B S R and Associates

Chartered Accountants

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

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of TVS Logistics Services Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and its joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Ind AS 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 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and its joint ventures 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of the Group and of its associate and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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.

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, as well as evaluating the overall presentation of the consolidated financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and of its associate and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group and its associate and joint ventures to cease to continue as a going concern.

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 other auditors on financial statements and on the other financial information of the subsidiaries, associate 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 associate and joint ventures as at 31 March 2018, and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements/ financial information of 3 Indian subsidiaries and 3 foreign subsidiaries (which included the financial statements of step down subsidiaries), whose financial statements/ financial information reflect total assets of INR 257,203.32 lakhs as at 31 March 2018, total revenues of INR 391,540.29 lakhs and net cash inflows amounting to INR 8,057.37 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of INR 211.62 lakhs for the year ended 31 March 2018, as considered in the consolidated financial statements, in respect of an associate and 2 joint ventures, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint ventures and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, associate and joint ventures is based solely on the reports of the other auditors.

Certain of these subsidiaries and associate are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries and associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and associate located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on financial statements and the other financial information of subsidiaries, associate and joint ventures, as noted in the 'other matter' 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 the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity 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 Indian Accounting Standards specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group companies and its joint ventures incorporated in India is disqualified as on 31 March 2018 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 with reference to financial statements of the Holding Company, its subsidiary companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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 and based on the consideration of the report of the other auditors on financial statements as also the other financial information of the subsidiaries, associate and joint ventures, as noted in the 'Other matter' paragraph:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint ventures – Refer note 37 to the consolidated financial statements

   ii. The Group, its associate and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018.

   iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries and joint ventures incorporated in India during the year ended 31 March 2018.

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

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited consolidated financial statements for the year ended 31 March 2017 have been disclosed. Refer note 40 to Consolidated Ind AS financial statements

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

S Sethuraman
Partner
Membership No: 203491
Place: Chennai
Date: 30 August 2018

Annexure A to the Independent Auditor's Report of even date on the consolidated Ind AS financial statements of TVS Logistics Services Limited

Report on the Internal Financial Controls with reference to financial statements 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 Ind AS financial statements of the Holding Company as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statements of TVS Logistics Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and joint ventures 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 ventures incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 ("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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries and joint ventures 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Annexure A to the Independent Auditor's Report of even date on the consolidated Ind AS financial statements of TVS Logistics Services Limited

We believe that the audit evidence we have obtained and audit evidence obtained by other auditors of the subsidiaries and joint ventures 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 with reference to financial statements of the aforesaid entities.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 ventures incorporated in India, have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements 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 of even date on the consolidated Ind AS financial statements of TVS Logistics Services Limited

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls system with reference to financial statements in so far as it relates to three subsidiaries and two joint ventures 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
Firm Registration No: 128901W

S Sethuraman
Partner
Membership No: 203491
Place: Chennai
Date: 30 August 2018

TVS LOGISTICS SERVICES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018
(All amounts are in Indian rupees (INR) lakhs except share data and otherwise stated)

	Note	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	15	43,909.01	33,814.02	35,674.32
Capital work-in-progress		274.70	1,353.41	30.05
Goodwill	16	30,623.24	18,290.50	16,995.71
Other intangible assets	16	15,658.22	10,409.59	7,485.44
Equity accounted investees	17	3,647.01	3,513.42	3,609.54
Financial assets				
Investments	19	436.13	739.97	1,805.74
Deposits and other receivables	20	2,996.83	2,258.25	2,375.78
Other financial assets	21	142.50	138.81	201.67
Deferred tax assets (net)	14	5,828.09	5,096.78	4,113.37
Non-current tax assets (net)		3,964.89	6,358.71	5,899.43
Other non-current assets	22	1,541.80	1,262.57	921.84
Total non-current assets		**109,023.06**	**83,001.03**	**79,311.89**
Current Assets				
Inventories	23	13,361.20	10,692.51	10,946.99
Financial assets				
Investments	19	1,206.50	1,251.22	107.00
Trade receivables	24	137,802.97	97,928.10	87,889.72
Cash and cash equivalents	25	35,981.50	42,681.08	16,002.69
Other bank balances	26	2,342.46	1,689.19	22.70
Loans	27	-	-	-
Deposits and other receivables	20	4,264.95	2,716.47	2,830.77
Other financial assets	21	14,156.47	11,980.34	8,444.13
Current tax assets (net)		368.31	452.85	502.76
Other current assets	28	15,452.30	13,349.74	11,562.72
Total current assets		**224,936.66**	**182,744.53**	**139,149.08**
Total assets		**333,959.72**	**265,745.56**	**218,460.97**
EQUITY AND LIABILITIES				
Equity				
Share capital	29A	3,166.71	3,166.71	2,555.22
Other equity	29B	59,537.58	52,613.19	18,819.32
Equity attributable to owners of the Company		**62,704.29**	**55,779.90**	**21,374.54**
Non-controlling interests	18	6,131.89	7,394.29	5,155.05
Total equity		**68,836.18**	**63,174.19**	**26,529.59**

B S R and Associates * Chartered Accountants *

TVS LOGISTICS SERVICES LIMITED * CHENNAI

TVS LOGISTICS SERVICES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018
(All amounts are in Indian rupees (INR) lakhs except share data and otherwise stated)

	Note	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	30	71,954.92	22,053.23	34,910.29
Other financial liabilities	32	5,639.80	7,320.78	4,597.03
Provisions	33	2,419.78	1,278.88	1,345.53
Deferred tax liabilities (net)	14	8,444.86	5,541.12	4,714.53
Other non-current liabilities	34	442.47	583.99	712.47
Total non-current liabilities		**88,901.92**	**37,178.00**	**46,379.85**
Current liabilities				
Financial Liabilities				
Borrowings	30	37,879.28	60,275.79	53,692.15
Trade payables	31	97,826.38	71,441.80	63,883.58
Other financial liabilities	32	25,138.93	22,644.21	16,195.80
Provisions	33	2,125.39	1,362.83	1,008.79
Current tax liabilities (net)		1,628.42	1,495.15	1,691.73
Other current liabilities	35	11,623.22	8,173.59	9,079.50
Total current liabilities		**176,221.62**	**165,393.37**	**145,551.53**
Total liabilities		**265,123.54**	**202,571.37**	**191,931.38**
Total equity and liabilities		**333,959.72**	**265,745.56**	**218,460.97**

The notes from 1 to 47 form an integral part of the consolidated financial statements

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

Ravi Prakash Bhagavathula
Chief Financial Officer

P D Krishna Prasad
Company Secretary

Place : Chennai
Date : 30 August 2018

Place : Chennai
Date : 30 August 2018

TVS LOGISTICS SERVICES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

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

	Note	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from operations	5	574,399.67	503,233.12
Other income	6	5,303.56	2,173.90
Total income		**579,703.23**	**505,407.02**
Expenses			
Cost of materials consumed	7	661.09	474.02
Purchase of stock-in-trade	8	97,047.40	105,523.03
Changes in inventory of stock-in-trade	9	(1,223.26)	(1,288.80)
Employee benefits expense	10	121,030.05	102,579.80
Finance costs	11	5,162.39	6,908.46
Depreciation and amortisation expense	12	8,293.08	7,342.50
Other expenses	13	337,555.97	275,268.36
Total expenses		**569,316.72**	**496,767.67**
Profit before share of profit of equity accounted investees and income tax		**10,386.51**	**8,639.35**
Share of profit of equity accounted investees (net of income tax)	17	211.62	173.39
Profit before tax		**10,598.13**	**8,812.74**
Income tax expense			
Current tax		4,860.61	3,306.72
Deferred tax		492.08	854.40
Income tax expense	18	**5,352.69**	**4,161.12**
Profit for the year		**5,245.44**	**4,651.62**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		10.63	(105.95)
Income tax relating to above		(3.28)	37.62
Net other comprehensive income not to be reclassified subsequently to profit or loss		**7.35**	**(68.33)**
Items that will be reclassified subsequently to profit or loss			
Exchange gain/(loss) on translating financial statements of foreign operations		1,551.29	(1,342.32)
Net other comprehensive income to be reclassified subsequently to profit or loss		**1,551.29**	**(1,342.32)**
Other comprehensive income for the year, net of tax		**1,558.64**	**(1,410.65)**
Total comprehensive income for the year		**6,804.08**	**3,240.97**

TVS LOGISTICS SERVICES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

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

	Note	Year ended 31 March 2018	Year ended 31 March 2017
Profit attributable to :			
Owners of the Company		4,911.93	3,955.62
Non controlling interests	13	333.51	696.00
Profit for the year		**5,245.44**	**4,651.62**
Other comprehensive income attributable to :			
Owners of the Company		920.12	(930.75)
Non-controlling interests	13	638.52	(479.90)
Other comprehensive income for the year		**1,558.64**	**(1,410.65)**
Total comprehensive income attributable to :			
Owners of the Company		5,832.05	3,024.87
Non-controlling interests	13	972.03	216.10
Total comprehensive income for the year		**6,804.08**	**3,240.97**
Earnings per share			
Basic and diluted earnings per share (INR)	29L	15.53	15.05

The notes from 1 to 47 form an integral part of the consolidated financial statements.

As per our report of even date attached
for **B S R and Associates**
Firm Registration Number : 128901W
Chartered Accountants

S Sethuraman
Partner
Membership No.: 203491

Place : Chennai
Date : 30 August 2018

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: 01485843

Ravi Prakash Bhagavathula
Chief Financial Officer

P D Krishna Prasad
Company Secretary

Place : Chennai
Date : 30 August 2018

TVS LOGISTICS SERVICES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

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

A Equity Share Capital

	Note	Amount
Balance as at 01 April 2016		2,555.23
Changes in equity share capital during the year 2016-17	29A	611.48
Balance as at 31 March 2017		3,166.71
Changes in equity share capital during the year 2017-18	29A	-
Balance as at 31 March 2018		3,166.71

B Other equity

	Attributable to owners of the Company								Attributable to Non-controlling interest	Total
	Reserves and surplus					Items of OCI		Total attributable to owners of the Company		
	Securities premium	Capital reserve	Capital redemption reserve	General reserve	Retained earnings	Exchange differences on translation of foreign operations	Other items of OCI			
Balance at 01 April 2016	34,335.79	-	-	204.09	(15,784.32)	-	63.75	18,819.31	5,155.05	23,974.36
Total comprehensive income for the year ended 31 March 2017										
Profit for the year	-	-	-	-	3,955.62	-	-	3,955.62	696.00	4,651.62
Other comprehensive income (net of tax)	-	-	-	-	-	(862.42)	(68.33)	(930.75)	(479.90)	(1,410.65)
Total comprehensive income	-	-	-	-	3,955.62	(862.42)	(68.33)	3,024.87	216.10	3,240.97
Transactions with owners recorded directly in equity										
Issue of equity shares	35,095.52	-	-	-	-	-	-	35,095.52	-	35,095.52
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(201.93)	(201.93)
Amount transferred between the reserves	(0.49)	0.82	-	55.00	(55.00)	-	-	0.33	-	0.33
Expenses incurred in connection with issue of shares	(154.48)	-	-	-	-	-	-	(154.48)	-	(154.48)
Total contributions by and distributions to owners	34,940.55	0.82	-	55.00	(55.00)	-	-	34,941.37	(201.93)	34,739.44
Changes in ownership interests in subsidiaries that do not result in loss of control										
Issue of shares to non-controlling interests	-	-	-	-	479.99	-	-	479.99	(245.83)	234.16
Acquisition of SPC International Limited, UK	-	-	-	-	(4,652.35)	-	-	(4,652.35)	2,470.90	(2,181.45)
Total changes in ownership interests in subsidiaries	-	-	-	-	(4,172.36)	-	-	(4,172.36)	2,225.07	(1,947.29)
Total transactions with owners	34,940.55	0.82	-	55.00	(4,227.36)	-	-	30,769.01	2,023.14	32,792.15
Balance at 31 March 2017	69,276.34	0.82	-	259.09	(16,056.06)	(862.42)	(4.58)	52,613.19	7,394.29	60,007.48

TVS LOGISTICS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018
(All amounts are in Indian rupees (INR) lakhs except share data and otherwise stated)

B. Other equity (continued)

	Attributable to owners of the Company								Attributable to Non-controlling interest	Total
	Reserves and surplus					Items of OCI		Total attributable to owners of the Company		
	Securities premium	Capital reserve	Capital redemption reserve	General reserve	Retained earnings	Exchange differences on translation of foreign operations	Other items of OCI			
Balance at 01 April 2017	69,276.34	0.82	-	259.09	(16,056.06)	(862.42)	(4.58)	52,613.19	7,394.29	60,007.48
Total comprehensive income for the year ended 31 March 2018										
Profit for the year	-	-	-	-	4,911.93	-	-	4,911.93	333.51	5,245.44
Other comprehensive income (net of tax)	-	-	-	-	-	912.77	7.35	920.12	638.52	1,558.64
Total comprehensive income	-	-	-	-	4,911.93	912.77	7.35	5,832.05	972.03	6,804.08
Transactions with owners recorded directly in equity										
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(350.75)	(350.75)
Share based payments	-	-	-	-	693.86	-	-	693.86	-	693.86
Amount transferred between the reserves	(0.46)	-	0.46	-	-	-	-	-	-	-
Expiration of put option held by non-controlling interests	-	-	-	-	1,317.67	-	-	1,317.67	-	1,317.67
Total contributions by and distributions to owners	(0.46)	-	0.46	-	2,011.53	-	-	2,011.53	(350.75)	1,660.78
Changes in ownership interests in subsidiaries that do not result in loss of control										
Issue of shares to non-controlling interests	-	-	-	-	805.36	-	-	805.36	(550.88)	254.48
Acquisition of non-controlling interests	-	-	-	-	(1,724.55)	-	-	(1,724.55)	(1,380.66)	(3,105.21)
Acquisition of Peter Thomas & Co (Refrigeration) Limited, UK	-	-	-	-	-	-	-	-	47.85	47.85
Total changes in ownership interests in subsidiaries	-	-	-	-	(919.19)	-	-	(919.19)	(1,883.69)	(2,802.88)
Total transactions with owners	(0.46)	-	0.46	-	1,092.34	-	-	1,092.34	(2,234.44)	(1,142.10)
Balance at 31 March 2018	69,275.88	0.82	0.46	259.09	(10,051.79)	50.35	2.77	59,537.58	6,131.89	65,669.47

The notes from 1 to 47 form an integral part of these consolidated financial statements.

As per our report of even date attached
for **B S R and Associates**
Firm Registration Number: 128901W
Chartered Accountants

S Sethuraman
Partner
Membership No. 203491

Place: Chennai
Date: 30 August 2018

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: 01183445

Ravi Prakash Bhagavathula
Chief Financial Officer
Place: Chennai
Date: 30 August 2018

P D Krishna Prasad
Company Secretary

TVS LOGISTICS SERVICES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018
(All amounts are in Indian rupees (INR) lakhs except share data and otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
Cash flow from operating activities		
Profit before tax	**10,597.92**	**8,812.82**
Adjustments for:		
Interest income under the effective interest method	(691.57)	(696.61)
Provision no longer required written back	(1,040.35)	(84.24)
Income from mutual funds and net gain on sale of investments	(62.94)	(45.48)
Finance costs	5,262.17	5,908.45
Depreciation and amortisation	8,790.07	7,342.49
Unrealised foreign exchange differences	(438.96)	605.35
Bad debts written off	361.94	273.93
Provision for doubtful debts, loans and advances	1,467.54	1,359.03
Insurance claims	(77.47)	-
Provision for liability	-	1,104.31
Share of profit of equity accounted investees	(211.62)	(173.39)
Share based payments	948.34	-
Loss on sale of property plant and equipment, net	13.92	0.98
Operating profit before changes in operating assets and liabilities	**25,009.14**	**25,410.64**
Change in operating assets and liabilities		
(Increase) / decrease in inventories	(1,241.31)	(179.63)
(Increase) / decrease in trade receivables	(17,937.14)	(13,936.27)
(Increase) / decrease in other current and non-current, financial and non-financial assets	1,127.73	(7,364.09)
Increase / (decrease) in trade payables	(2,505.11)	8,104.53
Increase / (decrease) in provisions	109.58	388.41
Increase / (decrease) in other current and non-current financial and non-financial liabilities	5,465.63	2,815.27
Cash generated from operations	**10,018.32**	**15,138.86**
Income taxes paid, net of refunds	(3,051.93)	(4,121.73)
Net cash provided by / (used in) operating activities	**6,966.39**	**11,017.13**
Cash flows from investing activities		
Investment in bank deposits having an original maturity of more than three months	(1,156.69)	(697.02)
Redemption / (investments) in restricted bank deposits	971.86	(971.86)
Payments for property, plant and equipment and other intangible assets	(7,152.12)	(9,908.14)
Proceeds from sale of property, plant and equipment	240.57	400.28
Investment in mutual funds	(1,250.00)	(225.00)
Proceeds from sale of investments	1,267.05	226.09
Acquisition of subsidiaries, net of cash and cash equivalents	(918.11)	(5,549.65)
Investment in joint venture	-	(255.00)
Redemption of debentures carried at amortised cost	518.44	105.00
Payment of consideration payable and deferred consideration	(1,042.50)	-
Interest income received	775.42	237.69
Dividend income	90.12	-
Income from mutual funds	62.11	48.82
Net cash used in investing activities	**(7,823.45)**	**(16,616.79)**

B S R and Associates * Chartered Accountants *

TVS LOGISTICS SERVICES LIMITED * CHENNAI

TVS LOGISTICS SERVICES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

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

	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from financing activities		
Finance lease payments	(910.89)	(330.53)
Proceeds from issue of shares (net)	-	35,786.68
Dividends paid to non-controlling interests by subsidiaries including DDT	(392.26)	(201.93)
Dividends paid by the Company to its shareholders	-	(76.41)
Repayment of redeemable preference shares	(2,470.56)	-
(Repayment of) / proceeds from short term borrowings, net	(23,955.40)	928.15
Proceeds from long term borrowings	65,205.22	32,603.66
Repayment of long term borrowings	(17,312.42)	(28,651.48)
Interest paid	(5,980.62)	(6,980.64)
Acquisition of non-controlling interest	(3,092.48)	-
Net cash from / (used in) financing activities	**(7,711.43)**	**33,071.50**
Net increase / (decrease) in cash and cash equivalents	**(8,568.49)**	**27,471.84**
Cash and cash equivalents at the beginning of the financial year	42,681.08	16,662.69
Effects of exchange rate changes on cash and cash equivalents	1,868.91	(1,453.45)
Cash and cash equivalents at the end of the financial year	**35,981.50**	**42,681.08**

The notes from 1 to 47 form an integral part of the consolidated financial statements

As per our report of even date attached

for **B S R and Associates**

Firm Registration Number : [illegible]

Chartered Accountants

S Sethuraman

Partner

Membership No. [illegible]

Place : Chennai

Date : 30 August 2018

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: [illegible]

Ravi Prakash Bhagavathula

Chief Financial Officer

Place : Chennai

Date : 30 August 2018

P D Krishna Prasad

Company Secretary

TVS LOGISTICS SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2018

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

1 Reporting entity

TVS Logistics Services Limited ("the Company") is a Company domiciled in India and was incorporated on 16 November 2004. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates and joint ventures. Refer note 46 for the list of subsidiaries and note 47 for the list of associates and joint ventures. The Group is primarily involved in providing the entire basket of logistics services including outsourced supply chain management services, last-mile fulfilment delivery services, intercontinental movement and other related services.

2 Basis of preparation

A Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) to comply with the requirements prescribed under Section 133 of Companies Act 2013, (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The Group's consolidated financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Group's first consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position and financial performance of the Group is provided in Note 45.

These consolidated financial statements were authorised for issue by the Company's Board of Directors on 30 August 2018.

Details of the Group's accounting policies are included in Note 3.

B Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

C Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following items.

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Contingent consideration in business combination	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

D Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes.

- Note 5 - Revenue: whether the Group acts as an agent rather than as a principal in a transaction;
- Note 38 - lease classification; and
- Note 46 - consolidation

Assumptions and estimation uncertainities

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2018 is included in the following notes:

- Note 14 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 36 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 39A - Business combinations: fair value of consideration transferred and fair value of assets acquired and liabilities assumed; and
- Note 43 - impairment of financial assets.

2 Basis of preparation (continued)

E Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:
- Note 39A – Business combinations
- Note 43 – financial instruments

F Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new Ind AS and amendments to Ind AS which the Group has not applied in these consolidated financial statements as they are effective for annual periods beginning on or after 1 April 2018. The Group plans to apply these standards from their respective applicable dates.

Ind AS 115 - Revenue from contracts with customers

Ind AS 115 will replace existing Ind AS 18 "Revenue". Ind AS 115 has established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition which is summarized as below:

a. Identify the contract(s) with a customer
b. Identify the performance obligations in the contract
c. Determine the transaction price
d. Allocate the transaction price to the performance obligations in the contract
e. Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.
The Group is in the process of assessing the impact of Ind AS 115 on its consolidated financial statements.

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix of the amendment explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Group is in the process of assessing the impact of this amendment on its consolidated financial statements.

Ind AS 12 - Income taxes recognition of deferred tax assets for unrealised losses

The Group has been applying Ind AS 12 in the preparation of its consolidated financial statements. A recent amendment to the standard deals with the matter of how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilise a deductible temporary difference. The Group is in the process of assessing the impact of this amendment on its consolidated financial statements.

B S R and Associates ★ Chartered Accountants ★

TVS LOGISTICS SERVICES LIMITED ★ CHENNAI

3 Significant accounting policies

A. Basis of consolidation

i. Business combinations

Business combinations (other than common control business combinations) on or after 1 January 2011

The Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, retrospectively to those business combinations that occurred on or after 01 January 2011. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Acquisition related costs are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination of the amount to be included in consideration transferred is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations prior to 1 January 2011

In respect of such business combinations, goodwill represents the amount recognised under the Group's previous accounting framework under Indian GAAP.

Common control business combinations

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Non-controlling interests (NCI)

An entity has a choice on a combination-by-combination basis to measure any NCI that represents present ownership interest in the acquiree at either fair value or the proportionate share of the acquiree's net identifiable assets. In respect of business combinations effected so far, the Group has elected one of the two approaches on a combination by combination basis.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

v. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and Other Comprehensive Income (OCI) of equity accounted investees until the date on which significant influence or joint control ceases.

3 Significant accounting policies (continued)

A Basis of consolidation (continued)

vi. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

B Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

ii. Foreign operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e. 1 April 2016, in respect of all foreign operations to be nil at the date of transition. From 1 April 2016 onwards, such exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

C Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

B S R and Associates * Chartered Accountants *

TVS LOGISTICS SERVICES LIMITED * CHENNAI

3 Significant accounting policies (continued)

C Financial instruments (continued)

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

D Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see note 15).

iii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

B S R and Associates * Chartered Accountants *

TVS Logistics Services Limited * Chennai

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

3 Significant accounting policies (continued)

D Property, plant and equipment (continued)

iv. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	**Management estimate of useful life (in years)**
Buildings	30 to 60
Plant and Machinery	02 to 30
Furniture and fixtures	01 to 10
Vehicles	03 to 10
Office equipment	03 to 10
Computer equipment	03 to 10
Leasehold improvements	*

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

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets and are different from those prescribed in Schedule II of the Act.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

E Goodwill and other intangibles

i. Goodwill

For measurement of goodwill that arises on a business combination see note 39A. Subsequent measurement is at cost less any accumulated impairment losses.

In respect of business combinations that occurred prior to 1 January 2011, goodwill is included on the basis of its deemed cost, which represents the amounts recorded under previous GAAP.

ii. Other intangible assets

Other intangible assets including those acquired by the Group in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

iii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iv. Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets (see note 16).

iv. Amortisation

Goodwill is not amortised and is tested for impairment annually.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives of items of intangible assets for the current and comparative periods are as follows:

Asset	**Management estimate of useful life (in years)**
Patents and trademarks	03 to 10
Customer relationship and others	03 to 10
Brands	05 to 10
Computer software	03 to 10

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

B S R and Associates * Chartered Accountants *

TVS LOGISTICS SERVICES LIMITED * CHENNAI

3 Significant accounting policies (continued)

F Inventories

Inventories consist of packing materials, stores, stock in trade and spare parts and are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The comparison of cost and net realisable value is made on an item by item basis.

G Impairment

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit - impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit- impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12 month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward - looking information.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment annually.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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TVS Logistics Services Limited * Chennai *

3 Significant accounting policies (continued)

G Impairment (continued)

ii. Impairment of non-financial assets (continued)

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

H Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Share-based payment transactions

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an employee benefit expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(iii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company and its subsidiaries in various geographies make contributions, generally determined as a specified percentage of employee salaries, in respect of qualifying employees in accordance with the local laws and regulations in the respective countries which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

(iv) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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3 Significant accounting policies (continued)

H Employee benefits (continued)

(v) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is 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, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

I Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive 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 determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

i. Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

J Contingent liabilities and contingent assets

Contingent liability is disclosed for all:

- possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group (or)
- present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

In respect of contingent assets for which inflow of economic benefits are probable, the Group discloses a brief description of the nature of the contingent assets at the end of the year, and, where practicable, an estimate of their financial effect.

K. Revenue

i. Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

Revenue is recognised when no significant uncertainty exists regarding the collection of the consideration. The amount recognised as revenue is exclusive of all indirect taxes and net of returns and discounts.

ii. Rendering of services

Revenue from logistics services are recognised when the relevant services are rendered and in accordance with the terms of the agreement with the customers. Unbilled revenue, if any, represents services rendered and revenue recognised on contracts to be billed in subsequent periods as per the terms of the related contract.

Revenue is recognised when no significant uncertainty exists regarding the collection of the consideration. The amount recognised as revenue is exclusive of all indirect taxes and net of returns and discounts.

3. Significant accounting policies (continued)

K. Revenue (continued)

iii. Construction contracts

Construction contract revenue arises from construction/ erection of towers for some of the Group's customers in the Telecommunications segment. These towers are constructed based on specifically negotiated contracts with customers by outsourcing the activities to sub-contractors.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss.

iv. Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of revenue earned by the Group.

L. Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

ii. Assets held under leases

Leases of property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's Balance Sheet.

iii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

M. Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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3 Significant accounting policies (continued)

N Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

O Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

P Cash and cash equivalents

Cash and cash equivalent comprise of cash on hand and at banks including short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Other bank deposits which are not in the nature of cash and cash equivalents with a maturity period of more than three months are classified as other bank balances.

Q Cash flows

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 regular revenue generating, financing and investing activities of the Group are segregated.

R Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Key managerial personnel comprising the Managing director and Deputy managing director assess the financial performance and position of the Group, and make strategic decisions and have been together identified as being the chief operating decision maker ('CODM').

S Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

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

4 Segment information

A. Basis for segmentation

The Group is primarily involved in providing the entire basket of logistics services. The information relating to this operating segment is reviewed regularly by the Group's Key managerial personnel ('KMP') (Chief Operating Decision Maker) to make decisions about resources to be allocated and to assess its performance. The accounting principles used in the preparation of the consolidated financial statements are consistently applied to record revenue and expenditure in the segment, and are as set out in the significant accounting policies.

The Group has four reportable segments (identified on the geographical basis), as described below. These business units offer different services, and are managed separately. For each of the reportable segments, the Group's KMP reviews internal management reports on a periodic basis.

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax) as included in the internal management reports that are reviewed by the Group's KMP. Segment profit is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Year ended 31 March 2018	**Reportable segments**						
	India	**Europe #**	**USA**	**Asia***	**Total reportable segments**	**Eliminations**	**Total**
Segment revenue							
- External revenue	133,091.39	241,890.12	50,146.43	149,272.03	574,399.67	-	574,399.67
- Inter-segment revenue	332.07	91.69	335.32	280.78	1,039.86	(1,039.86)	-
Total segment revenue	**133,423.46**	**241,981.81**	**50,481.75**	**149,552.81**	**575,439.53**	**(1,039.86)**	**574,399.67**
Segment profit/ (loss) before income tax	4,205.58	7,620.61	(38.16)	(3,209.07)	8,567.96	2,040.17	10,594.13
Segment profit/ (loss) before income tax includes:							
Interest income**	919.56	690.55	67.47	40.47	1,718.10	(1,026.53)	691.57
Interest expenses	(1,688.96)	(2,924.89)	(791.21)	(1,076.21)	(6,482.81)	1,320.42	(5,162.39)
Depreciation and amortisation	(2,324.99)	(2,478.15)	(2,220.93)	(1,363.29)	(8,397.86)	(82.23)	(8,780.09)
Share of profit/ (loss) of equity accounted investees	211.62	-	-	-	211.62	-	211.62
Segment assets	136,858.12	149,265.75	22,670.73	86,457.48	395,251.38	(61,292.06)	333,959.32
Segment assets include:							
Investments accounted for using equity method	3,647.04	-	-	-	3,647.04	-	3,647.04
Capital expenditure during the year	5,336.62	2,589.90	1,008.60	11,344.87	20,609.99	-	20,609.99
Segment liabilities	**64,128.67**	**123,062.38**	**22,315.32**	**85,553.44**	**295,059.81**	**(29,936.27)**	**265,123.54**

Year ended 31 March 2017	**Reportable segments**						
	India	**Europe #**	**USA**	**Asia***	**Total reportable segments**	**Eliminations**	**Total**
Segment revenue							
- External revenue	127,170.70	224,215.91	51,890.42	99,955.69	503,233.12	-	503,233.12
- Inter-segment revenue	291.20	116.51	338.56	206.28	952.15	(952.15)	-
Total segment revenue	**127,461.90**	**224,332.42**	**52,228.98**	**100,161.97**	**504,185.27**	**(952.15)**	**503,233.12**
Segment profit/ (loss) before income tax	1,359.91	6,458.50	3,123.86	142.00	11,083.16	(2,270.42)	8,812.74
Segment profit/ (loss) before income tax includes:							
Interest income**	802.80	142.10	11.41	38.28	994.62	(297.99)	696.63
Interest expenses	3,688.19	2,153.37	651.81	444.76	6,938.13	(29.67)	6,908.46
Depreciation and amortisation	2,912.12	1,859.53	1,465.29	823.35	7,260.29	82.21	7,342.50
Share of profit/ (loss) of equity accounted investees	430.39	(257.00)	-	-	173.39	-	173.39
Segment assets	**152,864.34**	**99,377.69**	**25,770.22**	**26,227.39**	**304,239.64**	**(38,494.08)**	**265,745.56**
Segment assets include:							
Investments accounted for using equity method	3,513.42	-	-	-	3,513.42	-	3,513.42
Capital expenditure during the year	2,762.51	6,145.47	2,521.07	1,161.78	12,589.83	-	12,589.83
Segment liabilities	**83,681.76**	**82,095.32**	**22,376.36**	**21,326.30**	**208,479.14**	**(5,907.77)**	**202,571.37**

* Includes results of TVS Dynamic Global Freight Solutions Limited, India which is considered as part of Asia in the results reviewed by the CODM.

\# Includes results of SPC International India Private Limited, India, SPC International Inc., USA, Cardiff TVS Solutions Pty Ltd and Rico Logistics Limited, Australia which is considered as part of Europe in the results reviewed by the CODM.

** Interest income includes all interest income recorded under effective interest rate method.

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

4 Segment information (continued)

C. Geographical information

The geographical information analyses the Group's revenues and non-current assets by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets have been based on the geographical location of the assets.

Revenue	**31 March 2018**	**31 March 2017**
India	154,862.60	141,108.09
UK	179,675.78	181,956.86
USA	50,146.42	51,590.82
Thailand	2,432.98	2,285.58
Australia	79,747.64	65,491.43
China	10,818.12	9,570.91
Spain	9,542.36	-
Singapore	8,886.74	-
New Zealand	5,270.87	4,951.52
Rest of world	73,215.96	44,877.51
	574,399.67	**503,233.12**

Non-current assets	**31 March 2018**	**31 March 2017**
India	25,537.39	24,045.71
UK	28,977.43	25,787.86
USA	10,622.07	11,768.11
Singapore	21,533.38	356.10
Australia	6,975.00	7,019.36
Malaysia	540.00	-
Spain	258.79	-
Thailand	3.13	5.43
Rest of world	206.43	-
	95,654.02	**68,448.51**

Non-current assets exclude financial instruments, deferred tax assets, non-current tax assets and post-employment benefit assets.

D. Information about services rendered by the Group

Revenues from external customers in respect of each category of services rendered by the Group are as follows:

Revenue	**31 March 2018**	**31 March 2017**
Last-mile fulfilment	121,770.61	108,077
Outsourced supply chain management	288,592.45	283,706
Inter-continental movement	146,439.05	97,670
Others	17,727.55	13,781
	574,399.67	**503,233.12**

Last-mile fulfilment: Relates to time bound last mile delivery including technology spare parts logistics, express delivery, etc.

Outsourced supply chain management: Relates to integrated supply chain solutions including transportation, management, warehousing and material management.

Inter-continental movement: Relates to integrated ocean/air freight services.

Others: Relates to services rendered other than those mentioned above.

E. Major customer

The Group does not have any customer that individually accounted for more than 10% of the revenues in the year ended March 31, 2018 and March 31, 2017.

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Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)

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

5 Revenue from operations

	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products	**80,589.55**	**96,985.24**
Sale of services		
Income from logistics services	458,418.09	390,189.28
Income from clearing and forwarding services	21,094.63	13,937.99
Others*	14,128.77	2,075.44
	493,641.49	**406,202.71**
Other operating revenue		
Scrap sales	104.08	45.17
Others	64.55	-
	168.63	**45.17**
	574,399.67	**503,233.12**

* Includes sale of products, net of related cost in respect of which the Group acts as an agent in the transaction rather than as the principal

6 Other income

	Year ended 31 March 2018	Year ended 31 March 2017
Interest income under the effective interest method on:		
Cash and cash equivalents	274.97	250.13
Security deposits carried at amortised cost	245.42	250.53
Investments in debentures carried at amortised cost	166.18	186.97
Income from finance lease	26.02	42.08
Interest income on income tax refund	285.74	26.67
Gain on sale of property, plant and equipments, net	1.72	0.44
Net gain on sale of investments	17.05	1.09
Income from mutual funds	45.89	44.39
Reimbursement income	78.51	-
Insurance claim received	77.52	-
Provision no longer required written back	1,040.35	51.24
Exchange difference gain net	2,027.69	682.05
Other non operating income	911.45	595.71
	5,303.96	**2,173.90**

7 Cost of materials consumed

	Year ended 31 March 2018	Year ended 31 March 2017
Inventory of packing materials at the beginning of the year	77.33	52.64
Add : Purchases	645.35	498.71
Less : Inventory of packing materials at the end of the year	(61.59)	(77.33)
	661.09	**474.02**

8 Purchase of stock-in-trade

	Year ended 31 March 2018	Year ended 31 March 2017
Purchase of stock-in-trade	97,047.40	105,523.63
	97,047.40	**105,523.63**

9 Changes in inventory of stock-in-trade

	Year ended 31 March 2018	Year ended 31 March 2017
Inventories at the beginning of the year		
Stock-in-trade	10,443.87	10,697.08
Inventories at the end of the year		
Stock-in-trade	(12,963.94)	(10,443.87)
Exchange differences on translation of foreign operations	1,296.81	(1,542.07)
	(1,223.26)	**(1,288.86)**

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10 Employee benefits expense

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	102,936.11	88,474.76
Contribution to provident and other funds	11,272.47	9,507.18
Expenses related to post-employment defined benefit plans	379.53	273.34
Expenses related to compensated absences	298.55	216.05
Share based payments	948.34	-
Staff welfare expense	5,495.05	4,066.51
	121,330.05	**102,539.84**

11 Finance costs

	Year ended 31 March 2018	Year ended 31 March 2017
Interest expenses	5,042.81	6,790.64
Finance cost relating to finance lease obligations	10.70	0.06
Other borrowing costs	108.88	117.76
	5,162.39	**6,908.44**

12 Depreciation and amortisation expense

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment	6,892.18	6,806.22
Amortisation of intangible assets	1,887.90	1,536.28
	8,780.08	**8,342.50**

13 Other expenses

	Year ended 31 March 2018	Year ended 31 March 2017
Freight, clearing, forwarding and handling charges	180,765.82	172,294.02
Sub-contracting costs*	5,530.59	-
Material handling charges	996.02	1,257.76
Casual labour charges	72,482.85	70,218.08
Consumption of stores and spares	1,144.70	1,299.67
Power and fuel	2,816.89	2,225.29
Rent, leasing and hiring charges	17,665.86	14,736.07
Rates and taxes	3,127.82	3,092.02
Insurance	3,481.47	3,809.72
Repairs and maintenance	19,905.02	18,083.33
Advertisement and business promotion	462.20	522.04
Travelling and conveyance	3,213.21	2,870.92
Communication costs	2,121.56	2,226.75
Bank charges	438.92	620.39
Factoring charges	117.57	-
Legal and professional fees	8,758.62	6,280.42
Security expenses	3,055.06	2,795.16
Sales commission expenses	2,153.02	1,551.62
Loss on foreign currency transactions and translations	151.08	501.59
Bad debts written off (net of adjustment against provision for doubtful debts ₹ 249.09 lakhs (31 March 2017: ₹ 322.61 lakhs))	161.94	375.93
Provision for doubtful debts	1,772.80	1,151.45
Provision for doubtful loans and advances	94.74	207.58
Loss on sale of property, plant and equipments, net	15.04	1.42
Miscellaneous expenses	7,113.26	8,627.75
	337,558.97	**275,268.06**

* Represents cost of sub-contracting in respect of services relating to installation and commissioning of telecom towers.

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Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)

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

14 Income tax expense

A. Amounts recognised in profit or loss	Year ended 31 March 2018	Year ended 31 March 2017
Current tax (a)		
Current tax on profits for the year	4,860.61	3,009.35
MAT for the year	-	297.37
	4,860.61	**3,306.72**
Deferred tax (b)		
Attributable to origination and reversal of temporary differences	(272.25)	1,151.77
MAT credit utilisation/ (entitlement)	764.33	(297.37)
	492.08	**854.40**
Tax expense (a+b)	**5,352.69**	**4,161.12**

B. Income tax recognised in other comprehensive income

	Year ended 31 March 2018			Year ended 31 March 2017		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Remeasurement of defined benefit liability / (asset)	10.63	(3.28)	7.35	(105.94)	37.61	(68.33)
	10.63	**(3.28)**	**7.35**	**(105.94)**	**37.61**	**(68.33)**

C. Reconciliation of effective tax rate

	Year ended 31 March 2018	Year ended 31 March 2017
Profit before share of profit of equity accounted investee and income tax	10,386.51	8,639.35
Income tax expense at tax rates applicable to individual entities	2,332.51	3,043.02
Effect of		
Impact of change in tax rates	(297.36)	(5.73)
Permanent disallowances	37.49	(27.63)
Income not subject to tax/ taxable at different rates	(361.32)	43.30
Change in previously unrecognised tax losses / temporary differences	(130.91)	(344.28)
Items / current year losses for which no deferred tax asset was recognised	1,800.48	130.05
Expenses not deductible for tax purposes	454.22	204.35
Tax incentive	(351.51)	-
Deffered tax on undistributed reserves	1,365.94	1,125.59
Others	152.03	(7.55)
Income tax expense as per statement of profit and loss	**5,352.69**	**4,161.12**

TVS LOGISTICS SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)

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

14 Income tax expense (continued)

D. Recognised deferred tax assets and liabilities

a. Deferred tax assets and liabilities are attributable to the following :

Deferred tax liabilities (net)	31 March 2018	31 March 2017	01 April 2016
Provision for employee benefits	110.51	75.86	90.88
Provision for doubtful trade receivables / advances	3.25	5.19	-
Intangibles	3.90	19.45	25.87
Deferred revenue	44.29	92.72	120.73
Deferred rent	105.38	172.47	187.06
Other timing differences	47.48	-	-
Deferred tax assets	**314.81**	**365.69**	**424.54**
Plant, property and equipment	977.97	1,305.76	1,491.70
Prepaid expenses	37.73	116.80	167.87
Intangibles	2,784.43	1,531.63	886.96
Undistributed profits of subsidiaries	4,959.54	3,352.62	2,592.54
Deferred tax liabilities	**8,759.67**	**6,306.81**	**5,139.07**
Net Deferred tax liabilities	**8,444.86**	**5,941.12**	**4,714.53**

Deferred tax assets (net)	31 March 2018	31 March 2017	01 April 2016
Property, plant and equipment	431.30	252.62	65.71
Provision for employee benefits	1,285.09	804.21	544.08
Provision for diminution in financial assets	2,714.35	2,032.93	1,441.57
Provision for others	568.47	431.90	3.60
Carried forward tax losses	36.13	277.67	1,297.28
MAT credit	505.69	1,268.03	970.66
Tax incentives	81.5	-	-
Deferred revenue	208.24	-	10.15
Deferred tax assets	**5,828.69**	**5,067.36**	**4,333.50**
Property, plant and equipment	-	0.58	0.13
Deferred tax liabilities	-	**0.58**	**0.13**
Net Deferred tax assets	**5,828.69**	**5,066.78**	**4,333.37**

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

14 Income tax expense (continued)

D. Recognised deferred tax assets and liabilities (continued)

b. Movement in deferred tax assets and liabilities

	Balance as at 01 April 2016	Recognised in Profit & Loss	Recognised in Other comprehensive income	Currency translation adjustment	Acquired in business combination	Balance as at 31 March 2017	Recognised in Profit & Loss	Recognised in Other comprehensive income	Currency translation adjustment	Acquired in business combination	Balance as at 31 March 2018
Deferred tax liabilities (net)											
Provision for employee benefits	90.88	(14.42)	-	(1.60)	-	75.86	34.16	-	0.55	-	110.57
Provision for doubtful trade receivables / advances	-	5.35	-	(0.17)	-	5.19	(1.94)	-	-	-	3.25
Intangibles	25.87	(6.04)	-	(0.38)	-	19.45	(15.47)	-	(0.45)	-	3.53
Deferred revenue	120.75	(26.17)	-	(1.84)	-	92.72	(45.11)	-	(0.16)	-	44.33
Deferred rent	187.06	(10.73)	-	(3.90)	-	172.43	(67.02)	-	(0.07)	-	105.34
Other timing differences	-	-	-	-	-	-	47.05	-	0.43	-	47.48
Deferred tax assets	424.54	(51.00)	-	(7.89)	-	365.69	(54.55)	-	0.67	-	414.91
Property, plant and equipment	1,491.20	116.28	-	(102.22)	-	1,505.26	(584.41)	-	53.49	3.55	977.97
Prepaid expenses	167.87	(64.57)	-	(5.50)	-	116.80	(82.76)	-	3.69	-	37.71
Intangibles	816.96	(118.94)	-	(38.06)	651.71	1,331.63	(221.26)	-	174.47	1,482.59	2,764.43
Undistributed profits of subsidiaries	2,572.54	1,125.3	-	(365.20)	-	3,332.67	1,165.91	-	440.96	-	4,959.54
Deferred tax liabilities	5,139.07	1,058.04	-	(562.05)	651.71	6,306.81	291.49	-	672.23	1,486.14	8,859.77
Net Deferred tax liabilities	**4,714.53**	**1,109.04**	-	**(554.16)**	**651.71**	**5,941.12**	**346.04**	-	**671.56**	**1,486.14**	**8,444.86**
Deferred tax assets (net)											
Property, plant and equipment	56.71	180.91	-	-	-	252.62	174.75	-	-	3.93	431.30
Provision for employee benefits	544.08	226.43	37.61	(3.91)	-	804.2	352.14	(3.28)	15.32	116.21	1,285.10
Provision for diminution in financial assets	1,441.57	594.14	-	(2.80)	-	2,032.91	250.57	-	(45.98)	476.85	2,714.35
Provision for others	3.90	-	-	(36.78)	464.88	431.90	70.09	-	66.46	-	568.47
Carried forward tax losses	1,247.28	(1,019.61)	-	-	-	227.67	(211.54)	-	-	-	16.13
MAT Credit	970.66	297.37	-	-	-	1,268.01	(764.34)	-	-	-	503.69
Tax incentives	-	-	-	-	-	-	81.51	-	-	-	81.51
Deferred revenue	10.15	(10.15)	-	-	-	-	(54.80)	-	26.77	199.27	308.24
Deferred tax assets	4,333.50	275.09	37.6	(43.72)	464.88	5,067.36	(146.62)	(3.28)	114.99	796.24	5,828.69
Property, plant and equipment	0.13	0.45	-	-	-	0.58	(0.58)	-	-	-	-
Deferred tax liabilities	0.13	0.45	-	-	-	0.58	(0.58)	-	-	-	-
Net Deferred tax assets	**4,333.37**	**274.64**	**37.61**	**(43.72)**	**464.88**	**5,066.78**	**(146.04)**	**(3.28)**	**114.99**	**796.24**	**5,828.69**
Total Amount recognised in statement of profit and loss / other comprehensive income		**854.40**	**(37.61)**				**492.08**	**3.28**			

14 Income tax expense (continued)

E. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

Particulars	31 March 2018 Gross amount	31 March 2018 Unrecognised tax effect	31 March 2017 Gross amount	31 March 2017 Unrecognised tax effect
Deductible temporary differences	8,882.69	2,952.58	6,532.57	2,134.73
Tax losses	14,186.71	2,726.94	2,046.45	393.36
Tax credit	-	-	104.06	104.06
	23,069.40	**5,679.52**	**8,683.08**	**2,632.15**

F. Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

	31 March 2018	Expiry date	31 March 2017	Expiry date
Expire	681.90	2021-2025	521.59	2021-2024
Expire	5,115.50	09 January 2018**	-	
Never expire	8,389.31		1,524.86	
	14,186.71		**2,046.45**	

** Pan Asia Logistics Singapore Pte. Ltd. was acquired by TVS Asianics group on 09 January 2018. As a result of the change in shareholding, the consolidated company tax losses of $10,295,504 (INR 5,115.50 lakhs) will be uncertain to be utilised against future taxable profits, as such deferred tax assets has not been recognised in view of the uncertainty. The entity shall be appealing to the Inland Revenue Tax Authorities of Singapore (IRAS) for the waiver of its forfeiture of tax losses and capital allowances.

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

15 Property, plant and equipment

A Reconciliation of carrying amount

	Land	Building	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Leasehold improvements	Total #
Gross carrying amount									
Deemed cost as at 01 April 2016	5,116.44	11,682.97	7,841.36	8,634.98	442.85	517.11	803.76	634.85	35,674.32
Additions on account of business combinations *	175.43	350.86	-	-	-	-	-	-	526.29
Other additions	-	-	1,989.13	2,807.91	221.26	307.02	1,120.25	634.15	7,079.72
Disposals	-	-	(281.76)	(212.60)	(23.70)	(111.83)	(2.82)	-	(632.71)
Exchange differences on translation of foreign operations	(513.42)	(1,408.65)	(286.23)	(914.10)	(6.19)	(6.74)	(37.26)	(23.56)	(3,196.15)
Balance at 31 March 2017	**4,778.45**	**10,625.18**	**9,262.50**	**10,316.19**	**634.22**	**705.56**	**1,883.93**	**1,245.44**	**39,451.47**
Balance at 01 April 2017	4,778.45	10,625.18	9,262.50	10,316.19	634.22	705.56	1,883.93	1,245.44	39,451.47
Additions on account of business combinations *	-	-	5,047.66	262.01	70.97	3.86	282.29	473.94	6,140.73
Other additions	415.74	446.17	2,290.87	3,900.42	71.14	174.95	811.36	447.22	8,557.90
Disposals	-	-	(205.91)	(152.55)	(54.43)	(52.64)	(116.21)	(80.71)	(662.45)
Exchange differences on translation of foreign operations	412.11	1,179.97	333.10	1,047.21	4.62	4.11	35.09	66.83	3,083.04
Balance at 31 March 2018	**5,606.30**	**12,251.32**	**16,728.15**	**15,373.28**	**726.53**	**835.84**	**2,897.46**	**2,152.70**	**56,571.58**
Accumulated depreciation									
Depreciation for the year	-	460.88	2,289.96	2,017.82	171.12	211.98	605.46	297.05	6,046.62
Disposals	-	-	(88.54)	(34.07)	(41.43)	(5.66)	(1.77)	-	(171.46)
Exchange differences on translation of foreign operations	-	(32.39)	(66.07)	(93.15)	(11.06)	(1.67)	(15.90)	(30.12)	(242.71)
Balance at 31 March 2017	-	**428.49**	**2,135.35**	**1,890.60**	**118.64**	**204.65**	**587.79**	**266.93**	**5,632.45**
Balance at 01 April 2017	-	428.49	2,135.35	1,890.60	118.64	204.65	587.79	266.93	5,632.45
Depreciation for the year	-	489.06	2,401.50	2,304.92	139.77	175.65	757.82	585.46	6,852.18
Disposals	-	-	(97.13)	(34.03)	(16.62)	(25.17)	(12.57)	(77.59)	(303.10)
Exchange differences on translation of foreign operations	-	88.73	47.04	266.63	0.47	1.75	19.63	16.29	441.04
Balance at 31 March 2018	-	**1,006.28**	**4,486.76**	**4,428.12**	**242.26**	**356.88**	**1,352.68**	**789.59**	**12,662.55**
Carrying amounts (net)									
At 01 April 2016	**5,116.44**	**11,682.97**	**7,841.36**	**8,634.98**	**442.85**	**517.11**	**803.76**	**634.85**	**35,674.32**
At 31 March 2017	**4,778.45**	**10,196.69**	**7,127.15**	**8,425.59**	**515.58**	**500.91**	**1,296.14**	**978.51**	**33,819.02**
At 31 March 2018	**5,606.30**	**11,245.04**	**12,241.39**	**10,945.16**	**484.27**	**478.96**	**1,544.78**	**1,363.11**	**43,909.01**

* Refer note 39 for further details.

\# Excludes assets held for sale classified separately under other current assets. Refer note 28.

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(All amounts are in Indian rupees (INR) lakhs, except share data and otherwise stated)

15 Property, plant and equipment (continued)

B Plant and equipment and vehicles held under finance lease

The Group has acquired certain plant and equipment and vehicles under finance lease arrangements. The gross and net carrying amounts of such assets acquired under leases included in the above reconciliation are as follows:

	31 March 2018	31 March 2017	01 April 2016
Cost/ deemed cost	353.61	350.70	573.93
Accumulated depreciation	(101.43)	(83.80)	-
Net carrying amount	**252.18**	**266.90**	**573.93**

C Security

For details of property, plant and equipment pledged/ provided as security against borrowings, refer note 30

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Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)

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16 Intangible assets

A Reconciliation of carrying amount

	Goodwill	Patents and trademarks	Customer relationship & Others	Brand	Computer software	Total (excluding goodwill)
Gross carrying amount						
Deemed cost as at 01 April 2016	16,995.71	4.07	2,919.48	3,329.59	1,232.30	7,485.44
Additions on account of business combinations *	2,025.32	-	3,461.19	374.54	-	3,835.73
Other additions	-	1.78	572.99	-	713.32	1,288.09
Disposals	-	-	-	-	(48.92)	(48.92)
Exchange differences on translation of foreign operations	(730.53)	(0.02)	(432.56)	(425.60)	(22.96)	(881.14)
Balance at 31 March 2017	**18,290.50**	**5.83**	**6,521.10**	**3,278.53**	**1,873.73**	**11,679.19**
Balance at 01 April 2017	18,290.50	5.83	6,521.10	3,278.53	1,873.73	11,679.19
Additions on account of business combinations *	11,212.93	-	5,511.91	-	13.64	5,525.55
Other additions		-	72.28	45.80	367.70	485.78
Exchange differences on translation of foreign operations	1,119.81	0.04	847.80	370.01	15.38	1,233.23
Balance at 31 March 2018	**30,623.24**	**5.87**	**12,953.09**	**3,694.34**	**2,270.45**	**18,923.75**
Accumulated amortisation and impairment losses						
Amortisation for the year	-	-	491.65	153.20	691.43	1,336.28
Disposals	-	-	-	-	(48.38)	(48.38)
Exchange differences on translation of foreign operations	-	-	(17.85)	-	(0.45)	(18.30)
Balance at 31 March 2017	-	-	**473.80**	**153.20**	**642.60**	**1,269.60**
Balance at 01 April 2017	-	-	473.80	153.20	642.60	1,269.60
Amortisation for the year	-	-	1,135.89	189.95	562.06	1,887.90
Disposals	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	99.79	2.93	5.30	108.02
Balance at 31 March 2018	-	-	**1,709.48**	**346.08**	**1,209.96**	**3,265.52**
Carrying amounts (net)						
At 01 April 2016	**16,995.71**	**4.07**	**2,919.48**	**3,329.59**	**1,232.30**	**7,485.44**
At 31 March 2017	**18,290.50**	**5.83**	**6,047.30**	**3,125.33**	**1,231.13**	**10,409.59**
At 31 March 2018	**30,623.24**	**5.87**	**11,243.61**	**3,348.26**	**1,060.49**	**15,658.23**

* Refer note 39 for further details

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

17 Equity accounted investees

The Group's interest in equity accounted investees comprises of the following:

	Note	31 March 2018	31 March 2017	01 April 2016
Interest in joint ventures	A	3,499.76	3,329.74	3,290.05
Interest in associate	B	47.28	183.68	219.49
		3,547.04	**3,513.42**	**3,509.54**

The Group's share of profit / (loss) in equity accounted investees are as follows:

	Note	Year ended 31 March 2018	Year ended 31 March 2017
Share of profit / (loss) in joint ventures	A	269.20	263.23
Share of profit / (loss) in associate	B	(57.58)	(89.84)
		211.62	**173.39**

A. Joint ventures

The financial information of the joint ventures and the carrying amount of the Group's interest in joint ventures is as follows :

31 March 2018	TVS Infrastructure Private Limited	TVS Toyota Tsusho Supply Chain Solutions Limited	Total
	50%	60%	
Non-current assets	24,613.00	120.20	24,733.20
Current assets	226.83	1,006.06	1,232.89
Non-current liabilities	(15,699.51)	(2.20)	(15,701.71)
Current liabilities	(3,064.18)	(496.08)	(3,560.26)
Net assets	6,076.14	627.98	6,704.12
Group's share of net assets	**3,038.07**	**376.79**	**3,414.86**
Add : Assumed goodwill	84.90	-	84.90
Carrying amount of interest in joint ventures as at 31 March 2018	**3,122.97**	**376.79**	**3,499.76**
For the year ended 31 March 2018			
Revenue	2,075.87	1,894.22	3,970.09
Profit	251.60	237.33	488.93
Other comprehensive income	(0.15)	1.79	1.64
Total comprehensive income	**251.45**	**239.12**	**490.57**
Group's share of Profit	125.80	142.40	268.20
Group's share of OCI	(0.08)	1.07	1.00
Group's share of total comprehensive income	**125.73**	**143.47**	**269.20**

31 March 2017	T&T One Asia Limited	TVS Infrastructure Private Limited	TVS Toyota Tsusho Supply Chain Solutions Limited	Total
	50%	50%	60%	
Non-current assets	434.77	8,415.13	63.12	8,913.02
Current assets	4,990.29	255.95	810.90	6,057.14
Non-current liabilities	(662.15)	(2,160.84)	(13.05)	(2,836.04)
Current liabilities	(10,442.78)	(487.05)	(472.11)	(11,401.94)
Non-controlling interest	2,684.90	-	-	2,684.90
Net assets	(2,994.97)	6,023.19	388.86	3,417.08
Group's share of net assets	**(1,497.49)**	**3,011.60**	**233.32**	**1,747.43**
Add : Assumed goodwill	1,497.41	84.90	-	1,582.31
Carrying amount of interest in joint venture as at 31 March 2017	**(0.08)**	**3,096.50**	**233.32**	**3,329.74**

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17 Equity accounted investees (continued)

A. Joint ventures (continued)

	T&T One Asia Limited	TVS Infrastructure Private Limited	TVS Toyota Tsusho Supply Chain Solutions Limited	Total
For the year ended 31 March 2017				
Revenue	14,371.35	1,246.17	2,786.63	18,404.15
Profit	(334.23)	710.62	126.26	502.65
Other comprehensive income	-	(0.41)	(0.80)	(1.21)
Total comprehensive income	**(334.23)**	**710.21**	**125.46**	**501.44**
Group's share of Profit	(167.12)	355.31	75.76	263.95
Group's share of OCI	-	(0.21)	(0.48)	(0.69)
Group's share of total comprehensive income	**(167.12)**	**355.11**	**75.28**	**263.27**

01 April 2016	**T&T One Asia Limited**	**TVS Infrastructure Private Limited**	**TVS Toyota Tsusho Supply Chain Solutions Limited**	**Total**
	50%	**50%**	**60%**	
Non-current assets	335.65	6,852.05	4.59	7,192.30
Current assets	6,613.38	127.20	475.12	7,215.70
Non-current liabilities	(697.95)	(1,074.76)	(0.39)	(1,773.10)
Current liabilities	(11,464.73)	(1,141.51)	(215.02)	(12,821.26)
Non-controlling interests	2,990.82	-	-	2,990.82
Net assets	(2,711.92)	4,762.98	263.40	2,314.46
Group's share of net assets	**(1,355.96)**	**2,381.49**	**158.04**	**1,183.57**
Add : Assumed goodwill	2,021.58	84.90	-	2,106.48
Carrying amount of interest in joint venture as at 01 April 2016	**665.62**	**2,466.39**	**158.04**	**3,290.05**

B. Associate

The financial information of the associate and the carrying amount of the Group's interest in associate is as follows :

31 March 2018	Montana Verpacken mit System GmbH	Total
	21%	
Non-current assets	514.95	514.95
Current assets	930.07	930.07
Current liabilities	(1,941.51)	(1,941.51)
Net assets	(496.49)	(496.49)
Group's share of net assets	**(104.26)**	**(104.26)**
Add : Assumed goodwill	251.54	251.54
Carrying amount of interest in associate as at 31 March 2018	**147.28**	**147.28**

For the year ended 31 March 2018	**Montana Verpacken mit System GmbH**	**Total**
Revenue	3,434.44	3,434.44
Profit	(274.17)	(274.17)
Other comprehensive income	-	-
Total comprehensive income	**(274.17)**	**(274.17)**
Group's share of Profit	(57.58)	(57.58)
Group's share of OCI	-	-
Group's share of total comprehensive income	**(57.58)**	**(57.58)**

31 March 2017	**Montana Verpacken mit System GmbH**	**Total**
	21%	
Non-current assets	525.17	525.17
Current assets	842.37	842.37
Current liabilities	(1,543.13)	(1,543.13)
Net assets	(175.59)	(175.59)
Group's share of net assets	**(36.87)**	**(36.87)**
Add : Assumed goodwill	220.56	220.56
Carrying amount of interest in associate as at 31 March 2017	**183.69**	**183.69**

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17 Equity accounted investees (continued)

B. Associate (continued)

For the year ended 31 March 2017	Montara Verpacken mit System GmbH	Total
Revenue	5,305.21	5,305.21
Profit	(427.98)	(427.98)
Other comprehensive income	-	-
Total comprehensive income	**(427.98)**	**(427.98)**
Group's share of Profit	(89.88)	(89.88)
Group's share of OCI	-	-
Group's share of total comprehensive income	**(89.88)**	**(89.88)**

01 April 2016	Montara Verpacken mit System GmbH	Total
	21%	
Net assets	285.26	285.26
Group's share of net assets	**59.90**	**59.90**
Add : Assumed goodwill	259.59	259.59
Carrying amount of interest in associate as at 01 April 2016	**319.49**	**319.49**

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18 A. Non-controlling interests

	31 March 2018	31 March 2017	01 April 2016
TVS Dynamic Global Freight Services Limited	441.75	376.48	298.23
FLEXOL Packaging (India) Limited	247.45	186.02	200.84
TVS Logistics SIAM Limited	-	(16.79)	27.87
TVS-Asianics Supply Chain Solutions Limited	(1,247.05)	(257.72)	-
T.I.F Holdings Pty Ltd.	1,955.24	2,052.42	1,879.37
Rico Logistics Limited	709.62	552.89	495.51
SPC International Limited	2,404.95	1,872.44	-
TVS Supply Chain Solutions North America Inc., USA and its subsidiaries	(0.44)	1,393.21	1,251.09
Other NCI in subsidiaries of TVS Logistics Investment UK Limited	1,564.30	1,235.34	1,002.16
	6,131.89	**7,394.29**	**5,155.05**

B. Profit attributable to non-controlling interests

	Year ended 31 March 2018	Year ended 31 March 2017
TVS Dynamic Global Freight Services Limited	108.03	79.18
FLEXOL Packaging (India) Limited	61.69	(15.22)
TVS Logistics SIAM Limited	-	(45.35)
TVS-Asianics Supply Chain Solutions Limited	(575.05)	-
T.I.F Holdings Pty Ltd.	253.51	383.18
Rico Logistics Limited	87.63	78.13
SPC International Limited	372.86	67.18
TVS Supply Chain Solutions North America Inc., USA and its subsidiaries	12.06	176.45
Other subsidiaries of TVS Logistics Investment UK Limited	12.18	(27.22)
	333.51	**696.00**

C. Other comprehensive income attributable to non-controlling interests

	Year ended 31 March 2018	Year ended 31 March 2017
TVS Dynamic Global Freight Services Limited	0.58	(1.13)
FLEXOL Packaging (India) Limited	(0.25)	0.41
TVS Logistics SIAM Limited	-	0.69
TVS-Asianics Supply Chain Solutions Limited	181.82	(113.94)
T.I.F Holdings Pty Ltd	(34.35)	105.65
Rico Logistics Limited	459.59	(316.69)
TVS Supply Chain Solutions North America Inc., USA and its subsidiaries	(9.34)	(27.40)
Other subsidiaries of TVS Logistics Investment UK Limited	40.97	(127.49)
	638.52	**(479.90)**

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Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)

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

18 Non-controlling interests (continued)

The following table summarises the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

31 March 2018	TVS Dynamic Global Freight Services Limited	FLEXOL Packaging (India) Limited	TVS-Asianics Supply Chain Solutions Limited	T.I.F Holdings Pty Ltd	Rico Logistics Limited	SPC International Limited
NCI%	15.00%	32.50%	17.32%	45.00%	2.50%	37.00%
Non-current assets	201.44	525.44	30,105.53	2,151.08	12,869.09	1,971.24
Current assets	5,564.79	778.81	41,866.24	14,920.48	48,608.14	5,801.01
Non-current liabilities	(273.28)	(9.33)	(41,208.42)	(104.67)	(3,980.23)	(250.68)
Current liabilities	(2,543.82)	(533.34)	(37,965.81)	(12,930.68)	(29,112.10)	(1,859.53)
Net assets	2,945.03	761.57	(7,179.56)	4,336.21	28,384.90	6,662.03
Net assets attributable to NCI	**441.76**	**247.46**	**(1,247.06)**	**1,951.29**	**709.62**	**2,464.95**
Revenue	21,371.65	1,679.31	125,748.17	98,272.32	124,957.84	15,994.60
Profit	720.21	189.81	(5,094.27)	563.35	3,305.26	1,007.73
Other comprehensive income	3.89	(0.78)	401.26	(77.44)	(383.78)	-
Total comprehensive income	**724.10**	**189.03**	**(4,693.01)**	**485.91**	**2,921.48**	**1,007.73**
Profit allocated to NCI	108.03	61.69	(575.05)	253.51	82.63	372.86
OCI allocated to NCI	0.58	(0.25)	45.29	(34.85)	(14.59)	-
Exchange differences on translation of foreign operations	-	-	135.61	-	479.18	-
Total comprehensive income allocated to NCI	**108.61**	**61.44**	**(394.15)**	**218.66**	**547.22**	**372.86**

31 March 2017	TVS Dynamic Global Freight Services Limited	FLEXOL Packaging (India) Limited	TVS Logistics SIAM Limited	TVS-Asianics Supply Chain Solutions Limited	T.I.F Holdings Pty Ltd	TVS Supply Chain Solutions North America, Inc., USA	Rico Logistics Limited	SPC International Limited
NCI%	15.00%	32.50%	45.00%	9.26%	45.00%	7.17%	2.50%	37.00%
Non-current assets	205.11	265.52	114.48	6,329.12	2,789.46	14,717.61	11,386.24	2,759.91
Current assets	4,419.90	630.59	554.72	7,415.51	12,903.57	16,796.51	45,740.71	5,707.46
Non-current liabilities	(278.34)	(6.02)	-	(8,834.45)	(65.02)	(1,352.55)	(6,929.48)	(813.09)
Current liabilities	(1,826.85)	(328.45)	(705.97)	(7,692.17)	(11,067.07)	(10,731.98)	(28,081.72)	(2,873.66)
Net assets	**2,519.82**	**572.34**	**(37.27)**	**(2,781.98)**	**4,560.94**	**19,429.59**	**22,115.75**	**5,060.64**
Net assets attributable to NCI	**376.48**	**186.02**	**(16.79)**	**(257.72)**	**2,052.42**	**1,393.10**	**552.89**	**1,872.44**
Revenue	14,704.73	1,718.75	2,285.38	83,771.66	63,758.83	52,236.03	111,003.51	2,229.68
Profit	529.17	(46.87)	(100.76)	(1,275.01)	851.58	2,461.43	3,125.24	181.57
Other comprehensive income	(7.54)	1.26	1.54	(284.66)	229.03	(0.46)	190.34	-
Total comprehensive income	**521.63**	**(45.61)**	**(99.22)**	**(1,559.67)**	**1,080.61**	**2,460.97**	**3,315.58**	**181.57**
Profit allocated to NCI	79.38	(15.23)	(45.34)	-	383.18	176.48	78.13	67.18
OCI allocated to NCI	(1.13)	0.41	0.69	-	103.06	(0.03)	4.76	-
Exchange differences on translation of foreign operations	-	-	-	(113.94)	-	(27.40)	(321.45)	-
Total comprehensive income allocated to NCI	**78.25**	**(14.82)**	**(44.65)**	**(113.94)**	**486.24**	**149.05**	**(238.56)**	**67.18**

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

18 Non-controlling interests (continued)

01 April 2016	TVS Dynamic Global Freight Services Limited	FLEXOL Packaging (India) Limited	TVS Logistics SIAM Limited	TVS Supply Chain Solutions North America, Inc., USA	T.I.F Holdings Pty Ltd	Rico Logistics Limited
NCI %	15.00%	32.50%	45.00%	7.17%	45.00%	2.50%
Non-current assets	230.31	274.01	117.44	14,078.37	2,687.98	3,840.58
Current assets	3,898.38	803.22	510.92	15,684.70	10,872.06	44,177.51
Non-current liabilities	(263.27)	(13.50)	-	(4,216.12)	(45.85)	(6,273.92)
Current liabilities	(1,877.21)	(455.78)	(566.41)	(8,096.94)	(9,297.89)	(22,243.03)
Net assets	1,988.21	617.95	61.95	17,449.81	4,176.30	19,821.14
Net assets attributable to NCI	**298.23**	**200.84**	**27.87**	**1,251.15**	**1,879.37**	**495.53**

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

19 Investments

A. Non-current investments	31 March 2018	31 March 2017	01 April 2016
Unquoted investment in debentures carried at amortised cost			
Prasanna Purple Mobility Solutions Private Limited*** 25,900 (31 March 2017: 46,400, 1 April 2016: 73,800) Series I NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each	210.18	367.58	582.46
Prasanna Purple Mobility Solutions Private Limited*** 30,690 (31 March 2017: 50,256, 1 April 2016: 74,200) Series II NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each	225.95	372.39	556.61
Prasanna Purple Mobility Solutions Private Limited*** Nil (31 March 2017: Nil, 1 April 2016: 80,000) Optionally Convertible Debentures of ₹ 1000 each	-	-	666.67
	436.13	**739.97**	**1,805.74**
Unquoted investment in preference shares carried at amortised cost			
Cargoways Logistics Limited 25,000,000 (31 March 2017: 25,000,000, 1 April 2016: 25,000,000) redeemable preference shares ("RPS") of ₹ 10 each fully paid up	2,500.00	2,500.00	2,500.00
	2,500.00	**2,500.00**	**2,500.00**
Provision for decline in fair value of investments			
Unquoted investments in preference shares			
Cargoways Logistics Limited	(2,500.00)	(2,500.00)	(2,500.00)
	(2,500.00)	**(2,500.00)**	**(2,500.00)**
Total non-current investments	**436.13**	**739.97**	**1,805.74**
Aggregate amount of unquoted investments	2,936.13	3,239.97	4,305.74
Aggregate amount of impairment in the value of investments	2,500.00	2,500.00	2,500.00

B. Current investments	31 March 2018	31 March 2017	01 April 2016
Quoted debt securities at FVTPL	5.84	-	-
	5.84	-	-
Unquoted investment in debentures carried at amortised cost			
Prasanna Purple Mobility Solutions Private Limited*** 20,500 (31 March 2017: 27,400, 01 April 2016: 10,700) Series I NCD, 0.1% Unsecured Non Convertible Debentures of ₹ 1000 each	205.00	274.00	107.00
Prasanna Purple Mobility Solutions Private Limited*** 19,566 (31 March 2017: 23,944, 01 April 2016: Nil) Series II NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each	195.66	239.44	-
Prasanna Purple Mobility Solutions Private Limited*** 80,000 (31 March 2017: 80,000, 01 April 2016: Nil) Optionally Convertible Debentures of ₹ 1000 each	800.00	737.78	-
	1,200.66	**1,251.22**	**107.00**
Total current investments	**1,206.50**	**1,251.22**	**107.00**
Aggregate value of quoted investments	5.84	-	-
Aggregate value of unquoted investments	1,200.66	1,251.22	107.00

*** 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	107.00	30 November 2017	239.44
31 July 2017	274.00	30 November 2018	195.66
31 July 2018	205.00	30 November 2019	99.90
31 July 2019	125.00	30 November 2020	162.00
31 July 2020	96.00	30 November 2021	45.00
31 July 2021	38.00		-
	845.00		**742.00**

*** The Optionally Convertible Debentures ("OCD") is either redeemable or convertible into equity shares of Prasanna Purple Mobility Solutions Private Limited as per the terms and conditions set out in the shareholder's agreement between TVS Commutation Solutions Limited and Prasanna Purple Mobility Solutions Private Limited. The redemption/ conversion shall be done in two years from 31 March 2016 (date of issuance). In the current year this has been further extended by a period of one year. The company expects these OCDs to be redeemed in cash at the end of the maturity period.

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20 Deposits and other receivables

	Non-current			Current		
	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
Security deposits						
Unsecured, considered good	1,769.46	1,907.49	2,000.18	2,504.33	1,466.81	1,247.16
Unsecured, considered doubtful	-	-	-	117.40	52.51	12.43
Provision for doubtful security deposits	-	-	-	(117.40)	(52.51)	(12.43)
	1,769.46	1,907.49	2,000.18	2,504.33	1,466.81	1,247.16
Security deposit to related parties						
Unsecured, considered good	410.60	106.38	96.78	0.85	212.31	211.50
	410.60	106.38	96.78	0.85	212.31	211.50
Other receivables						
Loans and advances to employees	-	-	-	317.73	405.02	402.57
Finance lease receivables	206.00	244.38	278.82	38.38	134.44	517.41
Receivable from others						
Unsecured, considered good	610.77	-	-	1,403.66	497.89	452.13
Unsecured, considered doubtful	-	-	-	180.74	180.74	180.74
Provision for doubtful receivables	-	-	-	(180.74)	(180.74)	(180.74)
	816.77	244.38	278.82	1,759.77	1,037.35	1,372.11
	2,996.83	2,258.25	2,375.78	4,264.95	2,716.47	2,830.77

21 Other financial assets

	Non-current			Current		
	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
Advances recoverable in cash or kind						
Unsecured, considered doubtful	4,417.56	4,417.56	4,417.56	-	-	-
Provision for unsecured doubtful	(4,417.56)	(4,417.56)	(4,417.56)	-	-	-
	-	-	-	-	-	-
Unbilled revenue	-	-	-	13,036.34	10,988.20	7,918.99
Margin money deposited with banks	141.59	128.29	201.57	114.61	106.09	210.91
Contractually reimbursable advances	-	-	-	562.12	42.09	195.60
Insurance claims receivables	-	-	-	77.57	96.27	95.27
Others	0.91	1.51	0.10	265.83	746.59	12.47
	142.50	129.80	201.67	14,056.47	11,985.14	8,444.13

22 Other non current assets

	31 March 2018	31 March 2017	01 April 2016
Prepaid expenses	599.15	351.24	116.81
Balances with statutory and government authorities			
Unsecured, considered good	318.93	702.56	397.64
Unsecured, considered doubtful	914.11	914.11	868.29
Provision for doubtful receivables	(914.11)	(914.11)	(868.29)
	318.93	702.56	397.64
Advance for supply of goods and services			
Unsecured, considered good	195.90	-	-
	195.90	-	-
Capital advances			
Secured, considered doubtful	228.7	143.45	7.39
Unsecured, considered good	-	65.32	-
Unsecured, considered doubtful	1.75	1.75	1.75
Provision for doubtful receivables	(1.75)	(1.75)	(1.75)
	228.7	208.77	7.39
	1,341.80	1,262.57	521.84

23 Inventories

(valued at lower of cost or net realizable value)

	31 March 2018	31 March 2017	01 April 2016
Packing Materials	61.59	77.33	52.64
Stock-in-trade	12,965.94	10,443.67	10,697.09
Stores and spares	333.67	171.34	197.37
	13,361.20	10,692.54	10,946.99

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24 Trade receivables

	31 March 2018	31 March 2017	01 April 2016
Gross trade receivables			
Unsecured, considered good	137,802.97	97,928.10	87,889.72
Doubtful	11,185.34	6,075.67	5,362.62
	148,988.31	104,003.77	93,252.34
Less allowance			
Unsecured, considered good	-	-	-
Doubtful	(11,185.34)	(6,075.67)	(5,362.62)
	(11,185.34)	(6,075.67)	(5,362.62)
Net trade receivables	137,802.97	97,928.10	87,889.72

25 Cash and cash equivalents

	31 March 2018	31 March 2017	01 April 2016
Cash on hand	60.87	23.03	21.48
Cheques on hand	50.15	82.78	170.58
	111.02	105.81	192.06
Balance with banks			
On current accounts	34,298.73	41,625.34	15,168.18
Deposits with original maturity of less than three months	1,571.75	949.93	1,302.45
	35,870.48	42,575.27	16,470.63
	35,981.50	42,681.08	16,662.69

26 Other bank balances

	31 March 2018	31 March 2017	01 April 2016
Deposits with original maturity of more than 3 months less than 12 months	2,342.46	717.33	22.30
Deposits with original maturity of 3 months or less, restricted	-	931.86	-
	2,342.46	1,649.19	22.30

27 Loans (current)

	31 March 2018	31 March 2017	01 April 2016
Loan to others			
Unsecured, considered doubtful	1,004.63	1,354.63	1,354.63
Provision for doubtful loans	(1,004.63)	(1,354.63)	(1,354.63)
	-	-	-

28 Other current assets

	31 March 2018	31 March 2017	01 April 2016
Advance related to supply of goods and services to parties other than related parties			
Unsecured, considered good	4,845.43	5,565.68	4,491.63
Unsecured, considered doubtful	1,765.19	1,286.56	1,578.94
Provision for doubtful receivables	(1,765.19)	(1,286.56)	(1,578.94)
	4,845.43	5,565.68	4,491.63
Advance related to supply of goods and services to related parties			
Unsecured, considered good	-	-	98.86
	-	-	98.86
Balances with statutory authorities			
Unsecured, considered good	2,420.66	760.85	567.13
Unsecured, considered doubtful	-	-	-
Provision for doubtful receivables	-	-	-
	2,420.66	760.85	567.13
Other current assets			
Prepaid expenses	8,058.42	6,959.08	6,071.43
Fixed assets held for sale	18.90	60.40	421.86
Others	108.88	3.03	1.72
	15,452.29	13,349.74	11,652.72

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29A Share capital

	31 March 2018	31 March 2017	01 April 2016
Authorised share capital			
33,800,000 (31 March 2017: 33,800,000; 01 April 2016: 29,800,000) equity shares of ₹ 10 each	3,380.00	3,380.00	2,980.00
1,200,000 (31 March 2017: 1,200,000; 01 April 2016: 1,200,000) preference shares of ₹ 10 each ₹	120.00	120.00	120.00
Issued			
Equity shares			
13,810,401 (31 March 2017: 13,810,401; 01 April 2016: 13,810,401) equity shares of ₹ 10 each at par	1,381.04	1,381.04	1,381.04
5,066,900 (31 March 2017: 5,066,900; 01 April 2016: 5,066,900) equity shares of ₹ 10 each at a premium of ₹ 185.27 per share	506.69	506.68	506.68
3,223,194 (31 March 2017: 3,223,194; 01 April 2016: 190,800) equity shares of ₹ 10 each at a premium of ₹ 183 per share	322.32	322.32	19.08
275,800 (31 March 2017: 275,800; 01 April 2016: 275,800) equity shares of ₹ 10 each at a premium of ₹ 65 per share	27.58	27.58	27.58
4,456,816 (31 March 2017: 4,456,816; 01 April 2016: 4,456,816) equity shares of ₹ 10 each at a premium of ₹ 434.92 per share	445.68	445.68	445.68
1,798,607 (31 March 2017: 1,798,607; 01 April 2016: 1,798,607) equity shares of ₹ 10 each at a premium of ₹ 665 per share	179.86	179.86	179.86
3,163,515 (31 March 2017: 3,163,515; 01 April 2016: Nil) equity shares of ₹ 10 each at a premium of ₹ 400 per share	316.35	316.35	-
Total issued capital	**3,179.51**	**3,179.51**	**2,579.92**
Called, Subscribed and Paid up			
Equity shares			
31,635,133 (31 March 2017: 31,635,133; 01 April 2016: 25,799,224) equity shares of ₹ 10 each	3,163.51	3,163.51	2,579.92
Add: Amount paid up on 160,000 (31 March 2017: 160,000; 01 April 2016: Nil) equity shares forfeited at ₹ 2 each	3.20	3.20	-
Less: Calls unpaid on Nil (31 March 2017: Nil; 01 April 2016: 308,802) equity shares of ₹ 10 each, ₹ 8 unpaid	-	-	-
By directors and officers	-	-	(24.69)
By others	-		
	3,166.71	**3,166.71**	**2,555.23**

[illegible] (31 March 2017: 20,000; 01 April 2016: 20,000) 0.002% cumulative, redeemable, non-convertible, participating preference shares have been classified as a financial liability (see note [illegible]).

a. Reconciliation of shares outstanding at the beginning and at end of the reporting period

	31 March 2018		31 March 2017	
	Nos	₹ in lakhs	Nos	₹ in lakhs
Equity shares				
At the beginning of the year	31,635,133	3,166.71	25,799,224	2,555.23
Issued during the year	-	-	5,995,909	599.59
Shares forfeited during the year	-	-	(175,344)	(17.53)
Forfeited shares reissued during the year	-	-	15,344	1.53
Calls made and received on partly paid shares	-	-	-	27.89
Outstanding at the end of the year	**31,635,133**	**3,166.71**	**31,635,133**	**3,166.71**

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 2017: ₹ Nil; 01 April 2016: ₹ 0.80) 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 0.002% 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 dividends 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 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.

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Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)

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

29A Share capital (continued)

d. Details of shareholders holding more than 5% shares of a class of shares

	31 March 2018		31 March 2017	
	Number of shares	% holding	Number of shares	% holding
Equity shares of ₹ 10 each, fully paid up				
T V Sundram Iyengar & Sons Private Limited	17,737,343	35.91%	10,727,540	33.91%
CDPQ Private Equity Asia Pte Ltd	12,136,892	38.37%	12,136,892	38.37%
Dhanam Logistics Services LLP	2,992,454	9.46%	2,992,454	9.46%
Omega TC Holdings Pte Ltd, Singapore	2,368,865	7.49%	2,368,865	7.49%
0.0001% Cumulative, redeemable, non-convertible, participating preference shares of ₹ 10 each, fully paid up				
Tata International Limited	7,677	50.01%	10,002	50.01%
Tata Industries Limited	7,674	49.99%	9,999	49.99%

29B Other equity

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Capital reserve

During the previous year, the Company had forfeited the shares forfeited. The profit on re-issue of such forfeited shares has been transferred to capital reserve.

Capital redemption reserve

The Company has redeemed preference shares issued to Tata International Limited and Tata Industries Limited, out of profits of the Company. A sum equivalent to the nominal amount of the shares redeemed has been transferred to capital redemption reserve in accordance with the provisions of the Companies Act, 2013.

Dividends

After the reporting date the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

	31 March 2018	31 March 2017
₹ 1.26 per equity share (31 March 2017: ₹ Nil)	396.60	-

A dividend of ₹ 0.0001% per cumulative, redeemable, non-convertible, participating preference share (excluding dividend distribution tax) has been proposed by directors subject to approval at the annual general meeting. Since the aforesaid preference shares have been classified as 'financial liability', the aforesaid amount has been shown as part of finance cost.

29C Other items of OCI

Remeasurements of defined benefit liability (asset)	31 March 2018	31 March 2017
Opening balance	(4.58)	63.75
Remeasurements of defined benefit liability (asset)	7.35	(68.33)
Closing balance	**2.77**	**(4.58)**

Remeasurements of defined benefit liability (asset)

Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

29D Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business.

The Group monitors capital using a ratio of 'debt' to 'equity'. For this purpose, debt is defined as total debt, comprising interest-bearing loans and borrowings and obligations under finance leases. Equity comprises all components of equity.

The Group's policy is to keep the ratio below 2.00. The Group's debt to equity ratio is as follows:

	31 March 2018	31 March 2017	01 April 2016
Total current and non-current borrowings	98,834.20	82,112.02	85,602.42
Current maturities of long-term borrowings	1,239.02	13,092.04	14,184.60
Debt	**100,073.22**	**95,204.06**	**99,787.02**
Total equity	**66,856.18**	**63,134.19**	**26,529.59**
Debt to equity ratio	**1.50**	**1.51**	**3.76**

29E Earnings per share

Basic and diluted earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

(i) Profit (loss) attributable to equity shareholders	**31 March 2018**	**31 March 2017**
Profit (loss) for the year, attributable to the equity holders	1,911.99	3,955.82

(ii) Weighted average number of equity shares	**31 March 2018**	**31 March 2017**
Weighted average number of equity shares outstanding during the year	31,635,133	26,285,466
Weighted average number of equity shares for the year	**31,635,133**	**26,285,466**

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Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)

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

30 Borrowings

	31 March 2018	31 March 2017	01 April 2016
(a) Non-current borrowings			
Secured term loans from banks	66,624.71	17,522.56	32,178.08
Unsecured term loans from banks	2,100.00	-	-
Secured term loans from financial institutions	1,507.23	4,103.49	2,572.51
Secured long term obligations under finance leases	722.98	327.18	159.90
Total non-current borrowings	**70,954.92**	**21,953.23**	**34,910.49**
(b) Current borrowings			
Cash credit from banks			
Secured	5,991.08	13,555.84	11,098.58
Unsecured	15.59	2,158.06	424.47
Revolving credit facility			
Secured	23,601.72	2,420.54	2,832.63
Loans repayable on demand			
Secured	-	18,422.16	15,156.17
Unsecured	5,104.55	14,768.18	7,038.21
Commercial Paper			
Unsecured	28.90	-	-
Buyer's Credit			
Secured	-	531.36	8,487.12
Bills discounting			
Unsecured	741.12	546.51	-
Secured	-	2,825.04	3,649.16
Redeemable preference shares (unsecured)	1,405.86	4,276.42	4,276.42
Other short term loans			
Secured	543.16	562.50	415.54
Unsecured	-	376.03	273.06
	37,879.28	60,278.79	53,692.13
Current portion of long term borrowings			
Secured term loans from banks	309.72	12,421.45	10,478.66
Secured term loans from financial institutions	873.27	427.50	252.08
Secured finance lease obligations	56.03	223.09	453.86
	1,239.02	13,072.04	11,184.60
	39,118.30	**73,350.83**	**64,876.73**
Less: Amount included under 'Other financial liabilities'	(1,239.02)	(13,072.04)	(11,184.60)
Total current borrowings	**37,879.28**	**60,278.79**	**53,692.13**

Information about Group's exposure to interest rate and liquidity risks is included in note 43.

A. Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

In lakhs of INR	Currency	Nominal interest rate	Year of maturity	Carrying amount as at 31 March 2018	31 March 2017	01 April 2016
Secured term loan from banks						
DBS and Standard Chartered Bank	USD	Libor + 215 basis points	2019	35,102.85	-	-
DBS and Standard Chartered Bank	USD / GBP	2.15% + 3 months LIBOR	2023	29,262.97	-	-
NatWest	GBP	LIBOR+3.25%	2021	560.61	59.23	-
EXIM Bank of India	USD	3.75%	2021	-	5,510.60	5,145.89
DBS Bank	GBP	5.22%	2019	-	5,135.86	8,122.59
ICICI Bank Limited, UK	GBP	LIBOR+4.1%	2017	-	4,053.67	8,561.55
DBS Bank	GBP	LIBOR+3%	2021	-	3,696.53	1,594.23
DBS Bank	GBP	4.45%	2020	-	1,772.35	2,769.72
NatWest	GBP	LIBOR+3%	2023	-	325.15	-
DBS Bank	GBP	LIBOR+3.5%	2017	-	-	5,676.56
Export-Import Bank of India	USD	LIBOR+1.7%	2022	-	6,836.50	8,516.46
Bank of America	USD	LIBOR+1.2% to LIBOR+2.5%	2021	-	2,785.04	4,335.02
				64,926.43	29,943.99	42,066.72

30 Borrowings (continued)

A. Terms and repayment schedule (continued)

In lakhs of INR	Currency	Nominal interest rate	Year of maturity	Carrying amount as at 31 March 2018	31 March 2017	01 April 2016
Unsecured term loan from banks						
Axis Bank Limited	INR	8.60%	2021	2,100.00	-	-
				2,100.00	-	-
Secured term loan from financial institutions						
Tata Capital Financial Services Limited	INR	10.25%	2021	2,291.68	2,500.00	2,500.00
Tata Capital Financial Services Limited	INR	10.75%	2022	-	2,100.00	-
Sundaram Finance Limited	INR	10.25% to 12.50%	2021	92.82	135.59	295.56
L&T Finance Limited	INR	10.40%	2017	-	-	10.22
L&T Finance Limited	INR	12.02%	2017	-	-	18.63
				2,384.50	**4,735.59**	**2,824.41**
Secured finance lease obligations						
L&T Finance Limited	INR	12.25% - 13.07%	2017	6.91	117.34	413.06
Sundaram Finance Limited	INR	15.55% - 15.55%	2019	16.08	42.58	89.04
Sundaram Finance Limited	INR	10.20%	2021	11.99	15.00	-
Sundaram Finance Limited	INR	11.81%	2016	-	-	1.5
Wells Fargo Financial Services & Tokyo Financial Services	USD	3.99% to 10.19%	2021	21.43	46.96	78.17
Other Banks	GBP			654.43	195.71	-
Other Banks				73.17	-	-
				783.01	**445.29**	**613.76**
Secured cash credit facilities from banks						
ANZ Loan	AUD	4.04%		5,591.05	5,450.35	4,080.97
State Bank of India	INR	9.55% - 10.55%		-	2,912.65	1,371.14
ANZ Bank	INR	8.80% - 11.50%		-	-	2,476.45
ICICI Bank	INR	10.10% to [illegible]		-	-	785.27
ICICI Bank	INR	9.45% to 10.10%		-	2,431.40	-
Bank of America	USD	LIBOR + 2.50%		-	2,201.44	1,302.60
ANZ Bank	INR	9.80% - 11.50%		-	-	883.40
				5,591.04	**13,555.84**	**11,000.59**
Unsecured cash credit facilities from banks						
Indian Overseas Bank	INR			13.57	48.91	32.07
Yes Bank Limited	INR	11.25%		-	[illegible]	442.54
Axis Bank Limited	INR	8.15% to 9.25%		-	549.50	-
				13.59	**2,190.66**	**474.61**
Secured revolving credit facility						
DBS and Standard Chartered Bank	USD + GBP	1.70% + 1 month LIBOR		1,390.18	-	-
DBS and Standard Chartered Bank	USD / GBP	1.90% + 1 month LIBOR		22,211.14	-	-
DBS Bank	GBP	LIBOR + 3.00%		-	2,426.39	2,852.65
				23,601.32	**2,426.39**	**2,852.65**
Secured loans repayable on demand						
State Bank of India	INR	8.45% to 8.50%		-	5,200.00	7,450.00
HDFC bank	INR	8.50%		-	1,000.00	1,000.00
DBS bank	INR	9.90%		-	500.00	1,500.00
Standard Chartered Bank	GBP	1.60%		-	11,723.16	6,156.17
				-	**18,423.16**	**16,106.17**
Unsecured loans repayable on demand						
Axis Bank Limited	INR	7.85%		5,000.00	-	-
Axis Bank Limited	INR	8.15% to 8.15%		-	9,242.00	-
HDFC bank	INR	8.20% to 8.50%		-	5,500.00	5,500.00
Amex Bank card facility	INR	NA		-	56.18	47.66
DBS bank	INR	9.55% to 11.75%		-	-	510.55
Other Banks				104.55	-	-
				5,104.55	**14,798.18**	**6,058.21**
Unsecured commercial paper	EURO			78.00	-	-
				78.00	-	-
Secured Buyer's credit						
Ratnakar Bank Limited	INR	0.40% to 1.52%		-	-	3,000.00
ICICI Bank	INR	0.50% to 1.63%		-	-	5,386.50
ICICI Bank	INR	0.56% to 1.63%		-	311.30	-
Yes Bank Limited	INR	1.66% to 1.70%		-	220.26	-
				-	**531.56**	**8,442.10**

S S R and Associates * Chartered Accountants *

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30 Borrowings (continued)

A. Terms and repayment schedule (continued)

In lakhs of INR	Currency	Nominal interest rate	Year of maturity	Carrying amount as at 31 March 2018	31 March 2017	01 April 2016
Secured bills discounting						
ANZ Banking Group Limited	INR	9.20% - 11.12%		-	-	210.79
Close Finance	GBP			-	2,825.94	1,438.39
				-	2,825.94	1,649.18
Unsecured bills discounting						
Axis Bank Limited	INR	3 months MCLR + 0.30%		140.57	346.31	-
Sabadell	SGD	Euribor + 1%		200.55	-	-
				341.12	346.31	-
Redeemable preference shares						
Unsecured	INR			1,405.86	4,276.42	4,276.42
				1,405.86	4,276.42	4,276.42
Other short term loans from banks (secured)						
Other banks	GBP	2.50%		943.16	-	-
Other banks	GBP	4.20%		-	540.50	159.57
Other banks	EURO	EURIBOR + 3.5%		-	-	255.97
				943.16	540.50	415.54
Other short term loans (unsecured)						
Other banks	USD	1.59%		-	279.52	275.66
Other banks	GBP			-	56.51	-
				-	336.03	275.66
				110,073.22	95,404.06	92,787.02

B. Secured loans

Secured term loan from banks

USD term loan from DBS Bank availed by TVS Asianics Supply Chain Solutions Pte. Limited and its subsidiaries is secured by guarantee provided by TVS Logistics Services Limited.

USD / GBP term loan from DBS and Standard Chartered Bank, UK availed by TVS Logistics Investments UK Limited and its subsidiaries is secured by a charge on the property and its other assets and is also secured by guarantee provided by TVS Logistics Services Limited.

Term loan from NatWest availed by SPC International Limited is secured by a charge over its assets.

Term loan from EXIM Bank availed by TVS Asianics Supply Chain Solutions Pte. Limited is secured by corporate guarantee of TVS Logistics Services Limited.

Term loan from DBS, UK availed by Rico Logistics Limited is secured by a charge over the total share capital of Rico Logistics Limited held by TVS Logistics Investment UK Limited. Guarantees over the loan are also provided by holding company and Rico Logistics Limited. There is also a floating charge over the assets of Rico Logistics Limited.

Term loan from ICICI Bank, UK availed by TVS Supply Chain Solutions Limited, UK is secured by charge over the property and other assets of TVS Supply Chain Solutions Limited, UK.

Term loan from DBS is secured by a charge over the total share capital of Rico Logistics Limited held by TVS Logistics Investment UK Limited. Guarantees over the loan are also provided by the holding company and Rico Logistics Limited. There is also a floating charge over the assets of Rico Logistics Limited.

Term loan is secured by a floating charge over TVS Supply Chain Solutions Limited. Further, guarantee over the loan has been provided by TVS Logistics Services Limited.

Term loan availed by SPC International Limited is secured by a charge over its properties.

Term loan from DBS bank, UK availed by Rico Logistics Limited is secured against the its assets.

Term loan from Export-Import Bank of India availed by TVS Logistics Investments USA Inc., USA is secured by a corporate guarantee of the TVS Logistics Services Limited and a non disposable undertaking on the shares held by the TVS Logistics Services Limited in TVS Logistics Investments USA Inc., USA and shares held by TVS Logistics Investments USA Inc., USA in TVS Supply Chain Solutions North America Inc.

Term loan from Bank of America availed by TVS Supply Chain Solutions North America is secured by charge on its current assets and assets acquired out of such loan. TVS Supply Chain Solutions North America has defaulted on certain financial covenants under the loan agreement and has obtained a waiver for past periods upto 31 March 2017.

Loan from financial institutions

Term loan from Tata Capital Financial Services Limited availed by the TVS Logistics Services Limited is secured by an exclusive mortgage of its immovable property located at Mumbai and first and exclusive charge by way of hypothecation on its identified movable fixed assets.

Term loan from Tata Capital Financial Services Limited availed by TVS Logistics Services Limited is secured by an exclusive charge on its specific movable fixed assets.

Term loan availed by TVS Logistics Services Limited from Sundaram Finance Limited is secured by hypothecation of vehicles and equipments acquired out of the loan.

Term loan availed by TVS Logistics Services Limited from L&T Finance Limited is secured by hypothecation of vehicles and equipments acquired out of the loan.

Term loan from L&T Finance Limited availed by Drive Packaging (India) Limited is secured by a specific charge on first and exclusive charge on its assets and also secured by demand promissory note and comfort letter from TVS Logistics Services Limited. This is fully repaid during the year ended 31 March 2018.

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(All amounts are in Indian rupees (INR) lakhs except share data and unless otherwise stated)

30 Borrowings (continued)

B. Secured loans (continued)

Finance lease obligations

Finance lease obligations are secured against the respective assets taken on finance lease.

Cash credit facility from banks

Cash credit from ANZ Bank availed by TVS Asianics Australia Pty Limited is secured by fixed and floating charges over all present and future assets, undertaking (including goodwill and deposits), uncalled capital of TLF Holdings Pty Limited, corporate guarantee and indemnity submitted by TVS Asianics Australia Pty Limited.

Cash credit from State Bank of India availed by TVS Logistics Services Limited is secured by a pari-passu first charge on book debts and current assets.
Cash credit from ANZ Bank availed by TVS Logistics Services Limited is secured by pari-passu first charge on its current assets.
Cash credit from ICICI Bank availed by TVS Logistics Services Limited is secured by first pari passu charge on its current assets.
Cash credit from ICICI Bank availed by Drive India Enterprise Solutions Limited is secured by first pari passu charge on its current assets.
Cash credit from Bank of America availed by TVS Supply Chain Solutions, North America is secured by a charge on its current assets.
Cash credit from ANZ Bank availed by Drive India Enterprise Solutions Limited is secured by first pari passu charge on its current assets.

Revolving credit facility

USD / GBP revolving credit facility from DBS and Standard Chartered Bank, UK availed by TVS Asianics Australia Pty Limited and its subsidiaries is secured by a guarantee provided by the TVS Logistics Services Limited.
USD / GBP revolving credit facility from DBS and Standard Chartered Bank, UK availed by TIDS and its subsidiaries is secured by a charge on the property and other assets of TIDS and is also secured by guarantee provided by TVS Logistics Services Limited.
Revolving credit facility from DBS Bank availed by Rico Logistics Limited is secured by a charge over its assets.

Loans repayable on demand from banks

Loans repayable on demand from State Bank of India availed by TVS Logistics Services Limited is secured by a pari passu first charge on book debts and current assets.

Loans repayable on demand from HDFC availed by TVS Logistics Services Limited is secured by first pari-passu charge on its current assets.
Loans repayable on demand from DBS availed by TVS Logistics Services Limited is secured by first pari-passu charge on its current assets.
Loan from Standard Chartered Bank, UK availed by TVS Supply Chain Solutions Limited is secured by a fixed and floating charge over the assets of TVS Supply Chain Solutions Limited.

Buyer's credit from banks

Buyer's credit from Ratnakar Bank Limited availed by TVS Logistics Services Limited is secured by first pari passu charge on its current assets.
Buyer's credit from ICICI Bank availed by TVS Logistics Services Limited is secured by first pari passu charge on its current assets.
Buyer's credit from ICICI Bank availed by Drive India Enterprise Solutions Limited is secured by first pari passu charge on its current assets.
Buyer's credit from Yes Bank availed by Drive India Enterprise Solutions Limited is secured by first pari passu charge on its current assets.

Bills discounting

Bills discounting from ANZ Bank availed by TVS Logistics Services Limited is secured by first pari passu charge on its current assets.

Other short term loans

Loans and overdraft availed by TVS Logistics Iberia is secured by charge over its assets.
Short term loans and overdrafts availed by TVS Logistics Iberia is secured by charge over its assets.
Short term loan availed by TVS Autoserv GmbH is secured against the assets of TVS Autoserv GmbH.

C. Redeemable Preference Shares

The Company has cumulative, redeemable, non-convertible, participating preference shares. These preference shares have been classified as a liability. For rights, preferences and restrictions attached to preference shares and to these preference shares refer note 29.

D. Finance lease obligations

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 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
(a) Total future minimum lease payments	764.38	235.41	164.30	64.80	235.65	504.09
(b) Future interest included in (a) above	41.40	13.23	4.40	4.72	12.54	50.23
(c) Present value of future minimum lease payments [(a)-(b)]	**722.98**	**222.18**	**159.90**	**60.08**	**223.11**	**453.86**

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

30 Borrowings (continued)

D. Finance lease obligations (continued)

The maturity profile of finance lease obligations is as follows:

	Minimum lease payments			Present value		
	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
Payable within 1 year	64.80	235.65	504.09	60.03	223.11	453.56
Payable between 1 - 5 years	764.38	235.40	164.39	722.98	222.18	159.90

E. Reconciliation of movements of liabilities to cash flows arising from financing activities

		Liabilities				
	Note	Cash credits and short term demand loans	Other loans and borrowings	Redeemable preference shares	Finance lease liabilities	Total
Balance at 31 March 2017	A	56,002.37	34,679.93	4,276.42	445.29	**95,404.06**
Changes from financing cash flows (excluding interest)						
Proceeds from loans and borrowings		-	65,703.22	-	-	**65,703.22**
Change in cash credits and short term demand loans		(23,955.52)	-	-	-	**(23,955.52)**
Repayment of borrowings		-	(37,312.53)	-	-	**(37,312.53)**
Proceeds from issue of redeemable preference shares		-	-	-	-	-
Payment of finance lease liabilities		-	-	-	(209.89)	**(209.89)**
Total changes from financing cash flows (excluding interest)	B	**(23,955.52)**	**28,390.69**	-	**(209.89)**	**4,225.28**
Changes arising from business combinations*	C	**922.86**	**3,296.55**	-	**78.83**	**4,298.24**
Other changes						
Liability - related						
New finance leases		-	-	-	406.00	**406.00**
Effects of changes in foreign exchange rates		3,103.72	5,043.73	-	62.76	**8,210.21**
Total liability-related other changes	D	**3,103.72**	**5,043.73**	-	**468.76**	**8,616.21**
Balance at 31 March 2018	(A+B+C+D)	36,073.43	71,410.90	4,276.42	783.01	**112,543.79**

* Refer note 39 for further details.

H S R and Associates ★ Chartered Accountants ★

TVS LOGISTICS SERVICES LIMITED ★ CHENNAI

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Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
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31 Trade payables

	31 March 2018	31 March 2017	01 April 2016
Trade payables to related parties	279.84	98.25	203.45
Other trade payables	97,446.54	71,183.55	63,680.13
	97,726.38	**71,281.80**	**63,883.58**

32 Other financial liabilities

	Non-current			Current		
	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
Derivatives - Forward contract payables	-	-	-	-	45.59	326.61
Written put option/forward obligation liability	4,895.78	7,330.78	4,259.53	3,104.81	1,106.95	-
Amount due to employees	-	-	-	4,076.21	2,710.26	2,552.62
Current maturities of long term borrowings	-	-	-	1,178.99	12,948.03	10,730.71
Current maturities of finance lease obligations	-	-	-	60.05	273.11	453.86
Interest accrued and due on borrowings	21.72	-	-	84.74	96.85	232.63
Payable to factor	-	-	-	798.16	-	-
Security deposits payable	-	-	-	1,125.36	-	-
Deferred consideration*	1,122.39	-	437.50	6,295.67	437.50	-
Contingent consideration**	-	-	-	891.10	-	-
Consideration payable***	-	-	-	-	605.00	605.00
Vendor bills discounting^	-	-	-	6,136.90	3,624.89	-
Capital creditors	-	-	-	922.96	440.61	717.98
Contractually reimbursable liability	-	-	-	62.46	920.44	500.36
Others	-	-	-	77.67	601.24	76.71
	6,039.89	**7,330.78**	**4,697.03**	**25,130.93**	**22,664.21**	**16,195.80**

^ Vendor bill discounting includes bills discounting from Axis Bank Limited amounting to ₹ 6,136.90 lakhs (31 March 2017: ₹ 3,624.89 lakhs; 01 April 2016: ₹ Nil) is unsecured and carries interest of 4.55% p.a (31 March 2017: 5.55% p.a; 01 April 2016: Nil).

* Deferred consideration includes payable towards acquisition of shares in TVS Commutation Solutions Limited amounting to ₹ Nil (31 March 2017: ₹ 437.50 lakhs; 01 April 2016: ₹ 437.50 lakhs) and payable towards acquisition of shares in Pan Asia Logistics Singapore Pte. Ltd. amounting to ₹ 4,471.16 lakhs (31 March 2017: ₹ Nil; 01 April 2016: ₹ Nil) and Nadal Recambios S.L. Spain amounting to ₹ 5,612.89 lakhs (31 March 2017: ₹ Nil; 01 April 2016: ₹ Nil).

** Payable towards acquisition of telecom division from T.V. Sundram Iyengar & Sons Private Limited.
*** Payable towards acquisition of shares in Drive India Enterprise Solutions Limited.

33 Provisions

	Non-current			Current		
	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
Provisions for employee benefits						
Liability for retirement benefit obligations	537.83	122.62	73.64	275.57	207.89	33.44
Liability for compensated absences	471.22	498.09	570.98	1,225.55	1,063.78	919.52
Other provisions						
Provision for dilapidation	650.61	427.04	469.74	-	-	-
Provision for onerous contracts	426.99	-	-	575.30	-	-
Provision for litigations	231.13	231.13	231.13	48.46	7.16	47.43
	2,419.78	**1,278.88**	**1,345.53**	**2,125.39**	**1,342.83**	**1,008.39**

Movement in other provisions	**Dilapidation**	**Onerous contracts**	**Others**	**Total**
Balance as at 01 April 2016	**469.74**	-	**278.56**	**748.30**
Provisions made during the period	40.35	-	-	40.35
Provisions utilised during the period	(10.53)	-	(40.27)	(50.80)
Foreign exchange adjustments	(72.52)	-	-	(72.52)
Balance as at 31 March 2017	**427.04**	-	**238.29**	**665.33**
Assumed in a business combination	17.09	1,101.13	-	1,118.22
Provisions made during the period	134.19	-	62.12	196.31
Provisions utilised during the period	-	(141.93)	(20.81)	(162.74)
Foreign exchange adjustments	72.29	43.09	-	115.38
Balance as at 31 March 2018	**650.61**	**1,002.29**	**279.59**	**1,932.49**

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TVS Logistics Services Limited * Chennai *

TVS LOGISTICS SERVICES LIMITED
Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)
(All amounts are in Indian rupees (INR) lakhs except share data and otherwise stated)

34 Other non-current liabilities	**31 March 2018**	**31 March 2017**	**01 April 2016**
Deferred rent	331.43	411.02	463.39
Deferred revenue	111.04	172.97	249.08
	442.47	**583.99**	**712.47**

35 Other current liabilities	**31 March 2018**	**31 March 2017**	**01 April 2016**
Deferred revenue	3,534.75	2,524.56	3,319.85
Statutory dues	6,389.55	3,712.79	4,663.41
Advances from customers	1,125.55	1,810.46	1,030.14
Others	473.26	129.79	66.10
	11,623.22	**8,177.59**	**9,079.50**

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TVS LOGISTICS SERVICES LIMITED * CHENNAI

36 Employee benefits

Defined contribution plans

The Company and its subsidiaries in various geographies make contributions, generally determined as a specified percentage of employee salaries, in respect of qualifying employees in accordance with the local laws and regulations in the respective country which are defined contribution plans. The Group 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 such defined contribution plans for the year aggregated to ₹ 11,272.47 lakhs (31 March 2017: ₹ 9,507.18 lakhs).

Defined benefit plans	Non-current			Current		
	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
Provisions for retirement benefit obligations	657.85	172.62	75.68	275.57	269.89	55.44

For details about the related employee benefit expenses, see note 30.

Details of retirement benefit obligations

The Company and its subsidiaries in India have a defined benefit gratuity plan in India (the Plan), governed by the Payment of Gratuity Act, 1972. The Plan entitles employees, who have rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee at the time of retirement, death or termination of employment. Further, certain entities of the Group in Korea, Thailand and Indonesia have retirement benefit plans in accordance with the requirements of their respective local laws.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A. Funding

The gratuity plans of the Company and certain subsidiaries in India is a funded plan with the Company making periodic contributions to a fund managed by certain insurance companies. The retirement benefit plans of the overseas subsidiaries noted above are unfunded.

B. Reconciliation of the net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) / liability and its components.

Reconciliation of present value of defined benefit obligation	31 March 2018	31 March 2017
Balance at the beginning of the year	1,421.25	1,068.53
Acquired in business combination	414.57	-
Benefits paid	(191.13)	(107.73)
Current service cost	446.19	270.95
Interest cost	90.62	74.53
Past service cost	17.47	-
Actuarial (gains) losses recognised in other comprehensive income		
- changes in demographic assumptions	(0.41)	(112.31)
- changes in financial assumptions	(20.15)	156.56
- experience adjustments	25.24	93.78
Exchange differences	17.43	-
Balance at the end of the year	**2,146.38**	**1,421.25**

Reconciliation of the fair value of plan assets	31 March 2018	31 March 2017
Balance at the beginning of the year	1,028.74	939.21
Contributions paid into the plan	308.24	117.89
Benefits paid	(191.13)	(107.73)
Interest income	74.72	70.18
Actuarial gains / (losses) recognised in other comprehensive income	20.41	9.19
Balance at the end of the year	**1,232.98**	**1,028.74**
Net defined benefit (asset) / liability	**913.40**	**392.51**

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TVS LOGISTICS SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)

(All amounts are in Indian rupees (INR) lakhs except share data and unless otherwise stated)

36 Employer benefits (continued)

Defined benefit plans (continued)

	31 March 2018	31 March 2017
C. Expense recognised in profit or loss		
Current service cost	346.19	270.95
Interest cost	90.62	74.57
Past service cost	17.47	-
Interest income	(74.73)	(70.18)
	379.55	**275.34**
D. Remeasurements recognised in other comprehensive income		
Actuarial gain / (loss) on defined benefit obligation	9.78	115.12
Actuarial (gain) / loss on plan assets	(20.41)	(9.18)
	(10.63)	**105.94**

E. Plan assets	31 March 2018	31 March 2017	01 April 2016
Plan assets comprise of the following:			
Insurer managed funds	1,232.98	1,038.74	939.21
	1,232.98	1,038.74	939.21

F. Defined benefit obligation

i. Actuarial assumptions	31 March 2018	31 March 2017	01 April 2016
Principal actuarial assumptions at the reporting date were			
Discount rate	2.55% - 8%	6% - 7.10%	7% - 7.85%
Future salary growth	2% - 11%	5% - 10%	5% - 10%
Attrition rate	5% - 40%	5% - 45%	5% - 40%
Expected return on plan assets	6% - 7%	7% - 7.21%	7% - 8%

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(105.39)	115.41	(101.32)	110.66
Future salary growth (1% movement)	107.03	(97.10)	102.55	(95.50)
Attrition rate (1% movement)	(4.55)	4.66	(6.19)	4.85

Although the analysis does not take account of the full distribution of cashflows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

37 Capital commitments and contingent liabilities

	31 March 2018	31 March 2017	01 April 2016
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	1,550.62	1,476.39	506.57
Contingent liabilities			
Employee related matters	2,201.17	2,201.17	2,201.17
Bills of exchange discounted	-	21.36	214.15
Income tax related matters	450.54	172.14	530.90
Bank guarantees issued	456.83	425.05	276.84
Service tax related matters	10,991.12	10,991.11	6,444.50
Sales tax related matters	2,702.72	4,157.70	1,950.56
Claims not acknowledged as debt	564.52	446.10	449.79

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. In respect of certain contingent liabilities of Drive India Enterprise Solutions Limited ('DIESL'), DIESL is entitled to be compensated by its erstwhile shareholders in the event of an unfavourable outcome.

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TVS Logistics Services Limited * Chennai *

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

38. Leases

A. Operating leases as lessee

The Group has taken on lease a number of offices and warehouses under operating leases. As at 31 March, the future minimum lease payments to be made under non-cancellable operating leases are as follows:

i. Future minimum lease payments	**31 March 2018**	**31 March 2017**	**01 April 2016**
Payable within one year	19,557.25	10,453.46	10,525.01
Payable between one and five years	45,304.95	21,296.19	22,583.79
Payable later than five years	21,088.76	9,281.88	12,674.85
	86,650.98	**41,031.53**	**45,783.65**

ii. Amounts recognised in profit and loss	**31 March 2018**	**31 March 2017**
Lease expense minimum lease payments	17,665.86	14,726.07
	17,665.86	14,726.07

B. Operating leases as lessor

i. Future minimum lease payments

At 31 March, the future minimum lease payments receivable under non-cancellable operating leases are as follows:

	31 March 2018	**31 March 2017**	**01 April 2016**
Receivable within one year	7,755.31	-	-
Receivable between one and five years	6,180.56	-	-
Receivable after five years	318.55	-	-
Total	**14,254.42**	-	-

	31 March 2018	31 March 2017
ii. Amounts recognised in profit and loss	686.27	-

C. Finance leases as lessor

The reconciliation between the gross investment in the lease at the end of the reporting period and the present value of minimum lease payments receivable at the end of the reporting period are as follows:

	31 March 2018	**31 March 2017**	**01 April 2016**
Gross investment in the lease	304.93	465.39	1,080.80
Unearned finance income	(60.55)	(86.57)	(154.54)
Net investment in the lease	**244.38**	**378.82**	**926.26**

As at 31 March, the gross investment in the lease and the present value of the minimum lease payments receivables under non-cancellable finance leases are as follows:

	31 March 2018	**31 March 2017**	**01 April 2016**
Gross investment in the lease			
Receivable within one year	54.56	160.46	615.40
Receivable between one and five years	227.61	236.65	351.59
Receivable after five years	22.76	68.28	113.81
Total	**304.93**	**465.39**	**1,080.80**
Present value of minimum lease payments receivable			
Receivable within one year	38.38	144.44	547.44
Receivable between one and five years	183.71	179.86	275.01
Receivable after five years	22.29	54.52	103.81
Total	**244.38**	**378.82**	**926.26**

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39A. Business combinations

A. Business combinations during the year

i. Acquisition of Telecom business ("Undertaking")

On 20 June 2017, the Company acquired the Telecom business from T V Sundram Iyengar & Sons Private Limited under a slump sale agreement dated 29 May 2017. The undertaking is primarily engaged in the business of installation and commissioning of telecom towers including managed services for telecom networks and associated supply chain management of the logistics activities for telecom service providers and OEMs.

The transaction was accounted under Ind AS 103 "Business Combinations" as a business combination with the purchase price being allocated to identifiable assets and liabilities at fair value

A. Consideration transferred

The following table summarises the acquisition date fair value of each class of consideration transferred

In lakhs of INR	**Amount**
Cash	1,120.00
Contingent consideration	833.50
Total consideration for business combination	**1,953.50**

The contingent consideration is payable within a period of 45 days from the date of completion of management certified financial statements of the undertaking for the year ended March 31, 2018. The fair value of the contingent consideration is determined by discounting the estimated amount payable to the sellers on achievement of certain financial targets. At the acquisition date, the key inputs used in determination of fair value of contingent consideration are the discount rate of 9% and the probabilities of achievement of the financial targets. As at March 31, 2018, the fair value of the contingent consideration is INR 891.10 lakhs and is classified as other financial liability

B. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amount of assets acquired and liabilities assumed on the date of acquisition

In lakhs of INR	**Amount**
Property, plant and equipment	16.27
Customer relationship - Intangible assets	809.35
Trade receivables	2,739.60
Deposits and other receivables	30.81
Other financial assets	533.68
Other current assets	26.97
Non-current borrowings	(1.53)
Provisions	(10.19)
Trade payables	(2,408.27)
Total net identifiable assets acquired	**1,736.69**

C. Goodwill

In lakhs of INR	**Amount**
Consideration transferred	1,953.50
Fair value of net identifiable assets	(1,736.69)
Goodwill	**216.81**

ii. Acquisition of Peter Thomas & Co (Refurbishing) Limited

On 22 November 2017, the Group, through its step-down subsidiary TVS Supply Chain Solutions Limited, UK, acquired 75% interest in Peter Thomas & Co (Refurbishing) Limited.

The transaction was accounted under Ind AS 103 "Business Combinations" as a business combination with the purchase price being allocated to identifiable assets and liabilities at fair value

A. Consideration transferred

The following table summarises the acquisition date fair value of each class of consideration transferred

In lakhs of INR	**Amount**
Cash	379.10
Total consideration for business combination	**379.10**

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39A Business combinations (continued)

3. Business combinations during the year (continued)

ii. Acquisition of Peter Thomas & Co (Refurbishing) Limited (continued)

B. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amount of assets acquired and liabilities assumed on the date of acquisition:

In lakhs of INR	**Amount**
Property, plant and equipment	32.52
Trade receivables	118.77
Inventories	64.96
Cash and cash equivalents	54.70
Trade payables	(78.65)
Less: Fair value of non-controlling interests	(47.85)
Total net identifiable assets acquired	**144.45**

C. Goodwill

In lakhs of INR	**Amount**
Consideration transferred	370.10
Fair value of net identifiable assets	(144.45)
Goodwill	**225.65**

On the date of acquisition, the Group entered into a contract with the non-controlling interest shareholders in Peter Thomas & Co (Refurbishing) Limited which will oblige the Group to acquire all of the shares held by the non-controlling interest shareholders equally in two tranches. The Group has not recorded a financial liability in respect of this contract as they consider it to be not material.

iii. Acquisition of Nadal Forwarding S.L

On 08 December 2017, the Group, through its subsidiary TVS Asianics Supply Chain Solutions Pte Ltd, acquired 100% interest in Nadal Forwarding S.L - Spain, a freight forwarding company.

The transaction was accounted under Ind AS 103 "Business Combinations" as a business combination with the purchase price being allocated to identifiable assets and liabilities at fair value.

A. Consideration transferred

The following table summarises the acquisition date fair value of each class of consideration transferred:

In lakhs of INR	**Amount**
Cash	6,329.58
Deferred Consideration	3,446.11
Total consideration for business combination	**9,775.69**

B. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amount of assets acquired and liabilities assumed on the date of acquisition:

In lakhs of INR	**Amount**
Property, plant and equipment	159.40
Intangible assets- Customer relationship	4,211.22
Intangible assets- Computer software	15.79
Deferred tax assets	36.18
Trade receivables	8,432.97
Cash and cash equivalents	3,951.80
Other current asset	175.98
Borrowings	(964.53)
Deferred tax liabilities	(1,056.46)
Contingent liabilities	17.18
Trade payables	(5,917.45)
Other current liabilities	(1,627.61)
Total net identifiable assets acquired	**7,360.74**

C. Goodwill

In lakhs of INR	**Amount**
Consideration transferred	9,775.69
Fair value of net identifiable assets	(7,360.74)
Goodwill	**2,414.95**

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39A Business combinations (continued)

A. Business combinations during the year (continued)

iv. Acquisition of Pan Asia International Pte. Ltd, Pan Asia Logistics Singapore Pte. Ltd and its subsidiaries

On 9 January 2018, the the Group, through its subsidiary TVS Asianics Supply Chain Solutions Pte. Ltd, acquired 100% interest in Pan Asia International Pte. Ltd, Pan Asia Logistics Singapore Pte. Ltd and its subsidiaries ("PAL Group"). The PAL group is in the business of international freight forwarding services and contract logistics services.

The transaction was accounted under Ind AS 103 "Business Combinations" as a business combination with the purchase price being allocated to identifiable assets and liabilities at fair value.

A. Consideration transferred

The following table summarises the acquisition date fair value of each class of consideration transferred.

In lakhs of INR	**Amount**
Cash	17,028.13
Deferred Consideration	4,183.23
Total consideration for business combination	**21,211.36**

B. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amount of assets acquired and liabilities assumed on the date of acquisition.

In lakhs of INR	**Amount**
Property, plant and equipment	5,972.54
Intangible assets - Customer relationship and others	691.18
Deferred tax assets	760.06
Trade receivables	11,531.42
Cash and cash equivalents	5,038.53
Other current assets	3,102.50
Borrowings	(36.86)
Provision	(414.57)
Trade payables	(5,458.55)
Deferred tax liabilities	(429.74)
Tax liability	(212.80)
Other non current liabilities	(1,087.59)
Other current liabilities	(6,550.56)
Total net identifiable assets acquired	**12,855.85**

C. Goodwill

In lakhs of INR	**Amount**
Consideration transferred	21,211.36
Fair value of net identifiable assets	(12,855.85)
Goodwill	**8,355.51**

39A Business combinations (continued)

B. Business combinations during the previous year ended March 31, 2017

SPC International Limited ("SPC")

On 20 February 2017, the Group, through a step down subsidiary - Rico Logistics Limited, UK ('Rico'), acquired 63% interest in SPC International Limited, UK ("SPC"). SPC is primarily engaged in the business of providing specialized repair work for equipment used within the retail and banking sector.

The transaction was accounted under Ind AS 103 "Business Combinations" as a business combination with the purchase price being allocated to identifiable assets and liabilities at fair value.

A. Consideration transferred

The following table summarises the acquisition date fair value of each class of consideration transferred.

In lakhs of INR	**Amount**
Cash	5,613.68
Total consideration for business combination	**5,613.68**

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39A. Business combinations (continued)

2. Business combinations during the previous year ended March 31, 2017 (continued)

SPC International Limited ("SPC") (continued)

B. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amount of assets acquired and liabilities assumed on the date of acquisition:

In lakhs of INR	**Amount**
Property, plant and equipment	525.29
Intangible assets - Customer relationships and brand	3,835.73
Deferred tax assets	464.88
Trade receivables	3,290.12
Inventories	1,136.60
Cash at bank and on hand	64.03
Deferred tax liabilities	(651.71)
Trade payables	(2,586.58)
Less: Fair value of non-controlling interests	(2,470.20)
Total net identifiable assets acquired	**3,588.36**

C. Goodwill

In lakhs of INR	**Amount**
Consideration transferred	5,613.68
Fair value of net identifiable assets	(3,588.36)
Goodwill	**2,025.32**

On the date of acquisition, the Group entered into put and call option contract with the shareholders of the non-controlling interest in SPC 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 non-controlling interest shareholders. The Group has recorded a financial liability of £ 5,304,000 equivalent to ₹ 4,289.96 lakhs which reflects their best estimates of the fair value of this contract at the balance sheet date, which has been recognised within equity.

39B. Acquisition of non-controlling interests ("NCI")

(i) TVS Logistics SIAM Limited

In May 2017, the Group acquired an additional 45% interest in TVS Logistics SIAM Limited ("SIAM") for INR 128.30 lakhs in cash, increasing its ownership interest from 55% to 100%. The carrying amount of SIAM's net liabilities in the Group's consolidated financial statements on the date of acquisition was INR 244.53 lakhs. The Group consequently derecognised NCI of INR (110.04) lakhs. The difference of INR 28.52 lakhs has been adjusted in retained earnings.

In lakhs of INR	**Amount**
Carrying amount of NCI acquired/ derecognised	110.04
Consideration paid to NCI	(128.30)
Exchange differences on translation of foreign operations	(10.26)
Decrease in equity attributable to owners of the Company	**(28.52)**

(ii) TVS Supply Chain Solutions North America Inc.

In 3 October 2017, the Group, through its subsidiary - TVS Supply Chain Solutions North America Inc, acquired an additional 7.125% percent interest in TVS Supply Chain Solutions North America Inc. for INR 3,093.48 lakhs in cash, increasing its ownership interest from 92.875% to 100%. The carrying amount of TVS Supply Chain Solutions North America Inc's net assets in the Group's consolidated financial statements on the date of acquisition was INR 19,490.24 lakhs. The Group consequently derecognised NCI of INR 1,397.45 lakhs. The difference of INR 1,696.03 lakhs has been adjusted in retained earnings.

In lakhs of INR	**Amount**
Carrying amount of NCI acquired/ derecognised	1,397.45
Consideration paid to NCI	(3,093.48)
Decrease in equity attributable to owners of the Company	**(1,696.03)**

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

40 Disclosure of specified bank notes

During the previous year, the Group's entities in India had specified bank notes or other denomination notes as defined in the Ministry of Corporate Affairs Notification G.S.R. 308(E) dated 30 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	1.56	31.11	32.67
Add: Permitted receipts	-	138.51	138.51
Add: Amount withdrawn from banks	-	-	-
Less: Permitted payments	-	(142.23)	(142.23)
Less: Amount deposited in banks	(1.56)	-	(1.56)
Closing cash in hand as on 30 December 2016	-	27.39	27.39

41 Transfer pricing

The Company and its subsidiaries each have international and domestic transactions with related parties. The management confirms that it maintains documents as prescribed by the respective laws and regulations of the various jurisdictions in which the Group operates to prove that the international and domestic transactions are at arm's length and the aforesaid laws and regulations will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

42 Related party disclosures

A. Enterprise having significant influence
T V Sundram Iyengar & Sons Private Limited
CDPQ Private Equity Asia PTE LTD

B. Subsidiaries of T V Sundram Iyengar & Sons Private Limited
TVS Motor Company Limited
Sundaram Clayton Limited
Lucas-TVS Limited
Sundaram Industries Private Limited
Lucas Indian Service Limited
Sundaram Auto Components Limited
TVS Automobile Solutions Private Limited
Sundram Fasteners Limited
TVS Electronics Limited
Sundram Precision Components Limited
TVS Training and Services Limited
TVS Distribution & Services Middle East FZE

C. Joint Ventures
TVS Infrastructure Private Limited
TVS Toyota Tsusho Supply Chain Solutions Limited
T&T One Asia Limited (T&T), Hong Kong (upto 30 June 2017)
Subsidiaries of T&T One Asia Limited
China Network Logistics Limited, China
Shanghai Hurrytop Warehouse and Delivery Co., Ltd
Shanghai Feipeng Logistics Co., Ltd., China
Shanghai Hurrytop E-commerce Delivery Co. Limited.
Shanghai Hurrytop Supply Chain Management Co. Limited
Lufco TVS Solutions Pty Limited, Australia (from 26 May 2017)

D. Associates
MontaraVerpacken und System GmbH,Germany
Subsidiaries of MontaraVerpacken undSystem GmbH,Germany
Montara North America Corporation, USA
Montara India Private Limited, India

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41 Related party disclosures (continued)

E. Joint ventures of A	Firestone TVS Private Limited
F. Key management personnel (KMP)	Mr. R. Dinesh, Managing director Mr. S. Ravichandran, Deputy managing director
G. Entities controlled by KMP / relatives of KMP of the Company	Dinram Logistics Services LLP DRSR Advisory Services LLP TVS Srichakra Limited

Transactions during the year	**Year ended 31 March 2018**	**Year ended 31 March 2017**
Income from logistics services		
Lucas-TVS Limited	1,766.69	1,720.37
Sundaram Auto Components Limited	11.96	10.65
Sundaram Clayton Limited	452.70	318.59
Sundaram Industries Private Limited	93.54	66.10
Sundram Fasteners Limited	202.61	185.47
Sundram Precision Components Limited	5.48	-
T V Sundram Iyengar & Sons Private Limited	7.66	315.68
TVS Infrastructure Private Limited	16.50	-
TVS Motor Company Limited	9,799.11	7,404.12
TVS Srichakra Limited	1,024.08	-
TVS Toyota Tsusho Supply Chain Solutions Limited	169.48	-
TVS Training And Services Limited	43.40	-
Firestone TVS Private Limited	23.54	-
Other income		
T V Sundram Iyengar & Sons Private Limited	-	-
TVS Toyota Tsusho Supply Chain Solutions Limited	83.42	51.58
Sundaram Industries Private Limited	0.29	-
Dividend income		
TVS Infrastructure Private Limited	82.50	-
Reimbursement of expenses from		
T V Sundram Iyengar & Sons Private Limited	175.04	-
Professional fees		
T V Sundram Iyengar & Sons Private Limited	-	2.30
Purchase of spares, fuel, others		
T V Sundram Iyengar & Sons Private Limited	2.50	9.30
Sundaram Industries Private Limited	54.84	67.55
Lucas Indian Service Limited	9.08	12.30
Sundram Fasteners Limited	2.99	20.37
TVS Automobile Solutions Private Limited	0.71	-
Freight, packing and forwarding expenses		
TVS Toyota Tsusho Supply Chain Solutions Limited	-	51.81
Lucas-TVS Limited	-	19.04
T V Sundram Iyengar & Sons Private Limited	1.58	44.34
TVS Electronics Limited	0.04	-

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

42 Related party disclosures (continued)

Transactions during the year (continued)

	Year ended 31 March 2018	Year ended 31 March 2017
Rent		
TVS Infrastructure Private Limited	327.86	677.06
T V Sundram Iyengar & Sons Private Limited	142.51	141.26
Lucas-TVS Limited	1.35	-
Repairs and maintenance		
T V Sundram Iyengar & Sons Private Limited	1.36	1.41
Firestone TVS P Limited	0.30	-
Reimbursement of expenses to		
T V Sundram Iyengar & Sons Private Limited	152.57	-
TVS Toyota Tsusho Supply Chain Solutions Limited	4.57	-
Other expenses		
Lucas-TVS Limited	0.01	-
Montara India Private Limited	1.15	-
Sundaram Industries Private Limited	0.22	-
Sundram Fasteners Limited	0.08	0.09
T V Sundram Iyengar & Sons Private Limited	9.82	49.15
TVS Distribution & Services Middle East FZE	54.55	-
TVS Electronics Limited	1.50	-
TVS Infrastructure Private Limited	2.51	-
TVS Srichakra Limited	0.47	-
TVS Automobile Solutions Private Limited	-	55.86
Purchase of fixed assets		
Sundaram Industries Private Limited	8.43	-
T V Sundram Iyengar & Sons Private Limited	8.34	-
TVS Infrastructure Private Limited	4.01	-
TVS Motor Company Limited	119.53	-
Montara India Private Limited	103.17	-
Acquisition of Telecom business		
T V Sundram Iyengar & Sons Private Limited	2,071.00	-
Remuneration to Key Managerial Personnel		
Salaries, wages and bonus to deputy managing director (including contribution to provident fund and other funds)	258.00	549.78
Commission to managing director	125.00	250.00

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.

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

42 Related party disclosures (continued)

Year end balances:	31 March 2018	31 March 2017	01 April 2016
Receivables			
CDPQ Private Equity Asia PTE. Limited	-	23.00	-
Dinram Logistics Services LLP	-	5.25	-
DRSR Advisory Services LLP	-	0.81	-
Lucas-TVS Limited	415.90	499.57	394.25
Sundaram Auto Components Limited	1.56	3.79	1.49
Sundaram Clayton Limited	107.69	79.34	33.55
Sundaram Industries Private Limited	9.74	10.96	8.34
Sundram Fasteners Limited	105.41	89.75	446.58
T V Sundram Iyengar & Sons Private Limited	554.27	254.98	1.50
TVS Infrastructure Private Limited	769.16	549.50	389.12
TVS Motor Company Limited	1,334.45	1,542.21	1,042.72
TVS Toyota Tsusho Supply Chain Solutions Limited	137.82	12.07	31.60
TVS Srichakra Limited	58.09	-	-
TVS Training And Services Limited	25.56	-	-
Sundram Precision Components Limited	0.85	-	-
Payables			
Lucas Indian Service Limited	2.63	0.70	2.59
Lucas-TVS Limited	0.16	-	-
Montara India Pvt Limited	1.21	-	-
Sundaram Clayton Limited	-	-	0.15
Sundaram Industries Private Limited	10.99	8.54	18.46
Sundram Fasteners Limited	0.24	0.61	2.77
T V Sundram Iyengar & Sons Private Limited	168.55	2.54	80.96
TVS Automobile Solutions Limited	0.86	0.86	0.99
TVS Motor Company Limited	165.18	-	-
TVS Infrastructure Private Limited	-	77.08	20.55
TVS Toyota Tsusho Supply Chain Solutions Limited	-	-	77.26
Contingent consideration payable			
T V Sundram Iyengar & Sons Private Limited	841.10	-	-
Payable to Key Managerial Personnel			
Salaries, wages and bonus to Deputy managing director	150.00	200.00	75.00
Commission to Managing director	-	62.50	137.50

TVS LOGISTICS SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)

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43 **Financial instruments - Fair values and risk management**

A. Accounting classification and fair values

The carrying value and fair value of financial instruments by categories were as follows:

	Note	Carrying amount								
		31 March 2018			31 March 2017			01 April 2016		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets measured at fair value										
Quoted debt securities	19	5.84	-	-	-	-	-	-	-	-
Total		**5.84**	-	-	-	-	-	-	-	-
Financial assets not measured at fair value										
Investments	19	-	-	1,636.79	-	-	1,991.19	-	-	1,912.74
Deposits and other receivables	20	-	-	7,261.78	-	-	4,974.72	-	-	5,206.55
Trade receivables	24	-	-	137,802.97	-	-	97,928.10	-	-	87,889.72
Cash and cash equivalents	25	-	-	35,981.50	-	-	42,681.08	-	-	16,662.69
Other bank balances	26	-	-	2,342.46	-	-	1,689.19	-	-	22.30
Other financial assets	21	-	-	14,298.97	-	-	12,112.15	-	-	8,645.80
Total		-	-	**199,324.47**	-	-	**161,376.43**	-	-	**120,339.80**
Financial liabilities measured at fair value										
Derivatives - Forward contract payables	32	-	-	-	45.39	-	-	326.00	-	-
Contingent consideration	32	891.10	-	-	-	-	-	-	-	-
Written put option / forward obligation liability	32	8,029.62	-	-	8,427.73	-	-	4,259.53	-	-
Total		**8,920.72**	-	-	**8,473.12**	-	-	**4,585.53**	-	-
Financial liabilities not measured at fair value										
Borrowings	30	-	-	108,834.20	-	-	82,332.02	-	-	88,602.42
Trade payables	31	-	-	97,826.38	-	-	71,481.80	-	-	63,883.58
Other financial liabilities	32	-	-	22,858.10	-	-	21,511.87	-	-	16,307.30
Total		-	-	**229,518.68**	-	-	**175,325.69**	-	-	**168,793.30**

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Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)

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

43 **Financial instruments - Fair values and risk management (continued)**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels as described in note 3.

The following table presents fair value hierarchy of assets and liabilities measured at fair value

(a) Financial assets and liabilities valued at fair value

Particulars	As at 31 March 2018			As at 31 March 2017			As at 01 April 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets:									
Investments - Quoted debt securities	5.84	-	-	-	-	-	-	-	-
Liabilities:									
Derivatives - Forward contract payables	-	-	-	-	45.39	-	-	326.00	-
Contingent consideration	-	-	891.10	-	-	-	-	-	-
Written put options, forward obligation liability	-	-	8,029.62	-	-	8,427.73	-	-	4,259.53

(b) Financial assets and liabilities not measured at fair value

Particulars	As at 31 March 2018			As at 31 March 2017			As at 01 April 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Liabilities:									
Other financial liabilities - Deferred consideration	-	-	3,647.93	-	-	-	-	-	-

The Group has not disclosed fair values of other financial instruments such as investments, deposits and other receivables, trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables, other financial liabilities because their carrying amounts are reasonable approximations of their fair values. The Group has also not disclosed fair values of investments carried at cost.

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43 Financial instruments - Fair values and risk management (Continued)

C. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivatives - Forward contract payables	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies	Not applicable	Not applicable
Contingent consideration	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast EBITDA, the amount to be paid under each scenario and the probability of each scenario	- Forecast EBIDTA - 31 March 2018 - 353.00 lakhs. - Risk adjusted interest rate - 9%	The estimated fair value would increase (decrease) if: - the forecast EBIDTA were higher (lower); - the risk adjusted interest rate were lower (higher).
Written put option - forward obligation liability	Discounted cash flows The written put option/ forward obligation liability is calculated at fair value using a level 3 (unobservable input). This reflects the best estimate of the fair value of this contract at the balance sheet date.	Forecast EBITDA, Risk adjusted interest rate	The estimated fair value would increase (decrease) if: - the forecast EBIDTA were higher (lower), the risk adjusted interest rate were lower (higher)

Sensitivity analysis

For the fair values of contingent consideration and written put option/ forward obligation liability, reasonable possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant would have the following effects.

Contingent consideration

	31 March 2018		31 March 2017	
	Profit or (loss)		Profit or (loss)	
	Increase	Decrease	Increase	Decrease
EBITDA (1% movement)	-	-	NA	NA
Risk adjusted interest rate (1% movement)	(6.90)	6.90	NA	NA

Written put option/ forward obligation liability

	31 March 2018		31 March 2017	
	Profit or (loss)		Profit or (loss)	
	Increase	Decrease	Increase	Decrease
EBITDA (1% movement)	(50.96)	50.98	(44.85)	44.85
Risk adjusted interest rate (1% movement)	(77.01)	77.78	(70.83)	72.16

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

43 Financial instruments - Fair values and risk management (continued)

D. Financial risk management

The Group has exposure to the following risks arising from financial instruments:
- credit risk ;
- liquidity risk ; and
- market risk

i. Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Group's trade receivables, certain loans and advances and other financial assets.

The maximum exposure to credit risk for financial assets are as follows:

	Carrying amount		
	31 March 2018	31 March 2017	01 April 2016
Trade receivables	117,802.97	97,928.10	87,889.72
Investments	1,642.62	1,091.19	1,912.74
Cash and cash equivalents	35,981.50	42,687.08	16,662.69
Other bank balances	2,342.46	1,689.19	22.50
Deposits and other receivables	7,261.78	4,974.72	5,206.55
Other financial assets	14,298.97	13,112.15	8,645.80
Total	**179,330.30**	**161,376.43**	**120,339.80**

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the respective entities of the Group to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Group have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full except to the extent already provided, based on historical payment behavior and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The respective entities of the Group determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available press information about customers. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.

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43 Financial instruments - Fair values and risk management (continued)

D. Financial risk management (continued)

ii. Credit risk (contd.)

The ageing of trade receivables that were not impaired as at the reporting date was

As at 31 March 2018

	Gross carrying amount	Weighted-average loss rate	Loss allowance
Not due	82,200.71	0.51%	(419.22)
Past due 1-90 days	44,756.78	1.74%	(778.77)
Past due 91-180 days	5,372.91	19.38%	(1,041.16)
Past due 181-365 days	6,190.74	22.09%	(1,367.53)
Past due for more than 365 days	10,462.17	72.44%	(7,578.56)
Total	**148,988.31**		**(11,185.34)**

As at 31 March 2017

	Gross carrying amount	Weighted-average loss rate	Loss allowance
Not due	49,798.10	0.57%	(282.85)
Past due 1-90 days	39,569.95	1.16%	(456.59)
Past due 91-180 days	6,531.03	6.93%	(459.67)
Past due 181-365 days	2,884.67	24.72%	(713.30)
Past due for more than 365 days	5,318.02	78.31%	(4,162.37)
Total	**104,013.77**		**(6,075.67)**

As at 01 April 2016

	Gross carrying amount	Weighted-average loss rate	Loss allowance
Not due	46,563.67	1.16%	(540.14)
Past due 1-90 days	31,611.60	1.31%	(414.11)
Past due 91-180 days	5,084.39	6.12%	(311.16)
Past due 181-365 days	4,151.45	20.64%	(856.86)
Past due for more than 365 days	5,841.28	55.17%	(3,240.35)
Total	**93,252.34**		**(5,362.62)**

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables is as follows:

	31 March 2018	31 March 2017
Balance at the beginning of the year	6,075.67	5,362.62
Add: Addition on account of acquisitions	3,314.89	-
Add: Provision for the year	1,772.80	1,151.45
Less: Provision withdrawn against bad debts written off	(248.09)	(322.61)
Add / Less : Exchange differences on translation of foreign operations	270.07	(115.79)
Balance at end of the year	**11,185.34**	**6,075.67**

Cash and cash equivalents and other bank balances

The Group holds cash and bank balances of INR 58,573.96 lakhs at 31 March 2018 (31 March 2017: INR 44,370.27 lakhs, 01 April 2016: 15,684.99 lakhs). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

Deposits and other receivables, Investments and other financial assets

The Group holds deposits and other receivables, investments and other financial assets of INR 23,243.38 lakhs at 31 March 2018 (31 March 2017: INR 19,378.06 lakhs, 01 April 2016: 15,765.09 lakhs). The credit worthiness of such parties are evaluated by the management on an ongoing basis and is considered to be good.

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

45 Financial instruments - Fair values and risk management (continued)

D. Financial risk management (continued)

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

		Contractual cash flows			
	Carrying amount	Total	1 year or less	1-5 years	More than 5 years
31 March 2018					
Non derivative financial liabilities					
Current and non-current borrowings					
Secured term loans from banks	66,926.43	66,926.23	301.73	66,624.50	-
Unsecured term loans from banks	2,100.00	2,643.28	177.63	2,465.65	-
Secured term loans from financial institutions	2,384.50	2,747.23	1,089.24	1,657.99	-
Secured finance lease obligations	781.01	786.19	62.27	723.92	-
Secured cash credit from banks	5,991.08	5,991.08	5,991.08	-	-
Unsecured cash credit from banks	13.59	13.59	13.59	-	-
Secured revolving credit facility	23,601.92	23,601.92	23,601.92	-	-
Unsecured bills discounting	341.12	342.18	342.18	-	-
Unsecured loans repayable on demand	5,104.55	5,113.37	5,113.37	-	-
Unsecured commercial paper	78.00	78.00	78.00	-	-
Redeemable preference shares	1,805.86	1,805.86	1,805.86	-	-
Secured other short term loans	943.16	943.16	943.16	-	-
Others					
Trade payables	97,826.38	97,826.38	97,826.38	-	-
Other financial liabilities	30,539.80	30,539.80	23,899.91	6,639.89	-
	238,439.40	**239,358.27**	**161,246.32**	**78,111.95**	**-**

		Contractual cash flows			
	Carrying amount	Total	1 year or less	1-5 years	More than 5 years
31 March 2017					
Non derivative financial liabilities					
Current and non-current borrowings					
Secured term loans from banks	29,943.99	30,700.18	12,495.53	17,798.63	406.02
Secured term loans from financial institutions	5,335.09	5,956.77	920.36	5,036.41	-
Secured finance lease obligations	445.29	455.02	232.21	222.81	-
Secured cash credit from banks	13,555.84	13,555.84	13,555.84	-	-
Unsecured cash credit from banks	2,198.66	2,198.66	2,198.66	-	-
Secured Revolving credit facility	2,426.39	2,426.39	2,426.39	-	-
Secured loans repayable on demand	18,423.16	18,478.10	18,478.10	-	-
Unsecured loans repayable on demand	14,798.18	14,849.81	14,849.81	-	-
Secured buyer's credit	531.36	531.36	531.36	-	-
Unsecured bills discounting	346.31	353.52	353.52	-	-
Secured bills discounting	2,875.94	2,875.94	2,875.94	-	-
Redeemable preference shares	4,276.42	4,276.42	4,276.42	-	-
Secured other short term loans	560.50	560.50	560.50	-	-
Unsecured other short term loans	336.03	336.03	336.03	-	-
Others					
Trade payables	71,481.80	71,481.80	71,481.80	-	-
Other financial liabilities	16,912.95	16,913.07	9,592.29	7,320.78	-
	183,798.84	**185,899.41**	**155,114.76**	**30,378.63**	**406.02**

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

43 Financial instruments - Fair values and risk management (continued)

D Financial risk management (continued)

iii. Liquidity risk (continued)

		Contractual cash flows			
	Carrying amount	Total	1 year or less	1-5 years	More than 5 years
01 April 2016					
Non derivative financial liabilities					
Current and non-current borrowings					
Secured term loans from banks	42,656.72	44,309.94	11,204.37	33,105.57	-
Secured term loans from financial institutions	2,824.42	3,710.46	521.90	3,188.56	-
Secured finance lease obligations	613.76	654.94	500.11	154.83	-
Secured cash credit from banks	11,098.59	11,098.59	11,098.59	-	-
Unsecured cash credit from banks	474.61	474.61	474.61	-	-
Secured revolving credit facility	2,852.65	2,852.65	2,852.65	-	-
Secured loans repayable on demand	16,106.17	16,202.38	16,202.38	-	-
Unsecured loans repayable on demand	6,058.21	6,121.73	6,121.73	-	-
Secured buyer's credit	8,487.10	8,505.39	8,505.39	-	-
Secured bills discounting	3,649.18	3,649.18	3,649.18	-	-
Redeemable preference shares	4,276.42	4,276.42	4,276.42	-	-
Secured other short term loans	415.54	415.54	415.54	-	-
Unsecured other short term loans	273.66	273.66	273.66	-	-
Others					
Trade payables	63,883.58	63,883.58	63,883.58	-	-
Other financial liabilities	9,708.22	9,707.69	5,010.66	4,697.03	-
	173,378.83	**176,136.76**	**134,990.77**	**41,145.99**	-

TVS LOGISTICS SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)

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

43 Financial instruments - Fair values and risk management (continued)

iv. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates will affect the Group's income or the value of it's holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which revenues, payables, receivables, etc. are denominated in a currency other than the respective functional currency of each of the entities in the Group. The Group does not hedge its foreign currency risk in general except in case of certain payables and receivables denominated in foreign currency which are hedged through the use of forward exchange contracts. The Group does not apply hedge accounting in respect of such forward exchange contracts.

The following tables analyses foreign currency risk from financial instruments. The amounts disclosed in the table below are in equivalent INR for the various currencies in which the Group is exposed to currency risk.

31 March 2018

	USD	Euro	GBP	AUD	CNY	JPY	SGD	THB	Others*
Financial assets:									
Loans	5,087.46	-	-	-	-	-	893.72	-	-
Deposits and other receivables	866.75	-	6,590.27	-	-	-	18.34	47.66	-
Trade receivables	5,423.43	24,437.95	26.43	8,730.53	2,295.03	13.96	-	517.25	4,374.56
Cash and cash equivalents	1,878.78	5,973.72	-	914.67	459.73	28.40	-	217.44	1,840.14
Other financial assets	190.38	-	-	1,233.84	-	-	-	4.88	-
	13,446.80	**30,411.67**	**6,616.70**	**10,879.04**	**2,754.76**	**42.36**	**912.06**	**787.23**	**6,214.70**
Financial liabilities:									
Borrowings	33,228.37	416.39	-	5,991.08	-	-	-	-	-
Trade payables	7,232.07	16,117.23	67.91	1,684.22	1,838.98	86.07	-	102.92	1,932.78
Other financial liabilities	16.63	3,647.84	110.92	2,176.68	43.61	-	-	-	145.53
	40,477.07	**20,181.46**	**178.83**	**9,851.98**	**1,882.59**	**86.07**	-	**102.92**	**2,078.31**
Net assets / (liabilities)	**(27,030.27)**	**10,230.21**	**6,437.87**	**1,027.06**	**872.17**	**(43.71)**	**912.06**	**684.31**	**4,136.39**

The above table also includes inter group receivables/ payables which are denominated in a foreign currency. Such inter-group receivables and payables, though eliminated on consolidation gave rise to currency risk and hence, the same has been disclosed.

*Others mainly include currencies such as Malaysian ringgit, Hong Kong dollar, Indonesian rupiah, South Korean won, New Taiwan dollar, Canadian dollar and New Zealand dollar

(All amounts are in Indian rupees (INR) lakhs, except share data and otherwise stated)

43 Financial instruments - Fair values and risk management (continued)

iv. Market risk (continued)

Currency risk (continued)

31 March 2017

	USD	Euro	GBP	AUD	CNY	JPY	SGD	THB	Others
Financial assets:									
Loans	3,580.09	-	970.56	-	-	-	835.16	-	-
Deposits and other receivables	1,223.61	-	2,564.93	-	-	-	5.04	20.97	-
Trade receivables	2,028.61	7,853.76	14.88	7,401.84	355.29	-	-	118.28	1,354.98
Cash and cash equivalents	472.84	1,822.46	0.47	309.68	46.52	-	-	40.99	657.75
Other financial assets	714.66	-	-	1,325.15	-	-	-	-	-
	8,019.81	**9,676.22**	**3,550.84**	**9,036.67**	**401.81**	**-**	**840.20**	**180.24**	**2,012.73**
Financial liabilities:									
Borrowings	5,571.84	-	-	5,450.15	-	-	-	-	-
Trade payables	8,759.08	4,719.07	31.81	1,716.00	372.53	18.31	-	6.41	813.61
Other financial liabilities	62.02	-	-	1,150.45	65.71	-	-	15.08	151.49
	14,392.94	**4,719.07**	**31.81**	**8,316.80**	**438.24**	**18.31**	**-**	**21.49**	**965.10**
Net assets / (liabilities)	**(6,373.13)**	**4,957.15**	**3,519.03**	**719.87**	**(36.43)**	**(18.31)**	**840.20**	**158.75**	**1,047.63**

The above table also includes inter group receivables/ payables which are denominated in a foreign currency. Such inter-group receivables and payables, though eliminated on consolidation give rise to currency risk and hence, the same has been disclosed.

*Others mainly include currencies such as Malaysian ringgit, Hong Kong dollar, Indonesian rupiah, South Korean won, New Taiwan dollar, Canadian dollar and New Zealand dollar.

01 April 2016

	USD	Euro	GBP	AUD	CNY	JPY	SGD	THB	Others
Financial assets:									
Loans	1,588.27	-	1,141.06	-	-	-	293.34	-	-
Deposits and other receivables	741.75	-	1,636.73	-	-	-	60.94	6.61	-
Trade receivables	1,462.99	5,523.67	-	3,941.88	1,739.25	-	-	34.02	1,923.92
Cash and cash equivalents	867.51	2,031.08	-	3.98	82.10	-	-	-	135.02
Other financial assets	-	-	-	955.30	-	-	2,031.92	-	-
	4,660.50	**7,554.75**	**2,777.79**	**4,901.16**	**1,821.35**	**-**	**2,386.20**	**40.63**	**2,058.94**
Financial liabilities:									
Borrowings	9,825.96	-	-	-	-	-	-	-	-
Trade payables	4,445.66	3,650.56	-	1,126.40	842.72	1.54	-	58.41	2,581.07
Other Financial liabilities	232.38	-	-	-	-	-	-	-	-
	14,504.00	**3,650.56**	**-**	**1,126.40**	**842.72**	**1.54**	**-**	**58.41**	**2,581.07**
Net assets / (liabilities)	**(9,843.50)**	**3,904.19**	**2,777.79**	**3,774.76**	**978.63**	**(1.54)**	**2,386.20**	**(17.78)**	**(522.13)**

The above table also includes inter group receivables/ payables which are denominated in a foreign currency. Such inter-group receivables and payables, though eliminated on consolidation give rise to currency risk and hence, the same has been disclosed.

*Others mainly include currencies such as Malaysian ringgit, Hong Kong dollar, Indonesian rupiah, South Korean won, New Taiwan dollar, Canadian dollar and New Zealand dollar.

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

43 Financial instruments - Fair values and risk management (continued)

iv. Market risk (continued)

Currency risk (continued)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹ against the respective currencies noted below at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or (loss)		Equity, net of tax	
	Weakening	**Strengthening**	**Weakening**	**Strengthening**
31 March 2018				
United States Dollar (1% movement)	(220.97)	220.97	-	-
Euro (1% movement)	102.30	(102.30)	-	-
Great Britain Pounds (1% movement)	85.49	(85.49)	-	-
Australian Dollar (1% movement)	10.27	(10.27)	-	-
Chinese Yuan (1% movement)	8.72	(8.72)	-	-
Japanese Yen (1% movement)	(0.44)	0.44	-	-
Singapore Dollar (1% movement)	9.12	(9.12)	-	-
Thailand Bhat (1% movement)	6.84	(6.84)	-	-
Others (1% movement)	41.36	(41.36)	-	-
31 March 2017				
United States Dollar (1% movement)	(63.73)	63.73	-	-
Euro (1% movement)	49.57	(49.57)	-	-
Great Britain Pounds (1% movement)	35.19	(35.19)	-	-
Australian Dollar (1% movement)	7.20	(7.20)	-	-
Chinese Yuan (1% movement)	(1.06)	1.06	-	-
Japanese Yen (1% movement)	(0.18)	0.18	-	-
Singapore Dollar (1% movement)	8.40	(8.40)	-	-
Thailand Bhat (1% movement)	1.59	(1.59)	-	-
Others (1% movement)	10.48	(10.48)	-	-

Interest rate risk

The Group has only two types of variable rate instrument i.e. cash credit facility being used for cash management purposes and certain working capital demand loans.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments is as follows:

	31 March 2018	31 March 2017	01 April 2016
Variable rate instruments			
Financial liabilities			
- Term loans from banks	66,926.43	17,988.84	26,408.52
- Cash credit from banks	5,991.08	15,705.59	11,541.15
- Revolving credit facility	22,601.92	2,426.39	2,852.65
- Loans repayable on demand	-	9,240.00	-
- Other short term loans	-	-	255.97
Fixed rate instruments			
Financial assets			
- Deposits with banks	3,670.47	1,902.33	1,737.22
Financial liabilities			
- Term loans from banks	2,100.00	11,955.85	16,252.20
- Term loans from financial institutions	2,384.50	4,735.99	2,824.41
- Finance lease obligations	785.02	445.29	613.26
- Cash credit from banks	15.59	48.91	52.07
- Loans repayable on demand	5,108.55	23,481.34	22,164.18
- Commercial Paper	78.00	-	-
- Buyer's Credit	-	531.36	8,487.10
- Bills discounting	241.12	3,172.25	3,649.18
- Redeemable preference shares	1,805.86	4,276.42	4,276.42
- Other short term loans	943.16	895.53	453.22

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

iv. Market risk (continued)

Interest rate risk (continued)

Fair value sensitivity analysis for fixed rate instruments
A reasonably possible change of 100 basis points in interest rates at the reporting date would not have any impact on the reported profit or loss or equity as these fixed rate instruments (deposits with banks) are carried at amortised cost. Any changes in interest rates are not considered for subsequent measurement.

Cash flow sensitivity analysis for variable rate instruments
A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	(Profit) or loss		Equity	
	100 bp decrease	**100 bp increase**	**100 bp decrease**	**100 bp increase**
31 March 2018				
Financial liabilities				
- Term loans from banks	(669.26)	669.26	-	-
- Cash credit from banks	(59.91)	59.91	-	-
- Revolving credit facility	(236.02)	236.02	-	-
Cash flow sensitivity (net)	**(965.19)**	**965.19**	-	-
31 March 2017				
Financial liabilities				
- Term loans from banks	(179.88)	179.88	-	-
- Cash credit from banks	(157.06)	157.06	-	-
- Revolving credit facility	(24.26)	24.26	-	-
- Loans repayable on demand	(13.75)	13.75	-	-
Cash flow sensitivity (net)	**(374.95)**	**374.95**	-	-

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TVS LOGISTICS SERVICES LIMITED ★ CHENNAI

TVS LOGISTICS SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)

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

44 Additional information as required under Schedule III to the Companies Act 2013, of entities consolidated as subsidiaries/ associates/ joint ventures

31 March 2018	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % consolidated of total comprehensive income	Amount
Parent								
TVS Logistics Services Limited	97.06%	66,815.56	38.45%	2,017.07	0.24%	3.67	29.70%	2,020.74
Domestic Subsidiaries - (parent's share)								
Drive India Enterprise Solutions Limited	2.19%	1,505.48	3.86%	202.31	0.04%	0.57	2.98%	202.88
TVS Dynamic Global Freight Services Limited	4.28%	2,945.08	13.73%	720.22	0.25%	3.89	10.64%	724.11
FLEXOL Packaging (India) Limited	1.11%	761.37	3.62%	189.81	-0.05%	(0.78)	2.78%	189.03
TVS Aviation Logistics Limited	0.00%	0.30	-0.03%	(1.45)	0.00%	-	-0.02%	(1.45)
SPC International (India) Private Limited	1.20%	823.26	1.16%	61.01	0.00%	-	0.90%	61.01
Foreign Subsidiaries - (parent's share)								
TVS Logistics SIAM Limited	-0.12%	(83.73)	-0.76%	(39.61)	-0.44%	(6.84)	-0.68%	(46.45)
TVS Logistics Investment USA Inc. - USA and its subsidiaries	0.94%	648.70	1.29%	67.75	10.98%	171.17	3.51%	238.92
TVS Logistics Investment UK Limited and its subsidiaries	22.98%	15,819.07	89.79%	4,709.72	182.29%	2,841.31	110.98%	7,551.03
TVS Asianics Supply Chain Solutions Limited, Singapore and its subsidiaries	-10.43%	(7,179.59)	-94.56%	(4,960.09)	31.52%	491.22	-65.68%	(4,468.87)
Non-controlling interests in all subsidiaries	8.91%	6,131.89	6.36%	333.51	40.97%	638.52	14.29%	972.03
Associates								
Manipal Verpacken mit System GmbH	0.21%	147.28	-1.10%	(57.58)	0.00%	-	-0.85%	(57.58)
Joint venture								
TVS Infrastructure Private Limited	4.54%	3,122.97	2.40%	125.80	0.00%	(0.07)	1.85%	125.73
TVS Toyota Tsusho Supply Chain Solutions Limited	0.55%	376.79	2.71%	142.40	0.07%	1.07	2.11%	143.47
Eliminations	-33.41%	(22,997.93)	33.07%	1,734.58	-165.86%	(2,585.10)	-12.50%	(850.52)
As at 31 March 2018	**100%**	**68,836.18**	**100%**	**5,245.45**	**100%**	**1,558.64**	**100%**	**6,804.09**

TVS LOGISTICS SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)

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

44 Additional information as required under Schedule III to the Companies Act 2013, of entities consolidated as subsidiaries/ associates/ joint ventures (continued)

31 March 2017	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % consolidated of total comprehensive income	Amount
Parent								
TVS Logistics Services Limited	100.20%	63,299.83	14.30%	674.53	4.54%	(64.02)	18.84%	610.51
Domestic Subsidiaries - (parent's share)								
Drive India Enterprise Solutions Limited	2.06%	1,302.61	4.29%	199.64	-0.14%	1.97	6.22%	201.61
TVS Dynamic Global Freight Services Limited	3.97%	2,509.82	11.18%	529.17	0.53%	(7.54)	16.09%	521.63
FLEXOL Packaging (India) Limited	0.91%	572.34	-1.01%	(46.87)	-0.09%	1.26	-1.41%	(45.61)
TVS Aviation Logistics Limited	0.00%	0.00	-0.03%	(1.45)	0.00%	-	-0.04%	(1.45)
Foreign Subsidiaries - (parent's share)								
TVS Logistics SIAM Limited	-0.40%	(17.27)	-2.17%	(100.76)	-0.11%	1.54	-3.06%	(99.22)
TVS Logistics Investment USA Inc., USA and its subsidiaries	3.63%	2,290.24	44.57%	2,073.36	0.00%	-	63.97%	2,073.36
TVS Logistics Investment UK Limited and its subsidiaries	12.20%	7,742.10	117.67%	5,445.86	239.28%	(3,375.42)	63.88%	2,070.44
TVS-Asianics Supply Chain Solutions Limited, Singapore and its subsidiaries	-4.40%	(2,780.87)	-18.73%	(871.21)	30.69%	(432.99)	-40.24%	(1,304.20)
Non-controlling interests in all subsidiaries	11.50%	7,394.28	14.96%	696.00	34.02%	(479.90)	6.67%	216.10
Associates								
Mumtaz Verpacken mit System GmbH	0.29%	183.69	-1.93%	(89.88)	0.00%	-	-2.77%	(89.88)
Joint venture								
TVS Infrastructure Private Limited	4.90%	3,096.50	7.64%	355.31	0.01%	(0.21)	10.96%	355.11
TVS Toyota Tsusho Supply Chain Solutions Limited	0.37%	231.42	1.63%	75.76	0.03%	(0.48)	2.32%	75.28
T&T One Asia Limited	0.00%	(0.08)	-3.59%	(167.12)	0.00%	-	-5.16%	(167.12)
Eliminations	-35.82%	(22,631.30)	-88.59%	(4,120.74)	-208.78%	2,945.14	-36.27%	(1,175.60)
As at 31 March 2017	**100%**	**63,174.19**	**100%**	**4,651.62**	**100%**	**(1,410.65)**	**100%**	**3,240.97**

45 Explanation of transition to Ind AS

As stated in Note 2, these are the Group's first consolidated financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Group had prepared its consolidated financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 1 have been applied in preparing these consolidated financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening consolidated Ind AS balance sheet on the date of transition i.e. 01 April 2016.

In preparing its consolidated Ind AS balance sheet as at 01 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Group has adjusted amounts reported previously in consolidated financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Group in restating its consolidated financial statements prepared in accordance with previous GAAP and how the transition from previous GAAP to Ind AS has affected the Group's financial position and financial performance.

Optional exemptions availed and mandatory exceptions
In preparing these consolidated financial statements, the Group has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed
1. Business combinations

As per Ind AS 101, at the date of transition, an entity may elect not to restate business combinations that occurred before the date of transition. If the entity restates any business combinations that occurred before the date of transition, then it restates all later business combinations and also applies Ind AS 110, Consolidated Financial Statements, from that same date.
The Group has opted to restate business combinations that occurred on or after 01 January 2011. For business combinations prior to 01 January 2011 which have not been restated as per Ind AS 103, goodwill represents the amount recognised under the previous GAAP.

2. Property plant and equipment and intangible assets
As per Ind AS 101 an entity may elect to:
(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
- fair value;
- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).
(iii) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101 and as mentioned in (iii) above, the Group has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment and intangible assets, subject to any adjustments required pursuant to restating the past business combination on or after 01 January 2011 as noted above.

3. Cumulative translation differences
As per Ind AS 101, an entity may deem that the cumulative translation differences for all foreign operations to be zero as at the date of transition by transferring any such cumulative differences to retained earnings.

The Group has elected to avail of the above exemption.

3. Determining whether an arrangement contains a lease
Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering facts and circumstances existing as at the date of transition (rather than at the inception of the arrangement).

The Group has elected to avail of the above exemption.

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

45 Explanation of transition to Ind AS (continued)

B. Mandatory exceptions

1. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Group's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL
- Impairment of financial assets based on the expected credit loss model
- Determination of discount value for financial instruments carried at amortised cost

2. Non-controlling interests (NCI)

Ind AS 110 requires that total comprehensive income should be attributed to the owners of the parent and the NCI, even if this results in the NCI having a negative balance. Ind AS 101 requires this requirement to be applied prospectively from the date of transition to Ind AS. However, if an entity elects to apply Ind AS 103 retrospectively to past business combinations, it has to also apply Ind AS 110 from the same date.

The Group has elected to apply Ind AS 103 retrospectively to business combinations that occurred on or after 01 January 2011, however, such retrospective application of Ind AS 103 does not have any impact on the carrying value of NCI.

3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that existed on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

C. Reconciliation of total equity

The above changes (decreased)/ increased the total equity as follows:

	Note	31 March 2017	01 April 2016
Total equity as per previous GAAP		**83,852.22**	**40,196.44**
Adjustments			
Impact of business combinations	a	(20,080.51)	(17,968.97)
Impact of consolidating investments using equity method	b	(5,064.67)	86.22
Non controlling interests	d	5,004.95	3,451.22
Net impact of lease arrangements	c	8.12	31.24
Net effect of recognising investments in debentures at amortised cost	e	(288.51)	(171.26)
Impact of determination of amortised cost for certain rental deposits	f	(61.57)	(70.25)
Difference on account of revenue recognition, net of related costs	g	(11.58)	(196.06)
Recognition of deferred tax assets	h	3,209.10	3,190.94
Impact of applying expected credit loss model on financial assets	i	(281.09)	(19.95)
Deferred tax on undistributed reserves	j	(1,152.93)	(3,592.51)
Redeemable preference share capital classified as liability	k	(10.00)	(5.00)
Others	m	155.51	761.50
Increase in total equity		**(20,678.03)**	**(13,666.85)**
Total equity reported as per Ind AS financial statements		**63,174.19**	**26,529.59**

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

45 Explanation of transition to Ind AS (continued)

D. Reconciliation of total comprehensive income for the year ended March 31, 2017

The above changes (decreased)/ increased the total comprehensive income as follows:	Note	Year ended 31 March 2017
Profit for the year as per previous GAAP		7,144.35
Adjustments:		
Impact of business combinations	a	(715.20)
Impact of consolidating investments using equity method	b	(52.15)
Net impact on lease arrangements	c	(23.12)
Net effect of recognising investments in debentures at amortised cost	d	185.45
Impact of determination of amortized cost for certain rental deposits	f	5.67
Difference on account of revenue recognition, net of related costs	g	184.48
Recognition of deferred tax assets	h	(121.81)
Impact of applying expected credit loss model on financial assets	i	(363.14)
Deferred tax on undistributed reserves	j	(1,125.59)
Actuarial loss/ (gain) on employee defined benefit plans recognised in OCI	l	105.94
Income tax relating to the amounts recognised in OCI	l	(37.61)
Others	m	(535.65)
Increase/ (decrease) in profit		**(2,492.73)**
Profit for the year as reported under Ind AS financial statements (A)		**4,651.62**
Other Comprehensive Income (OCI)		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement gains on defined benefit plans		(105.94)
Income tax relating to these items		37.61
Items that will be reclassified subsequently to profit or loss		
Exchange differences in translating financial statements of foreign operations		(1,342.32)
Income tax relating to these items		-
Increase/ (decrease) in OCI		**(1,410.65)**
OCI as reported under Ind AS financial statements (B)		**(1,410.65)**
Total Comprehensive Income as reported under Ind AS financial statements (A + B)		**3,240.97**

Note to reconciliation

a. Business combinations

The Group has elected to apply Ind AS 103 retrospectively to business combinations (including common control business combinations) that occurred on or after 01 January 2013.

Also, the Group has entered into forward purchase/ written put option agreements with non controlling shareholders in certain subsidiaries for their equity interest in those subsidiaries. Ind AS 32 requires an entity to recognise the liability for present value of the exercise price of the option/ forward obligation. The Group has accounted for such forward purchase/ written put option obligations in the retained earnings as the non-controlling shareholders still have present access to returns associated with the underlying ownership interests.

The impact arising from the change is summarised as follows:	**Year ended March 31, 2017**
Consolidated statement of profit and loss	
Depreciation and amortisation expenses - amortisation of intangibles	(551.20)
Deferred tax expenses - tax impact of above	172.00
Other expenses - related acquisition costs	(158.68)
Finance costs - unwinding of discount charges	(136.64)
Adjustment to profit after tax	**(715.20)**

B S R and Associates
Chartered Accountants

TVS Logistics Services Limited
Chennai

45 Explanation of transition to Ind AS (continued)

Note to reconciliation (continued)

a. Business combinations (continued)

	31 March 2017	01 April 2016
Consolidated balance sheet		
Goodwill, net of impairment	(12,574.40)	(12,070.50)
Intangible assets, net of amortisation	9,178.46	6,251.14
Deferred tax liability	(1,601.04)	(1,131.62)
Non controlling interests	(2,089.34)	(1,702.83)
Redeemable preference share liability	(4,266.42)	(4,266.42)
Written put option/ forward purchase obligation (non-current)	(7,120.78)	(4,259.51)
Written put option/ forward purchase obligation (current)	(1,106.95)	-
Adjustment to other equity	**(20,080.51)**	**(17,068.95)**

b. Consolidation of investments using equity method

Under the previous GAAP, TVS Infrastructure Private Limited and T&T One Asia Limited were classified as 'joint ventures' and accordingly consolidated on a proportionate basis. On transition to Ind AS, TVS Infrastructure Private Limited and T&T One Asia Limited have been accounted using equity method as per Ind AS 28, Investment in Associate and Joint Ventures.

Under the previous GAAP, TVS Toyota Tsusho Supply Chain Solutions Limited was classified as 'subsidiary' and accordingly consolidated. On transition to Ind AS, the Group has assessed and determined that TVS Toyota Tsusho Supply Chain Solutions Limited is a joint venture and has been accounted using equity method as per Ind AS 28, Investment in Associates and Joint Ventures.

c. Cumulative translation reserves

In accordance with Ind AS 101, the Group has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be Nil at the date of transition.

d. Non-controlling interests

Under the previous GAAP, non-controlling interests were presented in the consolidated balance sheet separately (as minority interests) from the equity and liabilities. Under Ind AS, non-controlling interests are presented in the consolidated balance sheet within total equity, separately from the equity attributable to the owners of the Company. The effect of this change is an increase in the total equity as at 01 April 2016 of ₹ 3,458.72 lakhs and as at 31 March 2017 of ₹ 3,404.93 lakhs with corresponding elimination of minority interests under the previous GAAP.

e. Lease arrangement

Under previous GAAP, arrangements that did not take the legal form of lease were accounted for based on the legal form of such arrangements e.g. revenue from certain logistics services. Under Ind AS, any arrangement (even if not legally structured as lease) which conveys a right to use an asset in return for a payment or series of payments are identified as leases provided certain conditions are met. In case such arrangements are determined to be in the nature of leases, such arrangements are required to be classified into finance or operating leases as per the requirements of Ind AS 17, Leases.

The Group has entered into certain contracts for providing material handling services to its customers which have been identified to be in the nature of lease and have been classified as finance lease arrangements.

The impact arising from the change is summarised as follows:	**Year ended March 31, 2017**
Consolidated statement of profit and loss	
Revenue from logistics services	(231.45)
Depreciation	165.65
Interest income on finance lease	42.68
Adjustment before income tax	**(23.12)**

B S R and Associates ★ Chartered Accountants ★

TVS Logistics Services Limited CHENNAI

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

45 Explanation of transition to Ind AS (continued)

Note to reconciliation (continued)

e. Lease arrangement (continued)

	31 March 2017	01 April 2016
Consolidated balance sheet		
Property, plant and equipment	(370.70)	(536.35)
Finance lease receivable	378.82	567.59
Adjustment to retained earnings	**8.12**	**31.24**

f. Impact of determination of amortised cost for certain rental deposits and debentures

1. Investment in unquoted debentures

Per Ind AS 109, investments in debentures have been accounted at amortised cost using the effective interest rate method. The difference between the amortised cost and the principal value of the debentures is adjusted against the gain recognised on the underlying transaction. Further, the amounts amortised are recognised over the term of the debenture.

The impact arising from the change is summarised as follows:	**Year ended March 31, 2017**
Consolidated statement of profit and loss	
Interest income – Recognition of interest income on effective interest rate method	185.45
Adjustment before income tax	**185.45**

	31 March 2017	01 April 2016
Consolidated balance sheet		
Unsecured Non convertible debentures (non current)	(221.59)	(340.93)
Optionally convertible debentures (non-current)	(67.22)	(133.33)
Adjustment to retained earnings	**(288.81)**	**(474.26)**

2. Rental deposits

Per Ind AS 109 financial assets in the form of rental and other deposits have been accounted at amortised cost using the effective interest rate method. The difference between the amortised cost and the principal value of the rental and other deposits were treated as prepaid rent and amortised over their respective term.

The impact arising from the change is summarised as follows:	**Year ended March 31, 2017**
Consolidated statement of profit and loss	
Other income - Recognition of interest income on rental deposits on effective interest rate method	250.53
Rent - Amortisation of prepaid rent referred above	(244.86)
Adjustment before income tax	**5.67**

	31 March 2017	01 April 2016
Consolidated balance sheet		
Deposits and other receivables (non current)	(448.59)	(342.23)
Deposits and other receivables (current)	(229.52)	(364.07)
Prepaid rent (included under other current assets)	381.97	383.71
Prepaid rent (included under other non-current assets)	229.93	252.33
Adjustment to retained earnings	**(64.59)**	**(70.35)**

g. Difference on account of revenue recognition

Difference on account of revenue recognition is primarily due to difference in timing of revenue recognition under Ind AS as compared to the previous GAAP.

h. Recognition of deferred tax assets

On transition to Ind AS, the Group has recognised deferred tax assets for all temporary differences to the extent that the management has concluded that it is probable and there exists reasonable certainty with convincing evidence that the differences will reverse in the foreseeable future.

B S R and Associates * Chartered Accountants *

TVS LOGISTICS SERVICES LIMITED * CHENNAI

45 Explanation of transition to Ind AS (continued)

Note to reconciliation (continued)

i. Impact of applying expected credit loss model on financial assets

On transition to Ind AS, the Group has recognised impairment loss on trade receivables based on the expected credit loss model as required by Ind AS 109. Consequently, trade receivables has been reduced with a corresponding decrease in retained earnings on the date of transition.

j. Deferred tax liability impact on undistributed reserves

On transition to Ind AS, the Group has recognised a deferred tax liability for all taxable differences associated with investments in subsidiaries and interests in joint ventures, except to the extent that the parent or joint venturer is able to control the timing of reversal of the temporary differences and it's probable that the temporary differences will not reverse in the foreseeable future. Accordingly, deferred tax liability on the accumulated undistributed profits of certain subsidiaries and joint ventures have been recognised in the consolidated statement of profit and loss and in the retained earnings as at the transition date to the extent that the management has concluded that it is probable that the accumulated undistributed profits will be distributed in the foreseeable future.

k. Financial instrument reclassified as a financial liability

Under the previous GAAP, the classification of financial instrument was based on their legal form rather than true economic substance. On transition to Ind AS, the 0.0001% non-convertible, cumulative, redeemable, participating preference shares issued to Tata International Limited and Tata Industries Limited has been reclassified from equity to financial liability as per the requirements of Ind AS 32.

l. Actuarial loss/ (gain) on employee defined benefit plans recognised in OCI

Under Ind AS, all actuarial gains and losses and the related deferred taxes are recognised in other comprehensive income. Under previous GAAP, the Group recognised actuarial gains and losses and the related deferred taxes in profit or loss. However, this has no impact on the total comprehensive income and total equity as on 01 April 2016 or as on 31 March 2017.

m. Others

Others primarily comprises of adjustments of premium paid to reserves on fair valuation of the related forward exchange contracts and reversal of impairment loss on certain assets as at the transition date.

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TVS LOGISTICS SERVICES LIMITED * CHENNAI

(All amounts are in Indian rupees (INR) lakhs, except share data and unless otherwise stated)

46 List of subsidiaries

	Country of incorporation	Ownership interest		
		31 March 2018	31 March 2017	01 April 2016
Name of direct subsidiaries of the Company				
TVS Dynamic Global Freight Services Limited	India	85.00%	85.00%	85.00%
TVS Aviation Logistics Limited	India	99.99%	99.99%	99.99%
Drive India Enterprise Solutions Limited	India	100.00%	100.00%	100.00%
FLEXOL Packaging (India) Limited	India	67.55%	67.55%	67.55%
TVS Packaging Solutions Private Limited (from 28 April 2017)	India	100.00%	NA	NA
SPC International India Private Limited (from 04 December 2017)	India	100.00%	NA	NA
TVS Logistics Siam Limited	Thailand	100.00%	55.00%	55.00%
TVS Logistics Investment UK Limited	United Kingdom	100.00%	100.00%	100.00%
TVS Logistics Investments USA Inc.	USA	100.00%	100.00%	100.00%
TVS Logistics Investments USA Inc.	Singapore	82.63%	90.74%	100.00%
Name of step-down subsidiaries				
Subsidiaries of TVS Logistics Investment UK Limited				
TVS Supply Chain Solutions Limited, UK	United Kingdom	100.00%	100.00%	100.00%
Subsidiaries of TVS Supply Chain Solutions Limited, UK				
MSys Software Solutions Limited, UK	United Kingdom	100.00%	100.00%	100.00%
Multipart Limited, UK	United Kingdom	100.00%	100.00%	100.00%
Peter Thomas & Co (Refurbishing) Limited, UK (from 22 November 2017)	United Kingdom	75.00%	NA	NA
TVS Logistics Iberia S.L., Spain	Spain	100.00%	100.00%	100.00%
TVS Autoserv GmbH, Germany	Germany	51.00%	51.00%	51.00%
TVS Supply Chain Solutions GmbH, Germany	Germany	100.00%	100.00%	100.00%
Rico Logistics Limited, UK	United Kingdom	97.47%	97.47%	97.47%
Subsidiaries of Rico Logistics Limited, UK				
Ricochet Spain, Spain	Spain	100.00%	100.00%	100.00%
Rico Logistique, France	France	100.00%	100.00%	100.00%
Rico Logistics Pty Limited, Australia	Australia	100.00%	100.00%	100.00%
Circle Express Limited, UK	United Kingdom	85.20%	85.20%	85.00%
Tri - Tec Computer Support Limited, Northern Ireland	Northern Ireland	100.00%	100.00%	100.00%
Tri - Tec Support Limited, Ireland	Ireland	100.00%	100.00%	100.00%
SPC International Limited, UK (from 20 February 2017)	United Kingdom	[illegible]	51.95%	NA
Subsidiaries of SPC International Limited, UK				
SPCINT Limited, UK	United Kingdom	100.00%	100.00%	NA
SPC International (Engineering) Limited, UK	United Kingdom	100.00%	100.00%	NA
Pitcumb 171 Limited, UK	United Kingdom	100.00%	100.00%	NA
SPC EBT Trustees Limited, UK	United Kingdom	100.00%	100.00%	NA
SPC International Inc., USA	USA	100.00%	100.00%	NA
SPC International s.a.s, France	France	100.00%	100.00%	NA
SPC International s.r.o, Slovakia	Slovakia	100.00%	100.00%	NA
SPC International India Private Limited, India (till 04 December 2017)	India	NA	100.00%	NA
Subsidiaries of TVS Logistics Investments USA Inc				
TVS America Inc., USA	USA	100.00%	100.00%	100.00%
TVS Supply Chain Solutions North America Inc., USA (formerly known as Wainwright Industries Inc., USA)	USA	100.00%	92.83%	92.45%
Subsidiaries of TVS Supply Chain Solutions North America Inc., USA				
Wainwright LLC, USA	USA	100.00%	100.00%	100.00%
TVS Supply Chain Solutions De Mexico S.A de C.V., Mexico	Mexico	99.00%	99.00%	99.00%
TVS Packaging Solutions Inc., USA	USA	100.00%	NA	NA

B S R and Associates * Chartered Accountants *

TVS Logistics Services Limited * Chennai *

TVS LOGISTICS SERVICES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2018 (continued)

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

46 List of subsidiaries (continued)

Subsidiaries of TVS Asianics Supply Chain Solutions Pte. Ltd				
Nadal Forwarding S.L. Spain (from 15 December 2017)	Spain	100.00%	NA	NA
Subsidiaries of Nadal Forwarding S.L. Spain				
Lineas Regulares A.A.I. S.L.	Spain	99.75%	NA	NA
Pan Asia Logistics International Pte Ltd (from 24 November 2017)	Singapore	100.00%	NA	NA
Pan Asia Logistics Singapore Pte. Ltd (from 24 November 2017)	Singapore	100.00%	NA	NA
Subsidiaries of Pan Asia Logistics Singapore Pte. Ltd				
Pan Asia Logistics Limited, Shanghai	China	100.00%	NA	NA
Pan Asia Logistics International (Korea) Ltd	Korea	100.00%	NA	NA
Pan Asia Logistics (Thailand) Ltd	Thailand	100.00%	NA	NA
Pan Asia Freight-Forwarding & Logistics Hong Kong Ltd	Hong Kong	100.00%	NA	NA
Pan Asia Container Line Pte Ltd, Hong Kong	Hong Kong	100.00%	NA	NA
Pan Asia Logistics Deutschland GmbH	Germany	100.00%	NA	NA
Pan Asia Logistics Malaysia Sdn Bhd	Malaysia	100.00%	NA	NA
Pan Asia Logistics Vietnam Company Ltd	Vietnam	100.00%	NA	NA
PT Pan Asia Logistics Indonesia	Indonesia	100.00%	NA	NA
Pan Asia Logistics Taiwan Ltd	Taiwan	100.00%	NA	NA
Pan Asia Freight-Forwarding & Logistics India Pvt Ltd	India	100.00%	NA	NA
TVS Asianics Australia Holdings Pty Ltd	Australia	100.00%	100.00%	100.00%
Subsidiaries of TVS Asianics Australia Holdings Pty Ltd				
T.I.F Holdings Pty Ltd.	Australia	55.00%	55.00%	55.00%
Subsidiaries of T.I.F Holdings Pty Ltd				
Transtar International Freight (Aust) Pty Ltd, Australia	Australia	100.00%	100.00%	100.00%
Transtar International Freight Limited, New Zealand	New Zealand	100.00%	100.00%	100.00%
RSTDN Nominees Pty Ltd, Australia	Australia	100.00%	100.00%	100.00%
Transtar International Freight Limited, Hong Kong	Hong Kong	100.00%	100.00%	100.00%
Transtar International Freight (Singapore) Pte Limited, Singapore	Singapore	100.00%	100.00%	100.00%
Transtar International Freight (Shanghai) Limited, China	China	100.00%	100.00%	100.00%
Transtar International Freight Limited, Thailand	Thailand	100.00%	100.00%	100.00%
Transtar International Freight (Malaysia) SDN BHD, Malaysia	Malaysia	100.00%	100.00%	100.00%
Transtar International Freight (USA) LLC, USA	USA	NA	100.00%	100.00%
TIF Holdings (USA) LLC, USA	USA	NA	100.00%	100.00%

47 Subsequent events

After the reporting date, dividends were proposed by the directors subject to the approval at the Annual General Meeting. Refer note 29A for further details. There are no other significant subsequent events that have occurred after the reporting period till the date of these consolidated financial statements.

As per our report of even date attached

for **B S R and Associates**
Firm Registration Number: 128901W
Chartered Accountants

Sethuraman

S Sethuraman
Partner
Membership No: 203491

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: 00363300

S Ravichandran

S Ravichandran
Deputy Managing Director
DIN: 01485915

Ravi Prakash Bhagavathula
Chief Financial Officer

P D Krishna Prasad
Company Secretary

Place: Chennai
Date: 20 August 2018

Place: Chennai
Date: 20 August 2018

B S R and Associates
Chartered Accountants

KRM Tower, 1st & 2nd Floor
No 1, Harrington Road, Chetpet,
Chennai - 600 031, India

Telephone : +91 44 4608 3100
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Independent Auditor's Report
To the Members of TVS Logistics Services Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of TVS Logistics Services Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 Ind AS 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 Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the 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 31 March 2018, its profit and other comprehensive income, changes in equity 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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the 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 purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flows 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

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements. Refer note 32 to the Standalone Ind AS financial statements.

ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. The disclosures in the standalone Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited standalone financial statements for the year ended 31 March 2017 have been disclosed. Refer note 39 to the Standalone Ind AS financial statements.

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

Sethuraman

S Sethuraman
Partner
Membership No: 203491
Place: Chennai
Date: 30 August 2018

Annexure A to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of TVS Logistics Services Limited

(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, 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 ₹ 2,857 lakhs, for which the Company is in the process of registering the title deeds. Also refer note 12 to the Standalone Ind AS financial statements.

(ii) Inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and book records were not material.

(iii) In our opinion and according to the information and explanations given to us, the Company has granted unsecured loans to five companies / other parties covered in the register maintained under Section 189 of the Companies Act, 2013:

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the companies / other parties listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loans granted to the companies / other parties listed in the register maintained under Section 189 of the Act, the borrowers have been, where stipulated, regular in the payment of principal and interest.

(c) The are no overdue amounts, based on stipulations if any, in respect of 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 of even date on the standalone Ind AS financial statements of TVS Logistics Services Limited

(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, duty of excise, 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, service tax, tax deducted at source and provident fund ranging from 1 to 101 days. The delays in remittances of provident fund is on account of the timely availability of the Universal Account number/ Aadhar Number in respect of certain employees. As explained to us, the Company did not have any dues on account of 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, duty of excise, value added tax and any other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

Annexure A to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of TVS Logistics Services Limited

(b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, duty of customs, duty of excise 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	Disputed amounts in (₹) lacs	Amounts unpaid in (₹) lacs*	Period to which the amount relates	Forum where the dispute is pending
Income – tax Act, 1961	Income tax dues	209.09	-	AY 2011-2012	High Court of Judicature at Madras
Income - tax Act, 1961	Income tax dues	143.88	122.28	AY 2012–2013	CIT (Appeals)
Income - tax Act, 1961	Income tax dues	14.71	12.50	AY 2014 – 2015	CIT (Appeals)
Finance Act, 1994	Service tax dues	353.06	339.14	April 2009 to September 2014	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service tax dues	104.82	100.89	October 2005 to June 2006	Commissioner of Central Excise (Appeals)
Finance Act, 1994	Service tax dues	12.60	12.60	October 2014 to May 2015	Deputy Commissioner of Service Tax

*Net of amount paid under protest

(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 has not taken any loans or borrowings from government and have not issued any debentures.

(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 of even date on the standalone Ind AS financial statements of TVS Logistics Services Limited

(x) According to the information and explanations given to us, no material fraud 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 31 March 2018 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 Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or 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 any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sethuraman

S Sethuraman
Partner
Membership No: 203491
Place: Chennai
Date: 30 August 2018

Annexure B to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of TVS Logistics Services Limited

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

We have audited the internal financial controls with reference to financial statements of TVS Logistics Services Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS 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 with reference to financial statements 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 ("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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 judgement, 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 with reference to financial statements.

Annexure B to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of TVS Logistics Services Limited

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

S Sethuraman
Partner
Membership No: 203491
Place: Chennai
Date: 30 August 2018

TVS LOGISTICS SERVICES LIMITED
STANDALONE BALANCE SHEET AS AT 31 MARCH 2018
(All amounts are in Indian rupees (INR) lakhs except share data and otherwise stated)

	Note	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	12	12,080.05	11,152.00	11,251.68
Capital work-in-progress		132.89	1,219.66	0.05
Goodwill	13A	5,282.90	5,071.10	5,071.10
Other intangible assets	13B	1,445.21	1,159.74	1,549.38
Financial assets				
Investments	14	21,782.99	21,196.14	20,332.74
Deposits and other receivables	16	5,388.59	2,181.04	2,407.49
Other financial assets	17	-	-	2,131.89
Deferred tax assets (net)	11	4,014.98	4,296.05	4,067.47
Non-current tax assets (net)		3,441.21	2,559.48	1,902.72
Other non-current assets	18	1,011.95	472.51	259.81
Total non-current assets		**55,790.77**	**49,487.62**	**49,075.33**
Current assets				
Inventories	19	115.33	145.86	163.20
Financial assets				
Investments	14	1,200.66	1,251.22	107.88
Trade receivables	20	27,915.54	22,005.57	19,707.57
Cash and cash equivalents	21	11,760.21	32,806.00	3,632.57
Other bank balances	22	202.45	50.30	-
Loans	15	5,981.16	5,155.81	3,109.17
Deposits and other receivables	16	8,805.62	5,604.08	3,894.51
Other financial assets	17	4,222.32	4,543.73	634.87
Other current assets	23	2,876.29	2,112.83	2,571.97
Total current assets		**63,117.01**	**73,905.41**	**33,913.46**
Total assets		**118,907.78**	**123,393.03**	**82,988.79**

EQUITY AND LIABILITIES

	Note	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Equity				
Share capital	24A	3,166.71	3,166.71	2,555.23
Other equity	24B	63,648.85	61,628.11	26,076.23
Total equity		**66,815.56**	**64,794.82**	**28,631.46**

TVS LOGISTICS SERVICES LIMITED
STANDALONE BALANCE SHEET AS AT 31 MARCH 2018
(All amounts are in Indian rupees (INR) lakhs except share data and otherwise stated)

	Note	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	25	3,807.25	4,324.57	2,732.23
Other financial liabilities	27	3,138.61	43.24	675.10
Provisions	28	509.26	507.01	402.23
Total non-current liabilities		**7,455.12**	**4,874.82**	**3,809.56**
Current liabilities				
Financial Liabilities				
Borrowings	25	5,891.69	28,043.58	30,043.36
Trade payables	26			
Dues to micro, small and medium enterprises		214.90	237.73	169.09
Dues to creditors other than micro, small and medium enterprises		21,441.08	16,409.44	14,325.63
Other financial liabilities	27	13,416.56	6,925.17	4,606.77
Provisions	28	634.97	592.82	415.33
Other current liabilities	29	3,037.99	1,513.65	987.59
Total current liabilities		**44,637.10**	**53,723.39**	**50,547.77**
Total liabilities		**52,092.22**	**58,598.21**	**54,357.33**
Total equity and liabilities		**118,907.78**	**123,393.03**	**82,988.79**

The notes from 1 to 40 form an integral part of the standalone financial statements.

As per our report of even date attached
for **B S R and Associates**
Firm Registration Number : 128901W
Chartered Accountants

S Sethuraman
Partner
Membership No. 203491

Place : Chennai
Date : 30 August 2018

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: 00363300

S Ravichandran
Deputy Managing Director
DIN: 01485845

Ravi Prakash Bhagavathula
Chief Financial Officer
Place : Chennai
Date : 30 August 2018

P D Krishna Prasad
Company Secretary

TVS LOGISTICS SERVICES LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

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

	Note	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from operations	5	123,061.14	98,574.37
Other income	6	7,494.35	5,458.11
Total income		**130,555.49**	**104,032.48**
Expenses			
Employee benefits expense	7	31,347.08	26,448.52
Finance costs	8	1,543.92	3,082.71
Depreciation and amortisation expense	9	2,613.11	2,816.67
Other expenses	10	91,369.52	70,907.38
Total expenses		**126,873.63**	**103,255.28**
Profit before tax		**3,681.86**	**777.20**
Income tax expense	11		
Current tax		1,385.67	397.37
Deferred tax		279.12	(294.70)
Income tax expense		**1,664.79**	**102.67**
Profit for the year		**2,017.07**	**674.53**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurements gains/ (losses) on defined benefit plans		5.62	(97.91)
Income tax relating to these items		(1.95)	33.89
Net other comprehensive income not to be reclassified subsequently to profit or loss		**3.67**	**(64.02)**
Other comprehensive income for the year, net of tax		**3.67**	**(64.02)**
Total comprehensive income for the year		**2,020.74**	**610.51**
Earnings per share			
Basic and diluted earnings per share (INR)	24b	6.38	2.57

The notes from 1 to 40 form an integral part of the standalone financial statements

As per our report of even date attached

for **B S R and Associates**

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: [illegible]

Ravi Prakash Bhagavathula

Chief Financial Officer

P D Krishna Prasad

Company Secretary

Place : Chennai

Date : 30 August 2018

Place : Chennai

Date : 30 August 2018

TVS LOGISTICS SERVICES LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018
(All amounts are in Indian rupees (INR) lakhs except share data and otherwise stated)

A. Equity Share Capital

	Note	Amount
Balance as at 01 April 2016		2,555.23
Changes in equity share capital during the year 2016-17	24A	611.48
Balance as at 31 March 2017		3,166.71
Changes in equity share capital during the year 2017-18	24A	-
Balance as at 31 March 2018		3,166.71

B. Other equity

	Reserves and Surplus				Items of OCI	Total
	Securities premium	Capital Reserve	Capital redemption reserve	Retained earnings		
Balance at 01 April 2016	34,335.79	-	-	(8,327.16)	67.60	26,076.23
Total comprehensive income for the year ended 31 March 2017						
Profit for the year	-	-	-	674.53	-	674.53
Other comprehensive income (net of tax)	-	-	-	-	(64.02)	(64.02)
Total comprehensive income	-	-	-	674.53	(64.02)	610.51
Transactions with owners recorded directly in equity						
Contributions by and distribution to owners						
Premium received on equity shares	35,095.52	-	-	-	-	35,095.52
Amount transferred between the reserves	(0.49)	0.82	-	-	-	0.33
Expenses incurred in connection with issue of shares	(154.48)	-	-	-	-	(154.48)
Total contributions by and distributions to owners	34,940.55	0.82	-	-	-	34,941.37
Balance at 31 March 2017	69,276.34	0.82	-	(7,652.63)	3.58	61,628.11

TVS LOGISTICS SERVICES LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018
(All amounts are in Indian rupees (INR) lakhs except share data and otherwise stated)

B Other equity (continued)

	Reserves and Surplus				Items of OCI	Total
	Securities premium	Capital Reserve	Capital redemption reserve	Retained earnings		
Balance at 01 April 2017	69,276.34	0.82	-	(7,652.63)	3.58	61,628.11
Total comprehensive income for the year ended 31 March 2018						
Profit for the year	-	-	-	2,017.07	-	2,017.07
Other comprehensive income (net of tax)	-	-	-	-	3.67	3.67
Total comprehensive income	-	-	-	2,017.07	3.67	2,020.74
Transactions with owners recorded directly in equity						
Contributions by and distributions to owners						
Amount transferred between the reserves	(0.46)	-	0.46	-	-	-
Total contributions by and distributions to owners	(0.46)	-	0.46	-	-	-
Balance at 31 March 2018	69,275.88	0.82	0.46	(5,635.56)	7.25	63,648.85

The notes from 1 to 40 form an integral part of the standalone financial statements

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

Ravi Prakash Bhagavathula
Chief Financial Officer

P D Krishna Prasad
Company Secretary

Place : Chennai
Date : 30 August 2018

Place : Chennai
Date : 30 August 2018

TVS LOGISTICS SERVICES LIMITED

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

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

	Year ended 31 March 2018	Year ended 31 March 2017
Cash flow from operating activities		
Profit for the year	**3,681.86**	**777.20**
Adjustments for:		
Interest income under the effective interest method	(450.46)	(516.33)
Gain on sale of investments	-	(669.97)
Provision no longer required written back	(535.94)	-
Provision for doubtful debts no longer required written back	(331.36)	-
Dividend income from subsidiaries	(286.50)	(363.21)
Interest income relating to financial guarantee	(97.17)	(121.21)
Income from mutual funds	(45.80)	(44.39)
Interest income on loan to subsidiaries and joint ventures	(349.15)	(148.38)
Finance costs	1,543.52	3,087.71
Depreciation and amortisation expense	2,612.61	2,816.67
Unrealised foreign exchange differences	8.11	(11.58)
Bad debts written off	131.96	19.66
Provision for doubtful debts	774.03	1,111.81
Provision for doubtful security deposits	64.49	-
Provision for doubtful loans and advances	-	207.58
Impairment loss on investments	2,200.52	-
Loss on sale of property, plant and equipment, net	15.17	0.91
Operating profit before changes in operating assets and liabilities	**8,935.66**	**6,146.47**
Change in operating assets and liabilities		
Decrease in inventories	0.52	17.54
(Increase) / decrease in trade receivables	(3,547.00)	(1,429.67)
(Increase) / decrease in other current and non-current, financial and non-financial assets	(2,091.07)	(4,858.76)
Increase in trade payables	2,600.55	2,152.45
Increase in other current and non-current, financial and non-financial liabilities	6,642.82	2,924.08
Increase in provisions	39.82	184.35
Cash generated from operations	**12,581.26**	**5,136.27**
Income taxes paid, net of refunds	(2,267.40)	(953.12)
Net cash flow from/ (used in) operating activities	**10,313.86**	**4,183.15**
Cash flows from investing activities		
Investment in bank deposits having an original maturity of more than three months	(152.14)	(50.31)
Payments for property, plant and equipment and other intangible assets	(3,079.02)	(4,310.65)
Proceeds from sale of property, plant and equipment	236.32	509.75
Investments in unquoted investment in preference shares carried at amortised cost	(2,200.52)	-
Investments in subsidiaries and joint ventures	(690.79)	(201.32)
Proceeds from sale of investments	-	794.10
Redemption of debentures carried at amortised cost	518.44	102.00
Payment of consideration payable and deferred consideration	(1,042.50)	-
Acquisition of telecom division, net of cash and cash equivalents	(1,120.00)	-
Loans to subsidiaries and others, net	(245.37)	(2,283.64)
Interest received	42.85	82.35
Dividend income from subsidiaries	286.50	363.21
Income from mutual funds	45.80	44.39
Interest income from debentures carried at amortised cost	5.79	-
Interest income on loan to subsidiaries and joint ventures	118.94	37.99
Net cash flow used in investing activities	**(7,276.61)**	**(5,017.11)**

TVS LOGISTICS SERVICES LIMITED
STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018
(All amounts are in Indian rupees (INR) lakhs except share data and otherwise stated)

	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from financing activities		
Proceeds from issue of shares (net)	-	35,552.85
Dividends paid	-	(75.41)
Repayment of redeemable preference shares	(270.40)	-
Repayment of short-term borrowings, net	(21,881.58)	(8,179.90)
Proceeds from long-term borrowings	2,129.51	29,642.97
Repayment of long-term borrowings	(2,382.55)	(21,473.57)
Interest paid	(1,496.91)	(3,114.26)
Payment of finance lease liabilities	(172.13)	(341.02)
Net cash flow from/ (used in) financing activities	**(24,074.04)**	**32,007.59**
Net increase / (decrease) in cash and cash equivalents	**(21,036.79)**	**29,173.63**
Cash and cash equivalents at the beginning of the financial year	32,806.00	3,632.37
Cash and cash equivalents at the end of the financial year	**11,769.21**	**32,806.00**

The notes from 1 to 40 form an integral part of the standalone financial statements

As per our report of even date attached
for **B S R and Associates**
Firm Registration Number : 128901W
Chartered Accountants

for and on behalf of the board of directors of
TVS Logistics Services Limited

S Sethuraman
Partner
Membership No. 203491

Suresh Krishna
Chairman
DIN: 00046919

R Dinesh
Managing Director
DIN: 00363300

S Ravichandran
Deputy Managing Director
DIN: 01485845

Ravi Prakash Bhagavathula
Chief Financial Officer

P D Krishna Prasad
Company Secretary

Place : Chennai
Date : 30 August 2018

Place : Chennai
Date : 30 August 2018

1 Reporting entity

TVS Logistics Services Limited ('the Company') was incorporated on 15 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, inplant warehouse, global supply chain management services, domestic supply chain management services, material handling services and services relating to installation and commissioning of telecom towers including managed services for telecom networks and associated supply chain management of the logistics activities for telecom service providers and OEMs.

2 Basis of preparation

A Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) to comply with the requirements prescribed under Section 133 of Companies Act, 2013, (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The Company's standalone financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position and financial performance of the Company is provided in Note 58.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 30 August 2018.
Details of the Company's accounting policies are included in Note 3.

B Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

C Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	**Measurement basis**
Certain financial assets and liabilities (including derivative instruments)	Fair value
Contingent consideration in business combination	Fair value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

D Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:
- Note 5 - Revenue: whether the Company acts as an agent rather than as a principal in a transaction; and
- Note 41 - lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2018 is included in the following notes:
- Note 11 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 30 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 36 – business combinations: fair value of consideration transferred and fair value of assets acquired and liabilities assumed; and
- Note 37 – impairment of financial assets.

2 Basis of preparation (continued)

E. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuation meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 36 – business combinations
- Note 27 – financial instruments

F Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new Ind AS and amendments to Ind AS which the Company has not applied in these standalone financial statements as they are effective for annual periods beginning on or after April 1, 2018. The Company plans to apply these standards from their respective applicable dates.

Ind AS 115 – Revenue from contracts with customers

Ind AS 115 will replace existing Ind AS 18 "Revenue". Ind AS 115 has established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition which is summarized as below:

a. Identify the contract(s) with a customer
b. Identify the performance obligations in the contract
c. Determine the transaction price
d. Allocate the transaction price to the performance obligations in the contract
e. Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company is in the process of assessing the impact of Ind AS 115 on its standalone financial statements.

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix of the amendment explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is in the process of assessing the impact of this amendment on its standalone financial statements.

Ind AS 12 – Income taxes recognition of deferred tax assets for unrealised losses

The Company has been applying Ind AS 12 in the preparation of its standalone financial statements. A recent amendment to the standard deals with the matter of how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilise a deductible temporary difference. The Company is in the process of assessing the impact of this amendment on its standalone financial statements.

3 Significant accounting policies

A. Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit and loss.

B. Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

3 Significant accounting policies (continued)

B Financial instruments (continued)
iii. Derecognition (continued)
Financial liabilities
The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

C Business combinations

i. Business combinations (other than common control business combinations) on or after 01 January 2011
The Company has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, retrospectively to those business combinations that occurred on or after 01 January 2011. In accordance with Ind AS 103, the Company accounts for these business combinations using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Acquisition related costs are expensed as incurred.

ii. Business combinations prior to 01 January 2011
In respect of such business combinations, goodwill represents the amount recognised under the Company's previous accounting framework under Indian GAAP.

iii. Common control business combinations
Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts.

D Property, plant and equipment

i. Recognition and measurement
Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties, if any and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Transition to Ind AS
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 01 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (see note 12).

iii. Subsequent expenditure
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

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

3 Significant accounting policies (continued)

D Property, plant and equipment (continued)

iv. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases, if any, are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life (in years)
Buildings	30-60
Plant and equipment	03-10
Furniture and fixtures	01-10
Vehicles	08-10
Office equipment	5
Computer equipment	03-06
Leasehold improvements	*

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

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets and are different from those prescribed in Schedule II of the Act.

Depreciation on addition (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

E Goodwill and other intangibles

i. Goodwill

For measurement of goodwill that arises on a business combination see note 36. Subsequent measurement is at cost less any accumulated impairment losses.

ii. Other intangible assets

Other intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

iii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 01 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets (see note 12).

iv. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit and loss as and when incurred.

v. Amortisation

Goodwill is not amortised and is tested for impairment annually.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives of items of intangible assets for the current and comparative periods are as follows:

Asset	Management estimate of useful life (in years)
Brand	05
Customer relationship	05
Computer software	03-10

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3 Significant accounting polices (continued)

F Inventories

Inventories consist of stores and spare parts and are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The comparison of cost and net realisable value is made on an item by item basis.

G Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit - impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3 Significant accounting policies (continued)

G Impairment (continued)

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment annually.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

H Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme, Employees State Insurance Scheme and an superannuation fund to Life Insurance Corporation (LIC). Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3 Significant accounting policies (continued)

H Employee benefits (continued)

iv. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is 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, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

I Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive 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 determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

J Contingent liabilities and contingent assets

Contingent liability is disclosed for all:
- possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company (or)
- present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

In respect of contingent assets for which inflow of economic benefits are probable, the Company discloses a brief description of the nature of the contingent assets at the end of the year, and, where practicable, an estimate of their financial effect.

K Revenue

i. Rendering of services

Revenue from the logistics services are recognised when the relevant services are rendered in accordance with the terms of the agreement with the customers. Unbilled revenue, if any represents services rendered and revenue recognised on contracts to be billed in subsequent periods as per the terms of the related contracts.

Revenue is recognised when no significant uncertainty exists regarding the collection of the consideration. The amount recognised as revenue is exclusive of all indirect taxes and net of returns and discounts.

ii. Construction contracts

Construction contract revenue arises from construction/ erection of towers for some of the Company's customers in the Telecommunications segment. These towers are constructed based on specifically negotiated contracts with customers by outsourcing the activities to subcontractors.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss.

iii. Commissions

When the Company acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of revenue earned by the Company.

L Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

3 Significant accounting policies (continued)

L. Leases (continued)

ii. Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's balance sheet.

iii. Lease payments

Payments made under operating leases are generally recognised in statement of profit and loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

M. Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

N. Income tax

Income tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3 Significant accounting polices (continued)

O Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other Borrowing costs are recognised as an expense in the period in which they are incurred.

P Cash and cash equivalents

Cash and cash equivalent comprise of cash on hand and at banks including short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Other bank deposits which are not in the nature of cash and cash equivalents with a maturity period of more than three months are classified as other bank balances.

Q Earnings per share

Basic earning per equity share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

R Cash flows

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 regular revenue generating, financing and investing activities of the Company are segregated.

4 Operating segment

In accordance with Ind AS 108 "Operating Segments", 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.

5 Revenue from operations

	Year ended 31 March 2018	Year ended 31 March 2017
Sale of services		
Income from logistics services*	115,311.84	98,529.57
Income from telecom services	7,650.03	-
	122,961.87	98,529.57
Other operating revenue		
Scrap sales	101.27	44.80
	101.27	44.80
	123,063.14	98,574.37

* Includes sale of products, net of related cost in respect of which the Company acts as an agent in the transaction rather than as the principal

Details of services rendered		
Transportation & integrated logistics ("T&IL")	53,655.26	46,251.66
After market warehouse ("AMWH")	28,851.15	28,202.66
Material handling services ("MHS")	5,485.51	5,587.97
Inplant warehouse ("IPWH")	17,629.86	12,453.22
Telecom tower erection services ("Telecom")	7,650.03	-
Commutation services	240.32	319.22
Other logistics services	5,439.72	4,714.82
	122,961.87	98,529.57

6 Other income

	Year ended 31 March 2018	Year ended 31 March 2017
Interest income under the effective interest method on:		
Cash and cash equivalents	42.00	79.45
Security deposits carried at amortised cost	242.28	249.9
Investments in debentures carried at amortised cost	166.18	186.97
Loans to subsidiaries	349.15	148.38
Interest income relating to financial guarantee	97.57	121.21
Interest income on income tax refund	156.36	75.14
Income from finance lease	26.02	42.64
Dividend income from subsidiaries	286.50	365.21
Net gain on sale of investments *	-	660.05
Income from mutual funds	45.89	44.39
Exchange difference gain net	614.13	11.59
Provision no longer required written back **	535.94	-
Provision for doubtful debts no longer required written back	331.35	-
Other non-operating income	4,599.20	3,515.17
	7,492.35	5,458.11

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

** Represents provision written back in respect of advances given to RHR Logistics Private Limited amounting to ₹ 64.75 lakhs, FR Finished Vehicles Logistics Solutions Limited amounting to ₹ 350 lakhs and retention payable no longer required to be paid amounting to ₹ 121.19 lakhs

7 Employee benefits expense

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus*	26,075.76	22,389.46
Contribution to provident and other funds	2,026.97	1,697.17
Expenses related to post-employment defined benefit plans	326.78	254.94
Expenses related to compensated absences	197.06	162.43
Staff welfare expenses	2,721.41	1,944.52
	31,347.98	**26,448.52**

*Net of reimbursement of ₹ 18.5 lakhs (31 March 2017: ₹ 279.31 lakhs) in respect of corporate payroll costs recharged to Drive India Enterprise Solutions Limited

8 Finance costs

	Year ended 31 March 2018	Year ended 31 March 2017
Interest expenses	1,490.14	3,013.09
Other borrowing costs	53.38	74.62
	1,543.52	**3,087.71**

9 Depreciation and amortisation expense

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment	2,135.25	2,161.41
Amortisation of intangible assets	477.36	655.26
	2,612.61	**2,816.67**

10 Other expenses

	Year ended 31 March 2018	Year ended 31 March 2017
Freight charges	48,856.48	39,362.47
Sub-contracting costs*	5,500.59	-
Staff transportation charges	1,526.91	1,454.72
Material handling charges	765.74	898.31
Casual labour charges	10,350.81	8,014.21
Consumption of stores and spares	761.90	811.94
Power and fuel	646.21	521.52
Rent	10,888.39	9,738.55
Rates and taxes	150.52	129.96
Insurance	218.37	230.10
Repairs and maintenance		
Plant and machinery	39.85	11.10
Buildings	108.42	611.85
Others	1,535.88	515.79
Advertisement and business promotion	86.34	101.15
Travelling and conveyance	1,194.24	1,344.01
Communication costs	469.62	395.94
Printing and stationery	472.58	384.92
Factoring charges	117.57	-
Bank charges	27.48	53.53
Legal and professional fees	1,502.78	1,277.52
Security expenses	2,550.55	2,275.91
Payment to auditors (refer note (a) below)	210.32	128.05
Exchange differences, net	-	588.64
Bad debts written off (net of adjustment against provision for doubtful debts ₹ 94.50 lakhs (31 March 2017: ₹ 31.92 lakhs))	171.96	19.66
Provision for doubtful debts	774.05	1,111.81
Provision for doubtful security deposits	64.49	-
Provision for doubtful loans and advances	-	267.58
Expenditure on corporate social responsibility (refer note (b) below)	61.59	28.14
Loss on sale of property plant and equipment, net	15.17	0.91
Impairment loss on investments**	2,200.52	-
Miscellaneous expenses	432.91	204.09
	91,369.52	**70,902.38**

* Represents cost of sub-contracting in respect of services relating to installation and commissioning of telecom towers

** Represents impairment of investments in preference shares of Drive India Enterprise Solutions Limited (DIESL)

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

30 Other expenses (continued)

(a) Details of payment to auditors

	Year ended 31 March 2018	Year ended 31 March 2017
As auditor		
Statutory audit	34.00	24.00
Tax audit	2.00	2.00
Other audit services (including certifications etc.)	124.04	117.12
Re-imbursement of expenses	13.64	4.93
In other capacities		
Other services	36.64	-
	210.32	**178.05**

(b) Corporate social responsibility expenditure

	Year ended 31 March 2018	Year ended 31 March 2017
Amount required to be spent as per section 135 of the Companies Act, 2013	31.59	27.96
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purpose other than (i) above on		
a) Rent	31.59	28.14

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

11 Income tax expense

A. Amounts recognised in profit or loss

	Year ended 31 March 2018	Year ended 31 March 2017
Current tax (a)		
Current tax	1,385.67	-
MAT for the year	-	297.37
	1,385.67	297.37
Deferred tax (b)		
Attributable to origination and reversal of temporary differences	(485.21)	102.67
MAT credit utilisation (entitlement)	764.33	(297.37)
	279.12	(194.70)
Tax expense (a+b)	1,664.79	102.67

B. Income tax recognised in other comprehensive income

	Year ended 31 March 2018			Year ended 31 March 2017		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Remeasurement of defined benefit liability / (asset)	5.62	(1.95)	3.67	(97.91)	33.89	(64.02)
	5.62	(1.95)	3.67	(97.91)	33.89	(64.02)

C. Reconciliation of effective tax rate

		Year ended 31 March 2018		Year ended 31 March 2017
Profit before tax		3,681.86		777.20
Tax using the Company's domestic tax rate	34.61%	1,274.22	34.61%	268.97
Effects of:				
Permanent disallowances	1%	23.52	1%	4.42
Income not subject to tax	-7%	(242.69)	-7%	(56.36)
Tax incentives	-2%	(81.51)	0%	-
Items on which deferred tax assets have not been set up	21%	761.56	0%	-
Income taxable at special rates	0%	-	-9%	(71.21)
Change in unrecognised temporary differences	0%	-	-6%	(45.30)
Others	-2%	(70.30)	0%	2.15
Effective tax rate	**45%**	**1,664.79**	**13%**	**102.67**

TVS LOGISTICS SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

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

11 Income tax expense (continued)

D. Recognised deferred tax assets and liabilities

a. Deferred tax assets and liabilities are attributable to the following :

Deferred tax liabilities (net)	31 March 2018	31 March 2017	01 April 2016
Deferred tax asset			
Employee benefits	963.96	650.28	417.98
Provision for diminution in financial assets, net	2,106.52	1,847.93	1,315.37
Tax incentives	81.51	-	-
Carried forward tax losses	5.82	277.67	1,297.30
MAT credit	503.69	1,268.02	970.66
Depreciation and amortisation	353.48	252.15	66.16
Net Deferred tax asset	**4,014.98**	**4,296.05**	**4,067.47**

b. Movement in deferred tax assets and liabilities

	Balance as at 01 April 2016	Recognised in Profit & Loss	Recognised in OCI	Balance as at 31 March 2017	Recognised in Profit & Loss	Recognised in OCI	Balance as at 31 March 2018
Employee benefits	417.98	198.41	33.89	650.28	315.63	(1.95)	963.96
Provision for diminution in financial assets, net	1,315.37	532.56	-	1,847.93	258.59	-	2,106.52
Tax incentives	-	-	-	-	81.51	-	81.51
Carried forward tax losses	1,297.30	(1,019.63)	-	277.67	(271.85)	-	5.82
MAT credit	970.66	297.36	-	1,268.02	(764.33)	-	503.69
Depreciation and amortisation	66.16	185.99	-	252.15	101.33	-	353.48
Net Deferred tax asset	**4,067.47**	**194.70**	**33.89**	**4,296.05**	**(279.12)**	**(1.95)**	**4,014.98**

E. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom

Particulars	31 March 2018 Gross amount	31 March 2018 Unrecognised tax effect	31 March 2017 Gross amount	31 March 2017 Unrecognised tax effect
Deductible temporary differences	2,200.52	761.55	-	-

F. Tax losses carried forward

Tax losses for which no deferred tax asset was recognised is Nil

12 Property, plant and equipment

A Reconciliation of carrying amount

	Land	Building **	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Total #
Gross carrying amount								
Deemed cost as at 01 April 2016	1,680.48	2,530.20	2,655.03	3,244.41	248.90	458.82	433.84	11,251.68
Additions	-	-	994.56	1,032.51	82.94	180.79	271.61	2,562.41
Disposals	-	-	(281.21)	(212.60)	(23.70)	(11.83)	(2.22)	(531.56)
Balance at 31 March 2017	**1,680.48**	**2,530.20**	**3,368.38**	**4,064.32**	**308.14**	**627.78**	**703.23**	**13,282.53**
Balance at 01 April 2017	1,680.48	2,530.20	3,368.38	4,064.32	308.14	627.78	703.23	13,282.53
Acquisitions through business combinations*	-	-	0.96	-	-	3.86	11.45	16.27
Other additions	415.74	273.51	1,510.40	1,518.96	49.42	172.04	358.45	4,298.52
Disposals	-	-	(304.76)	(123.50)	(48.97)	(52.64)	(13.72)	(543.59)
Balance at 31 March 2018	**2,096.22**	**2,803.71**	**4,574.98**	**5,459.78**	**308.59**	**751.04**	**1,059.41**	**17,053.73**
Accumulated depreciation and impairment losses								
Depreciation for the year	-	45.12	863.28	799.33	49.56	185.29	225.89	2,168.47
Disposals	-	-	(88.51)	(34.07)	(8.42)	(5.66)	(11.28)	(147.94)
Balance at 31 March 2017	-	**45.12**	**774.77**	**765.26**	**41.14**	**179.63**	**214.61**	**2,020.53**
Balance at 01 April 2017	-	45.12	774.77	765.26	41.14	179.63	214.61	2,020.53
Depreciation for the year	-	54.00	743.00	855.09	46.10	168.80	268.26	2,135.25
Disposals	-	-	(96.09)	(46.67)	(13.87)	(25.17)	(0.30)	(182.10)
Balance at 31 March 2018	-	**99.12**	**1,421.68**	**1,573.68**	**73.37**	**323.26**	**482.57**	**3,973.68**
Carrying amounts (net)								
At 01 April 2016	**1,680.48**	**2,530.20**	**2,655.03**	**3,244.41**	**248.90**	**458.82**	**433.84**	**11,251.68**
At 31 March 2017	**1,680.48**	**2,485.08**	**2,593.61**	**3,299.06**	**267.00**	**448.15**	**488.62**	**11,262.00**
At 31 March 2018	**2,096.22**	**2,704.59**	**3,153.30**	**3,886.10**	**235.22**	**427.78**	**576.84**	**13,080.05**

* Refer note 36 for further details.

** The Company is in the process of registering the title deeds of immovable properties comprising of land and buildings acquired during the year ended March 31, 2016 from demerger of the third party logistics services business ('Service Business'/'Demerged undertaking') of Drive India Enterprise Solutions Limited ('DIESL') amounting in a gross book value of ₹ 2,857 lakhs.

\# Excludes assets held for sale classified under other current assets. Refer note 23

TVS LOGISTICS SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

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

12 Property, plant and equipment (continued)

B Plant and equipment and vehicles held under finance lease

The Company has acquired certain plant and equipment and vehicles under finance lease arrangements. The gross and net carrying amounts of such assets acquired under leases included in the above reconciliation are as follows

	31 March 2018	31 March 2017	01 April 2016
Cost/ Deemed cost	277.97	350.70	573.93
Accumulated depreciation	(150.29)	(83.80)	-
Net carrying amount	127.68	266.90	573.93

C Security

For details of property, plant and equipment pledged provided as security against borrowings, refer note 25

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

13A Goodwill

Reconciliation of carrying amount

	Goodwill	Total
Gross carrying amount		
Deemed cost as at 01 April 2016	5,071.10	5,071.10
Acquisitions through business combinations	-	-
Disposals	-	-
Balance at 31 March 2017	**5,071.10**	**5,071.10**
Balance at 01 April 2017	5,071.10	5,071.10
Acquisitions through business combinations #	216.80	216.80
Disposals	-	-
Balance at 31 March 2018	**5,287.90**	**5,287.90**
Accumulated amortisation and impairment loss		
Amortisation for the year	-	-
Disposals	-	-
Balance at 31 March 2017	-	-
Balance as at 01 April 2017	-	-
Amortisation for the year	-	-
Disposals	-	-
Balance at 31 March 2018	-	-
Carrying amounts (net)		
At 01 April 2016	**5,071.10**	**5,071.10**
At 31 March 2017	**5,071.10**	**5,071.10**
At 31 March 2018	**5,287.90**	**5,287.90**

13B Other intangible assets

Reconciliation of carrying amount

	Customer relationship	Brand	Computer software	Total
Gross carrying amount				
Deemed cost as at 01 April 2016	-	676.63	912.75	1,589.38
Additions	-	-	205.56	205.56
Disposals	-	-	-	-
Balance at 31 March 2017	-	**676.63**	**1,118.31**	**1,794.94**
Balance at 01 April 2017	-	676.63	1,118.31	1,794.94
Acquisitions through business combinations #	609.35	-	-	609.35
Additions	-	-	173.48	173.48
Disposals	-	-	-	-
Balance at 31 March 2018	**609.35**	**676.63**	**1,291.79**	**2,577.77**
Accumulated amortisation and impairment loss				
Amortisation for the year	-	153.20	502.00	655.20
Disposals	-	-	-	-
Balance at 31 March 2017	-	**153.20**	**502.00**	**655.20**
Balance as at 01 April 2017	-	153.20	502.00	655.20
Amortisation for the year	67.97	153.20	256.19	477.36
Disposals	-	-	-	-
Balance at 31 March 2018	**67.97**	**306.40**	**758.19**	**1,132.56**
Carrying amounts (net)				
At 01 April 2016	-	**676.63**	**912.75**	**1,589.38**
At 31 March 2017	-	**523.43**	**616.31**	**1,139.74**
At 31 March 2018	**541.38**	**370.23**	**533.60**	**1,445.21**

Refer note 36 for further details.

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

14 Investments

A. Non-current investments

	31 March 2018	31 March 2017	01 April 2016
Unquoted investments in equity instruments			
Investments in subsidiaries			
TVS Dynamic Global Freight Services Limited 1,019,999 (31 March 2017 : 1,019,999, 01 April 2016 : 1,019,999) equity shares of ₹ 10 each fully paid up	6,900.00	6,900.00	6,900.00
TVS Aviation Logistics Limited# 5,999,994 (31 March 2017 : 5,999,994, 01 April 2016 : 5,999,994) equity shares of equity shares of ₹ 10 each fully paid up	306.10	306.10	306.10
TVS Logistics SIAM Limited, Thailand 100,000 (31 March 2017 : 55,000, 01 April 2016 : 55,000) ordinary shares of 100 Baht each fully paid up	188.45	60.15	60.15
TVS America Inc. 490 (31 March 2017 : 490, 01 April 2016 : 490) shares of no par value	90.04	90.04	90.04
TVS Logistics Investment UK Limited 6,195,698 (31 March 2017 : 6,195,698, 01 April 2016 : 6,359,861) ordinary shares of 1 GBP each fully paid up	5,066.44	5,066.44	5,190.61
TVS Logistics Investments USA Inc. 61,510 (31 March 2017 : 61,510, 01 April 2016 : 61,510) shares of no par value	3,666.60	3,666.60	3,666.60
FLEXOL Packaging (India) Limited 520,416 (31 March 2017 : 520,416, 01 April 2016 : 520,416) equity shares of ₹ 10 each fully paid up	936.31	936.31	936.31
SPC International (India) Private Limited 51,000 (31 March 2017 : Nil, 01 April 2016 : Nil) equity shares of ₹ 100 each fully paid up	561.49	-	-
TVS Packaging Solutions Private Limited 10,000 (31 March 2017 : Nil, 01 April 2016 : Nil) equity shares of ₹ 10 each fully paid up	1.00	-	-
TVS Asianics Supply Chain Solutions Pte Ltd 4,950,001 (31 March 2017 : 4,950,001, 01 April 2016 : 750,001) equity shares of SGD 1 each fully paid up	2,631.57	2,631.57	673.33
Drive India Enterprise Solutions Limited 2,210,000 (31 March 2017 : 2,210,000, 01 April 2016 : 2,210,000) equity shares of ₹ 10 each fully paid up	4,021.43	4,021.43	4,021.43
	24,369.43	**23,678.64**	**21,844.57**
Investments in joint ventures			
TVS Infrastructure Limited 5,500,000 (31 March 2017 : 5,500,000, 01 April 2016 : 2,750,000) equity shares of ₹ 10 each fully paid up	1,375.00	1,375.00	1,100.00
TVS Toyota Tsusho Supply Chain Solutions Limited 1,200,000 (31 March 2017 : 1,200,000, 01 April 2016 : 1,200,000) equity shares of ₹ 10 each fully paid up	120.00	120.00	120.00
	1,495.00	**1,495.00**	**1,220.00**
Unquoted investment in preference shares carried at amortised cost			
Cargowings Logistics Limited 25,000,000 (31 March 2017 : 25,000,000, 01 April 2016 : 25,000,000) redeemable preference shares ("RPS") of ₹ 10 each fully paid up	2,500.00	2,500.00	2,500.00
	2,500.00	**2,500.00**	**2,500.00**
Unquoted investment in debentures carried at amortised cost			
Prasanna Purple Mobility Solutions Private Limited*** 25,400 (31 March 2017: 45,900, 01 April 2016: 73,600) Series I NCD 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each	208.08	367.08	532.46
Prasanna Purple Mobility Solutions Private Limited*** 30,690 (31 March 2017: 50,255, 01 April 2016: 74,200) Series II NCD 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each	228.05	372.89	536.61
Prasanna Purple Mobility Solutions Private Limited*** Nil (31 March 2017: Nil, 01 April 2016: 80,000) Optionally Convertible Debentures of ₹ 1000 each	-	-	666.67
	436.13	**739.97**	**1,805.74**

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

14 Investments (continued)
A Non-current investments (continued)

Provision for decline in fair value of investments			
Unquoted investments in equity instruments/ preference shares			
TVS Aviation Logistics Limited #	(306.10)	(306.10)	(306.10)
TVS America Inc.	(90.04)	(90.04)	(90.04)
Drive India Enterprise Solutions Limited	(4,021.43)	(4,021.43)	(4,021.43)
Cargowings Logistics Limited	(2,500.00)	(2,500.00)	(2,500.00)
	(6,917.57)	**(6,917.57)**	**(6,917.57)**
Total non-current investments	**21,782.99**	**21,396.04**	**20,352.74**
Aggregate amount of unquoted investments	**28,700.56**	**28,313.61**	**27,270.31**
Aggregate amount of impairment in the value of investments	**6,917.57**	**6,917.57**	**6,917.57**

An application was filed with the Registrar of Companies ("ROC") for striking off the name of the Company from the register of companies maintained by the ROC on 28 March 2018

B Current investments	**31 March 2018**	**31 March 2017**	**01 April 2016**
Unquoted investment in debentures carried at amortised cost			
Prasanna Purple Mobility Solutions Private Limited*** 20,500 (31 March 2017: 27,900; 01 April 2016: 10,700) Series I NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each	205.00	279.00	107.00
Prasanna Purple Mobility Solutions Private Limited*** 19,566 (31 March 2017: 23,944; 01 April 2016: Nil) Series II NCD, 0.1% Unsecured Non-Convertible Debentures of ₹ 1000 each	195.66	239.44	-
Prasanna Purple Mobility Solutions Private Limited**** 80,000 (31 March 2017: 80,000; 01 April 2016: Nil) Optionally Convertible Debentures of ₹ 1000 each	800.00	732.78	-
	1,200.66	**1,251.22**	**107.00**
Unquoted investment in preference shares carried at amortised cost			
Drive India Enterprise Solutions Limited 1,084,000 (31 March 2017: Nil; 01 April 2016: Nil) 0.0001% cumulative, redeemable, non convertible, participating preference shares of ₹ 10 each**	2,200.52	-	-
	2,200.52	-	-
Provision for decline in fair value of investments			
Unquoted investments in preference shares			
Drive India Enterprise Solutions Limited	(2,200.52)	-	-
	(2,200.52)	-	-
Total current investments	**1,200.66**	**1,251.22**	**107.00**
Aggregate amount of unquoted investments	**1,200.66**	**1,251.22**	**107.00**
Aggregate amount of impairment in the value of investments	-	-	-

**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. The preference shares shall be redeemed on demand by the shareholder in accordance with applicable provisions of the Companies Act, 2013 within a maximum period of 20 years from the date of allotment of the preference shares at issue price of INR 203 per share.

*** 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	107.00	30 November 2017	239.44
31 July 2017	279.00	30 November 2018	195.66
31 July 2018	205.00	30 November 2019	99.90
31 July 2019	115.00	30 November 2020	162.00
31 July 2020	96.00	30 November 2021	45.00
31 July 2021	24.00		-
	845.00		**742.00**

**** The Optionally Convertible Debentures ('OCDs') 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 Commercial Solutions Limited and Prasanna Purple Mobility Solutions Private Limited. The redemption/conversion shall be done in two years from 01 March 2016 (date of issuance). In the current year, this has been further extended by a period of one year. The company expects these OCDs to be redeemed in cash at the end of the maturity period.

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

15 Loans

	31 March 2018	31 March 2017	01 April 2016
Loans to related parties			
Unsecured, considered good	5,981.18	5,385.81	3,102.17
	5,981.18	**5,385.81**	**3,102.17**
Loans to others			
Unsecured, considered doubtful	1,004.63	1,354.63	1,354.63
Provision for doubtful loans to others	(1,004.63)	(1,354.63)	(1,354.63)
	-	-	-
	5,981.18	**5,385.81**	**3,102.17**

16 Deposits and other receivables

	Non-current			Current		
	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
Security deposits						
Unsecured, considered good	1,643.36	1,830.28	1,866.46	1,480.73	917.08	680.76
Unsecured, considered doubtful	-	-	-	117.00	52.51	37.43
Provision for doubtful security deposits	-	-	-	(117.00)	(52.51)	(37.43)
	1,643.36	**1,830.28**	**1,866.46**	**1,480.73**	**917.08**	**680.76**
Security deposit from related parties						
Unsecured, considered good	410.60	106.38	96.78	0.85	212.31	211.50
	410.60	**106.38**	**96.78**	**0.85**	**212.31**	**211.50**
Other receivables						
Advances to employees	-	-	-	274.92	316.98	409.23
Finance lease receivables	206.00	244.38	378.82	38.38	104.44	185.77
Receivable from subsidiaries	3,338.63	-	95.43	6,469.65	3,860.42	2,398.50
Receivable from others						
Considered good	-	-	-	539.10	192.85	8.75
Considered doubtful	-	-	-	180.74	180.74	180.74
Provision for doubtful receivables	-	-	-	(180.74)	(180.74)	(180.74)
	3,544.63	**244.38**	**474.25**	**7,322.05**	**4,474.69**	**3,002.25**
	5,598.59	**2,181.04**	**2,437.49**	**8,803.63**	**5,604.08**	**3,894.51**

17 Other financial assets

	Non-current			Current		
	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
Margin money deposits with banks	-	-	99.97	-	-	-
Advance to TVS Asianics Supply Chain Solutions Pte Ltd (towards equity)	-	-	2,031.92	-	-	-
Interest accrued on fixed deposits	-	-	-	2.85	3.70	6.60
Interest accrued on investments	-	-	-	-	1.65	0.13
Unbilled revenue	-	-	-	4,219.87	4,538.38	628.14
	-	-	**2,131.89**	**4,222.72**	**4,543.73**	**634.87**

For other financial assets secured against borrowings, see note 25.

18 Other non-current assets	31 March 2018	31 March 2017	01 April 2016
Capital advances			
Unsecured considered good	228.71	143.45	7.39
	228.71	**143.45**	**7.39**
Advance for supply of goods and services to related parties			
Unsecured considered good	195.00	-	-
	195.00	-	-
Other non-current assets			
Prepaid expenses	588.24	329.06	252.42
	588.24	**329.06**	**252.42**
	1,011.95	**472.51**	**259.81**

19 Inventories	31 March 2018	31 March 2017	01 April 2016
Stores and spares	145.33	145.86	163.20
	145.33	**145.86**	**163.20**

For inventories secured against borrowings, see note 25.

20 Trade receivables

	31 March 2018	31 March 2017	01 April 2016
Unsecured, considered good	27,915.54	22,005.57	19,707.37
Doubtful	5,203.31	4,524.18	3,444.29
Less: Allowance for doubtful debts	(5,203.31)	(4,524.18)	(3,444.29)
	27,915.54	**22,005.57**	**19,707.37**
Current portion	27,915.54	22,005.57	19,707.37
Non-current portion	-	-	-

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 37.
For receivables secured against borrowings, refer note 25.

21 Cash and cash equivalents	31 March 2018	31 March 2017	01 April 2016
Cash on hand	18.31	6.58	36.84
Cheques on hand	-	-	44.31
Balance with banks			
On current accounts**	11,000.53	31,972.52	2,411.41
Deposits with original maturity of less than three months	750.37	826.50	1,139.82
	11,769.21	**32,806.00**	**3,632.37**

** includes funds received towards preferential allotment of equity shares amounting to ₹ Nil (31 March 2017: ₹ 30,053.46 lakhs; 01 April 2016: ₹ Nil) which is unutilised. Such funds are raised for general business purposes.

22 Other bank balances	31 March 2018	31 March 2017	01 April 2016
Deposits with original maturity of more than three months less than 12 months	202.45	50.31	-
	202.45	**50.31**	-

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

23 Other current assets	31 March 2018	31 March 2017	01 April 2016
Advance related to supply of goods and services to parties other than related parties			
Unsecured considered good	1,096.98	1,077.94	1,363.25
Unsecured considered doubtful	1,677.35	1,242.51	1,534.06
Provision for doubtful advances	(1,677.35)	(1,242.51)	(1,534.06)
	1,096.98	1,077.94	1,363.25
Advance for supply of goods and services to related parties			
Unsecured, considered good	-	-	98.84
	-	-	98.84
Other current assets			
Prepaid expenses	563.80	580.67	716.38
Fixed assets held for sale *	18.91	60.40	421.80
Balances with government authorities	1,100.45	393.82	71.66
Others	96.15	-	-
	1,779.31	1,034.89	1,209.84
	2,876.29	2,112.83	2,671.93

* Fixed assets held for sale have been measured at the lower of carrying amount and fair value less costs to sell. Also, refer note 12.
For other current assets secured against borrowings see note 25

24.A Share capital

Authorised share capital	31 March 2018	31 March 2017	01 April 2016
35,800,000 (31 March 2017: 33,800,000; 01 April 2016: 29,800,000) equity shares of ₹ 10 each	3,580.00	3,380.00	2,980.00
1,200,000 (31 March 2017: 1,200,000; 01 April 2016: 1,200,000) preference shares of ₹ 10 each A	120.00	120.00	120.00
Issued			
Equity shares			
13,810,401 (31 March 2017: 13,810,401; 01 April 2016: 13,810,401) equity shares of ₹ 10 each at par	1,381.04	1,381.04	1,381.04
5,066,800 (31 March 2017: 5,066,800; 01 April 2016: 5,066,800) equity shares of ₹ 10 each at a premium of ₹ 185.32 per share	506.68	506.68	506.68
3,223,194 (31 March 2017: 3,223,194; 01 April 2016: 390,800) equity shares of ₹ 10 each at a premium of ₹ 185 per share	322.32	322.32	39.08
275,800 (31 March 2017: 275,800; 01 April 2016: 275,800) equity shares of ₹ 10 each at a premium of ₹ 65 per share	27.58	27.58	27.58
4,456,816 (31 March 2017: 4,456,816; 01 April 2016: 4,456,816) equity shares of ₹ 10 each at a premium of ₹ 424.92 per share	445.68	445.68	445.68
1,798,607 (31 March 2017: 1,798,607; 01 April 2016: 1,798,607) equity shares of ₹10 each at a premium of ₹ 685 per share	179.86	179.86	179.86
3,163,515 (31 March 2017: 3,163,515; 01 April 2016: Nil) equity shares of ₹10 each at a premium of ₹ 940 per share	316.35	316.35	-
Total issued capital	3,179.51	3,179.51	2,579.92

24A. Share capital (continued)

Called, Subscribed and Paid up			
Equity shares			
31,635,133 (31 March 2017: 31,635,133; 01 April 2016: 25,799,224) equity shares of ₹ 10 each	3,163.51	3,163.51	2,579.92
Add: Amount paid up on 160,000 (31 March 2017: 160,000; 01 April 2016: Nil) equity shares forfeited at ₹ 2 each*	3.20	3.20	-
Less: Calls unpaid on Nil (31 March 2017: Nil; 01 April 2016: 308,602) equity shares of ₹ 10 each, ₹ 8 unpaid			
By directors and officers	-	-	-
By others	-	-	(24.69)
	3,166.71	**3,166.71**	**2,555.23**

* 15,351 (31 March 2017: 20,000; 01 April 2016: 20,000) 0.0001% cumulative, redeemable, non-convertible, participating preference shares have been classified as a financial liability (see note 25)

a. Reconciliation of shares outstanding at the beginning and at end of the reporting period

	31 March 2018		31 March 2017	
	Nos	**₹ in lakhs**	**Nos**	**₹ in lakhs**
Equity shares				
At the beginning of the year	31,635,133	3,166.71	25,799,224	2,555.23
Issued during the year	-	-	5,995,909	599.59
Shares forfeited during the year	-	-	(176,344)	(17.63)
Forfeited shares reissued during the year	-	-	16,344	1.63
Calls made and received on partly paid shares	-	-	-	27.89
Outstanding at the end of the year	**31,635,133**	**3,166.71**	**31,635,133**	**3,166.71**

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 2017: ₹ Nil; 01 April 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 dividends 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 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. Details of shareholders holding more than 5% shares of a class of shares in the company

	31 March 2018		31 March 2017	
	Number of shares	**% holding**	**Number of shares**	**% holding**
Equity shares of ₹ 10 each, fully paid up				
T V Sundram Iyengar & Sons Private Limited	10,727,343	33.91%	10,727,343	33.91%
CDPQ Private Equity Asia Pte Ltd	12,136,892	38.37%	12,136,892	38.37%
Dinrama Logistics Services LLP	2,982,464	9.43%	2,982,464	9.43%
Omega TC Holdings Pte Ltd, Singapore	2,368,865	7.49%	2,368,865	7.49%
0.0001% Cumulative, redeemable, non-convertible, participating preference shares of ₹ 10 each, fully paid up				
Tata International Limited	7,677	50.01%	10,002	50.01%
Tata Industries Limited	7,674	49.99%	9,998	49.99%

24B Other Equity

Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions for the Companies Act, 2013.

Capital reserve

During the previous year, the Company has reissued the shares forfeited. The profit on reissue of such forfeited shares has been transferred to capital reserve.

Capital redemption reserve

The Company has redeemed preference shares issued to Tata International Limited and Tata Industries Limited, out of profits of the Company. A sum equivalent to the nominal amount of the shares redeemed has been transferred to capital redemption reserve in accordance with the provisions of the Companies Act, 2013.

Dividends

After the reporting date, the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval of the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

in ₹ lakhs	31 March 2018	31 March 2017
₹ 1.20 per equity share (31 March 2017: ₹ Nil)	395.60	-

A dividend of ₹ 0.0001 per cumulative, redeemable, non-convertible, participating preference share (excluding dividend distribution tax) has been proposed by directors subject to approval at the annual general meeting. Since the aforesaid preference shares have been classified as 'financial liability' the aforesaid amount has been shown as part of finance cost.

24C Other items of OCI

Remeasurements of defined benefit liability (asset)	31 March 2018	31 March 2017
Opening balance	1.58	67.60
Remeasurements of defined benefit liability (asset)	5.67	(64.02)
Closing balance	**7.25**	**3.58**

Remeasurements of defined benefit liability (asset)

Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

24D Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business.

The Company monitors capital using a ratio of 'debt' to 'equity'. For this purpose, debt is defined as total debt, comprising interest-bearing loans and borrowings and obligations under finance leases. Equity comprises all components of equity.

The Company's policy is to keep the ratio below 2.00. The Company's debt to equity ratio is as follows.

	31 March 2018	31 March 2017	01 April 2016
Total current and non-current borrowings	9,498.83	32,367.15	32,775.59
Current maturities of long-term borrowings	894.26	601.54	547.69
Debt	**10,393.09**	**32,968.69**	**33,323.28**
Total equity	66,315.56	64,394.82	24,671.46
Debt to equity ratio	**0.16**	**0.51**	**1.16**

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

24E Earnings per share

Basic and diluted earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

(i) Profit (loss) attributable to equity shareholders	31 March 2018	31 March 2017
Profit (loss) for the year, attributable to the equity holders	2,017.07	634.55

(ii) Weighted average number of equity shares	31 March 2018	31 March 2017
Weighted average number of equity shares outstanding during the year	31,635,133	26,285,466
Weighted average number of equity shares for the year	**31,635,133**	**26,285,466**

25 Borrowings

	31 March 2018	31 March 2017	01 April 2016
(a) Non-current borrowings			
Unsecured term loans from banks	2,100.00	-	-
Secured term loans from financial institutions	1,507.23	4,308.49	2,572.33
Long-term maturities of finance lease obligations (secured)	-	16.08	159.90
Total non-current borrowings	**3,607.23**	**4,324.57**	**2,732.23**
(b) Current Borrowings			
Cash credit from banks			
Secured	-	2,832.64	1,232.72
Unsecured	-	2,149.73	142.54
Loans repayable on demand			
Secured	-	7,100.00	9,450.00
Unsecured	5,000.00	14,798.49	5,058.21
Bills discounting			
Secured	-	-	210.79
Buyer's Credit			
Secured	-	-	8,487.10
Redeemable preference shares (unsecured)	891.60	1,162.00	1,162.00
	5,891.60	**28,042.58**	**30,043.36**
Current portion of long term borrowings			
Secured term loans from financial institutions	877.27	427.50	373.45
Current portion of finance lease obligations (secured)	16.99	174.04	174.24
	894.26	**601.54**	**547.69**
	6,785.86	**28,644.12**	**30,591.05**
Less: Amount included under 'Other financial liabilities'	(894.26)	(601.54)	(547.69)
Total current borrowings	**5,891.60**	**28,042.58**	**30,043.36**

Information about Company's exposure to interest rate and liquidity risks is included in note 37.

25 Borrowings (continued)

A Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

In lakhs of INR	Currency	Nominal interest rate	Year of maturity	Carrying amount as at 31 March 2018	Carrying amount as at 31 March 2017	Carrying amount as at 01 April 2016
Unsecured Term loan from banks						
Axis Bank Limited	INR	8.60%	2021	2,100.00	-	-
				2,100.00	-	-
Secured term loan from Financial institution						
Tata Capital Financial Services	INR	10.25%	2021	2,291.68	2,500.00	2,500.00
Tata Capital Financial Services	INR	10.75%	2018	-	2,100.00	-
Sundaram Finance Limited	INR	10.2% - 12.52%	2021	92.82	135.99	206.56
L&T Finance Limited	INR	10.46%	2017	-	-	39.22
				2,384.50	**4,735.99**	**2,745.78**
Secured finance lease obligations						
L&T Finance Limited	INR	12.25% - 13.00%	2017	0.91	147.54	445.06
Sundaram Finance Limited	INR	13.3% - 15.85%	2019	16.08	42.58	89.08
				16.99	**190.12**	**534.14**
Secured cash credit facilities from banks						
State Bank of India	INR	9.55% - 10.55%		-	2,832.64	1,371.00
ANZ Bank	INR	9.80% - 11.50%		-	-	2,476.45
ICICI Bank	INR	10.10% - 10.75%		-	-	385.27
				-	**2,832.64**	**4,232.72**
Unsecured cash credit facilities from banks						
Yes Bank Limited	INR	11.25%		-	1,560.45	442.54
Axis Bank Limited	INR	8.75% - 9.35%		-	589.10	-
				-	**2,149.55**	**442.54**
Secured loans repayable on demand						
SBI loan	INR	8.45% - 8.50%			5,600.00	7,450.00
DBS loan	INR	8.50%			500.00	1,000.00
HDFC loan	INR	9.90%			1,000.00	1,000.00
				-	**7,100.00**	**9,450.00**
Unsecured loans repayable on demand						
Axis Bank Limited	INR	8.15% - 9.15%		-	9,240.00	-
HDFC	INR	8.30% - 8.50%		-	5,500.00	5,500.00
Amex fleet card facility	INR	N/A		-	58.19	47.66
DBS	INR	9.55% - 11.75%		-	-	510.55
Axis Bank Limited		7.85%		5,000.00	-	-
				5,000.00	**14,798.19**	**6,058.21**
Secured bills discounting						
ANZ Banking Group Limited	INR	0.70% - 1.12%		-	-	210.79
				-	-	**210.79**
Secured Buyer's credit						
Ratnakar Bank Limited	INR	0.42% - 1.02%			-	2,700.60
ICICI Bank	INR	0.50% - 1.60%			-	5,786.50
				-	-	**8,487.10**
Redeemable preference shares (unsecured)						
Unsecured	INR	0.0001%		891.60	1,162.00	1,162.00
				891.60	**1,162.00**	**1,162.00**
				10,393.09	**32,968.49**	**33,323.28**

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

25 Borrowings (continued)

B Secured loans

Secured term loan from financial institutions

1. Term Loan from Tata Capital Financial Services Limited 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.

2. The term loan from Tata Capital Financial Services Limited is secured by an exclusive charge on specific movable fixed assets.

3. Term loans from Sundaram Finance Limited are secured by hypothecation of vehicles and equipment acquired out of the loan.

4. Term loans from L&T Finance Limited are secured by hypothecation of vehicles and equipment acquired out of the loan.

Secured finance lease obligations

Finance lease obligations are secured against the respective assets taken on finance lease.

Secured cash credit facilities from banks

1. Cash credit from State Bank of India ('SBI') is secured by a pari-passu first charge on book debts and current assets.

2. Cash credit from ANZ Bank ('ANZ') is secured by pari-passu first charge on the current assets of the 'third party logistics division' both present and future.

3. Cash credit from ICICI Bank ('ICICI') is secured by first pari passu charge on the current assets of the 'third party logistics division' both present and future.

Secured Loans repayable on demand

1. Loan from State Bank of India ('SBI') is secured by a pari-passu first charge on book debts and current assets.

2. Loan from DBS bank is secured by first pari-passu charge on current assets of the Company.

3. Loan from HDFC bank is secured by first pari-passu charge on current assets of the Company.

Secured Bills discounting

Bills discounting from ANZ Bank is secured by first pari passu charge on the current Assets of the 'third party logistics division' both present and future.

Secured Buyer's credit

1. Buyer's credit from Ratnakar Bank Limited ('RBL') is secured by first pari passu charge on the current assets of the 'third party logistics division' both present and future.

2. Buyer's credit from ICICI Bank ('ICICI') is secured by first pari passu charge on the current assets of the 'third party logistics division' both present and future.

C Redeemable Preference Shares

The Company has cumulative, redeemable, non-convertible, participating preference shares. These preference shares have been classified as a liability. For rights, preferences and restrictions attached to preference shares attached to these preference shares refer note 24.

D Finance lease obligations

Certain items of plant and machinery have been obtained on finance lease basis. The legal title to these items vests with the lessor. 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 2018	**31 March 2017**	**01 April 2016**	**31 March 2018**	**31 March 2017**	**01 April 2016**
(a) Total future minimum lease payments	-	16.90	164.30	17.81	182.95	418.67
(b) Future interest included in (a) above	-	0.82	4.40	0.82	8.91	44.43
(c) Present value of future minimum lease payments [(a)-(b)]	-	**16.08**	**159.90**	**16.99**	**174.04**	**374.24**

The maturity profile of finance lease obligations is as follows:

	Minimum lease payments			Present value		
	31 March 2018	**31 March 2017**	**01 April 2016**	**31 March 2018**	**31 March 2017**	**01 April 2016**
Payable within 1 year	17.81	182.95	418.67	16.99	174.04	374.24
Payable between 1 - 5 years	-	16.90	164.30	-	16.08	159.90

25 Loans and borrowings (continued)

E Reconciliation of movements of liabilities to cash flows arising from financing activities

		Liabilities				
	Note	**Cash credits and short term demand loans**	**Other loans and borrowings**	**Redeemable preference shares**	**Finance lease liabilities**	**Total**
Balance at 31 March 2017	A	26,880.58	4,715.99	1,162.00	190.12	**32,948.69**
Changes from financing cash flows (excluding interest)						
Proceeds from loans and borrowings		-	2,129.31	-	-	2,129.31
Repayment of borrowings		-	(2,382.33)	-	-	**(2,382.33)**
Repayment of redeemable preference shares		-	-	(270.40)	-	**(270.40)**
Payment of finance lease liabilities		-	-	-	(173.13)	**(173.13)**
Change in Cash credits and short term demand loans		(21,880.58)	-	-	-	**(21,880.58)**
Total changes from financing cash flows (excluding interest)	B	**(21,880.58)**	(253.02)	**(270.40)**	(173.13)	**(22,577.13)**
Changes arising from business combinations*	C		**1.53**			1.53
Other changes/ Interest						
Interest expenses #	**3**	941.91	532.91	-	11.10	**1,485.92**
Interest paid		(941.91)	(543.90)	-	(11.10)	**(1,496.91)**
Total other changes		-	**(10.99)**	-	-	**(10.99)**
Balance at 31 March 2018	D = A+B+C	**5,000.00**	**4,484.50**	**891.60**	**16.99**	**10,393.09**

* Refer note 35 for further details.

\# Interest expenses excludes unwinding of discount charges relating to the deferred consideration of INR 37.61 lakhs.

26 Trade payables

	31 March 2018	31 March 2017	01 April 2016
Trade payables to related parties	555.57	982.15	496.94
Dues to micro, small and medium enterprises (refer note 45)	214.90	237.73	169.09
Other trade payables	20,885.51	15,427.29	13,828.69
	21,655.98	**16,647.17**	**14,494.72**

27 Other financial liabilities

	Non-current			Current		
	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
Current maturities of long term borrowings	-	-	-	877.27	427.50	473.45
Current maturities of finance lease obligations	-	-	-	16.99	174.08	374.24
Interest accrued but not due on borrowings	-	-	-	35.40	86.89	113.44
Payable to factor	-	-	-	794.16	-	-
Vendor bills discounting^	-	-	-	6,136.90	2,624.89	-
Deferred consideration*	-	-	437.50	-	437.50	-
Contingent consideration**	-	-	-	891.05	-	-
Consideration payable ***	-	-	-	-	605.00	605.00
Forward contract payable	-	-	-	-	-	326.00
Capital creditors	-	-	-	818.46	420.89	717.88
Amount due to employees	-	-	-	2,577.72	1,951.89	1,655.48
Unpaid dividends	-	-	-	0.30	0.30	76.71
Financial guarantee liability	3,338.63	43.24	237.60	1,021.95	178.84	347.86
Dues to Subsidiaries	-	-	-	128.54	17.43	216.71
Others	-	-	-	73.47	-	-
	3,338.63	**43.24**	**675.10**	**13,416.56**	**6,925.17**	**4,606.77**

* Payable towards acquisition of shares in TVS Commutations Solutions Limited

** Payable towards acquisition of telecom division from T.V. Sundram Iyengar & Sons Private Limited

*** Payable towards acquisition of shares in Drive India Enterprise Solutions Limited

^ Vendor bill discounting includes bills discounting from Axis Bank Limited ("AXIS") amounting to ₹ 6,136.90 lakhs (31 March 2017: ₹ 2,624.89 lakhs; 01 April 2016: ₹ Nil) is unsecured and carries interest of 8.55% p.a (31 March 2017: 8.55% p.a; 01 April 2016: Nil).

28 Provisions

	Non-current			Current		
	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
Provisions for employee benefits						
Liability for gratuity	156.74	114.90	71.71	253.29	241.29	36.90
Liability for compensated absences	352.52	392.11	330.52	381.68	344.37	331.00
Current provisions shareholders related						
Provision for taxes on equity dividend	-	-	-	-	7.16	47.43
	509.26	**507.01**	**402.23**	**634.97**	**592.82**	**415.33**

For details about the related employee benefit expenses, refer note 7

29 Other current liabilities

	31 March 2018	31 March 2017	01 April 2016
Statutory dues others	2,155.56	504.11	350.62
Advance from customers	866.74	991.75	591.28
Other current liabilities	15.69	19.79	25.69
	3,037.99	**1,515.65**	**967.59**

30 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 (PF) and employees' state insurance (ESI) scheme which are defined contribution plans. 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 and ESI for the year aggregated to ₹ 2,026.97 lakhs (31 March 2017: ₹ 1,697.17 lakhs).

Defined benefit plans

	Non-current			Current		
	31 March 2018	31 March 2017	01 April 2016	31 March 2018	31 March 2017	01 April 2016
Provisions for gratuity	158.74	119.90	71.72	251.29	241.29	36.89

For details about the related employee benefit expenses, see note [illegible]

The Company has a defined benefit gratuity plan in India (the Plan), governed by the Payment of Gratuity Act, 1972. The Plan A entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee at the time of retirement, death or termination of employment.

These defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A. Funding

The gratuity plan of the Company is a partially funded plan with the Company making periodic contributions to a fund managed by Life Insurance Corporation (LIC) and Bajaj Allianz Life Insurance Company Limited.

B. Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset)/ liability and its components:

Reconciliation of present value of defined benefit obligation	**31 March 2018**	**31 March 2017**
Balance at the beginning of the year	1,297.84	973.69
Benefits paid	(181.95)	(101.09)
Current service cost	300.24	251.44
Interest cost	81.97	67.48
Past service cost	11.91	-
Actuarial (gains)/ losses recognised in other comprehensive income		
- changes in demographic assumptions	4.46	(143.03)
- changes in financial assumptions	(25.26)	156.22
- experience adjustments	34.59	93.13
Balance at the end of the year	**1,523.81**	**1,297.84**

Reconciliation of the fair value of plan assets	**31 March 2018**	**31 March 2017**
Balance at the beginning of the year	936.65	865.08
Contributions paid into the plan	272.32	190.26
Benefits paid	(181.95)	(101.09)
Interest income	67.34	63.99
Actuarial gains / (losses) recognised in other comprehensive income	19.41	6.41
Balance at the end of the year	**1,113.78**	**936.65**
Net defined benefit (asset) / liability	**410.03**	**361.19**

C. Expense recognised in profit or loss	**31 March 2018**	**31 March 2017**
Current service cost	300.24	251.44
Past service cost	11.91	-
Interest cost	81.97	67.48
Interest income	(67.34)	(63.99)
	326.78	**254.93**

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

30 Employee benefits (continued)

Defined benefit plans (continued)

D. Remeasurements recognised in other comprehensive income

	31 March 2018	31 March 2017
Actuarial (gain) / loss on defined benefit obligation	13.79	106.32
Actuarial (gain) / loss on plan assets	(19.41)	(8.41)
	(5.62)	97.91

E. Plan assets

Plan assets comprise of the following:	31 March 2018	31 March 2017	01 April 2016
Insurer managed funds	1,113.78	936.65	865.08
	1,113.78	**936.65**	**865.08**

F. Defined benefit obligation

i. Actuarial assumptions	31 March 2018	31 March 2017	01 April 2016
Principal actuarial assumptions at the reporting date were:			
Discount rate	6% - 8%	6% - 7%	7% - 7.85%
Future salary growth	7% - 11%	6% - 10%	5% - 10%
Attrition rate	20% - 45%	45.00%	46.00%
Expected return on plan assets	6% - 7%	7.21%	8.00%

ii Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(30.62)	32.25	(31.85)	32.24
Future salary growth (1% movement)	23.10	(22.51)	24.32	(24.70)
Attrition rate (1% movement)	(4.44)	4.55	(6.10)	4.71

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(All amounts are in Indian rupees (INR) lakhs except share data and unless otherwise stated)

31 Leases

A Operating leases as lessee

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:

i. Future minimum lease payments	31 March 2018	31 March 2017	01 April 2016
Payable within one year	1,561.37	707.55	870.97
Payable between one and five years	2,641.97	470.91	808.86
Payable later than five years	1,358.37	-	-

ii. Amounts recognised in the statement of profit and loss	31 March 2018	31 March 2017
Lease expense recognised	10,919.98	9,766.69

B Finance leases as lessor

The Company's leasing arrangement represents the certain forklifts and other assets given to customers which have been classified under Ind AS 17 on Leases as Finance lease. The lease term covers the substantial period of the assets and all the risks and rewards of ownership are transferred to the lessee. The Company records disposal of the property concerned and recognizes the finance income as revenue from operations.

The reconciliation between the gross investment in the lease at the end of the reporting period, and the present value of minimum lease payments receivable at the end of the reporting period are as follows:

	31 March 2018	31 March 2017	01 April 2016
Gross investment	304.94	465.40	696.85
Unearned finance income	(60.56)	(86.58)	(129.26)
Net investment	244.38	378.82	567.59

Finance leases are receivable as follows:

	31 March 2018	31 March 2017	01 April 2016
Gross investment			
Receivable within one year	54.56	160.46	231.45
Receivable between one and five years	227.61	236.65	351.59
Receivable after five years	22.77	68.29	113.81
Total	**304.94**	**465.40**	**696.85**
Present value of minimum lease payments			
Receivable within one year	38.38	134.44	188.77
Receivable between one and five years	183.72	179.86	275.01
Receivable after five years	22.28	64.52	103.81
Total	**244.38**	**378.82**	**567.59**

(All amounts are in Indian rupees (Rs.) lakhs except share data and otherwise stated)

32 Capital commitments and contingent liabilities

	31 March 2018	31 March 2017	01 April 2016
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	928.91	912.45	313.13
Contingent liabilities:			
Employee related matters	2,183.59	2,183.59	2,183.59
Corporate guarantee	114,815.96	26,741.45	28,303.13
Stand-by letter of credit	-	7,364.45	9,124.47
Bills of exchange discounted	-	20.30	214.38
Income tax related matters	291.98	407.78	501.73
Bank guarantees issued	-	-	93.85
Service tax related matters	1,369.29	1,357.25	-
Sales tax related matters	5.58	38.48	-
Claims not acknowledged as debt	390.75	266.67	270.64

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.

33 Due to micro, small and medium enterprises

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 2018 has been made in these standalone financial statements based on information received and available with the Company, to the extent identified by the management.

	31 March 2018	31 March 2017	01 April 2016
The amounts remaining unpaid to micro and small suppliers as at end of the accounting year			
Principal	214.90	237.73	169.90
Interest due thereon	41.67	26.45	11.59
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	204.48	326.85	495.19
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	7.40	5.74	1.26
The amount of interest accrued and remaining unpaid at the end of each accounting year	7.82	6.86	2.69
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	16.10	15.48	4.78

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

34 Related party disclosures

A. Enterprise having significant influence	T.V. Sundram Iyengar & Sons Private Limited
	CDPQ Private Equity Asia PTE. LTD.
B. Subsidiaries	TVS Dynamic Global Freight Services Limited
	TVS Logistics SIAM Limited
	TVS Logistics Investment UK Limited
	TVS Logistics Investments USA Inc., USA
	TVS Aviation Logistics Limited #
	Drive India Enterprise Solutions Limited
	FLEXOL Packaging (India) Limited
	TVS-Asianics Supply Chain Solutions Pte. Limited, Singapore
	TVS Packaging Solutions Private Limited (from 28 April 2017)
	SPC International India Private Limited, India (from 04 December 2017)
C. Step down subsidiaries	TVS Supply Chain Solutions Limited, UK
	MSys Software Solutions Limited, UK
	Multipart Limited, UK
	TVS Logistics Iberia S.L., Spain
	TVS Autoserv GmbH, Germany
	TVS Supply Chain Solutions GmbH, Germany
	Peter Thomas & Co (Refurbishing) Limited, UK (from 22 November 2017)
	Rico Logistics Limited, UK
	Ricochet Spain, Spain
	Rico Logistique, France
	Rico Logistics Pty Ltd, Australia
	Circle Express Limited, UK
	Tri - Tec Computer Support Limited, Northern Ireland
	Tri - Tec Support Limited, Ireland
	SPC International Limited, UK (from 20 February 2017)
	Subsidiaries of SPC International Limited, UK
	SPCINT Limited, UK
	SPC International (Engineering) Limited, UK
	Pitcomp 171 Limited, UK
	SPC EBT Trustees Limited, UK
	SPC International Inc., USA
	SPC International s.a.s, France
	SPC International s.r.o., Slovakia
	SPC International India Private Limited, India (upto 04 December 2017)
	TVS America Inc., USA
	TVS Supply Chain Solutions North America Inc., USA
	(formerly known as Wainwright Industries Inc, USA)
	Waincans LLC, USA
	TVS Supply Chain Solutions De Mexico S.A de C.V., Mexico
	Subsidiaries of TVS Asianics Supply Chain Solutions Pte. Ltd
	Nadal Forwarding S.L. Spain (from 08 December 2017)
	Subsidiaries of Nadal Forwarding S.L. Spain
	Lineas Regulares NXL, S.L
	Pan Asia Logistics International Pte. Ltd (from 09 January 2018)
	Pan Asia Logistics Singapore Pte. Ltd (from 09 January 2018)

An application was filed with the Registrar of Companies ("ROC") for striking off the name of the Company from the register of companies maintained by the ROC on 28 March 2018

34 Related party disclosures (continued)

C. Step down subsidiaries (continued)

	Subsidiaries of Pan Asia Logistics Singapore Pte. Ltd
	Pan Asia Logistics Limited, Shanghai
	Pan Asia Logistics International (Korea) Ltd
	Pan Asia Logistics (Thailand) Ltd
	Pan Asia Freight-Forwarding & Logistics Hong Kong Ltd
	Pan Asia Container Line Pte Ltd, Hong Kong
	Pan Asia Logistics Deutschland GmbH
	Pan Asia Logistics Malaysia Sdn Bhd
	Pan Asia Logistics Vietnam Company Ltd
	PT Pan Asia Logistics Indonesia
	Pan Asia Logistics Taiwan Ltd
	Pan Asia Freight Forwarding & Logistics India Pvt Ltd
	TVS-Asianics Australia Holdings Pty Ltd
	TLF Holdings Pty. Ltd.
	Subsidiaries of TLF Holdings Pty. Ltd.
	Transtar International Freight (Aust) Pty Ltd, Australia
	Transtar International Freight Limited, New Zealand
	Kahn Nominees Pty Ltd, Australia
	Transtar International Freight Limited, Hong Kong
	Transtar International Freight (Singapore) Pte. Limited, Singapore
	Transtar International Freight (Shanghai) Limited, China
	Transtar International Freight Limited, Thailand
	Transtar International Freight (Malaysia) SD Bhd, Malaysia
	Transtar International Freight (USA) LLC, USA ##
	TIF Holdings (USA) LLC, USA ##
D. Subsidiaries of A	TVS Motor Company Limited
	Sundaram Clayton Limited
	Lucas-TVS Limited
	Sundaram Industries Private Limited
	Lucas Indian Service Limited
	Sundaram Auto Components Limited
	TVS Automobile Solutions Private Limited
	TVS Training and Services Limited
	Sundram Precision Components Limited
	TVS Distribution & Services Middle East FZE
	TVS Electronics Limited
	Sundram Fasteners Limited
E. Joint Ventures	TVS Infrastructure Private Limited
	TVS Toyota Tsusho Supply Chain Solutions Limited
	T&T One Asia Limited (T&T), Hong Kong (upto 30 June 2017)
	Subsidiaries of T&T One Asia Limited
	China Network Logistics Limited, China
	Shanghai Hurrytop Warehouse and Delivery Co., Ltd.
	Shanghai Leipeng Logistics Co., Ltd., China
	Shanghai Hurrytop Ecommerce Delivery Co. Limited
	Shanghai Hurrytop Supply Chain Management Co. Limited
	Lintec TVS Solutions Pty Limited, Australia (from 26 May 2017)
F. Associates	Montara Verpacken mit System GmbH, Germany
	Subsidiaries of Montara Verpacken mit System GmbH, Germany
	Montara North America Corporation, USA
	Montara India Private Limited, India (upto 16 December 2017)

\#\# liquidated during the previous year

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

34 Related party disclosures (continued)

G. Key management personnel (KMP)	Mr. R. Dinesh, Managing director Mr. S. Ravichandran, Deputy managing director
H. Entities controlled by KMP or relatives of KMP of the Company	Dinram Logistics Services LLP DRSR Advisory Services LLP TVS Srichakra Limited

Transactions during the year	**Year ended 31 March 2018**	**Year ended 31 March 2017**
Income from logistics services		
Lucas-TVS Limited	1,746.26	1,520.23
Sundaram Industries Private Limited	91.58	86.30
TVS Motor Company Limited	9,194.11	7,404.42
Sundaram Clayton Limited	240.15	205.43
Sundaram Auto Components Limited	13.96	10.86
T V Sundram Iyengar & Sons Private Limited	3.66	414.68
TVS Toyota Tsusho Supply Chain Solutions Limited	91.58	80.94
FLEXOL Packaging (India) Limited	26.37	-
Drive India Enterprise Solutions Limited	56.20	-
TVS Dynamic Global Freight Services Limited	1.10	-
TVS Infrastructure Private Limited	16.50	-
Sundram Fasteners Limited	193.92	186.47
TVS Training And Services Limited	45.80	-
TVS Srichakra Limited	1,128.08	-
Sundram Precision Components Limited	5.48	-
Other income		
TVS Dynamic Global Freight Services Limited	150.00	180.00
TVS Toyota Tsusho Supply Chain Solutions Limited	83.12	51.58
TVS Supply Chain Solutions North America Inc, USA	342.15	1,076.07
TVS Logistics Investment UK Limited	565.02	-
Rico Logistics Limited, UK	1,122.32	1,300.00
TVS Supply Chain Solutions Limited, UK	568.90	474.17
TVS Logistics Iberia S.L., Spain	63.74	65.61
Drive India Enterprise Solutions Limited	102.50	-
T V Sundram Iyengar & Sons Private Limited	150.00	-
Sundaram Industries Private Limited	6.29	-
Dividend income		
TVS Dynamic Global Freight Services Limited	204.00	-
TVS Infrastructure Private Limited	42.50	-
TVS Logistics Investment UK Limited	-	363.21
Interest income		
FLEXOL Packaging (India) Limited	-	1.68
Drive India Enterprise Solutions Limited	40.61	-
TVS Logistics Investments USA Inc., USA	162.90	58.22
TVS Logistics SIAM Limited	23.10	14.58
TVS Logistics Investment UK Limited	79.66	52.44
TVS-Asianics Supply Chain Solutions Pte. Limited, Singapore	47.89	21.47
Reimbursement of expenses from		
Drive India Enterprise Solutions Limited	18.50	-
T V Sundram Iyengar & Sons Private Limited	175.94	-
Profit on sale of investments		
TVS Logistics Investment UK Limited	-	669.97
Interest expense		
Drive India Enterprise Solutions Limited	7.59	-

TVS LOGISTICS SERVICES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

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

34 Related party disclosures (continued)

Transactions during the year (continued)	**Year ended 31 March 2018**	**Year ended 31 March 2017**
Purchase of spares, fuel, others		
T V Sundram Iyengar & Sons Private Limited	2.50	9.20
Sundaram Industries Private Limited	65.84	57.55
Lucas Indian Service Limited	0.28	12.30
FLEXOL Packaging (India) Limited	178.18	152.04
Sundram Fasteners Limited	2.99	20.27
TVS Dynamic Global Freight Services Limited	25.67	-
TVS Automobile Solutions Private Limited	3.71	-
Freight, packing and forwarding expenses		
FLEXOL Packaging (India) Limited	-	5.49
TVS Toyota Tsusho Supply Chain Solutions Limited	-	9.41
Lucas-TVS Limited	-	10.04
T V Sundram Iyengar & Sons Private Limited	1.55	44.34
TVS Dynamic Global Freight Services Limited	0.17	-
TVS Electronics Limited	0.04	-
Rent		
TVS Infrastructure Private Limited	337.86	677.06
T V Sundram Iyengar & Sons Private Limited	142.51	141.36
Lucas-TVS Limited	1.05	-
Repairs and maintenance		
T V Sundram Iyengar & Sons Private Limited	1.06	1.41
FLEXOL Packaging (India) Limited	3.06	1.09
Reimbursement of expenses to		
TVS Asianics Supply Chain Solutions Pte. Limited, Singapore	16.57	29.95
Drive India Enterprise Solutions Limited	-	625.47
T V Sundram Iyengar & Sons Private Limited	152.57	-
TVS Supply Chain Solutions Limited, UK	17.17	-
TVS Toyota Tsusho Supply Chain Solutions Limited	4.52	-
Other expenses		
T V Sundram Iyengar & Sons Private Limited	9.82	49.05
TVS Toyota Tsusho Supply Chain Solutions Limited	-	32.41
FLEXOL Packaging (India) Limited	80.11	58.17
TVS Dynamic Global Freight Services Limited	34.58	0.95
TVS Automobile Solutions Private Limited	-	59.66
Momura India Private Limited	1.15	-
Sundaram Industries Private Limited	0.22	-
TVS Distribution & Services Middle East FZE	34.33	-
TVS Electronics Limited	1.20	-
TVS Infrastructure Private Limited	2.51	-
Rico Logistics Limited, UK	93.75	-
TVS Srichakra Limited	0.47	-
Purchase of fixed assets		
FLEXOL Packaging (India) Limited	46.26	59.42
TVS Dynamic Global Freight Services Limited	4.77	5.80
Sundaram Industries Private Limited	8.10	-
Momura India Private Limited	107.17	-
T V Sundram Iyengar & Sons Private Limited	5.34	-
TVS Infrastructure Private Limited	4.00	-
TVS Motor Company Limited	129.98	-
Investment in / (Liquidation of) equity shares		
TVS Asianics Supply Chain Solutions Pte. Limited, Singapore	-	1,958.24
TVS Infrastructure Private Limited	-	275.00
TVS Logistics Investment UK Limited	-	(124.16)
SPC International India Private Limited, India	541.86	-
TVS Logistics SIAM Limited	178.30	-
TVS Packaging Solutions Private Limited	1.00	-

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

34 Related party disclosures (continued)

Transactions during the year (continued)

	Year ended 31 March 2018	Year ended 31 March 2017
Acquisition of Telecom business		
T V Sundram Iyengar & Sons Private Limited	[illegible]	-
Investment in preference shares		
Drive India Enterprise Solutions Limited	2,200.52	-
Loans and advances		
Given during the year		
TVS Logistics Investments USA Inc., USA	1,101.60	2,099.05
TVS-Asianics Supply Chain Solutions Pte Limited, Singapore	-	573.58
Drive India Enterprise Solutions Limited	2,300.00	-
TVS Logistics Investment UK Limited	667.80	-
TVS Logistics SIAM Limited	190.53	-
Repayments received during the year		
TVS-Asianics Supply Chain Solutions Pte Limited, Singapore	835.16	-
Drive India Enterprise Solutions Limited	2,300.00	-
TVS Logistics Investment UK Limited	1,638.15	-
FLEXOL Packaging (India) Limited	-	80.00
Taken during the year		
Drive India Enterprise Solutions Limited	919.00	
Repaid during the year		
Drive India Enterprise Solutions Limited	919.00	
Guarantees		
TVS Logistics Investment UK Limited	101,825.40	-
Remuneration to Key Managerial Personnel		
Salaries, wages and bonus to deputy managing director (including contribution to provident and other funds)	258.00	349.75
Commission to managing director	125.00	250.00

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 2018	31 March 2017	01 April 2016
Receivables			
Lucas-TVS Limited	415.77	499.57	394.75
Sundaram Clayton Limited	66.53	39.26	19.06
Sundaram Industries Private Limited	9.74	0.95	8.54
TVS Dynamic Global Freight Services Limited	45.55	15.00	47.01
TVS Logistics Investment UK Limited	657.72	3,415.60	2,453.70
TVS Logistics Investments USA Inc., USA	5,267.64	1,780.47	2,086.2
TVS Motor Company Limited	1,114.45	1,142.2	1,012.72
TVS Supply Chain Solutions North America, Inc., USA	299.44	622.25	54.8
FLEXOL Packaging (India) Limited	0.24	0.24	106.94
TVS Infrastructure Private Limited	752.16	149.50	409.45
TVS-Asianics Supply Chain Solutions Pte Ltd, Singapore	912.06	340.20	1,771.24
Sundaram Auto Components Limited	1.56	1.29	1.49
TVS Logistics SIAM Limited	434.18	211.95	201.40
TVS Toyota Tsusho Supply Chain Solutions Limited	34.43	12.63	21.60
TVS Supply Chain Solutions Limited, UK	540.68	555.49	14.61
Rico Logistics Limited, UK	2,572.17	1,359.16	61.33
T V Sundram Iyengar & Sons Private Limited	369.23	254.98	-
CDPQ Private Equity Asia PTE LTD	-	20.66	-
Dharam Logistics Services LLP	-	3.28	-
DRSR Advisory Services LLP	-	0.81	-
TVS Logistics Iberia S.L., Spain	141.40	64.70	-
Sundram Fasteners Limited	103.72	89.25	186.50
TVS Srichakra Limited	58.09	-	-
TVS Training And Services Limited	25.56	-	-
Drive India Enterprise Solutions Limited	184.72	-	-
Sundram Precision Components Limited	0.81	-	-

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

34 Related party disclosures (continued)

Year end balances (continued):	31 March 2018	31 March 2017	01 April 2016
Payables			
T V Sundram Iyengar & Sons Private Limited	188.55	9.34	40.96
Sundaram Industries Private Limited	10.99	5.54	18.46
Lucas Indian Service Limited	2.65	0.70	2.59
FLEXOL Packaging (India) Limited	144.98	142.06	61.04
TVS Dynamic Global Freight Services Limited	14.12	3.01	11.61
TVS Infrastructure Private Limited	-	37.98	-
TVS Logistics Investments USA Inc., USA	-	-	149.70
TVS Supply Chain Solutions North America, Inc., USA	16.63	16.64	17.01
TVS- Asianics Supply Chain Solutions Pte Ltd, Singapore	-	-	25.46
TVS Automobile Solutions Private Limited	0.86	0.86	0.99
TVS Toyota Tsusho Supply Chain Solutions Limited	-	-	77.20
Sundaram Clayton Limited	-	-	0.15
TVS Motor Company Limited	165.18	-	-
Lucas-TVS Limited	0.16	-	-
Drive India Enterprise Solutions Limited	-	720.90	-
Montera India Private Limited	1.21	-	-
Sundram Fasteners Limited	0.24	1.95	2.77
TVS Packaging Solutions Private Limited	1.06	-	-
Rico Logistics Limited, UK	90.75	-	-
Contingent consideration payable			
T V Sundram Iyengar & Sons Private Limited	891.18	-	-
Guarantees			
TVS Logistics Investments USA Inc., USA	-	9,657.61	9,859.72
TVS Logistics Investment UK Limited	107,239.69	4,804.25	5,648.24
TVS- Asianics Supply Chain Solutions Pte Ltd, Singapore	7,576.77	12,299.54	12,900.17
Stand-by Letter of Credit			
TVS Logistics Investment UK Limited	-	7,764.43	9,025.47
Payable to Key Managerial Personnel			
Salaries, wages and bonus to Deputy managing director	150.00	200.00	15.00
Commission to Managing director	-	62.50	137.50

35 Transfer pricing

The Company has international transactions with related parties. The management confirms that all such transactions are in compliance with the provisions of Income-tax Act, 1961. The management also confirms that it maintains documents as prescribed by the Income Tax Act to prove that the international and domestic transactions are at arm's length and the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

36 Business combinations

Acquisition of Telecom business ("TS Undertaking")

On 20 June 2017, the Company acquired the Telecom business from TV Sundram Iyengar & Sons Private Limited under a slump sale agreement dated 29 May 2017. The undertaking is primarily engaged in the business of installation and commissioning of telecom towers including managed services for telecom networks and associated supply chain management of the logistics activities for telecom service providers and OEMs.

The transaction was accounted under Ind AS 103 'Business Combinations' as a business combination with the purchase price being allocated to identifiable assets and liabilities at fair value.

A. Consideration transferred

The following table summarises the acquisition date fair value of each class of consideration transferred:

In lakhs of INR	**Amount**
Cash	1,120.00
Contingent consideration	833.50
Total consideration for business combination	**1,953.50**

The contingent consideration is payable within a period of 45 days from the date of completion of management certified financial statements of the undertaking for the year ended March 31, 2018. The fair value of the contingent consideration is determined by discounting the estimated amount payable to the sellers on achievement of certain financial targets. At acquisition date, the key inputs used in determination of fair value of contingent consideration are the discount rate of 9% and the probabilities of achievement of the financial targets. As at March 31, 2018, the fair value of the contingent consideration is INR 891.[illegible] lakhs and is classified as other financial liability.

B. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amount of assets acquired and liabilities assumed on the date of acquisition:

In lakhs of INR	**Amount**
Property, plant and equipment	15.27
Intangible assets - Customer relationships	669.35
Trade receivables	2,937.00
Deposits and other receivables	20.81
Other financial assets	325.68
Other current assets	26.97
Non-current borrowings	(1.53)
Provisions	(10.19)
Trade payables	(2,005.26)
Total net identifiable assets acquired	**1,736.70**

C. Goodwill

In lakhs of INR	**Amount**
Consideration transferred	1,953.50
Fair value of net identifiable assets	(1,736.70)
Goodwill	**216.80**

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

37 Financial instruments - Fair values and risk management

A. Accounting classification and fair values and fair value hierarchy

This section explains the carrying amounts and fair values of financial assets and liabilities, including judgements and estimates made in determining the fair values of the standalone financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels as described in note 3.

	Note	Carrying amount									Fair value			
		31 March 2018			31 March 2017			01 April 2016						
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value														
Investments	14	-	-	1,636.29	-	-	6,591.19	-	-	6,912.34				
Loans	15	-	-	5,981.18	-	-	5,345.81	-	-	3,102.17				
Deposits and other receivables	16	-	-	14,391.25	-	-	7,745.12	-	-	6,332.00				
Trade receivables	20	-	-	27,513.54	-	-	23,005.57	-	-	19,702.32				
Cash and cash equivalents	21	-	-	11,769.71	-	-	32,096.00	-	-	3,562.07				
Other bank balances	22	-	-	202.45	-	-	10.11	-	-	-				
Other financial assets	17	-	-	4,321.72	-	-	4,343.23	-	-	3,766.36				
Total		-	-	**65,120.81**	-	-	**74,563.73**	-	-	**37,451.40**				
Financial liabilities measured at fair value														
Forward contract payable	17	-	-	-	-	-	-	326.00	-	-	-	326.00	-	326.00
Contingent consideration	27	891.10	-	-	-	-	-	-	-	-	-	-	891.10	891.10
Total		**891.10**	-	-	-	-	-	**326.00**	-	-				
Financial liabilities not measured at fair value														
Borrowings	25	-	-	9,495.83	-	-	22,307.13	-	-	32,775.59				
Trade payables	26	-	-	21,655.98	-	-	16,647.17	-	-	14,494.72				
Other financial liabilities	27	-	-	13,364.09	-	-	6,908.41	-	-	4,955.87				
Total		-	-	**44,515.90**	-	-	**45,862.71**	-	-	**52,226.18**				

Note: The Company has not disclosed fair values of financial instruments such as loans, deposits and other receivables, trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables, other financial liabilities because their carrying amounts are reasonable approximations of their fair values. The Company has also not disclosed fair values of investments carried at cost.

37 **Financial instruments - Fair values and risk management (continued)**

B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Forward contract payable	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable	Not applicable
Contingent consideration	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate. The expected payment is determined by considering the possible scenarios of forecast EBITDA, the amount to be paid under each scenario and the probability of each scenario.	- Forecast EBITDA - 31 March 2018 - 35,100 lakhs - Risk adjusted discount rate - 4%	The estimated fair value would increase (decrease) if: - the forecast EBITDA were higher (lower); - the risk adjusted interest rate were lower (higher).

Sensitivity analysis

For the fair values of contingent consideration liability, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

31 March 2018	Profit or loss	
	Increase	**Decrease**
EBITDA (1% movement)	-	-
Risk adjusted discount rate (1% movement)	16,951	6,511

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

37 Financial instruments – Fair values and risk management (continued)

D. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the senior management are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables, certain loans and advances and other financial assets.

The maximum exposure to credit risk for trade and other receivables are as follows:

	Carrying amount		
	31 March 2018	**31 March 2017**	**01 April 2016**
Trade receivables	27,915.54	22,005.57	19,707.37
Investments	1,636.79	1,991.19	1,912.74
Cash and cash equivalents	11,769.21	32,806.00	3,632.37
Other bank balances	202.45	50.31	-
Loans	5,981.18	5,385.81	3,102.17
Deposits and other receivables	14,192.22	7,785.12	6,332.00
Other financial assets	4,232.92	4,543.73	2,766.76
Total	**66,120.11**	**74,567.73**	**37,453.41**

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full except to the extent already provided, based on historical payment behavior and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The Company determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available press information about customers. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables.

37 Financial instruments - Fair values and risk management (continued)

B. Financial risk management (continued)

ii. Credit risk (contd.)

The ageing of trade receivables that were not impaired as at the reporting date was:

As at 31 March 2018

	Gross carrying amount	Weighted-average loss rate	Loss allowance
Not due	11,805.55	2.51%	(295.79)
Past due 1-90 days	14,480.62	1.84%	(266.58)
Past due 91-180 days	715.62	16.88%	(120.78)
Past due 181-365 days	1,762.71	25.23%	(444.73)
Past due for more than 365 days	4,354.15	93.59%	(4,075.43)
Total	**33,118.85**		**(5,203.31)**

As at 31 March 2017

	Gross carrying amount	Weighted-average loss rate	Loss allowance
Not due	7,297.22	3.76%	(274.12)
Past due 1-90 days	13,291.81	2.45%	(327.75)
Past due 91-180 days	1,696.41	13.77%	(220.61)
Past due 181-365 days	942.91	43.57%	(410.85)
Past due for more than 365 days	3,290.87	100.00%	(3,290.85)
Total	**26,529.75**		**(4,524.18)**

As at 01 April 2016

	Gross carrying amount	Weighted average loss rate	Loss allowance
Not due	7,276.41	7.58%	(551.59)
Past due 1-90 days	10,739.30	3.00%	(321.68)
Past due 91-180 days	1,431.43	10.37%	(148.40)
Past due 181-365 days	1,811.60	25.64%	(464.12)
Past due for more than 365 days	2,549.89	76.81%	(1,958.50)
Total	**23,151.66**		**(3,444.29)**

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables is as follows:

	31 March 2018	31 March 2017
Balance at the beginning of the year	4,524.18	3,444.29
Add: Provision for the year	774.03	1,131.81
Less: Provision withdrawn against bad debts written off	(94.90)	(51.92)
Balance at end of the year	**5,203.31**	**4,524.18**

Cash and cash equivalents and other bank balances

The Company holds cash and bank balances of INR 11,971.66 lakhs as at 31 March 2018 (31 March 2017: INR 32,856.31 lakhs; 01 April 2016: 3,632.37 lakhs). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

Deposits and other receivables

This balance is primarily constituted by deposit given in relation to leasehold premises occupied by the Company for carrying out its operations. The Company does not expect any losses from non-performance by these counter-parties.

Loans, Investments and Other financial assets

The Company has loans, investments and other financial assets of INR 11,840.68 lakhs as at 31 March 2018 (31 March 2017: INR 11,929.79 lakhs; 01 April 2016: 7,381.67 lakhs). The credit worthiness of such parties are evaluated by the management on an ongoing basis and are provided wherever necessary and the remaining balances are considered to be good.

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

37 Financial instruments – Fair values and risk management (continued)

B. Financial risk management (continued)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

		Contractual cash flows				
	Carrying amount	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
31 March 2018						
Non derivative financial liabilities						
Current and non-current borrowings						
Unsecured term loans from banks	2,100.00	2,643.28	177.63	181.09	2,284.56	-
Secured term loans from financial institutions	2,384.50	2,747.23	1,089.24	988.00	669.99	-
Secured finance lease obligations	16.99	17.29	17.29	-	-	-
Unsecured loans repayable on demand	5,000.00	5,011.85	5,011.85	-	-	-
Redeemable preference shares	891.60	891.60	891.60	-	-	-
Others						
Trade payables	21,655.98	21,655.98	21,655.98	-	-	-
Other financial liabilities	15,860.93	15,860.93	12,522.30	975.66	2,362.97	-
	47,910.00	**48,828.14**	**41,365.87**	**2,144.75**	**5,317.52**	**-**

		Contractual cash flows				
	Carrying amount	**Total**	**1 year or less**	**1-2 years**	**2-5 years**	**More than 5 years**
31 March 2017						
Non derivative financial liabilities						
Current and non-current borrowings						
Secured term loans from financial institutions	4,735.99	5,956.78	930.37	1,862.15	3,174.28	-
Secured finance lease obligations	190.12	199.85	182.95	16.90	-	-
Secured cash credit from banks	2,832.64	2,832.65	2,832.65	-	-	-
Unsecured cash credit from banks	2,149.75	2,149.75	2,149.75	-	-	-
Secured loans repayable on demand	7,100.00	7,154.94	7,154.94	-	-	-
Unsecured loans repayable on demand	14,798.19	14,849.81	14,849.81	-	-	-
Redeemable preference shares	1,162.00	1,162.00	1,162.00	-	-	-
Others						
Trade payables	16,647.17	16,647.17	16,647.17	-	-	-
Other financial liabilities	6,366.87	6,366.87	6,323.63	43.24	-	-
	55,982.73	**57,319.80**	**52,223.25**	**1,922.27**	**3,174.28**	**-**

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

37 Financial instruments - Fair values and risk management (continued)

B. Financial risk management (continued)

iii. Liquidity risk (contd.)

		Contractual cash flows				
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
01 April 2016						
Non-derivative financial liabilities						
Current and non-current borrowings						
Secured term loans from financial institutions	2,745.78	3,631.84	443.28	521.78	2,666.78	-
Secured finance lease obligations	534.14	575.32	420.49	154.83	-	-
Secured cash credit from banks	4,232.72	4,232.72	4,232.72	-	-	-
Unsecured cash credit from banks	442.54	442.54	442.54	-	-	-
Secured loans repayable on demand	9,450.00	9,546.21	9,546.21	-	-	-
Unsecured loans repayable on demand	6,058.21	6,121.73	6,121.73	-	-	-
Secured bills discounting	210.79	210.92	210.92	-	-	-
Secured buyer's credit	8,487.10	8,505.39	8,505.39	-	-	-
Redeemable preference shares	1,162.00	1,162.00	1,162.00	-	-	-
Others						
Trade payables	14,494.72	14,494.72	14,494.72	-	-	-
Other financial liabilities	4,734.18	4,734.18	4,059.08	631.86	43.24	-
	52,552.18	**53,657.57**	**49,639.08**	**1,308.47**	**2,710.02**	**-**

TVS LOGISTICS SERVICES LIMITED
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
(All amounts are in Indian rupees (INR) lakhs except share data and otherwise stated)

37 Financial instruments - Fair values and risk management (continued)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which revenues, loans given to related parties and other payables and receivables are denominated in a currency other than the INR. The Company does not hedge its foreign currency risk in general except in case of certain payables and receivables denominated in foreign currencies which are hedged through the use of forward exchange contracts. The Company does [illegible] hedge accounting in respect of such forward exchange contracts.

The following table analyses foreign currency risk from financial instruments. The amounts disclosed in the table below are in equivalent INR for the various currencies to which the Company is exposed to currency risk.

	As at 31 March 2018							
	INR	USD	Euro	GBP	JPY	SGD	AED	THB
Financial assets:								
Investments	1,555.70	-	-	-	-	-	-	-
Loans	-	3,087	-	-	-	893.72	-	-
Deposits and other receivables	4,469.50	864.75	-	8,590.21	-	18.34	-	47.66
Trade receivables	27,915.34	-	-	-	-	-	-	-
Cash and cash equivalents	11,569.21	-	-	-	-	-	-	-
Other bank balances	202.43	-	-	-	-	-	-	-
Other financial assets	1,222.72	-	-	-	-	-	-	-
	50,615.91	4,954.81	-	8,510.21	-	912.06	-	47.66
Financial liabilities:								
Borrowings	9,458.83	-	-	-	-	-	-	-
Trade payables	21,437.42	120.07	2.70	-	1.59	-	3.70	-
Other financial liabilities	16,278.56	16.67	-	-	-	-	-	-
	47,165.32	136.74	2.70	-	1.59	-	3.70	-
Net assets / (liabilities)	2,850.59	5,817.51	(2.70)	8,590.27	(1.59)	912.06	(3.70)	47.66

	As at 31 March 2017							
	INR	USD	Euro	GBP	JPY	SAR	SGD	THB
Financial assets:								
Investments	1,291.19	-	-	-	-	-	-	-
Loans	-	3,382.00	-	972.54	-	-	835.16	-
Deposits and other receivables	9,975.57	1,227.61	-	3,561.43	-	-	5.04	20.97
Trade receivables	21,606.80	49.07	-	-	-	57.67	-	-
Cash and cash equivalents	32,805.00	-	-	-	-	-	-	-
Other bank balances	56.11	-	-	-	-	-	-	-
Other financial assets	4,540.73	-	-	-	-	-	-	-
	84,200.83	4,652.77	-	4,535.49	-	57.67	840.20	20.97
Financial liabilities:								
Borrowings	52,207.15	-	-	-	-	-	-	-
Trade payables	15,468.22	76.81	0.52	-	1.49	-	-	-
Other financial liabilities	2,551.78	16.61	-	-	-	-	-	-
	65,987.15	93.47	0.52	-	1.49	-	-	-
Net assets / (liabilities)	9,373.58	4,759.30	(0.52)	5,535.49	(1.49)	57.67	840.20	20.97

	As at 01 April 2016						
	INR	USD	Euro	GBP	JPY	SGD	THB
Financial assets:							
Investments	1,912.74	-	-	-	-	-	-
Loans	75.49	1,588.27	-	1,141.06	-	303.74	-
Deposits and other receivables	9,875.94	745.11	-	1,636.73	-	67.54	6.61
Trade receivables	15,612.95	96.45	-	-	-	-	-
Cash and cash equivalents	3,633.77	-	-	-	-	-	-
Other bank balances	-	-	-	-	-	-	-
Other financial assets	731.89	-	-	-	-	2,021.02	-
	33,650.38	2,432.53	-	2,777.79	-	2,396.30	6.61
Financial liabilities:							
Borrowings	32,774.46	-	-	-	-	-	-
Trade payables	11,194.11	[illegible]	[illegible]	-	1.54	-	-
Other financial liabilities	8,049.44	[illegible]	-	-	-	-	-
	52,219.12	329.54	[illegible]	-	0.94	-	-
Net assets / (liabilities)	(22,168.74)	2,103.14	[illegible]	2,777.79	(0.94)	2,396.30	6.61

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

37 Financial instruments - Fair values and risk management (continued)

iv. Market risk (continued)

Currency risk (continued)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹ against the respective currencies noted below at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or (loss)		Equity, net of tax	
	Weakening	Strengthening	Weakening	Strengthening
31 March 2018				
United States Dollar (1% movement)	58.18	(58.18)	-	-
Euro (1% movement)	(0.05)	0.05	-	-
Great Britain Pound (1% movement)	85.90	(85.90)	-	-
Japanese Yen (1% movement)	(0.02)	0.02	-	-
Singapore Dollar (1% movement)	9.12	(9.12)	-	-
Arab Emirates Dirham (1% movement)	(0.04)	0.04	-	-
Thailand Bhat (1% movement)	0.48	(0.48)	-	-
31 March 2017				
United States Dollar (1% movement)	47.59	(47.59)	-	-
Euro (1% movement)	(0.01)	0.01	-	-
Great Britain Pound (1% movement)	35.35	(35.35)	-	-
Japanese Yen (1% movement)	(0.01)	0.01	-	-
Saudi Arabian Riyal (1% movement)	0.58	(0.58)	-	-
Singapore Dollar (1% movement)	8.40	(8.40)	-	-
Thailand Bhat (1% movement)	0.21	(0.21)	-	-
01 April 2016				
United States Dollar (1% movement)	21.03	(21.03)	-	-
Euro (1% movement)	(0.02)	0.02	-	-
Great Britain Pound (1% movement)	27.78	(27.78)	-	-
Japanese Yen (1% movement)	(0.02)	0.02	-	-
Singapore Dollar (1% movement)	22.86	(22.86)	-	-
Thailand Bhat (1% movement)	0.07	(0.07)	-	-

Interest rate risk

The Company has only two types of variable rate instrument i.e. cash credit facility being used for cash management purposes and certain working capital demand loans. Company's exposure to variable rate instruments is insignificant.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments is as follows:

	31 March 2018	31 March 2017	01 April 2016
Variable instruments			
Financial liabilities			
- Loans repayable on demand	-	9,200.00	-
- Cash credit from banks	-	4,982.59	4,675.26
Fixed rate instruments			
Financial assets			
- Loans	5,981.18	5,285.91	3,182.17
- Deposits with banks	953.02	876.91	1,259.79
Financial Liabilities			
- Term loans from banks	2,100.00	-	-
- Term loans from financial institutions	2,384.50	4,735.99	2,745.78
- Finance lease obligations	16.94	190.12	534.14
- Loans repayable on demand	5,000.00	12,658.19	15,508.21
- Vendor bill discounting	6,136.90	2,624.89	210.79
- Buyer's credit	-	-	8,487.10
- Redeemable preference shares	891.60	1,162.00	1,162.00

(All amounts are in Indian rupees (INR) lakhs, except share data and unless otherwise stated)

37 Financial instruments - Fair values and risk management (continued)

iv. Market risk (continued)

Interest rate risk (continued)

Fair value sensitivity analysis for fixed-rate instruments
A reasonably possible change of 100 basis points in interest rates at the reporting date would not have any impact on the reported profit or loss or equity as these fixed rate instruments (loans given, investments made and borrowings) are carried at amortised cost any changes in interest rates are not considered for subsequent measurement.

Cash flow sensitivity analysis for variable rate instruments
A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	(Profit) or loss		Equity	
	100 bp decrease	**100 bp increase**	**100 bp decrease**	**100 bp increase**
31 March 2018				
Financial Liabilities				
- Loans repayable on demand	-	-	-	-
- Cash credit from banks	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-
31 March 2017				
Financial Liabilities				
- Loans repayable on demand	(13.75)	13.75	-	-
- Cash credit from banks	(49.82)	49.82	-	-
Cash flow sensitivity (net)	(63.57)	63.57	-	-
01 April 2016				
Financial Liabilities				
- Loans repayable on demand	-	-	-	-
- Cash credit from banks	(46.75)	46.75	-	-
Cash flow sensitivity (net)	(46.75)	46.75	-	-

38 Explanation of transition to Ind AS

As stated in Note 2, these are the Company's first standalone financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its standalone financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these standalone financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 01 April 2016.

In preparing its Ind AS balance sheet as at 01 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its standalone financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions
In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed
1. Property plant and equipment and intangible assets
As per Ind AS 101 an entity may elect to:
(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
- fair value;
- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.
The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).
(iii) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101 and as mentioned in (iii) above, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment and intangible assets, subject to any adjustments required pursuant to restating past business combination on or after 01 January 2011 as noted above.

2. Determining whether an arrangement contains a lease
Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering facts and circumstances existing as at the date of transition (rather than at the inception of the arrangement).

The Company has elected to avail of the above exemption.

B. Mandatory exceptions
1. Estimates
As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL
- Impairment of financial Assets based on the expected credit loss model
- Determination of discount value for financial instruments carried at amortised cost

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

38 Explanation of transition to Ind AS (continued)

B. Mandatory exceptions (continued)

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that existed on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

C. Reconciliation of equity

The above changes (decreased)/ increased the equity as follows:

	Note	31 March 2017	01 April 2016
Equity as per previous GAAP		61,870.69	25,705.36
Adjustments			
Impact of common control business combination	a	4,255.38	4,355.56
Impact of recognition of financial guarantee	b	184.56	51.76
Net impact on lease arrangements	c	8.13	31.24
Net effect of recognising investments in debentures at amortised cost	d	(288.81)	(474.26)
Impact of determination of amortised cost for certain rental deposits	d	(64.24)	(70.18)
Difference on account of revenue recognition, net of related costs	e	-	(176.91)
Recognition of deferred tax assets	f	3,209.16	3,330.98
Impact of applying expected credit loss model on financial assets	g	(354.62)	-
Redeemable preference share capital classified as liability	h	12.00	12.00
Impairment of non-current investments	i	(4,021.43)	(4,021.43)
Others	k	-	(91.68)
Increase in total equity		**2,924.14**	**2,925.10**
Equity reported as per Ind AS financial statements		**64,794.82**	**28,631.46**

D. Reconciliation of total comprehensive income for the year ended March 31, 2017

The above changes (decreased)/ increased the total comprehensive income as follows:	Note	Year ended 31 March 2017
Profit for the year as per previous GAAP		**614.55**
Adjustments:		
Impact of common control business combination	a	(100.18)
Impact of recognition of financial guarantee	b	132.30
Net impact on lease arrangements	c	(23.12)
Net effect of recognising investments in debentures at amortised cost	d	185.45
Impact of determination of amortised cost for certain rental deposits	d	5.84
Difference on account of revenue recognition, net of related costs	e	176.91
Recognition of deferred tax assets	f	(121.81)
Impact of applying expected credit loss model on financial assets	g	(354.62)
Actuarial loss/ (gain) on employee defined benefit plans recognised in OCI	j	97.91
Income tax relating to the amounts recognised in OCI	j	(33.89)
Others	k	94.68
Increase/ (decrease) in profit for the year		**59.98**
Profit for the year as reported under Ind AS financial statements (A)		**674.53**
Other Comprehensive Income (OCI)		
Re-measurement gains on defined benefit plans	j	(97.91)
Income tax relating to these items	j	33.89
Increase/ (decrease) in OCI		**(64.02)**
OCI as reported under Ind AS financial statements (B)		**(64.02)**
Total Comprehensive Income as reported under Ind AS financial statements (A + B)		**610.51**

38 Explanation of transition to Ind AS (continued)

Note to reconciliation

a. Common control business combinations

A scheme of amalgamation and arrangement ('The Scheme') in respect of demerger of the third party logistics services business ('the Service business' / 'Demerged undertaking') of Drive India Enterprise Solutions Limited ('DIESL demerger') with an appointed date of 01 September 2015, was approved by the National Company Law Tribunal (NCLT) vide order dated 23 March 2017. The certified copy of the said order was filed with the Registrar of Companies on 27 March 2017 ('Effective Date').

The Company has elected to apply Ind AS 103 retrospectively to business combinations, including common control business combinations that occurred on or after January 01, 2011. The adjustments arising from the only common control business combination that occurred after the aforesaid date, namely the merger of the third party logistics service business of 'Drive India Enterprise Solutions Limited' with the Company pursuant to the aforesaid Scheme require that the assets, liabilities and reserves of the service business which were appearing in the consolidated financial statements of the Company immediately before the merger, would now be a part of the separate financial statements of the Company. The separate financial statements to the extent of this common control transaction shall be considered as continuation of the consolidated group. This has resulted in:
- Recognition of goodwill, net of impairment of ₹ 5,071.10 lakhs as at April 01, 2016
- Impact of amortisation of intangibles of ₹ 100.18 lakhs, net of tax for the year ended March 31, 2017

The impact arising from the change is summarised as follows:

	Year ended March 31, 2017
Statement of profit and loss	
Depreciation and amortisation expenses - amortisation of intangibles	(153.20)
Deferred tax expenses - reversal on amortisation of intangibles	53.02
Adjustment to profit after tax	**(100.18)**

	31 March 2017	01 April 2016
Balance sheet		
Goodwill, net of impairment	5,071.10	5,071.10
Brand, net of amortisation	525.43	676.61
Deferred tax liability	(181.15)	(234.15)
Redeemable preference share liability	(1,160.00)	(1,160.00)
Adjustment to retained earnings	**4,255.38**	**4,353.56**

b. Financial guarantee

Per Ind AS 109, the financial guarantees issued have been measured at their fair value on initial recognition. Subsequently, these contracts are measured at higher of amount of loss allowance determined as per impairment requirements of Ind AS 109 or amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18. The amounts amortised are recognised over the term of the underlying loans for which the guarantee has been issued.

The impact arising from the change is summarised as follows:

	Year ended March 31, 2017
Statement of profit and loss	
Interest income	121.21
Exchange gain / (loss)	11.59
Adjustment before income tax	**132.80**

	31 March 2017	01 April 2016
Balance sheet		
Receivable from subsidiaries (Current)	36.54	231.69
Receivable from subsidiaries (Non-current)	-	95.45
Investment in equity shares of subsidiary (Non-current)	320.10	320.10
Financial guarantee liability (Non-current)	(43.24)	(217.69)
Financial guarantee liability (Current)	(128.84)	(347.96)
Adjustment to retained earnings	**184.56**	**81.76**

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

38 Explanation of transition to Ind AS (continued)

Note to reconciliation (continued)

c. Lease arrangement

Under previous GAAP, arrangements that did not take the legal form of lease were accounted for based on the legal form of such arrangements e.g. revenue from certain logistics services. Under Ind AS, any arrangement (even if not legally structured as lease) which conveys a right to use an asset in return for a payment or series of payments are identified as leases provided certain conditions are met. In case such arrangements are determined to be in the nature of leases, such arrangements are required to be classified into finance or operating leases as per the requirements of Ind AS 17, Leases.

The Company has entered into certain arrangements for providing material handling services to its customers which have been identified to be in the nature of lease and have been classified as finance lease arrangements.

The impact arising from the change is summarised as follows:	**Year ended March 31, 2017**
Statement of profit and loss	
Revenue from logistics services	(231.45)
Depreciation	165.65
Interest income on finance lease	42.68
Adjustment before income tax	**(23.12)**

	31 March 2017	**01 April 2016**
Balance sheet		
Property, plant and equipment	(170.70)	(536.35)
Finance lease receivable	178.82	567.59
Adjustment to retained earnings	**8.12**	**31.24**

d. Impact of determination of amortised cost for certain rental deposits and debentures

I. Investment in unquoted debentures

Per Ind AS 109, investment in debentures have been accounted at amortised cost using the effective interest rate method. The difference between the amortised cost and the principal value of the debentures is adjusted against the gain recognised on the underlying transaction. Further, the amounts amortised are recognised over the term of the debenture.

The impact arising from the change is summarised as follows:	**Year ended March 31, 2017**
Statement of profit and loss	
Interest income – Recognition of interest income on effective interest rate method	185.45
Adjustment before income tax	**185.45**

	31 March 2017	**01 April 2016**
Balance sheet		
Unsecured Non-convertible debentures (non current)	(221.59)	(340.93)
Optionally convertible debentures (non-current)	(67.22)	(133.33)
Adjustment to retained earnings	**(288.81)**	**(474.26)**

38 Explanation of transition to Ind AS (continued)

Note to reconciliation (continued)

d. Impact of determination of amortised cost for certain rental deposits and debentures (continued)

2. Rental deposits

Per Ind AS 109 financial assets in the form of rental and other deposits have been accounted at amortised cost using the effective interest rate method. The difference between the amortised cost and the principal value of the rental and other deposits were treated as prepaid rent and amortised over their respective term.

The impact arising from the change is summarised as follows:	**Year ended March 31, 2017**
Statement of profit and loss	
Other income – Recognition of interest income on rental deposits on effective interest rate method	249.91
Rent - Amortisation of prepaid rent referred above	(244.07)
Adjustment before income tax	**5.84**

	31 March 2017	01 April 2016
Balance sheet		
Deposits and other receivables (non current)	(440.54)	(342.22)
Deposits and other receivables (current)	(229.82)	(304.07)
Prepaid rent (included under other current assets)	281.06	385.78
Prepaid rent (included under other non-current assets)	325.06	252.33
Adjustment in retained earnings	**(64.24)**	**(70.18)**

e. Difference on account of revenue recognition

Difference on account of revenue recognition is primarily due to difference in timing of revenue recognition under Ind AS as compared to the previous GAAP.

f. Recognition of deferred tax assets

On transition to Ind AS, the Company has recognised deferred tax assets for all temporary differences to the extent that the management has concluded that it is probable and there exists reasonable certainty with convincing evidence that the differences will reverse in the foreseeable future.

g. Impact of applying expected credit loss model on financial assets

On transition to Ind AS, the Company has recognised impairment loss on trade receivables based on the expected credit loss model as required by Ind AS 109. Consequently, trade receivables has been reduced with a corresponding decrease in retained earnings on the date of transition.

h. Financial instrument reclassified as a financial liability

Under the previous GAAP, the classification of financial instrument was based on their legal form rather than economic substance. On transition to Ind AS, the 0.001% non-convertible, cumulative, redeemable, participating preference shares issued to Kotak International Limited and Tata Industries Limited has been reclassified from equity to financial liability as per the requirements of Ind AS 32.

i. Actuarial loss/ (gain) on employee defined benefit plans recognised in OCI

Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under previous GAAP the Company recognised actuarial gains and losses in profit or loss. However, this has no impact on the total comprehensive income and total equity as on April 1, 2016 or as on March 31, 2017.

j. Impairment of non-current investments

The Company has recognised impairment loss for decline in fair value of certain non-current investments as at the transition date.

k. Others

On transition to Ind AS, the Company fair valued forward exchange contracts and adjusted the premium paid of ₹ 44.56 lakhs to reserves as of April 01, 2016. The same amount has been recorded as gain in statement of profit and loss during the year ended March 31, 2017 to give impact to the aforesaid fair valuation.

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

39 Disclosure of specified bank notes

During the previous year, the Company has specified bank notes or other denomination note as defined in the MCA Notification G.S.R. 308(E) dated 30 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	1.01	29.22	30.23
Add: Permitted receipts	-	134.28	134.28
Less: Permitted payments	-	(138.39)	(138.39)
Less: Amount deposited in banks	(1.01)	-	(1.01)
Closing cash in hand as on 30 December 2016	-	**25.11**	**25.11**

40 Subsequent events

After the reporting date, dividends were proposed by the directors subject to the approval at the annual general meeting. Refer note 24.3 for further details. There are no other significant subsequent events that have occurred after the reporting period till the date of this standalone financial statements.

As per our report of even date attached

for **B S R and Associates**
Firm Registration Number : 128901W
Chartered Accountants

S Sethuraman
Partner
Membership No.203491

Place: Chennai
Date: 30 August 2018

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: 00263900

S Ravichandran
Deputy Managing Director
DIN: 01485845

Ravi Prakash Bhagavathula
Chief Financial Officer

P D Krishna Prasad
Company Secretary

Place : Chennai
Date : 30 August 2018

TVS LOGISTICS SERVICES LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting their Fourteenth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018.

In accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013, read with Section 133 of the Companies Act, 2013, your Company has adopted the Indian Accounting Standards (Ind AS) for preparation of its financial statements with effect from April 1, 2017, with comparative financials for the earlier period beginning April 1, 2016. Your Company had been preparing its financial statements under the Indian GAAP. A Note explaining the reconciliation between Indian GAAP and Ind AS forms part of the accompanying financial statements.

FINANCIAL RESULTS

(Amount Rs. in crores)

	Standalone		Consolidated	
Particulars	**2017-18**	**2016-17**	**2017-18**	**2016-17**
Revenues from operations (including other income)	1305.55	1040.32	5797.03	5054.07
Profit before tax	36.82	7.77	105.98	88.13
Profit/ (Loss) after tax	20.17	6.75	52.45	46.51
Other comprehensive income, net of tax	0.04	(0.64)	15.58	(14.10)
Total comprehensive income	20.21	6.11	68.04	32.40

INDIAN ECONOMIC OUTLOOK

India is currently the fastest growing economy in the world with a growth rate of 7.3% in 2018-19 and will hold this position in 2019-20 with an expected growth rate of 7.5%, as per International Monetary Fund report ("IMF"). While India achieved first trillion USD in nominal GDP in 57 years, second trillion was achieved in 7 years and the mark of 3 trillion USD is expected to be achieved in 5 years.

INDIAN LOGISTICS INDUSTRY SCENARIO

One of the implications of this growth story has been on the Logistics Sector. Logistics Sector, which comprises of road, rail and coastal movements, warehousing, cold chain and container freight stations and inland container depots ("CFS/ICD"), is expected to touch Rs. 14,00,000 crores in next two years from currently Rs. 10,00,000 crores, as per Economic Survey report for 2017-18. Key drivers of this growth are Government of India's regulatory changes, focus on Make in India programmes, public and private investments.

With the implementation of centralized goods and services tax ("GST"), overall logistics costs across the value chain have come down. Now the network can be planned free of tax considerations, due to which there is a rationalization of warehouse network resulting in larger warehouses and lower operating costs.

Further, there has been a change in manufacturing footprint and primary movement consolidation bringing the costs further down. Lastly, GST has sped up freight movements as well due to removal of state border check posts.

Significant public investments have been made in the Logistics Sector across Sagarmala (Shipping), Bharatmala (Roadways), waterways and railways. Additionally, there is a rising interest of both large manufacturing players as well as SMEs in bringing supply chain efficiencies. Further, as the Logistics Sector has been included in the Harmonized Master List of Infrastructure Subsector, there is expected to be a slew of investments in the Sector. Warehousing alone attracted more than Rs. 20,000 crores private investment from 2014-18. As a result, India has improved its logistics performance (jumped 19 places to rank 35 in World Bank's latest Logistics Performance Index).

While the progress has been inspiring, there are still challenges which remain to be addressed. Logistics as % of GDP is pegged at around 13-15% which is below 10% in developed economies, as per Assocham report. This is because of large unorganized segment, underdeveloped material handling infrastructure and lack of seamless movement of goods across modes. These challenges can be addressed through integrated end-to-end logistics solution to bring in cost efficiencies and technological advancements in digital and analytics (called supply chain 4.0) to create sophisticated ecosystems. As a result, there has been an increased focus on 3PL players like your Company. In the next phase of 4.0, 3PL players who have the capability to provide integrated solutions to execute end-to-end supply chain management while providing custom digital solutions to create order visibility, payment transparency and delivery performance management will take a lead and become the go-to partners for large manufacturers and SMEs alike. These are encouraging for the prospects of your Company.

PERFORMANCE REVIEW

Your Company recorded a consolidated revenue from operations of Rs. 5744 crores for the year under review as against Rs. 5032.3 crores in the previous year. The Consolidated Adjusted EBITDA of Rs. 280.1crores and Profit After Tax of Rs. 52.4 crores for the year under review against Rs. 273.3 crores and Rs. 46.5 crores respectively in the previous year.

The results are detailed in the financial statements attached hereto.

Your Company continues to take various initiatives to improve its growth, operating margin and profitability even further in the coming year.

Operations:

Your Company provides end-to-end services related to the entire supply chain. The service lines provided by your Company can be broadly classified as:

- Contract Logistics
- Integrated Spare Parts and Last Mile Distribution
- Freight Forwarding

In each of these segments, your Company continues to develop and provide higher value added services and thereby remain the preferred logistics partner of its customers. During the last financial year, your Company had invested in creation of Control Tower which received appreciation from many of the customers. In the Contract Logistics Segment, capabilities were created in in-plant warehousing, transportation, asset management and packaging. In Integrated Spare Parts and Last Mile Distribution, the Company created capabilities of network creation, agile transportation solution and app based technology to support this. Under Freight Forwarding, your Company provides end-to-end solution which includes kitting and synchronised delivery to the customers' Kanban demands.

Your Company continues to concentrate and derive significant revenues from countries which have high growth potential viz., India and the Far East.

New business development:

During the year under review, your Company had added new clients who contributed Rs. 45.80 crores of revenue at consolidated level. The new customers include market leaders from the Engineering, Petroleum, Automobile, Health care, Electrical and Electronics, Paper, Steel, Tyre and Telecom Sectors.

Acquisitions:

During the year under review, your Company completed a number of acquisitions to further improves its capabilities and customer base. These capabilities and customer base can synergistically leveraged with the existing operations of the Company. These acquisitions include:

TVS Telecom Division

TVS Telecom is engaged in installation and commission of Telecom Towers including managed services for telecom network and associated supply chain management of the logistics activities of Telecom Service providers.

Nadal Forwarding

TVS Asianics Supply Chain Solutions Pte Ltd, a subsidiary of your Company has acquired Nadal Forwarding. This company's focus is on trade between Europe and Asia / Latin America providing road transportation business, contract logistics and shipping agency services.

PAN ASIA Logistics:

TVS Asianics acquired Pan Asia Logistics Holding Pte Ltd, a company based in Singapore providing freight forwarding and contract logistics services across high growth markets in Asia.

Peter Thomas Ltd

TVS Supply Chain Solutions Ltd, a subsidiary of your Company has acquired Peter Thomas Ltd, which provides beverage dispense equipment refurbishing services.

Financing Initiatives:

During the year, your Company consolidated borrowings across its overseas entities through a loan facility agreement with DBS Bank Singapore and Standard Chartered Bank UK to the tune of Rs. 975 crores (denominated as USD equivalent of 150 Mn). This pool of liquidity has two portions viz., five-year term loan facility of USD 100 Mn and three-year revolving credit loan of USD 50 Mn equivalent. The facility is secured by current assets of individual entities and parental guarantee from our Company.

This arrangement ensured common terms of reference, uniform covenants, standard benchmarked pricing, flexibility of borrowing in multiple currencies resulting in financial savings due to economy of scale and release of precious cash flows for business.

As part of its hedging policy, your Company follows natural hedging as its core policy whereby the earning and pay-outs are mapped in the same currency by operating entities in US, UK and Asia. For any exceptions especially in borrowings, Company follows Cross Currency Swap Policy which hedges and ensures fixed commitment on both currency and interest rates.

DIVIDEND

As per the terms governing the issue of Cumulative, Redeemable, Non-convertible, Participating Preference Shares, the Board has recommended dividend of Rs. 0.00001 per share.

The Board of Directors has recommended for the year, dividend of Rs.1.26 per equity share amounting to Rs.3.98 crores

TRANSFER TO RESERVES

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

PROSPECTS

Your 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, 2018 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 Statements of the Company and of all subsidiary and joint venture companies are enclosed.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

A separate statement containing the salient features of the audited financial statement of all the subsidiary 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.

TVS Aviation Logistics Limited, a wholly owned subsidiary of your Company, has not been carrying on any business and unable to identify any new business avenues. Therefore, this-Company has submitted an application to the Ministry of Corporate Affairs for striking off the name of this Company from the Register of Companies and the same is under the process.

SHARE CAPITAL

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

- 4,649 cumulative, redeemable, non-convertible, participating preference shares having face value of Rs.10/- each, were redeemed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year, the nominee director of CDPQ Private Equity Asia Pte. Ltd, Singapore, ("**CDPQ**"), Mr. Baudoin Lorans (DIN: 07785377) has resigned with effect from February 22, 2018. The Board wishes to record its appreciation for the contribution made by Mr. Baudoin Lorans during his tenure as Director.

The Board of your Company based on the recommendation of Nomination Remuneration Committee has re-appointed Sri R Dinesh (DIN: 00363300) as Managing Director for a period of five years from April 1, 2018, subject to the approval of the members at the ensuing Annual General Meeting.

The Board of your Company based on the recommendation of Nomination Remuneration Committee co-opted Mr. Lim Ann Meng (DIN: 08134665), nominee director of CDPQ to the Board as an Additional Director with effect from May 31, 2018. 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. Lim Ann Meng as Director in the ensuing Annual General Meeting.

Sri. Baskar L, Chief Financial Officer has resigned with effect from May 31, 2018. Sri. Ravi Prakash Bhagavathula was appointed as Chief Financial Officer with effect from May 31, 2018.

Ms. Shobhana Ramachandhran (DIN: 00273837) and Sri. Bobby Pauly (DIN: 06629688) Directors are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Your Directors recommend the re-appointment of above Directors.

STATUTORY AUDITORS

M/s. B S R & Co. LLP, was appointed as Statutory Auditors to hold office for a term of 4 (four) years from conclusion of 10th Annual General Meeting till the conclusion of the 14th Annual General Meeting subject to ratification by members at every subsequent Annual General Meeting. Accordingly, M/s. B S R & Co. LLP would be completing their maximum term permitted under Section 139 of the Companies Act, 2013 and the Rules made thereunder at the ensuing Annual General Meeting.

The Board of Directors of the Company at their meeting held on May 31, 2018 have recommended, the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W) as the statutory auditors of the Company. M/s. S.R. Batliboi & Associates LLP have confirmed their eligibility for appointment under Section 139 read with Section 141 of the Companies Act, 2013 and the rules made thereunder. M/s. S.R. Batliboi & Associates LLP, will hold office for a period of 5 (five) consecutive years from the conclusion of the ensuing 14th Annual General Meeting of the Company till the conclusion of the 19th Annual General Meeting.

INTERNAL AUDITORS

During the year, M/s. KPMG (Registered), was appointed as Internal Auditors of the Company in place of the existing auditor's M/s. Ernst & Young LLP, to conduct the Internal Audit of the Company and its subsidiaries.

BOARD MEETINGS

During the year, the Board of Directors of your Company met four times. The dates of meetings are June 29, 2017, August 28, 2017, November 21, 2017 and February 22, 2018.

ANNUAL RETURN

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

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Mr. K Venugopalan, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the year ended 31st March, 2018. 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 employees to report genuine concerns in such manner as prescribed.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of Sri. C K Ranganathan, Chairman Sri. V. Anantha Nageswaran, 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 accompanying financial statements.

RELATED PARTY TRANSACTIONS

All related party transactions entered by the Company during the financial year 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

Sri. V. Anantha Nageswaran was re-appointed as Independent Director of the Company, for a period of five years, with effect from March 19, 2016.

The Board of your Company based on the recommendation of Nomination Remuneration Committee has re-appointed Sri. C K Ranganathan and Sri. S Mahalingam as Independent Directors on the Board of your Company, for a period of five years, with effect from June 29, 2018 and August 30,2018, respectively subject to approval of the Members at the ensuing Annual General Meeting.

The Company has received the declarations of Independence from them pursuant to Section 149(6) of the Companies Act, 2013.

Your Directors recommend the re-appointment of above Directors.

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.

MAINTENANCE OF COST RECORDS

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the maintenance of cost records is not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

(b) appropriate accounting policies have been selected and applied consistently and judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 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.

The details of the foreign exchange earnings and outgo are:

	(Rs. in crores)
Foreign exchange earnings –	28.69
Foreign exchange outgo -	4.77

THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND RDRESSAL) 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. An Internal Complaints Committee has been set up to redress complaints regarding sexual harassment. 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 members 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: 30.08.2018

Suresh Krishna
Chairman
(DIN: 00046919)

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	1,20,00,000	28,25,05,650	57,66,25,054	57,66,25,054	-	2,13,71,64,918	11,19,29,055	3,99,07,697	7,24,10,309	2,40,00,000	85
2	Drive India Enterprise Solutions Limited	India	INR	1	2,21,00,000	12,62,31,000	1,29,96,75,000	1,29,96,75,000	-	86,80,71,000	2,11,02,000	30,88,000	1,80,71,000	-	100
3	FLEXOL Packaging (India) Limited	India	INR	1	77,04,160	6,84,33,000	13,04,24,000	13,04,24,000	-	16,79,31,000	80,36,000	(1,09,45,000)	1,89,03,000	-	68
4	TVS Logistics Siam Limited	Thailand	THB	2.09	2,08,81,000	(2,92,56,937)	7,48,08,795	7,48,08,795	-	26,41,05,481	(42,40,662)	-	(42,40,662)	-	100
5	TVS Logistics Investment UK Limited	UK	GBP	92.28	57,17,67,512	3,69,40,725	5,97,67,42,138	5,97,67,42,138	-	-	(2,33,45,162)	39,76,562	(1,93,68,600)	-	100
6	TVS Logistics Investments USA Inc	USA	USD	65.04	40,00,86,259	(43,79,76,008)	2,05,33,37,516	2,05,33,37,516	-	1,09,46,857	(4,15,96,613)	1,28,02,825	(5,43,99,438)	-	100
7	TVS-Asianics Supply Chain Solutions Pte. Limited and its subsidiaries	Singapore	SGD	49.67	29,75,53,903	(68,83,86,037)	7,99,43,40,591	7,99,43,40,591	-	13,13,97,44,372	(44,81,70,510)	5,06,33,338	(49,88,03,848)	-	82.63
8	TVS America Inc.	USA	USD	65.04	7,15,48,510	12,70,91,358	5,008	5,008	-	-	(5,06,433)	-	(5,06,433)	-	100
9	TVS Toyota Tsusho Supply Chain Solutions Limited	India	INR	1	2,00,00,000	4,27,98,000	11,26,26,455	11,26,26,455	-	38,94,22,000	3,22,88,735	85,55,933	2,37,32,802	-	60

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	92.28	13,935	2,41,29,65,436	2,41,29,65,436	2,41,29,65,436	-	10,69,63,38,848	30,42,62,326	7,79,80,487	22,62,81,839	-	100
2	MSys Software Solutions Limited, UK	UK	GBP	92.28	185	-	89,51,606	89,51,606	-	-	-	-	-	-	100
3	Multipart Limited	UK	GBP	92.28	92	-	92	92	-	-	-	-	-	-	100
4	TVS Logistics Iberia S.L.	Spain	EURO	80.62	1,61,24,440	5,56,85,673	55,76,01,114	55,76,01,114	-	1,08,40,29,251	2,87,76,401	72,06,577	2,15,69,825	-	100
5	TVS Autoserv GmbH	Germany	GBP	92.28	1,60,57,520	3,71,57,038	26,23,18,294	26,23,18,294	-	55,53,57,366	3,62,76,735	1,08,98,661	2,53,78,076	-	51
6	Rico Logistics Limited and its subsidiaries	UK	GBP	92.28	49,77,395	2,26,54,49,989	6,14,76,99,740	6,14,76,99,740	-	13,38,14,56,630	47,83,22,774	9,98,40,907	37,84,81,868	-	97
7	TVS Supply Chain Solutions North America Inc. and its subsidiaries (formerly known as Wainwright Industries Inc.)	USA	USD	65.04	1,49,601	28,62,25,716	3,73,72,23,894	3,73,72,23,894	-	5,09,58,87,755	3,77,32,993	21,14,649	3,56,18,344	-	100

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	65.04	7,15,48,510	12,70,91,358	5,008	5,008	-	-	(5,06,433)		(5,06,433)	-	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 Private Limited
1	Latest audited / unaudited Balance Sheet Date	31 March 2018
2	Share of Joint venture held by the Company on the year end date	
	No.	
	Amount of Investment in Joint Venture	2,75,00,000
	Extent of Holding	50%
3	Description of how there is significant influence	No significant influence
4	Reason why the joint venture is not consolidated	Not applicable
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	1,65,64,00,000
6	Profit for the year	2,51,68,086
i	Considered in consolidation	1,25,84,043
ii	Not considered in consolidation	-

For and on behalf of the Board of Directors

Suresh Krishna
Chairman
(DIN: 00046919)

R Dinesh
Managing Director
(DIN: 00363300)

S Ravichandran
Deputy Managing Director
(DIN: 01485845)

Ravi Prakash Bhagavathula
Group Chief Financial Officer

P D Krishna Prasad
Company Secretary

Place: Chennai
Date: 30.08.2018

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 31.03.2018**

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, Ph no. 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	492	94.26%

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. TVS Dynamic Global Freight Services Limited, Chennai, India	U63010TN2007PLC064282	Subsidiary	85	2(87)
2.	M/s. TVS Aviation Logistics Limited, Madurai, India (under the process of Striking off)	U60100TN2010PLC074341	Subsidiary	100	2(87)
3.	M/s. FLEXOL Packaging (India) Limited, Chennai, India.	U74990TN2010PLC076131	Subsidiary	67.55	2(87)
4.	M/s. TVS Toyota Tsusho Supply Chain Solutions Limited, Chennai, India.	U74999TN2014PLC098233	Subsidiary	60	2(87)
5.	M/s. Drive India Enterprise Solutions Limited, Chennai, India.	U72900TN2000PLC104165	Subsidiary	100	2(87)

6.	M/s. SPC International (India) Private Limited, Bengaluru, India	U72501KA2008PTC048570	Subsidiary	100	2(87)
7.	M/s. TVS Packaging Solutions Private Limited Chennai, India.	U74999TN2017PTC116321	Subsidiary	100	2(87)
8.	M/s. TVS Infrastructure Private Limited, Mumbai, India	U45200MH2005PTC154628	Associate (Joint Venture)	50	2(6)
9.	M/s. TVS Logistics Investment UK Limited, UK	NA	Subsidiary	100	2(87)
10	M/s. TVS Logistics Siam Limited, Thailand	NA	Subsidiary	100	2(87)
11	M/s. TVS- Asianics Supply Chain Solutions Pte. Ltd., Singapore	NA	Subsidiary	82.63	2(87)
12	M/s. TVS Logistics Investments USA Inc., USA	NA	Subsidiary	100	2(87)
13	M/s. TVS Supply Chain Solutions North America Inc., USA	NA	Subsidiary	100	2(87)
14	TVS Supply Chain Solutions Limited, UK	NA	Subsidiary	100	2(87)
15	TVS Autoserv GmbH, Germany	NA	Subsidiary	51	2(87)
16	RICO Logistics Limited, UK	NA	Subsidiary	97.47	2(87)
17	TVS Logistics Iberia S.L, Spain	NA	Subsidiary	100	2(87)
18	TVS Supply Chain Solutions GmbH, Germany	NA	Subsidiary	100	2(87)
19	TVS- Asianics Australia Pty. Ltd, Australia	NA	Subsidiary	100	2(87)
20	TVS Supply Chain Solutions de Mexico S.A. de C.V., Mexico	NA	Subsidiary	99	2(87)
21	Waintrans LLC, USA	NA	Subsidiary	100	2(87)
22	T.I.F Holding Pty. Ltd, Australia	NA	Subsidiary	55	2(87)
23	Ricochet Spain S.L., Spain	NA	Subsidiary	100	2(87)
24	Rico Logistique, France	NA	Subsidiary	100	2(87)
25	SPC International Limited, UK	NA	Subsidiary	63.06	2(87)

26	Rico Logistics Limited, Australia	NA	Subsidiary	100	2(87)
27	Circle Express Limited, UK	NA	Subsidiary	85	2(87)
28	Tri- Tec Computer Support Ltd, Northern Ireland	NA	Subsidiary	100	2(87)
29	Tri-Tech Support Limited, Ireland	NA	Subsidiary	100	2(87)
30	Transtar International Freight (Aust) Pty Ltd, Australia	NA	Subsidiary	100	2(87)
31	KAHN Nominees Pty Ltd, Australia	NA	Subsidiary	100	2(87)
32	Transtar International Freight Limited, New Zealand	NA	Subsidiary	100	2(87)
33	SPC International (Engineering) Limited, UK	NA	Subsidiary	100	2(87)
34	PITCOMP 171 Limited, UK	NA	Subsidiary	100	2(87)
35	SPC EBT Trustees Limited, UK	NA	Subsidiary	100	2(87)
36	SPC INT Limited, UK	NA	Subsidiary	100	2(87)
37	SPC International INC., USA	NA	Subsidiary	100	2(87)
38	SPC International s.a.s, France	NA	Subsidiary	100	2(87)
39	SPC International s.r.o., Slovakia	NA	Subsidiary	100	2(87)
40	Transtar International Freight Limited, Hong Kong	NA	Subsidiary	100	2(87)
41	Transtar International Freight (Singapore) Pte. Ltd. Singapore	NA	Subsidiary	100	2(87)
42	Transtar International Freight (Thailand) Limited, Thailand	NA	Subsidiary	100	2(87)
43	Transtar International Freight (Shanghai) Limited, China	NA	Subsidiary	100	2(87)
44	Transtar International Freight (Malaysia) Sdn Bhd	NA	Subsidiary	100	2(87)
45	Peter Thomas & Co (Refurbishing) Limited, UK	NA	Subsidiary	100	2(87)

46	MSys Software Solutions Limited, UK	NA	Subsidiary	100	2(87)
47	Multipart Limited, UK	NA	Subsidiary	100	2(87)
48	Nadal Forwarding S.L	NA	Subsidiary	100	2(87)
49	Lineas Regulares XXI, S.L	NA	Subsidiary	99.75	2(87)
50	Pan Asia Logistics International Pte. Ltd	NA	Subsidiary	100	2(87)
51	Pan Asia Logistics Singapore Pte. Ltd	NA	Subsidiary	100	2(87)
52	Pan Asia Logistics Limited, Shangai	NA	Subsidiary	100	2(87)
53	Pan Asia Logistics International (Korea) Ltd	NA	Subsidiary	100	2(87)
54	Pan Asia Logistics (Thailand) Ltd	NA	Subsidiary	49	2(87)
55	Pan Asia Freight-Forwarding & Logistics Hong Kong Ltd	NA	Subsidiary	100	2(87)
56	Pan Asia Container Line Pte Ltd, Hong Kong	NA	Subsidiary	100	2(87)
57	Pan Asia Logistics Deutscheland, GmbH	NA	Subsidiary	100	2(87)
58	Pan Asia Logistics Malaysia Sdn Bhd	NA	Subsidiary	100	2(87)
59	Pan Asia Logistics Vietnam Company Ltd	NA	Subsidiary	95	2(87)
60	PT Pan Asia Logistics Indonesia	NA	Subsidiary	90	2(87)
61	Pan Asia Logistics Taiwan Ltd	NA	Subsidiary	100	2(87)
62	Pan Asia Freight-Forwarding & Logistics India Pvt Ltd	NA	Subsidiary	99.99	2(87)
63	TVS America INC.	NA	Subsidiary	49	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) Category of Share Holding:

Category of Shareholders	**No. of Shares held at the beginning of the year[As on 1-4-2017]**				**No. of Shares held at the end of the year[As on 31-March-2018]**				**% Change during the year**
	Demat	**Physical**	**Total**	**% of Total Shares**	**Demat**	**Physical**	**Total**	**% of Total Shares**	
A. Promoters									
(1) **Indian**									

a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	10516817	210526	10727343	33.91	10516817	210526	10727343	33.91	-
e) Banks / FI	-	-	-		-	-	-		-
f) Any other	-	-	-		-	-	-		-
Sub-total (A) (1)	10516817	210526	10727343	33.91	10516817	210526	10727343	33.91	-
(2) Foreign									
a) NRIs – Individuals	-	-	-		-	-	-		-
b) Other - Individuals	-	-	-		-	-	-		-
c) Bodies Corp	-	-	-		-	-	-		-
d) Banks / FI	-	-	-		-	-	-		-
e) Any other	-	-	-		-	-	-		-
Sub-total (A) (2)	-	-	-		-	-	-		-
Total shareholding of Promoter (A) = (A) (1) + (A)(2)	10516817	210526	10727343	33.91	10516817	210526	10727343	33.91	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-		-	-	-		
b) Banks / FI	-	-	-		-	-	-		
c) Central Govt	-	-	-		-	-	-		
d) State Govt(s)	-	-	-		-	-	-		
e) Venture Capital Funds	-	-	-		-	-	-		
f) Insurance Companies	-	-	-		-	-	-		
g) FIIs	-	-	-		-	-	-		
h) Foreign Venture Capital Funds	-	-	-		-	-	-		
i) Others (specify)	-	-	-		-	-	-		
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	
2. Non-Institutions									

a) Bodies Corp.									
i) Indian	2326853	1342968	3669821	11.60	3562696	240749	3803445	12.02	0.42
ii) Overseas	12879567	1626190	14505757	45.85	14505757	-	14505757	45.85	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	9643	126783	136426	0.44	9643	141752	151395	0.48	0.04
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	609328	1906183	2515511	7.95	609328	1752590	2361918	7.47	-0.48
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-0.02	-	5000	5000	0.02	0.02
Overseas Corporate bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-0.04	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	80275	-	80275	0.25	80275	-	80275	0.25	-
Foreign Bodies Corporate's	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**15905666**	**5002124**	**20907790**	**66.09**	**18767699**	**2140091**	**20907790**	**66.09**	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**15905666**	**5002124**	**20907790**	**66.09**	**18767699**	**2140091**	**20907790**	**66.09**	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**26422483**	**5212650**	**31635133**	**100**	**292845617**	**2350617**	**31635133**	**100**	-

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	1,07,27,343	33.91	-	1,07,27,343	33.91	-	-

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

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

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	**1,86,98,004**	**59.11**	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	137,378 (Transfer on 03/04/2017) (44,351) (Transfer on 03/04/2017)	0.43 0.14	1,88,35,382 1,87,91,031	59.54 59.40

		27,372 (Transfer on 19/04/2017)	0.07	1,88,18,403	59.47
	At the end of the year	**1,88,18,403**	**59.47**	**1,88,18,403**	**59.47**

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	**9,40,776**	**2.97**	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	10,000 (Transfer on 03/04/2017)	0.03	9,50,776	3.01
		(44,531) (Transfer on 03/04/2017)	(0.14)	9,06,245	2.86
		5,000 (Transfer on 09/06/2017)	0.02	9,11,245	2.88
		(10,000) (Transfer on 17/08/2017)	(0.03)	9,01,245	2.85
	At the end of the year	**9,01,245**	**2.85**	**9,01,245**	**2.85**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14,859	16,948	-	31,807
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due		76	-	76
Total (i+ii+iii)	14,859	17,024		31,882
Change in Indebtedness during the financial year				
* Addition	-	7,100	-	7,100
* Reduction	(12,457)	(16,948)	-	(29,405)
	(12,457)	(9,848)	-	(22,305)
Indebtedness at the end of the financial year				

i) Principal Amount	2,401	7,100	-	9,501
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)	2,401	7,100	-	9,501

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Remuneration to Managing Director, Whole-Time Directors/ Manager: (Rs. in lakhs)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Sri. R Dinesh, Managing Director	Sri. S. Ravichandran, Deputy Managing Director	
1	Gross salary	-		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	54.00	**54.00**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	42.01	**42.01**
	(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...	125	-	**125**
5	Others, please specify -Contribution to Provident fund - Others	-	6.48 212.10	**6.48** **212.10**
	Total (A)	125 *	314.59*	**439.59***
	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. Ananth Nageswaran	
1	Independent Directors	-	-	
	Fee for attending board/ committee meetings	2.50	3.00	**5.50**
	Commission	-	-	
	Others, please specify	-	-	
	Total (1)	2.50	3.00	**5.50**

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	2.50	1.75	2.25	2.00	**10.00**
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	1.50	2.50	1.75	2.25	2.00	**10.00**
	Total (B)=(1+2)						**15.50**
	Total Managerial Remuneration						
	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	85.50	11.89
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.69	8.53
	(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 -Others	 3.24 21.8	 1.42 18.43
	Total	**114.23**	**40.27**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (in Rs.):

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	136	Circulation of Audited Financial statements-FY 2015-16	25,000	RD, Southern Region	--
	96	Convening of Annual General meeting-FY 2015-16	300,000	NCLT, Chennai Bench	--
B. DIRECTORS					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	136	Circulation of Audited Financial statements-FY 2015-16	10,000	RD, Southern Region	--
	96	Convening of Annual General meeting-FY 2015-16	275,000	NCLT, Chennai Bench	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	136	Circulation of Audited Financial statements-FY 2015-16	10,000	RD, Southern Region	--
	96	Convening of Annual General meeting-FY 2015-16	210,000	NCLT, Chennai Bench	--

Form – MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 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 Act, Central Sales Tax Act & Local Sales Tax Act, Goods and Service Tax Act based on the information and explanation provided to us by the management and officers of the Company and also on verification of reports of professionals including reports of Internal Audit, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

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

(i) The Secretarial Standards on General and Board Meetings issued by the Institute of Company Secretaries of India (ICSI) as prescribed under Section 118 (10) of the Act 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 was given to all directors before schedule of the Board/ Committee Meeting(s), 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(s).

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 was no dissenting members views recorded in the minutes.

The Company has obtained order dated 20.12.2017 and 19.04.2018 from Regional Director, Southern Region, Ministry of Corporate Affairs and National Company Law of Tribunal, Chennai Bench respectively, based on applications made by the Company on suo moto basis for compounding under Section 136 and 96 of the Companies Act, 2013 in relation to holding of annual general meeting and placing of audited annual financial statements due to pendency of the Scheme of Amalgamation and Arrangement.

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 : 31.05.2018

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

CSR Annual Report – 2017-18

Annexure to the Board's Report

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

   As an integral part of contribution to the society, the Company believes in actively assisting in the improvement of the quality of life of communities around through its CSR endeavours. The Company undertakes CSR projects/activities as per its CSR Policy, which is aligned with Schedule VII under Section 135 of the Companies Act, 2013.The Company's CSR initiatives are being carried out under the CSR Policy adopted by Company. The Board based on the recommendation of CSR Committee, approved to spend for providing education and skill development to the economically weaker/underprivileged sections of the society during the year ended on March 31, 2018.

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.1579.84 Lakhs

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Rs.31.59 Lakhs

5. Details of CSR spent during the financial year.
   (a) Total amount to be spent for the financial year: Rs.31.59 Lakhs ;
   (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.31.59Lakhs	Rs.31.59 Lakhs	Same as (6)	Direct
	Total				Rs.31.59 Lakhs		

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	C K Ranganathan
Managing Director	Chairman -CSR Committee
(DIN: 00550501)	(DIN: 00363300)

Place: Chennai
Date: 30.08.2018

Statement pursusnt to Section 197 of the Companies Act 2013 and forming part of the Director's Report for the year ended 31 03 2018

S. no.	Name	Designation	Remuneration received	Qualification	Experience	Date of Employment	Age	Previous Employment
	Employed for full Year		(Rs. In crores)					
1	R DINESH	Mananging Director	1.25	B.Com; ACA; AICWA	31 Years	01.09.2008	54	Joint Managing Director T V Sundram Iyengar & Sons Limited
2	S RAVICHANDRAN	Deputy Managing Director	3.15	B.E. PGDMA (Agri Management)	31 Years	01.12.2004	63	President - Logistics Division T V Sundram Iyengar & Sons Limited
3	SHANKAR R	Chief Executive Officer	1.15	B.TECH	30 years	31.12.2012	56	Managing Director, Foton Motors Marketing and Sales India Pvt Ltd
4	BALAJI E	PRESIDENT (People Services)	1.63	B.SC, MBA	20 Years	04.04.2014	47	Randstad (India) - Management Consultant
5	BASKAR LAKSHMANAN	GROUP CFO	1.14	B.SC, CA	29 Years	21.12.2015	55	Regional CFO, Sun Edison
	Employment for part of the Year							
1	AJIT SADASHIV JANGLE	Chief Operating Officer	0.56	B.E., MFM	26 Years	01.09.2017	48	M&M-Mumbai,APL Logistics-Dubai, Toll Logistics- Chennai, ALL Cargo-Mumbai.