expenses to</b>		
TVS-Asianus Supply Chain Solutions Pte. Limited, Singapore	2,995,151	2,346,030
Dave India Enterprises Solutions Limited	62,346,621	-
<b>Other expenses</b>		
T V Sundram Iyengar & Sons Private Limited	4,965,346	8,940,654
TVS Toyota Tsusho Supply Chain Solutions Limited	3,240,670	4,511,699
FLEXOL Packaging (India) Limited	5,816,751	-
TVS Dynamic Global Freight Services Limited	95,101	1,509,000
TVS Automobile Solutions Private Limited	1,965,693	-
<b>Purchase of fixed assets</b>		
TVS Dynamic Global Freight Services Limited	582,898	-
FLEXOL Packaging (India) Limited	5,946,954	41,000
<b>Investment in / (Liquidation of) equity shares</b>		
TVS-Asianus Supply Chain Solutions Pte. Limited, Singapore	195,823,555	25,322,500
TVS Logistics Investment UK Limited, U.K.	(12,416,361)	-
TVS Infrastructure Private Limited	27,530,000	-
<b>Loans and advances</b>		
<b>Given during the year</b>		
TVS Communications Solution Limited	-	56,000,000
TVS Logistics Investments USA Inc., USA	209,004,670	136,957,500
TVS-Asianus Supply Chain Solutions Pte. Limited, Singapore	57,397,872	176,006,530
TVS Logistics SIAM Limited	-	19,479,356
TVS Logistics Investment U.K Ltd	-	114,105,840
<b>Repaid during the year</b>		
FLEXOL Packaging (India) Limited	8,000,000	34,000,000
TVS Logistics Investments USA Inc., USA	-	124,844,760



**TVS LOGISTICS SERVICES LIMITED**

Notes to standalone financial statements for the year ended 31 March 2017 (continued)

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

**2.35 Related party disclosures (continued)**

Transactions during the year (continued)

	Year ended 31 March 2017	Year ended 31 March 2016
<b>Guarantees</b>		
TVS Logistics Investments USA Inc., USA	-	269,576,906
TVS- Asiaans Supply Chain Solutions Pte Ltd, Singapore	-	1,280,016,813
<b>Remuneration to Key Managerial Personnel</b>		
Salaries, wages and bonus to deputy managing director	14,340,290	19,744,420
Contribution to provident and other funds to deputy managing director	631,548	403,200
Commission to managing Director	23,000,000	21,750,000

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 2017	31 March 2016
<b>Receivables</b>		
Lucas-TVS Limited	49,357,434	39,475,304
Sundaram Clayton Limited	1,925,432	1,906,370
Sundaram Industries Private Limited	1,094,643	854,176
TVS Dynamic Global Freight Services Limited	3,300,000	4,702,500
TVS Logistics Investment UK Limited, UK	143,560,178	245,370,060
TVS Logistics Investments USA Inc., USA	179,647,160	208,630,833
TVS Motor Company Limited	134,220,638	103,272,067
TVS Supply Chain Solutions North America, Inc	82,223,200	5,440,757
FLEXOL Packaging (India) Limited	23,914	10,543,815
TVS Infrastructure Private Limited	34,949,791	40,944,752
TVS- Asiaans Supply Chain Solutions Pte Ltd, Singapore	31,020,145	177,123,672
Sundaram Auto Components Limited	378,964	349,197
TVS Logistics SIAM Limited	21,194,967	20,129,753
TVS Toyota Tsusho Supply Chain Solutions Limited	1,263,192	3,160,390
TVS Supply Chain Solutions Limited, UK	58,949,008	11,461,172
Rico Logistics Limited, UK	135,515,647	6,138,150
T V Sundram Iyengar & Sons Private Limited	25,497,958	-
CDPO Private Equity Asia PTE. LTD	2,056,138	-
Dinam Logistics Services LLP	328,052	-
DRSR Advisory Services LLP	80,946	-
TVS Logistics Iberia S.L., Spain	6,470,052	-
<b>Payables</b>		
T V Sundram Iyengar & Sons Private Limited	951,560	8,093,765
Sundaram Industries Private Limited	854,116	1,846,361
Lucas Indian Service Limited	69,722	239,364
FLEXOL Packaging (India) Limited	14,205,530	6,003,613
TVS Dynamic Global Freight Services Ltd	191,175	1,160,727
TVS Infrastructure Private Limited	7,797,783	-
TVS Logistics Investments USA Inc., USA	-	19,970,163
TVS Supply Chain Solutions North America, Inc	1,662,510	1,701,240
TVS- Asiaans Supply Chain Solutions Pte Ltd, Singapore	-	2,546,130
TVS Automobile Solutions Private Limited	86,359	98,564
TVS Toyota Tsusho Supply Chain Solutions Limited	-	7,719,614
Sundaram Clayton Limited	-	15,357
Drive India Enterprises Solutions Limited	72,000,083	-
<b>Guarantees</b>		
TVS Logistics Investments USA Inc., USA	963,760,950	935,972,226
TVS Logistics Investment UK Limited, UK	480,423,418	164,821,908
TVS- Asiaans Supply Chain Solutions Pte Ltd, Singapore	1,229,958,800	1,280,016,813
<b>Stand-by Letter of Credit</b>		
TVS Logistics Investment UK Limited, UK	776,445,120	912,845,720





**TVS LOGISTICS SERVICES LIMITED**

Notes to standalone financial statements for the year ended 31 March 2017 (continued)

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

<b>2.35</b>	<b>Related party disclosures (continued)</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>Year end balances: (continued)</b>		
	<b>Payable to Key Managerial Personnel</b>		
	Salaries, wages and bonus to deputy managing director	20,000,000	7,500,000
	Commission to managing director	6,250,000	13,750,000
<b>2.36</b>	<b>Capital commitments and contingencies</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	91,244,730	31,113,650
	<b>Contingencies</b>		
	Employee related matters	218,359,394	218,359,394
	Corporate guarantees	2,674,145,168	2,830,812,947
	Stand-by letter of credit	776,445,120	912,446,720
	Bills of exchange discounted	2,029,566	21,438,017
	Income tax related matters	30,578,425	50,370,555
	Bank guarantees issued	-	9,384,500
	Service tax related matters	116,725,229	-
	Sales tax related matters	3,847,682	-
	Claims not acknowledged as debt	26,666,710	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.

<b>2.37</b>	<b>Derivative instruments</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	The Company uses forward exchange contracts to hedge its exposure in Foreign Currency		
	Forward exchange contracts outstanding are as follows:		
	<b>Sell USD/Buy INR</b>		
	Number of Contracts	-	37
	Foreign Currency (USD)	-	12,794,704
	Reporting currency (INR)	-	681,304,377
<b>2.38</b>	<b>Un-hedged foreign currency exposure</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>Trade Receivables</b>		
	Foreign currency (USD)	15,685	145,052
	Foreign currency (SAR)	113,112	-
	Reporting currency (INR)	10,674,032	9,642,549
	<b>Receivables from subsidiaries</b>		
	Foreign currency (USD)	1,887,163	1,127,231
	Foreign currency (GBP)	3,064,295	1,387,775
	Foreign currency (THB)	1,112,508	353,133
	Foreign currency (SGD)	2,565	124,646
	Reporting currency (INR)	172,369,622	213,456,976
	<b>Loans to subsidiaries</b>		
	Foreign currency (SGD)	1,600,000	3,600,000
	Foreign currency (USD)	5,541,550	2,394,550
	Foreign currency (GBP)	1,200,000	1,200,000
	Reporting currency (INR)	535,581,422	449,011,202
	<b>Trade payables</b>		
	Foreign currency (USD)	144,160	472,948
	Foreign currency (GBP)	748	-
	Foreign currency (YEN)	1,920,359	260,948
	Foreign currency (EURO)	-	2,768
	Reporting currency (INR)	9,518,168	31,129,427
	<b>Advance to Suppliers</b>		
	Foreign Currency (YEN)	682	103,955
	Foreign Currency (GBP)	12,782	-
	Reporting Currency (INR)	931,468	61,397
	<b>Interest Payables</b>		
	Foreign currency (USD)	-	21,533
	Reporting currency (INR)	-	1,567,824



**TVS LOGISTICS SERVICES LIMITED**

Notes to standalone financial statements for the year ended 31 March 2017 (continued)

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

<b>2.39</b>	<b>Value of Import on CIF basis</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	Capital goods	26,076,299	5,038,334
	Spares	13,814,173	14,239,653
		<b>39,890,474</b>	<b>19,277,987</b>
<b>2.40</b>	<b>Earnings in foreign currency (on accrual basis)</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	Income from logistics Services	15,333,770	12,794,811
	Interest income on loan to subsidiary	14,671,544	14,248,750
	Other income	291,578,209	230,683,324
	Dividend from subsidiaries	56,320,000	-
	Profit on sale of investments	66,595,553	-
		<b>424,905,976</b>	<b>257,726,885</b>
<b>2.41</b>	<b>Expenditure in foreign currency (on accrual basis)</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	Travel	14,135,268	7,596,401
	Professional charges	12,629,387	59,845,529
	Others	8,767,471	11,563,749
		<b>35,532,126</b>	<b>79,005,679</b>
<b>2.42</b>	<b>Payment to auditors</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	Statutory audit fees	7,400,000	2,600,000
	Tax audit fees	200,000	150,000
	Other audit services (including certification etc.)	13,712,000	14,500,000
	Out of pocket expenses	493,124	887,613
		<b>17,805,124</b>	<b>18,137,613</b>
<b>2.43</b>	<b>Corporate social responsibility ("CSR") expenditure</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	Amount required to be spent as per section 135 of the Companies Act, 2013	2,796,000	2,384,000
	Amount spent during the year on		
	(i) Construction/acquisition of an asset	-	-
	(ii) (a) purpose other than (i) above on		
	a) Rent	2,814,000	12,535,873
		<b>2,814,000</b>	<b>12,535,873</b>
<b>2.44</b>	<b>Dividend remittance in foreign currency</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	Equity dividend		
	Year to which the dividend relates	-	2014-15
	Amount remitted during the year	-	24,772,652
	Number of non-resident shareholders	-	6
	Number of shares on which dividend was due	-	11,023,343
	Unpaid dividend	-	7,355
	Unpaid dividend	-	-
	Preferential equity dividend		
	Year to which the dividend relates	-	2015-16
	Amount remitted during the year	-	7,542,557
	Number of non-resident shareholders	-	7
	Number of shares on which dividend was due	-	12,670,607
	Unpaid dividend	-	1,983



## Notes to standalone financial statements for the year ended March 31, 2017 (continuously)

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 transactions will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

S.no	Particulars	Face value	Balance as at 01 April 2016	Additions	Sales / Redemption	Balance as at 31 March 2017
			No. of shares / units	No. of shares / units	No. of shares / units	Cost

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**TVS LOGISTICS SERVICES LIMITED**

Notes to standalone financial statements for the year ended 31 March 2017 (continued)

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

**2.47 Disclosure of specified bank notes**

During the year, the Company has specified bank notes in other denomination note as defined in the MCA Notification G.S.R. 580(1) dated 31 March 2017 on the details of specified bank notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016. The denomination were SBN and other notes as per the notification are given below.

	SBNs	Other denomination Notes	Total
Closing cash in hand as on 8 November 2016	101,000	2,922,364	3,023,364
Add: Permitted receipts	-	12,428,129	12,428,129
Less: Permitted payments	-	(11,839,107)	(11,839,107)
Less: Amount deposited in banks	(101,000)	-	(101,000)
Closing cash in hand as on 30 December 2016	-	2,511,186	2,511,186

**2.48 Comparative figures**

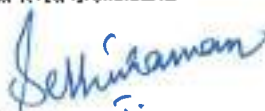
Prior year figures have been reclassified / regrouped wherever necessary to conform to the current year's classification.

As per our report of even date attached

for B S R and Associates

ICAE Firm Registration Number: 128901W

Chartered Accountant



S. Sethuraman

Partner

Membership No: 303491

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

 R. Dinesh

Suresh Krishna

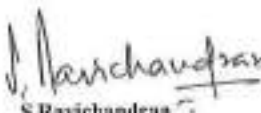
Chairman

DIN: 00046919

R. Dinesh

Managing Director


DIN: 00363301



S. Ravichandran

Deputy Managing Director

DIN: 01485845



G. Lakshmanan

Chief Financial Officer

Place: Chennai

Date: 28 August 2017



P. D. Krishna Prasad

Company Secretary

Place: Chennai

Date: 28 August 2017

## TVS LOGISTICS SERVICES LIMITED

### DIRECTOR'S REPORT

To,  
The Members,  
TVS LOGISTICS SERVICES LIMITED

Dear Members,

Your Directors have pleasure in submitting their Thirteenth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2017.

### FINANCIAL RESULTS

	<i>(Amount Rs. In lakhs)</i>	
	<i>2016-17</i>	<i>2015-16</i>
Net profits after Tax adjustments	614.55	1552.09
Surplus brought forward from previous year	222.51	1573.36
Adjustment pursuant to Scheme of Arrangement	-	(2703.86)
Transitional adjustment as per Schedule II of Companies Act, 2013	-	-
<b>Amount available for appropriation</b>	<b>837.06</b>	
	<b>421.59</b>	
APPROPRIATION		
General Reserve	-	-
Interim Dividend on Equity Shares	-	153.06
Proposed Dividend on Equity Shares	-	-
Tax on Dividend	-	46.02
<b>Surplus – Balance carried to Balance Sheet</b>	<b>837.06</b>	<b>222.51</b>

The operating income of the Company for the year under review amounts to Rs. 98,628.93 lakh as against Rs. 73,597.99 lakh reported in the previous year. The results are detailed in the Profit & Loss Account attached hereto.

The company has improved its operational profit (Actual financials include a one-time benefit of Rs 1938 lakhs) and in spite of the subdued growth in the overall economy, the company has seen reasonable growth.

The Company has taken various initiatives to improve its operating margin and profitability even further in the coming year.

## **ECONOMIC OUTLOOK**

Year 2016-17 had many changes taking place, example – Demonetisation, new norms for registration etc. This has resulted in some sectors not growing at the same speed as others. However, the economy now seems to have overcome the challenges. This will result in the logistics sector growing at a faster pace.

The start of the Goods & Services Tax (GST) era is already upon us with the law coming into effect from July 1, 2017 onwards. GST is expected to be a significant trigger for the Indian industry to migrate from legacy supply chain models designed for optimising tax considerations, to more efficient supply chain models that optimise operational considerations such as supply chain costs and lead time to market. Interstate movement of goods has become easier with reduced procedures and restrictions at state borders.

This is transforming the Indian logistics landscape into one monolith of an expansive geography. In such context, tremendous business opportunity arises for established end-to-end logistics players, such as your Company. Thus, the implementation of GST would benefit immensely the players in organized sector in terms of consolidation and merging of small players with larger organized players to leverage the mutual benefits.

Furthermore, the sector would also attract interest from international logistics players through FDI, JVs or acquisitions, which in turn propels the industry to march towards the developed market standards of logistics performance index. Your company is geared with the transformation of technologies from the developed countries is better prepared to face these challenges and deliver beyond the expectation.

The long-term outlook of the companies operating in Indian logistics industry is favorable

## **REGISTERED OFFICE**

The Registered office of the Company was shifted from 7-B, West Veli Street, Madurai- 625 001 to 10, Jawahar Road, Chokkikulam, Madurai – 625002 with effect from 01.02.2017 for administrative convenience.

## **DIVIDEND**

In order to conserve the resources of the Company, and to build up reserves and considering the business plans of the Company, no Dividend was declared for the current financial year.

## **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. 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, 2017 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 and joint venture companies is enclosed.

## **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

A separate statement containing the salient features of the audited financial statement of all the subsidiary, associate and joint venture companies 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.

The Scheme of Amalgamation and Arrangement between Drive India Enterprise Solutions Limited (Demerged Company), TVS Commutation Solutions Limited (Transferor Company) and TVS Logistics Services Limited (Transferee Company) and their respective shareholders and creditors has been approved by National Company Law Tribunal, Chennai Bench vide order dated 23.03.2017.

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) The authorised share capital was increased from Rs. 30 crore to Rs. 35 crore
- b) 28,32,394 Equity shares having a face value of Rs.10/- each at a price of Rs.195/- each (including a premium of Rs. 185/- per equity share) allotted to the existing shareholders on rights basis.
- c) (i) 10,002 cumulative, redeemable, non-convertible, participating preference shares having face value of Rs. 10/- each, allotted to Tata International Limited; and (ii) 9,998 cumulative, redeemable, non-convertible, participating preference shares having face value of Rs 10/- each, allotted to Tata Industries Limited pursuant to the Scheme of Amalgamation and Arrangement between Drive India Enterprise Solutions Limited and TVS Commutation Solutions Limited with the Company.

d) 31,63,515 Equity Shares having a face value of Rs.10/- each at a price of Rs. 950/- each (including a premium of Rs. 940/- per equity share), allotted to identified existing shareholders of the Company on private placement/preferential basis.

e) 55,400 equity shares were becoming fully paid up during the year.

Accordingly, the paid up capital of the Company increased from Rs.25,55,23,424/- to Rs. 31,68,71,330/-.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year, consequent upon sale of shareholding by the existing investors viz; GS Logistics Holdings Limited, Manutius (GS) and Zumrut Investments Limited, Manutius (Zumrut) to CDPQ Private Equity Asia Pte. Ltd, Singapore (CDPQ), Sri Sanjeev Mehra, the nominee director of GS and Sri. Ajay Candade, the nominee director of Zumrut, have resigned with effect from January 11, 2017. The Board wishes to record its appreciation for the contribution made by Sri Sanjeev Mehra and Sri. Ajay Candade during their tenure as Directors.

Sri S Ravichandran (DIN: 01485845) was appointed as Deputy Managing Director for a period of three years from November 15, 2016 and the terms of appointment has been approved by the shareholders at the Twelfth Annual General Meeting held on 31<sup>st</sup> December, 2016.

Based on the nomination from CDPQ Private Equity Asia Pte. Ltd, Singapore, Ms. Anita George (DIN: 00441131) and Mr. Baudoin Lorans (DIN: 07785377) were co-opted to the Board as an Additional Directors with effect from January 11, 2017 and April 26, 2017 respectively. At the Extra-ordinary General Meeting of the Members of the Company held on February 6, 2017, Ms Anita George was appointed as Director of the Company. Notice along with the requisite deposit under Section 160 of the Companies Act, 2013 has been received from a member proposing the candidature of Mr. Baudoin Lorans as Director in the ensuing Annual General Meeting.

Sri. R Dinesh (DIN: 00363300), Sri. Gopal Srinivasan (DIN: 00177699) and Sri. S Mahalingam (DIN: 00121727) Directors are liable to retire by rotation at the ensuing Annual General Meeting and being eligible for re-appointment.

Your Directors recommend their re-appointment.

## **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 eight times. The dates of meetings are 20.06.2016, 29.09.2016, 21.12.2016, 05.01.2017, 11.01.2017, 21.02.2017, 28.03.2017 and 30.03.2017.

## **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 31<sup>st</sup> March, 2017. 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. Anantha Nageswaran, Chairman, Sri. C K Ranganathan, Sri. S Mahalingam, and Ms. Anita George, 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 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, Sri. S Mahalingam and Ms. Anita George, 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 the Notes to the financial statements for the financial year 2016-17.

## **RELATED PARTY TRANSACTIONS**

All Related Party Transactions entered by the Company in financial year 2016-17 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 June 29, 2015. Sri. Anantha Nageswaran was re-appointed as Independent Director of the Company, for a period of five years, with effect from March 19, 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 197 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 31<sup>st</sup> March, 2017 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. 4249.06 lakhs
Foreign Exchange Outgo	: Rs. 558.49 lakhs

## **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: 28.08.2017

**Suresh Krishna**  
**Chairman**

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

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

**As on financial year ended on 31.03.2017**

**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	10, JAWAHAR ROAD, CHOKKIKULAM, MADURAI-625002 044- 66857777
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	95.32%

**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.	M/s. T.V. Sundram Iyengar & Sons Private Limited, TVS Building, West Veli Street, Madurai- 625001	U34101TN1929PTC002973	Associate	33.74	2(6)
2.	M/s. TVS Dynamic Global Freight Services Limited, T.K.Kumaraswamy Towers 58 Eldams Road Teynampet Chennai- 600018	U63010TN2007PLC064282	Subsidiary	85	2(87)
3.	M/s. TVS Aviation Logistics Limited,	U60100TN2010PLC074341	Subsidiary	100	2(87)





<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	151143	-	151143	0.59	2326853	1342968	3669821	11.54	10.95
ii) Overseas	12654263	-	12654263	49.05	12879567	1626190	14505757	45.62	-3.43
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	198218	198218	0.80	9643	126783	136426	0.43	-0.37
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	2147959	2147959	8.30	609328	2066183	2675511	8.41	0.11
c) Others (specify)									
Non Resident Indians	-	6000	6000	0.02	-	-	-	-	-0.02
Overseas Corporate bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals		10344	10344	0.04	-	-	-	-	-0.04
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	114480	114480	0.44	80275	-	80275	0.25	-0.19
Foreign Bodies Corporate's	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>12805406</b>	<b>2477001</b>	<b>15282407</b>	<b>59.24</b>	<b>15905666</b>	<b>5162124</b>	<b>21067790</b>	<b>66.26</b>	<b>7.02</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>12805406</b>	<b>2477001</b>	<b>15282407</b>	<b>59.24</b>	<b>15905666</b>	<b>5162124</b>	<b>21067790</b>	<b>66.26</b>	<b>7.02</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>23322223</b>	<b>2477001</b>	<b>25799224</b>	<b>100</b>	<b>26422483</b>	<b>5372650</b>	<b>31795133</b>	<b>100</b>	<b>0.00</b>



ii) Shareholding of Promoter:

SN	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.	M/s. T.V. Sundram Iyengar & Sons Private Limited	1,05,16,817	40.76	-	1,07,27,343	33.74	-	-7.02

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	1,05,16,817	40.76	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	2,10,526 (Allotment on 30/03/2017)	0.66	1,07,27,343	33.74
	At the end of the year	1,07,27,343	33.74	1,07,27,343	33.74

**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	1,35,66,174	42.66	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-97,758 (Transfer on 26/09/2016)	0.31	1,34,68,416	42.35
		24,90,642 (Allotment on 05/01/2017)	7.83	1,59,59,058	50.19
		29,24,126 (Allotment on 30/03/2017)	9.19	1,88,83,184	59.39
		- 79,159 (Decrease in the Shareholding)	0.25	1,88,04,025	59.14
	At the end of the year	1,88,04,025	59.14	1,88,04,025	59.14

**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	7,27,800	2.29	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	30,000 (Transfer on 26/09/2016)	0.09	7,57,800	2.38
		1,66,483 (Allotment on 05/01/2017)	0.52	9,24,283	2.90
		16,493 (Allotment on 30/03/2017)	0.05	9,40,776	2.95
	At the end of the year	9,40,776	2.95	9,40,776	2.95

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,54,49,73,686	65,00,74,634	-	3,19,50,48,320
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,13,42,699	-	-	1,13,42,699
<b>Total (i+ii+iii)</b>	<b>2,55,63,16,385</b>	<b>65,00,74,634</b>	<b>-</b>	<b>3,20,63,91,019</b>

Change in Indebtedness during the financial year				
* Addition	82,08,76,343	5,23,47,18,868	-	6,05,55,95,211
* Reduction	(1,88,26,28,819)	(4,19,00,00,000)	-	(6,07,26,28,819)
Net Change	(1,06,17,52,476)	1,04,47,18,868	-	(1,70,33,608)
Indebtedness at the end of the financial year				
i) Principal Amount	1,48,58,74,588	1,69,47,93,502	-	3,18,06,68,090
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	86,89,321	-	-	86,89,321
<b>Total (i+ii+iii)</b>	<b>1,49,45,63,909</b>	<b>1,69,47,93,502</b>	<b>-</b>	<b>3,18,93,57,411</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director, Whole-Time Directors/ Manager:**

SN.	Particulars of Remuneration	Name of MD/WTM/ Manager		Total Amount (Rs in lakhs)
		<b>Sri. R Dinesh, Managing Director</b>	<b>Sri. S. Ravichandran, Deputy Managing Director</b>	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	53.13	53.13
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	25.50	25.50
	(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	250.00	-	250.00

5	Others, please specify	-		
	- Contribution to Provident Fund		6.38	6.38
	- Others		264.77	264.77
	<b>Total (A)</b>	250 .00*	349.78*	599.78
	Ceiling as per the Act			

\*Minimum remuneration.

**B. Remuneration to Other Directors: (Rs. In lakhs)**

SN.	Particulars of Remuneration	Name of Directors					Total Amount
		Sri. C. K. Ranganathan		Sri. V. A. Nageswaran			
1	Independent Directors						
	Fee for attending board/ committee meetings	4.25		3.50			7.75
	Commission	-		-			
	Others, please specify	-		-			
	Total (1)	4.25		3.50			7.75
2	Other Non-Executive Directors	Sri. Gopal Srinivasan	Sri. S Mahalingam	Sri. S. Ram	Ms. Shobhana Ramachandhran	Sri. Suresh Krishna	
	Fee for attending board committee meetings	1.50	5.00	3.50	1.50	3.00	14.50
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	1.50	5.00	3.50	1.50	3.00	14.50
	Total (B)=(1+2)						22.25
	Total Managerial Remuneration						622.03
	Overall Ceiling as per the Act						

**C. Remuneration to Key Managerial Personnel other than MD/ Manager / WTD: (Rs. In lakhs)**

SN	Particulars of Remuneration	Key Managerial Personnel	
		Chief Financial Officer	Company Secretary
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25.20	9.84
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28.28	7.10
	(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		
	- Contribution to Provident Fund	3.02	1.18
	- Others	46.36	16.25
	<b>Total</b>	<b>102.86</b>	<b>34.37</b>

**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)
<b>A. COMPANY</b>					
Penalty	--	--	--	--	--

Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>B. DIRECTORS</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

**Annexure to Directors' Report for the year ended 31.03.2017**

**Form – MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

[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**

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 31<sup>st</sup> March, 2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 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, I 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 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 Director. 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.

National Company Law Tribunal, Chennai Bench vide order dated 23.03.2017, has approved the Scheme of Amalgamation and Arrangement in terms of which the Services Business of a subsidiary- Drive India Enterprise Solutions Limited stands demerged, transferred and vested into the Company with effect from 01.09.2015 and merger of a subsidiary -TVS Commutation Solutions Limited into the Company effective 31.03.2016.

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.

Place : Chennai

Date : 29.06.2017

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

**CSR Annual Report – 2016-17**

**Annexure to Directors' Report for the year ended 31.03.2017**

**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, 2017.

2. The Composition of the CSR Committee.

The CSR Committee comprises of Sri. C. K. Ranganathan, Chairman, Sri. S. Mahalingam, Ms. Shobhana Ramachandran and Ms. Anita George, as the members of the Committee,

3. Average net profit of the company for last three financial years: Rs. 1,397.95 Lacs
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs. 27.96 Lacs
5. Details of CSR spent during the financial year.
- (a) Total amount to be spent for the financial year: Rs. 27.96 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. 28.14 Lacs	Rs. 28.14 Lacs	Same as (6)	Direct
	<b>Total</b>				<b>Rs. 28.14 Lacs</b>		

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  
(DIN: 00363300)

C K Ranganathan  
Chairman -CSR Committee  
(DIN: 00550501)

Place: Chennai  
Date: 28.08.2017

**Statement under Pursuant to Section 197 of the Companies Act 2013 and forming part of the Director's Report for the year ended 31 03 2017**

Sl.No	Name	Designation	Gross Remuneration Rs	Qualification	Experience	Date of Employment	Age	Previous Employment
<b>Employed for full Year</b>								
1	R DINESH	Mananging Director	25,000,000	B.Com; ACA; AICWA	31 Years	01.09.2008	53	Joint Managing Director T V Sundram Iyengar & Sons Limited
2	S RAVICHANDRAN	Deputy Mananging Director	34,977,838	B.E. PGDMA (Agri Management)	31 Years	01.12.2004	62	President - Logistics Division T V Sundram Iyengar & Sons Limited
3	SHANKAR R	Chief Executive Officer	10,369,278	B.TECH	30 years	31.12.2012	55	Managing Director, Foton Motors Marketing and Sales India Pvt Ltd
4	PRASANNA KUMAR M V	Chief Operating Officer	11,063,030	M.E	27 years	20.11.2013	53	Delphi Automotive Systems , SAPCO
5	BALAJI E	President ( People Services)	11,146,675	B.SC, MBA	20 Years	04.04.2014	46	Randstad(India) - Management Consultant
6	BASKAR LAKSHMANAN	Group Chief Financial Officer	10,286,035	B.SC, CA	29 Years	21.12.2015	54	Regional CFO, Sun Edison

**Employment for part of the Year** NIL

Notes :

1. All appointments are as per contract/letter of appointment. Employees are governed by the Rules and Regulations of the Company in force from to time.
2. Remuneration comprises salary, commission, allowances, performance linked payments, perquisites and company's contribution to provident fund & superannuation funds. In addition to the above, the employees are eligible for Gratuity, Leave Encashment, Medical benefits, etc., in accordance with Company's Rules.

## 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	240,140,360	474,316,691	222,176,331	-	1,406,171,685	80,045,353	28,639,502	51,405,851	-	85
2	Drive India Enterprise Solutions Limited	India	INR	1	22,900,000	418,842,396	2,502,364,386	2,060,621,990	-	7,119,080,872	20,200,724	-	20,200,724	-	100
3	TVS Aviation Logistics Limited	India	INR	1	60,000,000	(60,028,565)	201,513	230,078	-	-	(79,459)	-	(79,459)	-	100
4	FLEXOL Packaging (India) Limited	India	INR	1	7,704,160	52,391,707	93,540,617	33,444,750	-	121,875,114	(3,694,137)	-	(3,694,137)	-	67.55
5	TVS Toyoto Tsusho Supply Chain Solutions Limited	India	INR	1	20,000,000	18,884,068	85,400,070	46,516,002	-	248,658,668	19,126,318	6,578,540	12,547,778	-	60
6	TVS Logistics Siam Limited	Thailand	THB	1.88	10,935,738	(14,666,462)	66,866,377	70,597,101	-	119,820,711	(5,283,059)	-	(5,283,059)	-	55
7	TVS Logistics Investment UK Limited	UK	GBP	80.88	506,644,158	1,812,822,598	10,077,154,952	7,757,688,196	205,628,630	255,751,877	8,101,193	1,811,194	6,289,999	(39,032,597)	100
8	TVS Logistics Investments USA Inc.	USA	USD	64.84	322,285,934	579,969,168	3,246,415,016	2,344,159,914	-	77,873,279	4,641,406	1,551,307	3,090,099	-	100
9	TVS-Asianics Supply Chain Solutions Pte. Limited and its subsidiaries	Singapore	SGD	46.37	254,561,842	(176,452,397)	1,937,451,551	1,859,342,106	-	172,861,941	(127,260)	198,096	(824,062)	-	90.74

**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	80.88	151	2,127,998,469	5,593,601,156	3,465,602,536	235,714,423	114,136,500	3,916,951	834,422	3,082,529	(219,284,250)	100
2	MSys Software Solutions Limited, UK	UK	GBP	80.88	76	7,845,336	7,845,412	-	-	-	-	-	-	-	100
3	Multipart Limited	UK	GBP	80.88	76	5	81	-	-	-	-	-	-	-	100
4	TVS Logistics Iberia S.L.	Spain	EURO	69.19	9,621,415	52,992,232	284,566,326	221,952,679	-	7,320,408	383,331	94,713	288,618	-	100
5	TVS Autoserv GmbH	Germany	EURO	69.19	11,874,171	54,305,971	220,741,489	154,561,347	-	5,774,076	115,530	20,723	94,807	-	51
6	Rico Logistics Limited and its subsidiaries	UK	GBP	80.88	4,582,994	1,998,230,669	5,170,944,706	3,168,131,043	-	126,552,469	4,535,589	1,071,314	3,464,275	-	97.47
7	TVS Supply Chain Solutions North America Inc. and its subsidiaries (formerly known as Wainwright Industries Inc.)	USA	USD	64.84	127,988,461	1,242,466,056	2,635,587,035	1,265,132,518	6,483,860	77,873,279	5,546,364	2,125,045	3,421,319	-	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	64.84	18,028,187	(73,395,554)	4,992	55,372,359	-	-	(7,786)	-	(7,786)	-	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 / 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
1	Latest audited / unaudited Balance Sheet Date	31 March 2017	31 March 2017
2	Share of Joint venture held by the Company on the year end date		
	No.		
	Amount of Investment in Joint Venture	27,500,000	187,277,026
	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	(136,049,015)	(556,056,530)
6	Profit for the year	71,409,151	(6,477,182)
i	Considered in consolidation	35,704,576	(3,238,591)
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

**Baskar Lakshmanan**      **P D Krishna Prasad**  
Group Chief Financial Officer      Company Secretary

Place: Chennai  
Date: 28 August 2017