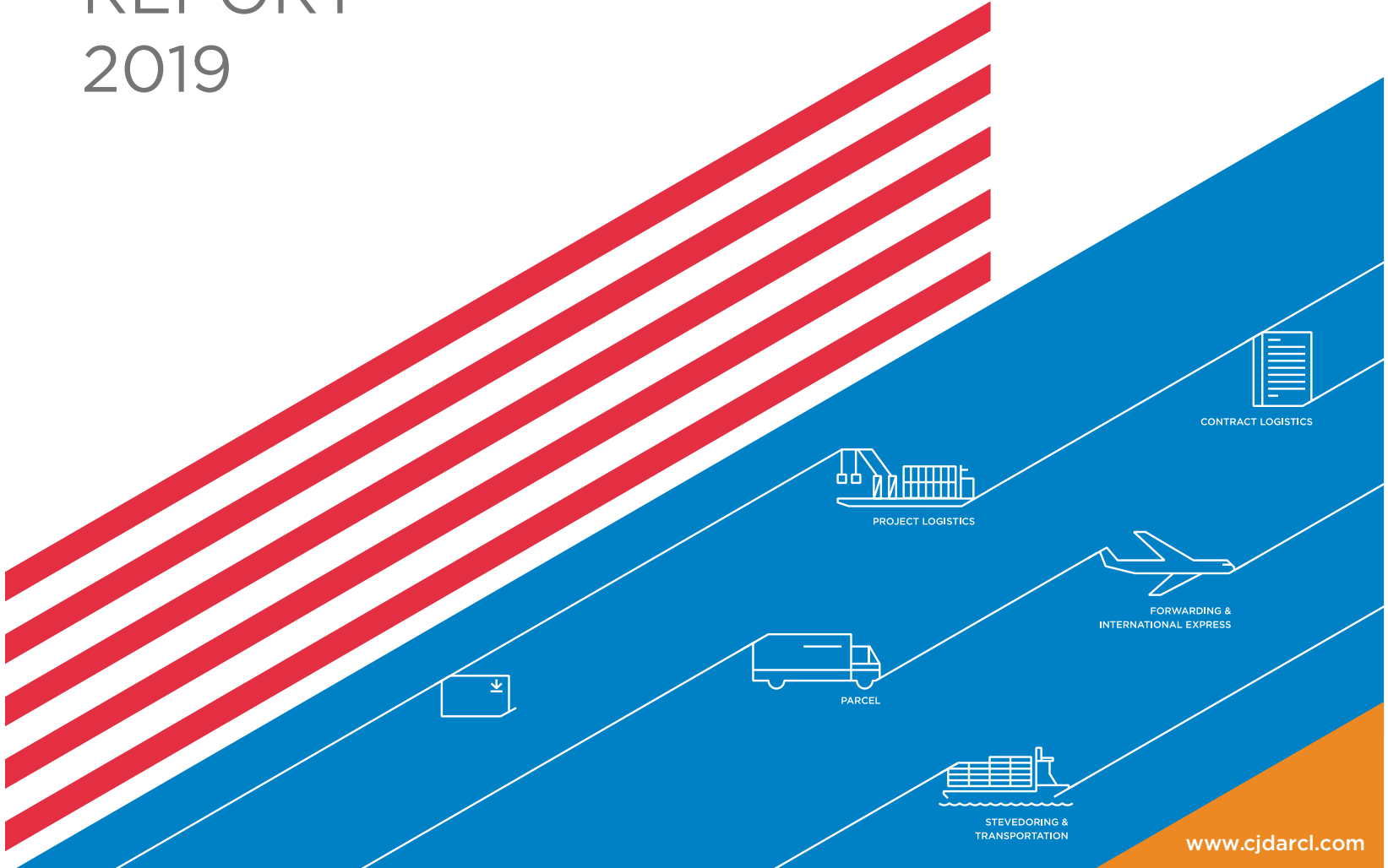


# GLOBAL NETWORK, INDIAN ROOTS



# ANNUAL REPORT 2019





**INDIAN ACHIEVERS' AWARD FOR BUSINESS EXCELLENCE WAS PRESENTED TO CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY MR. KRISHAN KUMAR AGARWAL ON OCCASION OF NATIONAL SWACHHATA SUMMIT OF 2019 ON 19TH DAY OF FEBRUARY IN NEW DELHI.**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

MR. KRISHAN KUMAR AGARWAL  
**CHAIRMAN & MANAGING DIRECTOR (CMD)**

MR. DARSHAN KUMAR AGARWAL  
**JOINT MANAGING DIRECTOR**

MR. ROSHAN LAL AGARWAL  
**JOINT MANAGING DIRECTOR**

MR. NARENDER KUMAR AGARWAL  
**JOINT MANAGING DIRECTOR**

MR. HYOUNG GUN KANG  
**WHOLE TIME DIRECTOR**

MR. DO SON YOON  
**NON-EXECUTIVE DIRECTOR**

MR. JONATHAN PARK  
**NON-EXECUTIVE DIRECTOR**

MR. SUNG YONG HONG  
**NON-EXECUTIVE DIRECTOR**

MR. AMANDEEP  
**NON-EXECUTIVE INDEPENDENT DIRECTOR**

MRS. RAJNI GUPTA  
**NON-EXECUTIVE INDEPENDENT DIRECTOR**

MR. EUY DON PARK  
**NON-EXECUTIVE INDEPENDENT DIRECTOR**

MR. DO YOUNG KIM  
**NON-EXECUTIVE INDEPENDENT DIRECTOR**

### COMPANY SECRETARY

MR. APOORVA KUMAR

### CHIEF FINANCIAL OFFICER

MR. CHOL HOI KIM

### BANKERS

STATE BANK OF INDIA- LEAD BANK

AXIS BANK LIMITED

HDFC BANK LIMITED

ICICI BANK LIMITED

IDFC FIRST BANK LIMITED

PUNJAB NATIONAL BANK

SHINHAN BANK

### STATUTORY AUDITORS

S.R. BATLIBOI & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

NEW DELHI

### REGISTERED OFFICE

CJ DARCL LOGISTICS LIMITED

CIN-U60222HR1986PLC068818

DARCL HOUSE, PLOT NO. 55 P SECTOR-44,

INSTITUTIONAL AREA GURUGRAM, HARYANA-122003

WEBSITE: WWW.CJDARCL.COM

EMAIL: RO@CJDARCL.COM

PHONE: 9015202121, 25-26

FAX: 0124-4034162

### HEAD OFFICE

19/3, TILAK BAZAR

HISAR, HARYANA, 125001

PHONE: 01662-232269

FAX: 01662-232269





# BOARD OF DIRECTORS



**Mr. Krishan Kumar Agarwal**  
Chairman & Managing Director



**Mr. Darshan Kumar Aggarwal**  
Joint Managing Director



**Mr. Roshan Lal Aggarwal**  
Joint Managing Director



**Mr. Narender Kumar Agarwal**  
Joint Managing Director



**Mr. Do Son Yoon**  
Non-Executive Director



**Mr. Jonathan Park**  
Non-Executive Director



**Mr. Sung Yong Hong**  
Non-Executive Director



**Mr. Hyoung Gun Kang**  
Whole Time Director



**Mrs. Rajni Gupta**  
Independent Director



**Mr. Amandeep**  
Independent Director



**Mr. Euy Don Park**  
Independent Director



**Mr. Do Young Kim**  
Independent Director



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## DIRECTOR'S REPORT

To the Members,

The Directors of your Company are pleased to submit the 32nd Annual Report on the business and operations of the Company for the year ended March 31, 2019.

### FINANCIAL RESULTS

(₹ in Millions)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Freight Income (Turnover)	22613.21	19620.23	23488.10	20625.66
EBIDTA	1114.20	747.60	1174.57	817.99
Less: Interest	329.98	336.33	336.59	346.88
Profit before Depreciation, Amortization and Tax	784.22	411.27	837.98	471.11
<b>Less: Depreciation /Amortization</b>	<b>260.48</b>	<b>261.88</b>	<b>260.91</b>	<b>268.53</b>
Profit before Taxation	523.74	149.39	577.06	202.58
<b>Less: Tax Provision (Net)</b>	<b>184.53</b>	<b>57.69</b>	<b>167.26</b>	<b>56.31</b>
Net Profit for the year	339.21	91.70	409.80	146.27
Other Comprehensive Income	0.94	1.92	1.06	1.93
Total Comprehensive Income	340.15	93.62	411.36	148.20

### REVIEW OF PERFORMANCE

During the year under report, there has been business mainly through Road and Rail segment. Company has also entered into the segment of Freight Forwarding, Warehousing during the year. Besides, the Company has also done barge movement. During the year under report, on standalone basis, Revenue is increased to Rs. 22613.21 Million in comparison to Rs. 19620.23 Million of previous year. Profit before Tax has been increased during the year to Rs. 523.74 Million from Rs. 149.39 Million. Due emphasis was given for on-time delivery with focus on customer delight. On consolidated basis, Revenue remained at Rs. 23488.10 Million for the F.Y. 2018-19 which is increased from Rs. 20625.66 Million for F.Y. 2017-18. Profit before Tax on consolidated basis remained at Rs. 577.06 Million for F.Y. 2018-19 as against Rs. 202.58 Million of previous year.

### CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the provisions of Companies Act, 2013 the Consolidated Financial Statement of CJ Darcl as provided is in accordance with the applicable Accounting Standard 'CONSOLIDATED FINANCIAL STATEMENTS.' The Consolidated Financial Statements includes Financial Results of Subsidiary Companies of CJ DARCL. Pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries for the year ended 31st March, 2019 in form AOC-1 is included along with the financial statement in this Annual Report.

### SUBSIDIARY COMPANIES

The Company has three Wholly Owned Subsidiaries namely, Transrail Logistics Limited, Darcl Logistics Nepal Pvt. Ltd. and Fr8ology Private Limited. The operating and financial performance of the Subsidiary Companies is as provided below:-

#### Transrail Logistics Limited

Transrail Logistics Limited commenced its business operations in Year



2009, post incorporation in Year 2008. The Company is engaged in transportation through both road and rail operation on asset light basis. Major work is through Road operations. Rail operation was carried out by way of parcel train movement. Subsidiary Company achieved the Turnover (Income from Operations) of Rs. 957.59 Million during F.Y. 2018-19 as against last year Turnover of Rs. 1030.95 Million. There is profit before tax of Rs. 53.61 Million in F.Y. 2018-19 against last year profit of Rs. 47.84 Million.

Your Subsidiary Company is operating with optimal utilization of resources and strategic decision of business with increased road business. In respect of Rail business, the Company is currently operating indent based parcel train where there is no commitment to run minimum number of trains and indent is placed looking into the business viability. The Company has been able to garner road business on asset light basis and is evaluating various options to develop more businesses on asset light model with focus on profit margins. The outlook for logistics industry is positive, which is expected to help the Company to grow at faster pace.

#### Darcl Logistics Nepal Pvt. Ltd.

As reported in previous years report, your Company has incorporated the Subsidiary Company at Nepal. During the Financial Year under report the Company Business operation commenced from 1st April 2013. The Financial year in Nepal is from 16th July to 15th July. Audit of F.Y. for the period 16.07.2018 to 15.07.2019 is in progress. For the purpose of consolidation of accounts of your Company the financial of Darcl Logistics Nepal Pvt. Ltd. for the period April 2018 to March 2019 has been reviewed by the Auditor at Nepal. The Company has recorded nil revenue during the period April 2018 to March 2019. Nepal is largely dependent on Import and thus there is regular movement of cargo from various countries including India to Nepal. Your Company has been appointed as an Agent by your Subsidiary Company for execution of business operation in India while transporting from India to Nepal to execute the Work order received by the Subsidiary Company for movement from India to Nepal.

### Fr8ology Private Limited

The Company was incorporated on 17.03.2017 with the main objective of carry on the business of technology based logistics solution and products domestically and internationally including aggregation of transport, vehicle tracking solution for providing customers with a platform, in the physical and/or electronic form, by way of facsimile, electronic-mail (e-mail), internet, intranet, e-commerce, m-commerce, mobile applications and/or any other means enabling the transactions of hiring of all types of Fleets comprising trucks, trailers, lorries, containers, cars, taxis or any other motor vehicles for consideration, commission, service fee, introduction fee and to act as a facilitator, advisor, consultant, platform, agent and service provider. The Company is yet to be operational in full pace. The revenue and profit/loss recorded in the books for period ended 31.3.2019 is 0.15 Million & 0.27 Million respectively.

### OVERALL BUSINESS OPERATION

Your Company is one of the leading Logistics players in the country and it follows an efficient Asset Light Model with a Fleet of over 700 owned Heavy Vehicles and over 10,000 associated vehicles. Your Company also owns 3 BLL rakes of 40 wagons each & 1 Leased rake and approx. 600 containers. The Company has further leased out 3 owned rakes during the year. Company is executing Rail operations through CONCOR rakes. Your Company offers Full Truck Load (FTL) business, Rail Freight business, Project Logistics with special reference to the movement of Over Dimensional Consignments, Freight Forwarding business, container cargo, warehousing and multi-modal business. Your Company has built an enviable customer base of exceeding 1000 clients including over 250 regular customers comprising PSU's/ Navratna's and leading Indian and Multinational corporates.

### FUTURE OUTLOOK

The Company expects to grow with faster pace in coming years due to various factors including monetary policy easing, lower inflationary expectations, monetary and regulatory reforms. Your Company is in vantage position to grow exponentially with lots of economic reforms being reviewed by the Government, it is expected to boost the economy which will propel the Logistics business. The Company has diversified into new business areas during the year as Warehousing, Freight Forwarding, Car Carrying. With the global vision of expansion of CJ Logistics Corporation there are areas of expansion for the Company.

### INDUSTRY OVERVIEW

Indian logistics sector is presently estimated to be worth around \$160 billion and is poised to grow phenomenally over the next two years and reach a size of \$215 billion by 2020. Here are the three areas for creating a sustainable roadmap for the growth of the logistics sector in 2019.

The Government has reiterated its steadfast commitment to modernizing the functionalities of Indian logistics with a key focus on infrastructure development. With a view to improving supply chain efficiencies and enhancing connectivity to help logistics players tap the underleveraged markets in the country's hinterlands, key infrastructure development projects have been rolled out.

The high-speed, freight-only Dedicated Freight Corridor Project aims at decongesting a heavily saturated road network and reducing freight transit times from industrial heartlands in north India to ports on the eastern and western coast of the country. Optimizing freight transport times, the dedicated corridor initiative will promote economic growth and generate employment through the setting up of industrial corridors and logistics parks along the corridor routes.

Key reform measures and policy interventions like the unveiling of the Goods and Services Tax, (GST), relaxed FDI regulations and granting of infra status has boosted the core competencies of the Indian

logistics industry. GST was a game-changer for Indian logistics. It laid the foundation for the setting up of large format multi-modal logistics parks along key consumption and industrial centres which can function as freight aggregation and distribution hubs.

The emergence of new-age empowering technologies like artificial intelligence, internet of things, and machine learning will disrupt the conventional workings of the country's logistics sector. The impact of these technologies is anticipated to enhance productivity across the supply chain spectrum and streamline operational processes. These technologies will largely play an enabling role in boosting efficiencies of supply networks, reduce wastages and lead to supply chain optimization.

The speed and scale with which we align our supply chain strategies to tackle the complexities of a changing global trade order will be key to determining our position in the global logistics ranking.

### DIVIDEND AND APPROPRIATIONS

Reviewing the overall profitability for the year under report and other business requirements, the Board of Directors has not recommended final dividend.

Net Profit amounting to Rs. 339.87 millions has been carried to the Balance Sheet by way of appropriations.

### HUMAN RESOURCES MANAGEMENT

Human Resource is regarded as most important constituent in the growth of organization and recognizing the fact, continuous training and development program was organized, during the year to harness the skill and knowledge of employees for rendering cost effective services to the customers. Your Company organized various in house training programs on Operational Efficiency, Quality Service, HR policies and Claim Risk Management for employees at all levels Senior Management Personnel participated in various Management Development Programs with special reference to the Logistics; organized by reputed institutions.

The success of any organization depends largely on its human resources, its management and good industrial relations. Your Company has always viewed human resource development as a critical activity for achieving its business goals. The Company strives to adopt best Human Resource Management practices. The employee strength of the Company, as on 31st March, 2019 was 3436 including Fleet crew.

### POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT

Your Company has adopted a policy for prevention, prohibition and redressal of sexual harassment. As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, your Company has constituted the Internal Complaints Committee.

During the year, no complaint with allegations of sexual harassment has been received by the Internal Complaints Committee of the Company.

### COMPUTERIZATION

Your Company has implemented SAP ERP for better transparency, accountability and reliability of information and accounting systems. The envisaged benefits of SAP is business profitability review on periodical basis through CDO application, better MIS control, better customer service through consignment tracking, faster period closing of various recurring entries etc. Various work benches have been deployed to view the reports and take corrective action.

### CREDIT RATING

CRISIL has re-affirmed Long term Credit Rating of **A- (minus)/Stable** during the current year for total bank loan facilities of Rs. 440 Crore



rated by it. Outlook of the Company has been Stable. CRISIL has re-affirmed short term credit rating from **A2+**. During the Year, your Company also got credit rating of Fixed Deposit from CRISIL. It has assigned credit rating of **FA/Stable** with Stable business outlook.

#### FLEET AUGMENTATION AND STRENGTHENING OF NETWORK

Current fleet strength of the Company is over 700 Nos. including trailers, multi axles, tippers, tankers, trucks, platforms etc. of varied size catering to the needs of the customers. Your Company has Fleet Augmentation plan basis which around 100 new commercial vehicles are planned to be purchased during the current financial year. As your Company operates on the asset light model, business through owned vehicles accounts for nearly 10% of total business during the year under report. Your Company also owns 3 rakes of 40 wagons each and around 600 containers. The Company has taken 1 BLL rake on long term lease to meet out the business requirement.

#### MIGRATION FROM ISO TO IMS CERTIFICATION

Your Company has upgraded ISO 9001 certification with Integrated Management System (QMS & OHSMS). Your company is certified under Integrated Management system (IMS) w.e.f. January, 2019.

Your Company is currently under process upgradation Integrated Management System with ISO 14001:2015. IMS certification has triggered Health, Safety and Quality and Environmental risk management culture in the organization, which will have long and everlasting favourable impact on the Company. Efforts on IMS consciousness and continuous process developments are on. Training to the designated staff at every regional offices of the Company has been conducted and the same is being provided for effective compliance & controls.

#### BANKING FACILITIES

Your Company is presently enjoying working capital facility of Rs.450 crore from SBI Led Consortium comprising of Fund-based credit facility of Rs.360 crore and Non-fund based credit facility of Rs.90 crore. SBI Led Consortium comprises of seven member banks viz. Axis Bank, HDFC Bank, ICICI Bank, IDFC First Bank, Punjab National Bank, Shinhan Bank and State Bank of India. Considering the high growth plans, your Company would soon be approaching all the banks to enhance the overall limits to Rs.550 crore. Further, your Company has from time to time been taking term loans from various Banks/FI's to meet its requirement of vehicle purchase in support of the business. Your Directors take this opportunity to sincerely thank all the Banks/ FI's for their continued co-operation which has supported your Company's constant endeavour of business growth.

#### AWARDS AND RECOGNITIONS

During the year under report till date, your company has received Indian Achievers' Award for Business Excellence

Your Company has also received appreciation letter from esteemed Customers during the year under report.

#### IBA RECOMMENDATION

Your Company is an approved transporter by the Indian Banks' Association since July 05, 1989 and since then its registration has been periodically renewed. IBA has renewed their recommendation to your Company for a further period of 3 years w.e.f. August 01, 2019 valid till July 31, 2022.

#### ESOP SCHEME

Your Company has maintained a corpus of 12 lac equity shares through TCG ESOP Trust for issue of ESOP to eligible employees of the Company. The Share Holder Agreement (SHA) with CJ Logistics Corporation (which holds 50% shareholding), inter-alia, requires the Company to cancel the shares held in this ESOP trust by obtaining

prior approval from NCLT (National Company Law Tribunal). Company is yet to start the process for seeking requisite approval of NCLT.

#### EXTRACT OF ANNUAL REPORT

The extract of Annual Return as provided under sub-section (3) of Section 92 of Companies Act, 2013 read with Rule 12 of companies (management & administration rules) 2014 as prescribed in Form MGT-9 is set out as **Annexure- I** to this Report

#### COMPOSITION OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Disclosure of composition of the Corporate Social Responsibility Committee, contents of the CSR Policy and the format as provided under section 135 of Companies Act, 2013 read along with Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in **Annexure- II** to this Report.

#### PARTICULARS OF CONTRACTS/ARRANGEMENT WITH RELATED PARTIES

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its approval and the particulars of contracts entered during the year as per **Form AOC-2** is given as **Annexure- III**.

#### FIXED DEPOSITS

The total deposits as on 31.03.2019 were Rs. 26.63 Crores, out of which Rs. 17.21 Crores is repayable within one year. The amount of unclaimed deposits as on 31.03.2019 was Rs. 2.40 lakhs which is still pending.



## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### BOARD OF DIRECTORS

The composition of Board of Directors of your company is in conformity with the Companies Act, 2013. As at the end of the Financial Year, the Board comprised of 12 Directors including Four Non-Executive and Four Independent Directors. Brief Profile of the Directors on the Board is as under:-

S. N	Name	Designation	DIN	Qualification	Experience (Years)	Date of Appointment
1	Mr. Krishan Kumar Agarwal	Chairman and Managing Director	00151179	B.Com	45	10.12.1986
2	Mr. Darshan Kumar Aggarwal	Joint Managing Director	00151560	Undergraduate	43	10.12.1986
3	Mr. Roshan Lal Aggarwal	Joint Managing Director	00151657	Undergraduate	42	10.12.1986
4	Mr. Narender Kumar Agarwal	Joint Managing Director	00052456	B.Com	39	10.12.1986
5	Mr. Amandeep	Independent Director	00226905	M Sc.	28	30.09.2016
6	Mr. Hyoung Gun Kang	Executive Director	07875012	Bachelors	20	10.08.2017
7	Mr. Euy Don Park	Independent Director	02763067	B Sc, M sc, Ph.d	33	10.08.2017
8	Mrs. Rajni Gupta	Independent Director	02135443	B.com, C.A. & CMA	26	17.09.2018
9	Mr. Do Young Kim	Independent Director	08204199	Doctorate in English	32	17.09.2018
10	Mr. Jonathan Park	Non Executive Director	08389524	Bachelors in Accounting	20	15.03.2019
11	Mr. Doson Yoon	Non Executive Director	08390063	Bachelors	31	15.03.2019
12	Mr. Sung Yong Hong	Non-Executive Director	08389474	Masters in Business Administration	20	15.03.2019

### APPOINTMENTS

During the year under review 3 new non- executive directors namely Mr. Jonathan Park (DIN:08389524 ), Mr. Doson Yoon (DIN:08390063) and Mr. Sung Yong Hong (DIN:08389474) have been appointed in the Board as additional Director under the category non-executive Director. The Board further recommend the member to appoint the above Directors as Non-Executive Director of the Company.

Mr. Kwan Soo, Shon (DIN-0008147143) was appointed as Non-Executive Director on the Board w.e.f. 30.06.2018 in lieu of resignation of Mr. Keun Tae Park.

In accordance with the provisions of section 149 of the Companies Act, 2013 Board of Directors has proposed the re- appointment of Mr. Euy Don Park (DIN-02763067 ) as an Independent Director for the second term from 10.08.2019 for a period of 3 years or upto the conclusion of 35th Annual General Meeting of the Company to be held on or before 30.09.2022 whichever is earlier.

### RETIREMENT BY ROTATION

In accordance with the provisions of section 152 of the Companies Act, 2013 Mr. Hyoung Gun Kang (DIN 07875012) and Mr. Darshan Kumar Agarwal (DIN 00151560) retires by rotation and being eligible, has offered themselves for re-appointment. Board of Directors of your Company recommends their re-appointment.

### RESIGNATION

Mr. Jae Ho Ahn (DIN:07874960), Mr. Chul Moon Park (DIN: 07875018) and Mr. Kwan Soo Shon (DIN:08147143) have also tendered their resignation on 14.03.2019. All the abovementioned Directors were nominated on behalf of CJ Logistics Corporation based on Shareholder's Agreement executed between CJ Logistics Corporation, Company and other Shareholder's.

The Board takes on record the association of Mr. Jae Ho Ahn (07874960), Mr. Chul Moon Park(DIN 07875018) and Mr. Kwan Soo Shon (08147143) and their valuable inputs and contribution as member of the Board/Committee.

### DECLARATION BY INDEPENDENT DIRECTOR(S)

All Independent Directors have given declaration that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Rules made thereunder.



## MEETING OF DIRECTORS

During the financial year 2018-19, Board of Directors of your Company met three times on the following dates:-

S. No.	No. of Board Meeting	Date of Board Meeting	No. of Directors Present
1	359th	30.06.2018	8
2	360th	18.08.2018	9
3	361st	15.12.2018	11

Attendance of Directors at the Board meetings held during the financial year 2018-2019 are as under:-

S. No.	Name of Director	Designation	No. of Board Meetings attended
1	Mr. Krishan Kumar Agarwal	Chairman and Managing Director	3
2	Mr. Darshan Kumar Aggarwal	Joint Managing Director	3
3	Mr. Roshan Lal Aggarwal	Joint Managing Director	2
4	Mr. Narender Kumar Agarwal	Joint Managing Director	3
5	Mr. Amandeep	Independent Director	3
6	Mr. Hyoung Gun Kang	Executive Director	3
7	Mr. Euy Don Park	Independent Director	3
8	Mrs. Rajni Gupta*	Independent Director	1
9	Mr. Do Young Kim*	Independent Director	1
10	Mr. Jonathan Park **	Additional Director	0
11	Mr. Sung Yong Hong**	Additional Director	0
12	Mr. Doson Yoon**	Additional Director	0
13	Mrs. Ranjana Kaul#	Independent Director	2
14	Mr. Keun Tae Park ##	Non-Executive Director	0
15	Mr. Jae Ho Ahn##	Non-Executive Director	2
16	Mr. Chul Moon Park##	Non-Executive Director	2
17	Mr. Jangwoon Kwak##	Independent Director	0
18	Mr. Kwan Soo Shon ##	Non-Executive Director	0

\*Mrs. Rajni Gupta and Mr. Do Young Kim was appointed on 17.09.2018

\*\* Mr. Jonathan Park, Mr. Sung Yong Hong and Mr. Doson Yoon was appointed as additional director on 15.03.2019

# Mrs. Ranjana Kaul ceased to be the Director w.e.f 17.09.2018

## Mr. Keun Tae Park and Mr. Jangwoon Kwak resigned on 30.06.2018 and 09.08.2018. Mr. Kwan Soo Shon, Mr. Jae Ho Ahn and Mr. Chul Moon Park have ceased to be Director w.e.f 14.03.2019

## AUDIT COMMITTEE

### Composition

In order to widen the Committee taking expertise of Director your Company has appointed three new members in the Audit Committee. The Audit Committee constituted under Section 177 of the Companies Act, 2013 comprises of the following members:

1. Mr. Amandeep, Independent Director, Chairman;
2. Mr. Euy Don Park, Independent Director, Member
3. Mr. Narender Kumar Agarwal, Joint Managing Director, Member;
4. Mr. Hyoung Gun Kang, Whole-time Director, Member
5. Mr. Do Young Kim, Independent Director, Member
6. Mrs. Rajni Gupta, Independent Director, Member

Company Secretary as Secretary of the Committee.  
Statutory Auditors and Internal Auditors with non-voting rights.



## MEETINGS OF AUDIT COMMITTEE

During the financial year 2018-19, Audit Committee of the Board of Directors of your Company met 2 times on the following dates:-

S. No.	No of Meeting	Date of Meeting	No. of Directors Present
1	53	18.08.2018	3
2	54	15.12.2018	6

Attendance of Members at the Audit Committee meetings held during the financial year 2017-18 are as under:-

S. No.	Name of Director	Designation	No. of Meetings attended
1	Mr. Amandeep	Independent Director	2
2	Mr. Narender Kumar Agarwal	Joint Managing Director	2
3	Mr. Euy Don Park	Independent Director	2
4	Mrs. Rajni Gupta**	Independent Director	1
5	Mr. Do Young Kim**	Independent Director	1
6	Mr. Hyoung Gun Kang**	Whole-time Director	1
7	Mr. JangwoonKwak*	Independent Director	0

\*Mr. Jangwoon Kwak resigned from the designation of Independent Director w.e.f. 09.08.2017

\*\* Mrs. Rajni Gupta, Mr. Hyoung Gun Kang and Mr. Do Young Kim was appointed as a member of the Committee on 22.11.2018

## NOMINATION & REMUNERATION COMMITTEE & POLICY RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL

The Nomination and Remuneration Committee (NRC) constituted under Section 178 of the Companies Act, 2013 comprises of the following members:-

1. Mr. Euy Don Park, Independent Director (Chairman),
2. Mr. Amandeep, Independent Director, Member,
3. Mrs. Rajni Gupta, Independent Director, Member,
4. Mr. Do Young Kim, Independent Director, Member

The scope of NRC is to identify the persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the laid down criteria, recommend to the Board their appointment and renewal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Committee formulates

the criteria for determining qualifications, positive attributes and independence of a Director and recommends to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

Remuneration policy for selection and appointment of Directors including determining qualifications, independence of Director, Key Managerial Personnel, Senior Management Personnel and their remuneration as part of its charter and other matters provided under section 178(3) of the Companies Act, 2013 has been framed by NRC and approved by the Board.

## MEETINGS OF NOMINATION AND REMUNERATION COMMITTEE

During the financial year 2018-19, Remuneration Committee of the Board of Directors of your Company met two times the below date:-

S. No.	No of meeting	Date of Meeting	No. of Directors Present
1	10th	30.06.2018	3
2	11th	18.08.2018	3

Attendance of Members at the Nomination and Remuneration Committee meetings held during the financial year 2018-19 are as under:-

S. No.	Name of Director	Designation	No. of Meetings attended
1	Mr. Euy Don Park	Independent Director	1
2	Mr. Amandeep	Independent Director	1
3	Mrs. Rajni Gupta**	Independent Director	0
4	Mr. Do Young Kim**	Independent Director	0
5	Mrs. Ranjana Kaul*	Independent Director	1



6	Mr. JangwoonKwak*	Independent Director	0
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\* Mr. JangwoonKwak resigned from the designation of Independent Director w.e.f. 09.08.2017 and Mrs. Ranjana Kaul ceased to be the Director w.e.f. 17.09.2018

\*\* Mrs. Rajni Gupta and Mr. Do Young Kim has been appointed as a member on 17.09.2018

## STAKEHOLDERS RELATIONSHIP COMMITTEE

### Composition

Stakeholders Relationship Committee constituted under Section 178 of Companies Act, 2013 comprises of following members:

1. Mr. Amandeep, Independent Director, Chairman
2. Mr. Narender Kumar Agarwal, Member
3. Mr. Hyoung Gun Kang, Member
4. Mr. Euy Don Park, Member

### Meetings of Committee

During the F.Y. 2018-19 meeting of Stakeholders Relationship Committee took place on 16th March, 2019, which was attended by:

1. Mr. Amandeep, Independent Director, Chairman
2. Mr. Narender Kumar Agarwal, Member
3. Mr. Euy Don Park, Member
4. Mr. Hyoung Gun Kang, Member

## INDEPENDENT DIRECTOR MEETING

For the Financial Year 2018-19, 01 (one) separate meeting of the Independent Directors was held on Saturday 16th Day of March, 2019. Independent Directors Mrs. RajniGupta, Mr. Amandeep, Mr. Euy Don Park and Mr. Do Young Kim attended the meeting.

## BOARD ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of its own performance and the Directors individually. A discussion was done considering the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board culture, execution and performance of specific duties and governance. For the Board and committees, the process seems usually to involve questionnaires devised in house. The result of the process is then reported to the Chairman of the Board.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on the parameters such as level of leadership, Interpersonal skills, Board contribution, strategic thinking etc. The performance evaluation of the Independent Directors was carried out by the entire Board (excluding the Director being evaluated). The performance evaluation of the Chairman, Non Independent Directors and the Board as a whole was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

## PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013 & RULES MADE THEREUNDER

The details of loans, investments or guarantees under Section 186

of the Companies Act 2013 and Rules made thereunder are given in the notes to the Financial Statements. (Refer to Note No. 37 to the Standalone financial statements as part of Related Party list).

## WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Audit Committee and Board of Directors of your Company has framed and implemented the Vigil Mechanism/ whistleblower policy:-

1. To encourage the employees to report to the Audit Committee about suspected unethical behaviours, malpractices, wrongful conduct, fraud violation of the company's policy including code of ethics and conduct, violation of law or questionable accounting or auditing matters by any employees/Director in the company without any fear of retaliation.
2. To build and strengthen a culture of transparency and trust in the organization.
3. Disclosure of alleged wrongful conduct to the team members of the whistle blower policy.

Chol Hoi Kim, CFO has been appointed by the Board as Nodal Officer. Any person can send information as per the policy at the mail id: whistleblower@cjdarcl.com .

The Company affirms that no employee/director of the Company has been denied access to the Audit Committee.

Complaint received under Whistle Blower Policy/Vigil Mechanism was attended and the status update was placed in the Audit Committee for suitable advice. The Board has also reviewed and has taken suitable action wherever required.

## RISK MANAGEMENT POLICY

Your Company follows a comprehensive system of Risk Management. The Company adopted Risk Management Policy. It ensures that all risks are defined and mitigated in accordance with well structures risk Management Process. The Audit committee and Board periodically review the Risk Management Policy & process thereof.

## INTERNAL CONTROL SYSTEMS AND INTERNAL FINANCIAL CONTROL

The Company has an internal control system including financial controls, appropriate with the size, scale and complexity of its operations 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 & these are sufficient and are functioning efficiently.

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company.



**STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO RULE 5 (2) of COMPANIES (APPOINTMENT AND REMUNERATION OF KEY MANAGERIAL PERSONNEL) RULES, 2014**

List of Top 10 employees in terms of remuneration in FY 2018-19

S. No.	Name	Qualification	Date of Birth	Designation	Remuneration in crores	Experience in years
1	Krishan Kumar Agarwal	B.Com	05.06.1954	CMD	3.49	45
2	Darshan Kumar Agarwal	Undergraduate	15.05.1956	Joint Managing Director	2.95	43
3	Roshan Lal Agarwal	Undergraduate	02.05.1957	Joint Managing Director	2.93	42
4	Narender Kumar Agarwal	B.Com	01.09.1959	Joint Managing Director	2.94	39
5.	Hyoung Gun Kang	Physical Optics	07.02.1971	Whole-time Director	1.37	25
6.	Chol Hoi Kim	MBA	09.05.1975	Chief Financial Officer	1.33	18
7	Puneet Agarwal	B.Com (H), M. Sc.	14.09.1978	President-IT & Strategy	0.99	14
8	Vineet Agarwal	B. Com., MBA	02.01.1982	President	0.89	13
9	Nitesh Agarwal	B. Sc., PGDM	01.02.1983	President	0.88	12
10	Nitin Agarwal	BBA, MBA (IIPM)	10.05.1983	Vice President	0.74	11

**SIGNIFICANT AND MATERIAL ORDERS**

There are no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

**INVESTOR SERVICES**

**Dematerialization of Shares**

Equity Shares of the Company has been admitted into the depository system of both NSDL and CDSL, the two depositories in India, thereby enabling the shareholders of the Company to make scrip-less transaction in shares ensuring speedy processing and cost efficient share transfer. The ISIN No. allotted to the equity shares of your Company for transaction in dematerialization mode is INE088I01010. More than 90% of Shares of the Company have been dematerialized.

**REGISTRAR AND TRANSFER AGENT**

Contact detail of the Registrar and Transfer Agent is:

Link Intime India Private Limited	Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,	Noble Heights. 1st Floor, Plot No NH-2
L.B.S. Marg, Bhandup (West),	C-1 Block, LSC, Near Savitri Market
Mumbai - 400 078	Janakpuri, New Delhi-110058
<b>Phone: 022-25963838</b>	<b>Telephone:- 011-41410592/93/94</b>
<b>Fax: 022-25946969</b>	Fax :- 011-41410591
Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>	<b>Contact person:- Mr. V.M.Joshi</b>
<b>Contact person:- Mr. Haren N Modi</b>	



For investor services related to change of address, change in Bank Mandate, transfer of shares, Mandate for ECS etc., investors may contact the Registrar and Transfer Agent at either of the above addresses.

#### **CJ Darcl Logistics Limited**

Darcl House, Plot No. 55P,  
Sector-44, Institutional Area, Gurugram (Gurgaon)-122003  
**Phone:** 9015202121, 25-26

**Fax:** 0124-4034162

**E-mail:** [investorgrievance@cjdarcl.com](mailto:investorgrievance@cjdarcl.com)

#### **AUDITORS**

##### **STATUTORY AUDITORS AS PER SEC 141(3)(G) OF COMPANIES ACT 2013**

Pursuant to Companies Act, 2013, your company has Appointed Statutory Auditors to hold office from the Conclusion of 31st AGM till the Conclusion of 36th AGM.

##### **COMPLIANCE WITH SECRETARIAL STANDARDS**

During the year, the company has duly complied with all the applicable Secretarial Standards as issued by ICSI from time to time.

##### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 & rules made thereunder, the Company has appointed Mr. Dhananjay Shukla, practicing Company Secretary as Secretarial Auditor to undertake Secretarial Audit of the Company for the Financial Year 2018-19.

The Report of the Secretarial Audit is annexed herewith as **Annexure-IV**

##### **COST AUDITORS**

Central Government has not specified Maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for the services of the Company and accordingly such accounts and records are not made and maintained

##### **AUDITORS OBSERVATION AND MANAGEMENT EXPLANATION THERETO**

We have been informed that an employee of the Company had misappropriated funds amounting to INR 2,460,902 during the year under audit. Investigations are in progress and the employee has been suspended. The Company has withheld his terminal benefits and it is estimated that the amount misappropriated may exceed the terminal benefits due to the employee. The Company is adequately covered by fidelity insurance cover.

The observation given by Auditors is self-explanatory.

##### **SEGMENT DATA**

Your Company has not shown segmental data as not applicable.

##### **PARTICULARS REQUIRED TO BE FURNISHED UNDER SECTION 134(3) (M) OF COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014**

**A. Conservation of Energy :** Reasonable efforts are made for conservation of electric energy used in office, increase fuel efficiency of vehicles deployed by the Company.

For any grievance, Investors may contact Mr. Apoorva Kumar, Company Secretary and Compliance Officer, at the following address, for early resolution of their grievances:

**B. Technology Absorption :** Company is installing GPS and GPRS enabled devices in the vehicles carrying the goods to track their movement.

##### **C. Foreign Exchange Earnings & Outgo**

Foreign Exchange Earnings: Rs. 199.61 millions

**Foreign Exchange Outgo:** Rs. 142.09 millions

**The amount of foreign exchange earning is mainly from customers on account of revenue.**

**The amount spent in foreign exchange is majorly for Ocean freight expense.**

##### **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to provisions of Section 134(3)(C.) read with Section 134(5) of Companies Act, 2013, with respect to Directors' responsibility statement, it is hereby confirmed:-

(i) that in the preparation of annual financial statements for the financial year ended March 31, 2019, all the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on that date;

(iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the Directors have prepared the accounts for the financial year ended March 31, 2019 on a going concern basis.

(v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



#### ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks and appreciation to Government authorities, Regulatory bodies and all stakeholders including Banks, Financial institutions, Customers, Agents, Truck suppliers / operators, of the company.

Your Directors also take this opportunity to express their gratitude for the valuable services rendered by the employees at all levels towards the continuous growth of the Company.

#### Regd. Office: -

Darcl House, Plot No. 55 P  
Institutional Area, Sector-44  
Gurugram, Haryana-122003

On behalf of the Board of Directors of  
**CJ Darcl Logistics Limited**

Sd/-

**Krishan Kumar Agarwal**  
(Chairman & Managing Director)  
DIN – 00151179

Sd/-

**Narender Kumar Agarwal**  
(Joint Managing Director)  
DIN - 00052456

Date: 04.09.2019

Place: Gurugram



## Annexure-I to the Directors Report

### FORM NO. MGT-9

Extract of Annual Returns of the Financial Year Ended on 31.03.2019

[Pursuant to section 92(30) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

i.	<b>CIN</b>	<b>U60222HR1986PLC068818</b>
ii.	Registration Date	10.12.1986
iii.	Name of the Company	CJ DARCL LOGISTICS LIMITED (Formerly known as DARCL Logistics Limited)
iv.	Category/Sub-Category of the Company	Public company limited by Shares
v.	Address of the Registered office and contact details	Darcl House, Plot No. 55 P, Institutional Area, Sector-44, Gurugram, Haryana
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>M/s. Link Intime India Private Limited</b> , Noble Heights, 1st Floor, Plot Nt. NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi -110058. <b>Telephone:- 011-41410592/93/94</b>

#### 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:-

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Road Transport Services	996511	100.00%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr.No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	Transrail Logistics Limited	U74210HR2008PLC068824	Subsidiary	100%	2(86) (ii)
2	Darcl Logistics Nepal Private Limited	NA	Subsidiary	100%	2(86) (ii)
3	Fr8ology Private Limited	U60232HR2017PTC068204	Subsidiary	100%	2(86) (ii)



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	1228802	-	1228802	5.15%	1247802	-	1247802	5.23%	0.08%
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp									
e) Banks / FI									
f) Any Other									
Sub - total(A)(1):-	<b>1228802</b>	<b>-</b>	<b>1228802</b>	<b>5.15%</b>	<b>1247802</b>	<b>-</b>	<b>1247802</b>	<b>5.23%</b>	<b>0.08%</b>
<b>2) Foreign</b>									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.	11931071	-	11931071	50%	11931071	-	11931071	50%	-
j) Banks / FI									
k) Any Other....									
Sub-total(A)(2):-	<b>11931071</b>	<b>-</b>	<b>11931071</b>	<b>50%</b>	<b>11931071</b>	<b>-</b>	<b>11931071</b>	<b>50%</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds	-	-	-	-					-
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



2. Non Institutions									
a) Bodies Corp.									
(i) Indian	5173594	2035275	7208869	30.21%	5173594	2035275	7208869	30.21%	-
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	52768	-	52768	0.22%	52768	-	52768	0.22%	-
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3440632	-	3440632	14.42%	3421632	-	3440632	14.34%	(0.08%)
c) Others(Specify)									
Sub-total(B)(2)	<b>8666994</b>	<b>2035275</b>	<b>10702269</b>	<b>44.85%</b>	<b>8647994</b>	<b>2035275</b>	<b>10683269</b>	<b>44.77%</b>	<b>(0.08%)</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	<b>8666994</b>	<b>2035275</b>	<b>10702269</b>	<b>44.85%</b>	<b>8647994</b>	<b>2035275</b>	<b>10683269</b>	<b>44.77%</b>	<b>(0.08%)</b>
C. Shares held by Custodian for GDRs & ADRs									
GrandTotal (A+B+C)	<b>21826867</b>	<b>2035275</b>	<b>23862142</b>	<b>100%</b>	<b>21826867</b>	<b>2035275</b>	<b>23862142</b>	<b>100%</b>	<b>-</b>

#### i. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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.	Sh. Krishan Kumar Agarwal	177490	0.74%	0.56%	196490	0.82%	0.56%	<b>0.08%</b>
2.	Sh. Darshan Kumar Agarwal	192708	0.81%	0	192708	0.81%	0	0
3.	Sh.Roshan Lal Agarwal	278049	1.17%	0	278049	1.17%	0	0
4.	Sh. Narender Kumar Agarwal	580555	2.43%	2.42%	580555	2.43%	2.42%	0
5.	CJ Logistics Corporation	11931071	50.00%	0	11931071	50.00%		0
	<b>Total</b>	<b>13159873</b>	<b>55.15%</b>	<b>2.98%</b>	<b>13178873</b>	<b>55.23%</b>	<b>2.98%</b>	<b>0.08%</b>



ii. Change in Promoters' Share holding ( please specify, if there is no change )

Sr. No		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
1	<b>Sh.Krishan Kumar Agarwal</b> At the beginning of the year	177490	0.74%	177490	0.74%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): 15.11.2018 (Purchased)	19000	0.08%	196490	0.82%
	At the End of the year	196490	0.82%	196490	0.82%
2	<b>Sh. Darshan Kumar Agarwal</b> At the beginning of the year	192708	0.81%	192708	0.81%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	192708	0.81%	192708	0.81%
3	<b>Sh. Roshan Lal Aggarwal</b> At the beginning of the year	278049	1.16%	278049	1.16%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	278049	1.16%	278049	1.16%
4	<b>Sh. Narender Kumar Agarwal</b> At the beginning of the year	278049	1.16%	278049	1.16%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				



	At the End of the year	278049	1.16%	278049	1.16%
5	<b>CJ Logistics Corporation</b> At the beginning of the year	11931071	50.00%	11931071	50.00%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	11931071	50.00%	11931071	50.00%

iii. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	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
1.	<b>ASM India Investments Pvt. Ltd.</b> At the beginning of the year	3188064	13.36	3188064	13.36
	Date wise increase/(decrease) 16.07.2018	50000	0.21	3238064	13.57
	At the end of the year	3238064	13.57	3238064	13.57
2.	<b>Gargo Investments Pvt. Ltd.</b> At the beginning of the year	2820805	11.82	2820805	11.82
	Date wise increase/(decrease) 16.07.2018	(50000)	(0.21)	2770805	11.61
	At the end of the year	2770805	11.61	2770805	11.61
3.	<b>TCG ESOP Trust</b> At the beginning of the year	1200000	5.03	1200000	5.03
	Date wise increase/(decrease)	-	-	-	-
	At the end of the year	1200000	5.03	1200000	5.03



4.	<b>Mrs. Prem Lata Agarwal</b> At the beginning of the year	<b>401995</b>	<b>1.68</b>	<b>401995</b>	<b>1.68</b>
	Date wise increase/(decrease) 15.11.2018	5000	0.03	406995	0.03
	At the end of the year	<b>406995</b>	<b>1.71</b>	<b>406995</b>	<b>1.71</b>
5.	<b>Puneet Agarwal</b> At the beginning of the year	<b>355676</b>	<b>1.49</b>	<b>355676</b>	<b>1.49</b>
	Date wise increase/(decrease) 15.11.2018	24000	0.10	379676	0.10
	At the end of the year	<b>379676</b>	<b>1.59</b>	<b>379676</b>	<b>1.59</b>
6.	<b>Tek Chand Agarwal (HUF)</b> At the beginning of the year	<b>328980</b>	<b>1.38</b>	<b>328980</b>	<b>1.38</b>
	Date wise increase/(decrease)	-	-	-	-
	At the end of the year	<b>328980</b>	<b>1.38</b>	<b>328980</b>	<b>1.38</b>
7.	<b>Mrs. Sushma Agarwal</b> At the beginning of the year	<b>320000</b>	<b>1.34</b>	<b>320000</b>	<b>1.34</b>
	Date wise increase/(decrease)	-	-	-	-
	At the end of the year	<b>320000</b>	<b>1.34</b>	<b>320000</b>	<b>1.34</b>
8.	<b>Krishan Kumar Agarwal &amp; Sons</b> At the beginning of the year	<b>252420</b>	<b>1.06</b>	<b>252420</b>	<b>1.06</b>
	Date wise increase/(decrease)	-	-	-	-
	At the end of the year	<b>252420</b>	<b>1.06</b>	<b>252420</b>	<b>1.06</b>
9.	<b>Nitesh Agarwal</b> At the beginning of the year	<b>201000</b>	<b>0.84</b>	<b>201000</b>	<b>0.84</b>
	Date wise increase/(decrease)	-	-	-	-
	At the end of the year	<b>201000</b>	<b>0.84</b>	<b>201000</b>	<b>0.84</b>
10.	<b>Harish Kumar Gupta</b> At the beginning of the year	<b>200000</b>	<b>0.84</b>	<b>200000</b>	<b>0.84</b>
	Date wise increase/(decrease)	-	-	-	-
	At the end of the year	<b>200000</b>	<b>0.84</b>	<b>200000</b>	<b>0.84</b>



iv. Shareholding of Directors and Key Managerial Personnel:

Sr. No	For Each of the Directors and KMP	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
1.	<b>Sh. Krishan Kumar Agarwal, CMD</b> At the beginning of the year	177490	0.74%	177490	0.74%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): 15.11.2018 (Purchased)	19000	0.08%	196490	0.82%
	<b>At the end of the year</b>	<b>196490</b>	<b>0.82%</b>	<b>196490</b>	<b>0.82%</b>
2.	<b>Sh. Darshan Kumar Aggarwal, JMD</b> At the beginning of the year	192708	0.81%	192708	0.81%
	Date wise Increase /Decrease in Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	-	-	-	-
	<b>At the end of the year</b>	<b>192708</b>	<b>0.81%</b>	<b>192708</b>	<b>0.81%</b>
3.	<b>Sh. Roshan Lal Aggarwal, JMD</b> At the beginning of the year	278049	1.16%	278049	1.16%
	Date wise Increase /Decrease in Share Holding during the Year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ Sweat equity etc):	-	-	-	-
	<b>At the end of the year</b>	<b>278049</b>	<b>1.17%</b>	<b>278049</b>	<b>1.17%</b>
4.	<b>Sh. Narender Kumar Agarwal, JTD</b> At the beginning of the year	580555	2.43%	580555	2.43%
	Date wise Increase / Decrease in Share Holding during the Year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus /sweat equity etc):	-	-	-	-
	<b>At the end of the year</b>	<b>580555</b>	<b>2.43%</b>	<b>580555</b>	<b>2.43%</b>



## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2866057934	31798981	364034213	3261891128
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	4146810	63077	47628153	51838040
<b>TOTAL (I+II+III)</b>	<b>2870204744</b>	<b>31862058</b>	<b>411662366</b>	<b>3313729168</b>
Change in Indebtedness during the financial year				
- Addition	715054351	100000000	143820439	958874790
- Reduction	-346720996	-35747039	-241487619	-623955654
<b>Net Change</b>	<b>368333355</b>	<b>64252961</b>	<b>-97667180</b>	<b>334919136</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3234391289	96051942	266367033	3596810264
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	3349694	171546	30574558	34095798
<b>TOTAL (I+II+III)</b>	<b>3237740983</b>	<b>96223488</b>	<b>296941591</b>	<b>3630906062</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Mr. K.K. Agarwal (CMD)	Mr. D. K. Agarwal (JMD)	Mr. R. L. Agarwal (JMD)	Mr. N. K. Agarwal (JMD)	Mr. Hyoung Gun Kang (Executive Director)*	
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,08,32,593	1,61,35,136	1,60,25,473	1,68,11,726	1,26,76,871	8,24,81,799
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		39,600	39,600	39,600	36,11,824	37,70,224
	(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 Provident Fund	1,39,80,452	1,32,89,576	1,32,89,576	1,25,21,600	-	5,30,81,204
6.	Total (A)	<b>3,48,52,645</b>	<b>2,94,64,312</b>	<b>2,93,54,649</b>	<b>2,93,72,926</b>	<b>1,62,88,695</b>	<b>13,93,33,227</b>
	Ceiling as per the Act						

Sr. No	Particulars of Remuneration	Name of Directors						TOTAL
		Independent Directors	Mrs. Ranjana Kaul	Mrs. Rajni Gupta	Mr. Amandeep	Mr. JangwoonKwak**	Mr. Do Young Kim**	
	•Fee for attending board committee meetings	80,000	60,000	2,00,000	-	60,000	2,00,000	6,00,000
	•Commission	1,63,233	1,90,767	3,54,000	1,26,850	1,90,767	3,54,000	13,79,617
	•Others, please specify							
	<b>Total(1)</b>	2,43,233	2,50,767	5,54,000	1,26,850	2,50,767	5,54,000	19,79,617
	Overall Ceiling as per the Act	-	-	-				

\*Sitting fees and Commission is including GST of 18% under Reverse Charge Mechanism.

\*\* Mr. JangwoonKwak was appointed on 10.08.2017 and resigned w.e.f. 09.08.2018. Mr. Euy Don Park was appointed w.e.f. 10.08.2017.



(PART – II)

No Remuneration being paid to other Non-Executive Directors.

**C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD**

Sr. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Mr. Apoorva Kumar, Company Secretary	CFO Mr. Chol Hoi Kim	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	-	30,89,839	1,23,48,670	1,54,38,509
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961.	-	-	35,14,607	35,14,607
	(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 (Gratuity and PF)	-	2,13,828	-	2,13,828
6.	Total	-	33,03,667	1,58,63,277	1,91,66,944

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

No penalties / punishment / compounding of offences were levied under the Companies Act, 2013.

**Annexure-II to the Directors Report**

[Pursuant to section 135 of the Companies Act, 2013 and rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014

**Disclosure of composition of the Corporate Social Responsibility Committee and contents of the CSR Policy in the form of an annual report on CSR as per Companies (Corporate Social Responsibility Policy) Rules, 2014**

**1. A brief outline of the CSR Policy of the Company, including overview of projects or programs proposed to be undertaken.**

Corporate Social Responsibilities (CSR) activities at CJ Darcl Logistics Limited is recognized as integrating social, environmental and ethical responsibilities into the governance of businesses which ensures the long term success, competitiveness and sustainability.

Further, CSR makes a business sense as companies with effective CSR, have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers.

The main objective of CSR policy is to make CSR a key business process for sustainable development of the society. CJ Darcl Logistics Limited will act as a good corporate citizen and aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy.

The CSR Policy of the Company is also available on [www.cjdarcl.com/regulatory-compliance/CSR](http://www.cjdarcl.com/regulatory-compliance/CSR).

**2. Composition of CSR Committee**

CSR Committee of the Company comprises of following members:

1. Mr. Amandeep, Independent Director, Chairman
2. Mr. Narender Kumar Agarwal, Joint Managing Director, Member
3. Mr. Hyoung Gun Kang, Executive Director, Member
4. Mr. Euy Don Park, Independent Director, Member



### Meetings of CSR Committee

The meeting of CSR Committee took place during the F.Y. 2017-18 as under:

Srl. No	Date of Meeting	No. of Directors Present
1.	16th March, 2019	4

3. The Average net profit of the Company for last three financial years: Rs. 29.32 Crores
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 58.63 lacs
5. Details of CSR spent during the Financial Year:
  - (a) Total amount spent for the financial year 2018-19:- Rs. 67.30 lacs
  - (b) Amount unspent, if any- Nil
  - (c) Manner in which the amount spent during the financial year is detailed below:-

Srl. 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 upto the reporting period	Rs. In lakh
							Amount spent: Direct or through implementing agency
1.	Fooding and welfare of animals, particularly Cows	Animal Welfare	Hisar	42.00	41.42	41.42	Direct
2.	Contribution towards education of unprivileged children	Promoting education	Delhi NCR	14.00	13.04	13.04	Direct
3.	Others	Relief fund & other CSR activities	Delhi NCR, other areas	13.00	12.84	12.84	Direct
			Total	69.00	67.30	67.30	

@ Expense towards animal welfare includes allocations out of general limits.

# Other CSR activities include amount incurred towards Social business projects falling under CSR.

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- Nil

7. CSR Committee, in it's Responsibility Statement has mentioned that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Place: Gurugram  
Date: 04.09.2019

Sd/-  
(Krishan Kumar Agarwal)  
Chairman and Managing Director  
DIN: 00151179

Sd/-  
(Amandeep)  
Chairman CSR Committee  
DIN:00226905



## Annexure –III to Directors Report

### Form No. AOC-2

[Pursuant to section 134(3)(n) of the Companies Act, 2013 and rule 8(2) of the Companies (Accounts) Rules, 2014]

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

The Company has no contracts or arrangements or transactions which are not at arm's length basis.

(a) Name(s) of the related party and nature of relationship:

Sr. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transaction	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in General meeting u/s 188(1)
NIL								

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transaction	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which special resolution was passed in General meeting u/s 188(1)
1.	M/s. TCG Media Limited	Advertisement of Company in publication of TCG Media Limited.	01.2.2018-31.01.2019	The advertisement of the Company is published in monthly magazine of the publication.	For branding of the Company as it is logistics magazine.	23.03.2018	1440000 plus taxes	23.04.2018
3.	Sh. D.K. Agarwal, WTD	Lorry hire services upto Rs. 7.50 crores	01.04.2018-31.03.2019	Lorry hire charges for F.Y. 2018-19		23.03.2018	-	23.04.2018

**Regd. Office: -**  
Darcl House,  
Plot No. 55P, Institutional Area  
Sector-44, Gurugram  
Haryana.

On behalf of the Board of Directors of  
**CJ Darcl Logistics Limited**

Sd/-  
**Krishan Kumar Agarwal**  
(Chairman & Managing Director)  
DIN – 00151179

Sd/-  
**Narender Kumar Agarwal**  
(Joint Managing Director)  
DIN - 00052456

Date: 04.09.2019  
Place: Gurugram



## Annexure-IV to Directors Report

FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[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 CJ DARCL Logistics Limited

Regd. Off.: DARCL House, Plot No. 55P,

Sector-44, Institutional Area,

Gurugram -122003 (Haryana).

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s CJ Darcl Logistics Limited (hereinafter called "the Company"), which is an Unlisted Public Company. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances for 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 2019 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 31st March 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act), as amended from time to time and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; **(Not Applicable to the Company)**
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
- 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)**
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Company)**
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (till November 8, 2018)/ The Securities and Exchange Board of India (Issue of Capital

and Disclosure Requirements) Regulations, 2018 (with effect from November 9, 2018); **(Not Applicable to the Company)**

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company)**

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ; **(Not Applicable to the Company)**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; **(Not Applicable to the Company)**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ; **(Not Applicable to the Company)** and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (till September 10, 2018)/ The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (with effect from September 11, 2018) ; **(Not Applicable to the Company)**

vi. **We further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- a. The Motor Vehicles Act, 1988 and rules made there under
- b. The Carriage by Road Act, 2007
- c. The Multi Modal Transportation of Goods Act, 1993
- d. The Motor Transport Workers Act, 1961
- e. The Food Safety and Standard Act, 2006 read with FSS (licensing and registration of food business) Regulation, 2011

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not Applicable to the Company)**.

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

#### **We further report that-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women 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 has been given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

**We further report that** during the Audit period, the company has undertaken the following major activities/corporate actions in pursuance



of the above referred laws rules, regulations, guidelines etc.:-

A. Acceptance of Deposits u/s 73 and u/s 76 of the Act from public.

B. Following Resolutions in respect of related party transactions were passed by the Board of Directors of the company in their Meetings held during the year:

i. Pursuant to Section 188 of the Act, the company has entered into a Related Party transaction of amount Rs. 1,00,00,000.00 (Rupees One Crore only) for sale of Immovable Property to M/s Sakshi Agarwal W/o Mr. Ishant Agarwal;

ii. Pursuant to Section 188 of the Act, the company has entered into a related party transaction with M/s Different Earth Spaces Real Estate Private Limited a related party, for entering into lease agreement for providing office space at a monthly rental of Rs. 10000.00 plus taxes;

iii. Pursuant to Section 188 of the Act, the company has entered into a related party transaction with Tek Chand HUF and Co-parceners, a related party, for renewal of payment of rent;

iv. Pursuant to Section 188 of the Act, the company has entered into a related party transaction with Fretron, LLP for purchase of GPS Device and tracking services;

v. Pursuant to Section 188 of the Act, the company has entered into a related party transaction with Fretron, LLP for renewal of rent agreement;

vi Pursuant to Section 188 of the Act, the company has entered into a related party transaction with CJ Korea Express India Private Limited for renewal of rent agreement;

C. Following Special Resolutions were passed by the Shareholders of the company in their Extra Ordinary General Meeting (EGM) and Annual General Meeting (AGM) held during the audit period:

I. Pursuant to Section 14 of the Act, the company has passed a Special Resolution for Alteration in Article 165 of the Articles of Association of the Company;

II. Pursuant to Section 188 of the Act, the company has passed a Special Resolution for a Related Party transaction uptoRs 7,50,00,000.00 (Rupees Seven Crore Fifty Lakhs only) with Mr. Darshan Kumar Agarwal, a related party, against lorry-hire charges for the Financial year 2018-19;

III. Pursuant to Section 188 of the Act, the company has passed a Special Resolution for a Related Party transaction of Rs. 14,40,000.00(Rupees Fourteen Lakh Forty Thousand only ) plus taxes with TCG Media for publication of advertisement;

IV. Pursuant to section 161(1) of the Act, Mr. Kwan Soo Shon (DIN: 08147143) was appointed as Non-Executive Director;

V. Pursuant to section 149,150, 152 read with Schedule IV of the Act, Mr. Do Young Kim (DIN: 08204199) was appointed as Independent Director;

VI. Pursuant to section 149,150, 152 read with Schedule IV of the Act, Mrs. Rajni Gupta (DIN: 02135443) was appointed as Independent Director;

VII. Pursuant to section 149,150, 152 read with Schedule IV of the Act, Mr. Amandeep (DIN: 00206905) was re-appointed as Independent Director;

VIII. Pursuant to Section 14 of the Act, the company has passed a Special Resolution for Alteration in Article 99 & 124 of the Articles of Association of the Company;

IX. Pursuant to Section 188 of the Act, the company has passed a Special Resolution for a Related Party transaction of amount Rs. 1,00,00,000.00 (Rupees One Crore only) for sale of Immovable Property to M/s Sakshi Agarwal W/o Mr. Ishant Agarwal;

**For Dhananjay Shukla & Associates**

Company Secretaries

Sd/-

**Dhananjay Shukla**

Proprietor

FCS-5886, CP No. 8271

Place: Gurugram

Date: 04.09.2019

This report is to be read with our letter of even date which is annexed as 'Annexure-A' and forms integral part of this report.

Enclosures: Annexure-A



To,  
The Members,  
M/s CJ DARCL Logistics Limited  
Regd. Off.: DARCL House, Plot No. 55 P,  
Sector-44, Institutional Area,  
Gurugram -122003 (Haryana).

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records and other relevant records as maintained by the company. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records and other relevant records. We believe that the processes and practices, we followed and the audit evidences we have obtained are sufficient and appropriate to provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have not examined the compliance by the company with applicable financial laws like Direct and Indirect Tax Laws, Since the same has been subject to review by the Statutory and other Audit and by other designated professionals.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Dhananjay Shukla & Associates**  
Company Secretaries

Sd/-  
**Dhananjay Shukla**  
Proprietor  
FCS-5886, CP No. 8271

Place: Gurugram  
Date:04.09.2019



## INDEPENDENT AUDITOR'S REPORT

To the Members of CJ Darcl Logistics Limited

### Report on the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of CJ Darcl Logistics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

#### Other information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report but does not include the standalone Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management 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 Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Report on Other Legal and Regulatory Requirements**
1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 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 purpose of our audit;
    - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
    - (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
    - (e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act;
    - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
    - (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
    - (h) 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, as amended, 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;
      - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

UDIN: 19094941AAAACY6119

Sd/-

**per Yogesh Midha**

Partner

Membership Number: 094941

Place of Signature: New Delhi

Date: September 04, 2019



**Annexure referred to in paragraph [1] of report on other legal and regulatory requirements**

**Re: CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited) ('the Company')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the titles deeds of immovable properties including property, plant and equipment/ fixed assets are held in the name of the Company as at the balance sheet date except the following;

Particulars of the Building	Carrying value as at March 31, 2019	Remarks
Building located at West Bengal measuring 638 square feet	92,952	The title deed of the building is in the name of a director in the Company and is pending for registration in name of the Company

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year. Discrepancies noted on physical verification of inventories were not material and have been properly dealt with in the books of accounts.

- (iii) (a) The Company has granted loan to one of its wholly owned subsidiary company being covered in the register maintained under section 189 of the Companies Act, 2013. Loan granted to wholly owned subsidiary company is interest free and repayable on demand, which, as explained to us have been given for working capital management. In our opinion and according to the information and explanations given to us, the terms and

conditions of the grant of such loans are not prejudicial to the Company's interest.

- (b) In respect of loan granted to company and parties covered in the register maintained under section 189 of the Companies Act, 2013, repayment of the principal amount and receipt of interest is as stipulated.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of grant of loan, investments made, guarantees and securities given have been complied with by the Company.

(v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.

- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, provident fund, employees' state insurance, goods and service tax, cess and other undisputed statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax and sales tax/Value Added Tax on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	2,4130,776	AY 2014-15 to 2016-17	Commissioner of Income Tax (Appeal)
Income Tax Act 1961	Tax Deducted at Source	6,756,090	AY	Commissioner of Income Tax (Appeal)
Sales Tax Act/Value Added Tax	Sales Tax/Value Added Tax	16,157,566	FY 2007-08, 2008-09 and 2010-11 to 2018-19	Upto Commissioners' Level
Sales Tax Act/Value Added Tax	Sales Tax/Value Added Tax	33,201,627	FY 2008-09 to 2017-18	Commercial Tax Tribunal
Sales Tax Act/Value Added Tax	Sales Tax/Value Added Tax	5,428,017	FY 2007-08 to 2009-10, 2013-14 and 2016-17 and 2017-18	High Court



(viii) In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of dues to a bank and financial institution. The Company does not have any dues to in respect of debenture holders or government.

(ix) In our opinion and according to information and explanations given by the management, the Company has utilized the monies term loans for the purposes for which they were raised.

(x) We have been informed that an employee of the Company had misappropriated funds amounting to INR 2,460,902 during the year under audit. Investigations are in progress and the employee has been suspended. The Company has withheld his terminal benefits and it is estimated that the amount misappropriated may exceed the terminal benefits due to the employee. The Company is adequately covered by fidelity insurance cover.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion and according to information and explanations given by the management, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has complied with provision of section 42 of the Companies Act 2013, in respect of private placement of shares during the year. According to the information and explanation given by the management, we report that the amounts raised, have been used for the purpose for which the fund were raised.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S. R. Batliboi & Associates LLP**

ICAI Firm registration number: 101049W/E300004

Chartered Accountants

Sd/-

**per Yogesh Midha**

Partner

Membership Number: 094941

UDIN: 19094941AAAACY6119

Place: New Delhi

Date: September 04, 2019



Annexure 2 referred to in paragraph 2 under the heading "Report on other legal and regulatory requirements" of our report of even date

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

To the Members of CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)

We have audited the internal financial controls over financial reporting of CJ Darcl Logistics Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 internal financial controls system over financial reporting with reference to these standalone financial statements.

**Meaning of Internal Financial Controls over Financial Reporting with Reference to these standalone Financial Statements**

A Company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sd/-

**per Yogesh Midha**

Partner

Membership Number: 094941

UDIN: 19094941AAAACY6119

Place of Signature: New Delhi

Date: September 04, 2019



## BALANCE SHEET AS AT 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

	NOTE NO.	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 (a)	1,771.80	1,818.45
Intangible assets	4	51.39	57.30
Capital work in progress		0.10	7.04
Investment properties	5	61.83	51.21
Investments in subsidiaries	6	185.46	184.46
Financial assets			
i. Loans	7	31.35	17.76
ii. Other financial assets	8	42.96	36.90
Other non-current assets	9	533.58	508.19
<b>Total non-current assets</b>		<b>2,678.47</b>	<b>2,681.31</b>
<b>Current assets</b>			
Inventories	10	11.20	9.48
Financial assets			
i. Investments	11	-	8.07
ii. Trade receivables	12	3,511.09	3,224.26
iii. Cash and cash equivalents	13	30.89	26.08
iv. Bank balances other than (iii) above	14	125.51	100.75
v. Loans	7	108.79	152.70
vi. Other financial assets	8	1,377.25	1,057.82
Other current assets	9	445.11	390.94
<b>Total current assets</b>		<b>5,609.84</b>	<b>4,970.10</b>
Assets classified as held for sale	3 (b)	68.00	-
<b>Total current assets</b>		<b>5,677.84</b>	<b>4,970.10</b>
<b>Total Assets</b>		<b>8,356.31</b>	<b>7,651.41</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	15	226.62	226.62
Other equity			
Reserves and surplus	16	3,458.25	3,118.10
<b>Total equity</b>		<b>3,684.87</b>	<b>3,344.72</b>





Sd/-  
**per Yogesh Midha**  
**Partner**  
Membership No. 94941

Sd/-  
**Krishan Kumar Agarwal**  
(Chairman and Managing Director)  
DIN: 00151179

Sd/-  
**Narender Kumar Agarwal**  
(Joint Managing Director)  
DIN: 00052456

Sd/-  
**Hyoung Gun Kang**  
(Whole Time Director)  
DIN: 07875012

Sd/-  
**Choi Hoi Kim**  
(Chief Financial Officer)

Sd/-  
**Apoorva Kumar**  
(Company Secretary)  
FCS: 4905

Sd/-  
**Hira Lal Yadav**  
(AGM - Accounts)

Sd/-  
**Dinesh Sharma**  
(AGM - Accounts)

Place: New Delhi  
Date: 04 September 2019

Place: Gurugram  
Date: 04 September 2019



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

	NOTES	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Income</b>			
Revenue from contracts with customers	24	22,613.21	19,620.23
Other income	25	76.12	40.18
<b>Total income</b>		<b>22,689.33</b>	<b>19,660.41</b>
<b>Expenses</b>			
Cost of services	26	20,027.95	17,679.76
Employee benefit expenses	27	1,079.76	922.24
Finance cost	28	329.98	336.33
Depreciation and amortization expense	29	260.48	261.88
Other expenses	30	467.42	310.81
<b>Total expenses</b>		<b>22,165.59</b>	<b>19,511.02</b>
<b>Profit before tax</b>		<b>523.74</b>	<b>149.39</b>
Income tax expense	31		
Current tax		258.60	70.70
Deferred tax (credit)		(74.07)	(13.01)
<b>Profit for the year (A)</b>		<b>339.21</b>	<b>91.70</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement of post employment benefit obligations		1.45	2.95
Income tax relating to these items		(0.51)	(1.03)
<b>Other comprehensive income for the year, net of tax (B)</b>		<b>0.94</b>	<b>1.92</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>340.15</b>	<b>93.62</b>



<b>Earnings per equity share</b>	32		
Basic earnings per equity share (Rs.)		<b>14.97</b>	4.09
Diluted earnings per equity share (Rs.)		<b>14.97</b>	4.09
<b>Summary of significant accounting policies</b>	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountant  
ICAI Firm Registration No. 101049W/E300004

**For and on behalf of the Board of Directors**

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)

Sd/-  
**per Yogesh Midha**  
**Partner**  
Membership No. 94941

Sd/-  
**Krishan Kumar Agarwal**  
(Chairman and Managing Director)  
DIN: 00151179

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(Company Secretary)  
FCS: 4905

Sd/-  
**Hira Lal Yadav**  
(AGM - Accounts)

Sd/-  
**Dinesh Sharma**  
(AGM - Accounts)

Place: New Delhi  
Date: 04 September 2019

Place: Gurugram  
Date: 04 September 2019



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

A) Equity share capital (refer note 15)							
						Number	Amount
<b>Equity shares of INR 10 each issued, subscribed and fully paid</b>							
As at 1 April 2017						19,800,000	198.00
Add: Issued during the year						4,062,142	40.62
Less: Shares held by ESOP Trust at the year end						(1,200,000)	(12.00)
Balance as at 31 March 2018						22,662,142	226.62
Add: Issued during the year						-	-
<b>Balance as at 31 March 2019</b>						<b>22,662,142</b>	<b>226.62</b>
B) Other equity (refer note 16)							
		General reserve	Securities premium	Capital redemption reserve	Retained earnings	Total	
<b>Balance as at 1 April 2017</b>		951.87	105.05	54.00	880.70	1,991.62	
Profit for the year		-	-	-	91.70	91.70	
Other comprehensive income (net of tax)		-	-	-	1.92	1.92	
Addition during the year		-	1,066.39	-	-	1,066.39	
Share issue expenses		-	(33.53)	-	-	(33.53)	
<b>Balance as at 31 March 2018</b>		951.87	1,137.91	54.00	974.32	3,118.10	
<b>Profit for the year</b>		-	-	-	<b>339.21</b>	<b>339.21</b>	
Other comprehensive income (net of tax)		-	-	-	<b>0.94</b>	<b>0.94</b>	
<b>Balance as at 31 March 2019</b>		<b>951.87</b>	<b>1,137.91</b>	<b>54.00</b>	<b>1,314.47</b>	<b>3,458.25</b>	



The accompanying notes form an integral part of the financial statements

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountant  
ICAI Firm Registration No. 101049W/E300004

**For and on behalf of the Board of Directors**

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)

Sd/-

**per Yogesh Midha**

**Partner**

Membership No. 94941

Sd/-

**Krishan Kumar Agarwal**

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**Hira Lal Yadav**

(AGM - Accounts)

Sd/-

**Dinesh Sharma**

(AGM - Accounts)

Place: New Delhi

Date: 04 September 2019

Place: Gurugram

Date: 04 September 2019



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>A. Cash flow from operating activities:</b>		
<b>Profit before taxation</b>	<b>523.74</b>	149.39
Adjustments for :		
Depreciation and amortisation expense	<b>260.48</b>	261.87
Profit on sale of fixed assets (net)	<b>(40.53)</b>	(13.11)
Interest income	<b>(11.07)</b>	(14.83)
Liabilities no longer required written back	<b>(0.82)</b>	(1.79)
Provision for doubtful trade receivables, advances and claims	<b>184.95</b>	25.69
Bad debts written off	<b>7.21</b>	11.75
Fair valuation of investments	-	(0.57)
Profit on sale of investments (net)	<b>(0.15)</b>	(0.62)
Interest income on - unwinding of security deposits	<b>(1.50)</b>	(1.72)
Finance costs	<b>329.94</b>	336.20
<b>Operating profit before working capital changes</b>	<b>1,252.25</b>	752.26
<b>Changes in working capital :</b>		
(Increase) in trade receivables	<b>(442.87)</b>	(319.81)
(Increase) in inventories	<b>(1.72)</b>	(1.50)
(Increase) in other financial assets	<b>(364.30)</b>	(84.09)
Decrease/(increase) in other current assets	<b>(48.80)</b>	22.83
(Decrease)/increase in trade payables	<b>59.45</b>	(1.60)
(Decrease)/increase in other financial liabilities	<b>37.20</b>	(3.12)
Increase in other liabilities	<b>(0.07)</b>	7.39
Employee benefit obligations & provisions	<b>29.19</b>	26.99
Cash generated from operations	<b>520.32</b>	399.35
Net income tax paid (net of refund)	<b>(296.90)</b>	(226.68)
<b>Net cash flow from operating activities (A)</b>	<b>223.42</b>	172.67



<b>B.</b>	<b>Cash flows from investing activities</b>		
	Capital expenditure on fixed assets including capital advances	(295.35)	(531.16)
	Proceeds from sale of fixed assets	55.82	29.70
	Loans given to subsidiary company	(170.00)	(228.50)
	Loans realized from subsidiary company	217.14	249.50
	Investment in subsidiary	(1.00)	(4.60)
	Sale of investments	8.22	0.62
	Interest received	11.22	16.69
	Increase / (Decrease) in bank balance not considered in cash and cash equivalents	(31.96)	(52.77)
	<b>Net cash used in investing activities (B)</b>	<b>(205.91)</b>	<b>(520.51)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Proceeds from issuance of share capital (net of share issue expenses)	-	1,073.49
	Proceeds from long-term borrowings	442.60	623.57
	Repayments of long-term borrowings	(524.22)	(430.71)
	Net proceeds from short-term borrowings	416.55	(648.23)
	Finance cost paid	(347.63)	(324.11)
	<b>Net cash used in financing activities (C)</b>	<b>(12.70)</b>	<b>294.01</b>
	<b>Net (decrease) / increase in cash and cash equivalents (A + B + C)</b>	<b>4.81</b>	<b>(53.83)</b>
	Cash and cash equivalents at the beginning of the year	26.08	79.91
	<b>Cash and cash equivalents at the end of the year</b>	<b>30.89</b>	<b>26.08</b>
	<b>Components of cash and cash equivalents</b>		
	Cash on hand	11.39	13.72
	Balances with scheduled banks:		
	- in current accounts	19.20	11.81
	-in deposit account (original maturity of 3 months or less)	0.30	0.55
	<b>Total cash and cash equivalents (refer note 13)</b>	<b>30.89</b>	<b>26.08</b>
	<b>Summary of significant accounting policies</b>	<b>2</b>	



As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountant

ICAI Firm Registration No. 101049W/E300004

**For and on behalf of the Board of Directors**

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)

Sd/-

**per Yogesh Midha**

**Partner**

Membership No. 94941

Sd/-

**Krishan Kumar Agarwal**

(Chairman and Managing Director)

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(Company Secretary)

FCS: 4905

Sd/-

**Hira Lal Yadav**

(AGM - Accounts)

Sd/-

**Dinesh Sharma**

(AGM - Accounts)

Place: New Delhi

Date: 04 September 2019

Place: Gurugram

Date: 04 September 2019



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. Company Overview

CJ Darcl Logistics Limited (the 'Company') CIN No. U60222HR1986PLC068818 was incorporated originally as a Private Limited Company on 10 December 1986, which was converted into a Public Limited Company with effect from 01 December 1998. Name of the Company got changed to Darcl Logistics Limited effective 23 February 2010 and based on strategic transaction during the F.Y. 2017-18 with CJ Logistics Corporation, name of the Company got further changed to CJ Darcl Logistics Limited effective 13 September 2017. The Company is engaged in the business of carrier by road, rail and sea means of transportation, integrated logistics solutions and specialized logistics across multimodal transport operations.

The Financial statements have been approved by the Board of Directors pursuant to resolution passed on 04 September 2019.

### 2. Significant accounting policies

#### (i) Basis of preparation of financial statements

The financial statements of the Company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value as required under relevant Ind AS.

The financial statements are presented in Indian rupees (INR) and all values are rounded to nearest millions upto two decimals, except when otherwise stated.

#### (ii) Change in accounting policies

##### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115, "Revenue from Contracts with Customers", this new standard on revenue recognition supersedes Ind AS 18 Revenue, Ind AS 11 Construction Contracts and related interpretations. The new standard establishes uniform requirements regarding the nature, amount, timing, and time period of revenue recognition. The standard establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard also specifies the accounting for the incremental costs of obtaining the contract and costs directly related to fulfilling a contract.

The Company has adopted Ind AS 115 using the modified retrospective approach with any cumulative effects recognized in equity as of 01 January 2018 and with no restatement of comparatives. The implementation has not resulted in any significant changes to existing revenue recognition practices applied by the Company except for netting variable consideration in form of incentives and penalties with revenue amounting to INR 80.87 for the year ended 31 March 2019. Accordingly, there is no adjustment to equity.

#### Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financial statements.

#### (iii) Change in accounting estimate

##### Estimated useful lives of property, plant and equipment

Upto 31 March 2018, the Company depreciated its Hydraulic Axle, Puller and Mobile phones over the period of 8 years, 8 years and 2 years respectively.

Considering the prevalent regulatory and economic conditions the Company has revisited and revised the estimate for depreciation of the Hydraulic Axle, Puller and Mobile over the period of 25 years, 15 years and 3 years respectively on prospective basis.

Had the Company continued to use the earlier estimate of depreciating the above assets, its financial statements for the period would have been impacted as below:

Depreciation for the current period would have been higher by Rs. 27.05 million. Profit before tax for the current period would have been lower by Rs. 27.05 million and property, plant and equipment assets would have been lower by Rs. 27.05 million.

#### (iv) Property plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT/GST/VAT credit availed wherever applicable. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.



(v) **Depreciation methods, estimated useful lives and residual value**

Depreciation is provided on pro-rata basis using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as estimated by the management which is in line with the useful life of assets as prescribed under Schedule II of the Companies Act, 2013 except in respect of trucks and mobile phones, in which case the life of the assets has been assessed as 8 and 2 years respectively, taking into account their nature and their estimated usage.

The Company has used the following rates to provide depreciation on its property, plant and equipment:

Asset category	Useful lives estimated by management (SLM)	Useful life of assets as per Schedule II of Company Act (SLM)
Land - Freehold - Leasehold	- 99/5 years	Over the period of lease
Buildings	30/61 years	30/61 years
Plant and machinery (flat wagon)	15 years	15 years
Rail containers	15 years	15 years
Plant and machinery (others)	8 years	8 years
Furniture and fittings	10 years	10 years
Office equipment	3/5 years	5 years
Computers	3/6 years	3/6 years
Trucks	8 years	6 years
Trucks (Puller/Axle)	15/25 years	6 years
Other vehicle	8 years	8 years

Leasehold land is amortised over the duration of the lease and leasehold improvements are depreciated on straight line basis over the unexpired period of lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income in Statement of Profit and Loss.

(vi) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of

bringing the asset to its working condition for its intended use.

**Research and development cost**

Research expenditure and development expenditure that do not meet the criteria as given in Ind AS-38 "Intangible Assets" are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

**Amortisation methods and periods**

Costs relating to purchased software licenses are amortized on a straight-line basis over their estimated useful life or 5 years, whichever is lower. Non-refundable license fee paid to 'Railway Administration', Government of India for operation of container train is amortized on straight-line basis over the license period of twenty year from 'Commercial Operations Date' as defined in the concession agreement with railways.

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the assets are disposed-off.

(vii) **Use of estimates**

The preparation of the financial statements requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to the contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year. Examples of such estimates include allowance for impairment of trade receivables and provision for doubtful advances, employee benefits, provision for income taxes, and impairment of assets and useful lives of fixed assets.

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to changes in these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known.

(viii) **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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



All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

**(ix) Non-current assets held for sale**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- (a) The appropriate level of management is committed to a plan to sell the asset,
- (b) An active programme to locate a buyer and complete the plan has been initiated,
- (c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- (d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- (e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

**(x) Investment Property**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their

residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life / residual value is accounted on prospective basis. Freehold land and properties under construction are not depreciated.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

**(xi) Leases**

**Where the Company is the lessee**

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**Where the Company is the lessor**

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**(xii) Impairment of non-financial assets**

The carrying amounts of the assets are reviewed at each Balance sheet date for any indication of impairment based on internal/external factors. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



In assessing value in use, the estimated future cash flows are 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 asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Impairment losses including impairment on inventories are recognised in the Statement of Profit and Loss.

**(xiii) Financial Instruments**

**i) Financial assets**

**a) Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies "Revenue from contracts with customers".

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**(b) Subsequent measurement**

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost**

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

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most applicable to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss (P&L). Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. This category is applicable to investments in mutual funds.

**Equity Investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-



by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value. All changes in fair value including dividend are recognized in the statement of profit and loss.

### Derecognition

A financial asset is de-recognised only when

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

### c) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Loan commitments which are not measured as at FVTPL

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent

period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

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

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

### Financial Liabilities

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

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

Financial guarantees, issued in relation to obligations of subsidiaries, are initially recognised at fair value (as part of the cost of the investment in the subsidiary).

The Company's financial liabilities include trade and other payables, financial guarantee contracts and derivative financial instruments.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes

derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

The financial guarantees are amortised over the life of the guarantee and are measured at each reporting date at the higher of:

- The remaining unamortized balance of the amount at initial recognition and



- The best estimate of expenditure required to settle the obligation at the end of the reporting period.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

#### De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### (xiv) Revenue recognition

##### Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note 33.

##### Performance obligations

At contract inception, the Company assesses the goods and services promised in contracts with customers and identifies various performance obligations to provide distinct goods and services to the customers. The Company has determined following distinct goods and services that represent its primary performance obligations.

- **Transportation services:** Revenue is recognized for these performance obligations as they are satisfied over the contract term,

which generally represents the transit period. The transit period can vary based upon the method of transport, generally a couple days for over the road, rail, and air transportation, or several weeks in the case of an ocean shipment. Company also provide certain ancillary logistics services, such as handling of goods, customs clearance services etc. The service period for these services is usually for a very short duration, generally few days or weeks. Hence, revenue from these services is recognised over the service period as the Company perform the primary obligation of transportation of goods.

- **Other allied services:** Revenue from leasing of vehicles (trains/trucks), renting of warehouse, fee-based management services are recognised over time as the customer simultaneously avails the benefits of these services. Hence, the revenue from such services is recognised on a monthly basis, basis the amount fixed as per the agreements.

#### Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for providing services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for transportation services provide the customer with incentives and include penalties levied on the Company. To estimate the variable consideration for the expected future incentives and penalties, the Company has applied the expected value method for all contracts.

#### Contract balances

##### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

##### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in financial instrument – initial recognition and subsequent measurement.

##### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

#### Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.



## Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

## xv) Inventories

Inventories comprise of tyres, tubes and other accessories for repairs and maintenance of own vehicles, which are valued at cost or net realizable value, whichever is lower. Cost is determined on weighted average cost basis. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory based on weighted average cost basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## xvi) Employee benefits

### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

### (ii) Post-employment benefits

**Defined Contribution Plan:** A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separately entity. The Company has defined contribution plans for provident fund and employees' state insurance scheme. The Company's contribution in the above plans is recognised as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

**Defined Benefit Plans:** The Company has defined benefit plan namely Gratuity for employees. The liability in respect of gratuity plans is calculated annually by independent actuary using the projected unit credit method. The Company recognizes the following changes in the net defined benefit obligation under Employee benefits expense in statement of profit or loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailment and non-routine settlements
- Net interest expense

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other comprehensive income (OCI). They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.

Compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the end of the year. Actuarial gains/losses are immediately recognised to the Statement of Profit and Loss.

Termination benefits are recognized as an expense immediately.

## (xvii) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for

their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

## xviii) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## xix) Foreign Currency Transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in statement of profit or loss.

## xx) Earnings per share

Basic earnings per share (EPS) are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.



Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity holders of the Company (after adjusting the corresponding income/charge for dilutive potential equity shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

#### **xxi) Provisions and Contingent liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

is remote.

#### **xxii) Segment reporting**

Business of the company primarily consist of transportation of goods and allied services. Accordingly, there is no separate reportable segment.

#### **xxiii) Dividend distribution**

The Company recognizes a liability to make cash distribution to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. The corresponding amount is recognised directly in equity.

#### **xxiv) Cash and cash equivalents**

For the purpose of presentation in the Statement of Cash flows, Cash and Cash equivalents includes cash on hand, deposits held at call, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

#### **xxv) Investment in subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any in separate financial statements. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.





**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**  
(All amounts in Rupees million, unless stated otherwise)

**3. PROPERTY, PLANT AND EQUIPMENT**

Description of assets	Gross Block			Depreciation / amortization			Net block As at 31 March 2019
	As at 1 April 2018	Additions	Deductions	As at 1 April 2018	Charge for the year	Disposal	
Land - Freehold*	179.31	-	-	-	-	-	179.31
- Leasehold	0.84	0.31	-	0.21	0.16	-	0.78
Buildings**#	216.55	5.93	0.64	6.15	3.90	0.07	211.86
Plant and machinery (Flat wagons)	218.89	-	-	41.08	20.54	-	157.27
Rail containers	138.29	0.50	0.67	19.50	9.68	0.14	109.08
Plant and machinery (Others)	13.99	-	-	5.32	2.62	-	6.05
Furniture and fittings	59.88	11.46	0.16	7.14	6.25	0.05	57.84
Office equipment	108.18	23.55	4.10	28.10	19.18	2.84	83.19
Computers	22.48	8.82	2.10	9.63	6.08	1.40	14.89
Trucks	1,230.75	211.10	29.60	330.04	171.93	17.96	928.24
Other vehicles	85.11	13.02	1.01	19.72	11.54	0.53	66.39
Leasehold improvements	14.01	15.05	1.78	2.94	1.22	1.78	24.90
<b>Gross total</b>	2,288.28	289.74	40.06	469.83	253.10	24.77	1,839.80
<b>Less: Assets held for sale</b>							
Land - Freehold*	(50.04)	-	-	-	-	-	(50.04)
Buildings*	(19.30)	-	(0.41)	(0.65)	(0.31)	(0.03)	(17.96)
<b>Total</b>	2,218.94	289.74	39.65	469.18	252.79	24.74	1,771.80

Description of assets	Gross Block			Depreciation / amortization			Net block	
	As at 1 April 2017	Additions	Deductions	As at 31 March 2018	Charge for the year	Disposal	As at 31 March 2018	As at 31 March 2018
Land - Freehold*	171.73	7.58	-	179.31	-	-	-	179.31
- Leasehold	0.84	-	-	0.84	0.14	-	0.21	0.63
Buildings*^#	204.12	12.43	-	216.55	3.72	-	6.15	210.40
"Plant and machinery (Flat wagons)"	218.89	-	-	218.89	20.54	-	41.08	177.81
Rail containers	139.44	-	1.15	138.29	9.70	-	19.50	118.79
Plant and machinery (Others)	13.99	-	-	13.99	2.66	-	5.32	8.67
Furniture and fittings	49.79	10.35	0.26	59.88	5.32	0.01	7.14	52.74
Office equipment	88.03	21.94	1.79	108.18	18.10	0.70	28.10	80.08
Computers	16.30	7.01	0.83	22.48	5.31	0.13	9.63	12.85
Trucks	796.09	444.08	9.42	1,230.75	177.84	-	330.04	900.71
Other vehicles	66.90	22.18	3.97	85.11	10.37	0.04	19.72	65.39
Leasehold improvements	13.12	0.94	0.05	14.01	0.85	-	2.94	11.07
<b>Total</b>	<b>1,779.24</b>	<b>526.51</b>	<b>17.47</b>	<b>2,288.28</b>	<b>254.55</b>	<b>0.88</b>	<b>469.83</b>	<b>1,818.45</b>

\*The title deeds for land and other properties at New Delhi, West Bengal, Haryana, Gujrat, Chattisgarh, Rajasthan, Maharashtra, Jharkhand, Uttar Pradesh, Assam, Orissa, Andhra Pradesh and Karnataka are in the former name of the Company i.e. Delhi Assam Roadways Corporation Limited.

^ Includes title deed of the building amounting to Rs. 0.10 million (31 March 2018: Rs. 0.10 million) is pending for registration in the name of the Company. The said building is registered in the name of a director of the Company.

# Building includes Rs. 250 (in absolute term), representing cost of unquoted fully paid shares in Punit Chambers Premises Co-operative Society Limited and Skylone Co-operative Housing Society Limited.

For detail in respect of carve out assets please refer note 51





### 3B ASSETS HELD FOR SALE

As per the terms of Shareholder agreement dated 5 June 2017 entered into by the company with CJ Logistics Corporation, certain properties have been agreed to be carved out from the company (refer note 51). The details relating to gross block and accumulated depreciation of aforementioned assets as at 31 March 2019 are included in the table below:

Description of assets	Gross Block				Net block			
	As at 1 April 2018	Additions	Deductions	As at 31 March 2019	As at 1 April 2018	Charge for the year	Disposal	As at 31 March 2019
Assets held for sale								
Land - Freehold*	50.04	-	-	50.04	-	-	-	50.04
Buildings*	19.30	-	0.41	18.89	0.65	0.31	0.03	17.96
<b>Total Assets held for sale</b>	<b>69.34</b>	<b>-</b>	<b>0.41</b>	<b>68.93</b>	<b>0.65</b>	<b>0.31</b>	<b>0.03</b>	<b>68.00</b>

\*The title deeds for land and other properties at New Delhi, Haryana, Assam, West Bengal, Maharashtra and Karnataka are in the former name of the Company i.e. Delhi Assam Roadways Corporation Limited.

For detail in respect of carve out assets please refer note 51

### 4. INTANGIBLE ASSETS

Description of assets	Gross Block				Net block			
	As at 1 April 2018	Additions	Deductions	As at 31 March 2019	As at 1 April 2018	Charge for the year	Disposal	As at 31 March 2019
Railway license	63.81	-	-	63.81	10.00	5.00	-	48.81
Software license fees	9.04	0.49	-	9.53	5.55	1.40	-	2.58
<b>Total intangible assets</b>	<b>72.85</b>	<b>0.49</b>	<b>-</b>	<b>73.34</b>	<b>15.55</b>	<b>6.40</b>	<b>-</b>	<b>51.39</b>

Description of assets	Gross Block				Net block			
	As at 1 April 2017	Additions	Deductions	As at 31 March 2018	As at 1 April 2017	Charge for the year	Disposal	As at 31 March 2018
Railway license	63.81	-	-	63.81	5.00	5.00	-	53.81
Software license fees	7.88	1.20	0.04	9.04	4.08	1.51	0.04	3.49
<b>Total intangible assets</b>	<b>71.69</b>	<b>1.20</b>	<b>0.04</b>	<b>72.85</b>	<b>9.08</b>	<b>6.51</b>	<b>0.04</b>	<b>57.30</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

### 5. INVESTMENT PROPERTIES

PARTICULARS	As at 31 March 2019	As at 31 March 2018
<b>Gross carrying amount</b>		
Opening gross carrying amount	52.22	52.22
Additions	11.61	-
Deletions	-	-
<b>Closing gross carrying amount</b>	<b>63.83</b>	52.22
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	1.01	0.18
Depreciation charge	0.99	0.83
<b>Closing accumulated depreciation</b>	<b>2.00</b>	1.01
<b>Net carrying amount</b>	<b>61.83</b>	51.21
<b>a) Amounts recognized in profit or loss for investment properties</b>		
	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Rental income	7.43	-
Direct operating expenses from property that generated rental income	(1.58)	-
<b>Profit from investment properties before depreciation</b>	<b>5.85</b>	-
Depreciation	(0.99)	(0.83)
<b>Loss from investment properties</b>	<b>4.86</b>	(0.83)
<b>b) Fair value</b>		
	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Investment properties	136.71	126.42

#### c) Estimation of fair value

The Company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.



## 6. NON-CURRENT INVESTMENTS

PARTICULARS	As at 31 March 2019	As at 31 March 2018
Investment in subsidiaries		
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
17,894,875 (31 March 2018: 17,894,875) equity shares of Transrail Logistics Limited	178.95	178.95
100,000 (31 March 2018: 100,000) equity shares of DARCL Logistics Nepal Private Limited	1.91	0.91
460,020 (31 March 2018: 460,020) equity shares of Fr8ology Private Limited	4.60	4.60
	185.46	184.46
<b>Aggregate amount of unquoted investments</b>	<b>185.46</b>	<b>184.46</b>
<b>Aggregate amount of impairment in value of investments</b>	<b>-</b>	<b>-</b>

## 7. LOANS

PARTICULARS	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Security deposits	32.35	18.76
Less: provision for doubtful security deposits	(1.00)	(1.00)
<b>Total loans - non current</b>	<b>31.35</b>	<b>17.76</b>
<b>Current</b>		
Security deposits	110.52	107.29
Less: Provision for doubtful security deposits (current)	(1.73)	(1.73)
	108.79	105.56
Loans to subsidiary (refer note 37)	-	47.14
<b>Total loans - current</b>	<b>108.79</b>	<b>152.70</b>



## 8. OTHER FINANCIAL ASSETS

PARTICULARS	As at 31 March 2019	As at 31 March 2018
<b>Non current</b>		
Balances held as margin money	42.24	35.04
Interest accrued on fixed deposits	0.72	1.86
<b>Total other financial assets - non current</b>	<b>42.96</b>	<b>36.90</b>
<b>Current</b>		
Claims receivable	92.95	79.11
Less: provision for claims receivable	(52.33)	(21.78)
	40.62	57.33
Contract assets	1,293.82	895.21
Receivable against sale of assets	0.64	-
Interest accrued on fixed deposits	3.54	2.54
Surrender value of keyman insurance policy	6.62	5.39
Other receivable	30.14	93.23
Others	1.87	4.12
<b>Total other financial assets - current</b>	<b>1,377.25</b>	<b>1,057.82</b>

## 9. OTHER ASSETS

PARTICULARS	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Capital advances	29.72	31.69
<b>Advances other than capital advances:</b>		
Prepaid expenses	3.73	14.40
Balance with government authorities	40.82	41.10
Less: Provision for balance with government authorities	(1.50)	(1.50)
	39.32	39.60
Advance income tax (net of provision for tax)	460.81	422.50
<b>Total other assets - Non-current</b>	<b>533.58</b>	<b>508.19</b>



<b>Current</b>		
Prepaid expenses	70.61	55.38
Balance with government authorities	42.53	-
Contract cost	39.72	-
Advances to employees	122.38	36.15
Advances to vendors	173.61	304.68
Less: Provision for advance to vendors	(21.03)	(21.72)
	152.58	282.96
Receivable from related party (refer note 37)	17.29	16.45
<b>Total other current assets</b>	<b>445.11</b>	<b>390.94</b>

## 10. INVENTORIES

PARTICULARS	As at 31 March 2019	As at 31 March 2018
Tyres, tubes and other spare parts	11.20	9.48
<b>Total Inventories</b>	<b>11.20</b>	<b>9.48</b>

## 11. CURRENT INVESTMENT

PARTICULARS	As at 31 March 2019	As at 31 March 2018
<b>Investment in mutual funds - Quoted</b>		
Nil (31 March 2018: 650,883) units of SBI Equity Savings Fund	-	8.07
<b>Total current investment</b>	<b>-</b>	<b>8.07</b>



## 12. TRADE RECEIVABLES

PARTICULARS	As at 31 March 2019	As at 31 March 2018
Trade receivables	3,780.57	3,288.45
Receivable from related parties (refer note 37)	10.52	61.41
<b>Break up for security details:</b>		
<b>Trade receivables</b>		
Unsecured, considered good	3,511.09	3,224.26
Trade Receivables which have significant increase in credit Risk	280.00	125.60
	3,791.09	3,349.86
<b>Allowance for impairment of trade receivables</b>		
Unsecured, considered good	-	-
Trade Receivables which have significant increase in credit Risk	(280.00)	(125.60)
	(280.00)	(125.60)
<b>Total trade receivables</b>	<b>3,511.09</b>	<b>3,224.26</b>
The movement in impairment of trade receivables is as follows:		
	As at 31 March 2019	As at 31 March 2018
Opening balance	125.60	104.57
Additions	154.40	21.03
Write off (net of recovery)	-	-
	280.00	125.60

## 13. CASH AND CASH EQUIVALENTS

PARTICULARS	As at 31 March 2019	As at 31 March 2018
Cash in hand	11.39	13.72
Balances with banks		
- in current accounts	19.20	11.81
- In other deposit accounts (less than 3 months)	0.30	0.55
<b>Total cash and cash equivalents</b>	<b>30.89</b>	<b>26.08</b>



<b>Other bank balances</b>		
Deposits with remaining maturity of more than 3 months but less than 12 months	<b>125.51</b>	100.75
Deposits with remaining maturity of more than 12 months	<b>42.24</b>	35.04
	<b>167.75</b>	135.79
<b>Less : Disclosed under</b>		
Other bank balances (refer note 14)	<b>125.51</b>	100.75
Other financial assets (non-current) (refer note 8)	<b>42.24</b>	35.04
	<b>167.75</b>	135.79

**Notes:**

(a) The Company has pledged some of its deposits with banks to fulfill collateral requirements. Deposits with banks have been pledged as margin money as follows -

- i. Against Bank Gurantee amounting to Rs 66.00 million (31 March 2018: 63.83 million)
- ii. Against Public Deposits amounting to Rs 50.89 million (31 March 2018: 48.18 million)
- iii. Against Overdrafts amounting to Rs 27.27 million (31 March 2018: 0.74 million)
- iv. Against Standby Letter of Credit amounting to Rs 3.10 million (31 March 2018: 0.55 million)
- v. Other margin money deposits amounting to Rs 16.10 million (31 March 2018: 18.64 million)

(b) For the purpose of the statement of cash flows, cash and cash equivalents comprise the balances with banks as disclosed above.

#### 14. OTHER BANK BALANCES

<b>PARTICULARS</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
In other deposit accounts (more than 3 months but less than 12 months)	<b>125.51</b>	100.75
<b>Total other bank balances</b>	<b>125.51</b>	100.75

#### 15. SHARE CAPITAL

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
<b>Authorized equity share capital</b>		
45,000,000 (31 March 2018: 45,000,000) equity shares of Rs. 10 each	<b>450.00</b>	450.00
<b>Issued, subscribed and fully paid up equity shares</b>		
23,862,142 (31 March 2018: 23,862,142) equity shares of Rs. 10 each	<b>238.62</b>	238.62
Less: Shares held by ESOP Trust at the year end	<b>(12.00)</b>	(12.00)
	<b>226.62</b>	226.62



**Notes:**
**(a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year**

	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
Number of share at beginning of the year	23,862,142	238.62	19,800,000	198.00
Less: Shares held by ESOP Trust at the year end	(12,00,000)	(12.00)	(12,00,000)	(12.00)
Add : Issue of shares*	-	-	4,062,142	40.62
<b>Number of share at the end of the year</b>	<b>22,662,142</b>	<b>226.62</b>	<b>22,662,142</b>	<b>226.62</b>

\*During the year ended 31 March 2018, the Company issued 4,062,142 equity shares of Rs. 10 each fully paid up at a premium of Rs. 262.52 per share to CJ Logistics Corporation.

**(b) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. During the year ended 31 March 2019, the amount of per share interim dividend recognized as distributions to equity shareholders is Rs. Nil (31 March 2018: Nil ). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% equity shares in the Company\***

	31 March 2019		31 March 2018	
	Number of shares	% holding	Number of shares	% holding
<b>Equity shares with voting rights</b>				
CJ Logistics Corporation	11,931,071	50.00%	11,931,071	50.00%
ASM (India) Investments Private Limited	3,238,064	13.57%	3,188,064	13.36%
Gargo Investments Private Limited	2,770,805	11.61%	2,820,805	11.82%
TCG ESOP Trust	1,200,000	5.03%	1,200,000	5.03%

\* The disclosure is based on the legal ownership of the shares held as at the year end.

**(d) Shares reserved for issue under options**

1,200,000 shares (31 March 2018: 1,200,000 ) shares of Rs. 10 each are outstanding towards employee stock options which is currently being held by TCG ESOP Trust. The Share Holder Agreement (SHA) with CJ Logistics Corporation (which holds 50% shareholding), inter-alia, requires the Company to cancel the shares held in this ESOP trust by obtaining prior approval from NCLT (National Company Law Tribunal). Company is yet to start the process for seeking requisite approval of NCLT. (refer note 42a).

**(e) Aggregate number of shares bought back the period of five years immediately preceding the reporting date :**

	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
<b>Equity shares</b>					
Bought back	-	-	5,400,000	-	-



## 16. RESERVES AND SURPLUS

PARTICULARS	As at 31 March 2019	As at 31 March 2018
<b>General reserve</b>		
Balance as per last financial statements	951.87	951.87
Less: Transfer to Capital redemption reserve in respect of the buy back of shares	-	(54.00)
<b>Closing balance (A)</b>	<b>951.87</b>	<b>951.87</b>
<b>Securities premium</b>		
Balance as per last financial statements	1,137.91	105.05
Add: premium on issue of equity shares during the year	-	1,066.39
Less: premium of buy back of equity shares	-	-
Less: shares issue expenses	-	(33.53)
<b>Closing balance (B)</b>	<b>1,137.91</b>	<b>1,137.91</b>
<b>Capital redemption reserve</b>		
Balance as per last financial statements	54.00	54.00
Add: Transfer from general reserve	-	-
<b>Closing balance (C)</b>	<b>54.00</b>	<b>54.00</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	974.32	880.70
Net profit for the year	339.21	91.70
Other comprehensive income for the year (net of tax)	0.94	1.92
<b>Closing balance (D)</b>	<b>1,314.47</b>	<b>974.32</b>
<b>Total other equity (A+B+C+D)</b>	<b>3,458.25</b>	<b>3,118.10</b>



## 17. BORROWINGS

PARTICULARS	As at 31 March 2019	As at 31 March 2018
<b>Non Current</b>		
<b>Secured loan</b>		
Term loan from banks (refer note A)	672.31	661.33
Term loan from financial institution (refer note B)	82.70	154.33
<b>Unsecured</b>		
Term loan from banks (refer note C)	96.05	31.80
Deposits (refer note D)	192.05	276.14
<b>Total long term borrowings</b>	<b>1,043.11</b>	1,123.60
<b>Less: Current maturities of long-term borrowings (refer Note 18)</b>		
<b>Secured loan</b>		
Term loan from banks	258.95	249.54
Term loan from financial institution	31.43	39.13
<b>Unsecured</b>		
Term loan from banks	38.61	25.50
Deposits	97.86	134.72
	426.85	448.89
<b>Total long term borrowings</b>	<b>616.26</b>	674.71
<b>Current</b>		
<b>Secured</b>		
Cash credit (refer note a)	716.98	596.07
Working capital demand loan (refer note a)	1,752.93	1,453.82
Overdraft (refer note b)	9.53	0.51
<b>Unsecured</b>		
Deposits (refer note c)	74.03	86.52
<b>Total short term borrowings</b>	<b>2,553.47</b>	2,136.92



#### Secured term loan from banks:-

A) Term loan amounting to Rs. 660.87 million (31 March 2018: Rs. 615.78 million) relates to rupee term loans from banks towards asset purchased under hire purchase/ financing arrangement and Rs. 11.44 million (31 March 2018: Rs. 45.55 million) relates to rupee term loans from banks towards refinance on asset originally purchased under hire purchase/financing arrangement and are secured by way of hypothecation of the respective assets. These loans carry fixed/floating interest rates ranging from 7.91% to 10.95% per annum and are repayable in monthly instalments ranging from 1 to 59 with equated monthly instalment ranging from Rs. 0.01 million to Rs.1.29 million. Some of these loans are further secured by way of personal guarantee of some of the directors of the Company.

#### Secured term loan from financial institutions:-

B) Term loan amounting to Rs. 82.70 million (31 March 2018: Rs. 111.83 million) relates to rupee term loans from financial institutions towards asset purchased under hire purchase / financing arrangement and are secured by way of hypothecation of the respective assets and carries fixed interest rates ranging from 7.62% to 9.88% per annum and are repayable in monthly instalments ranging from 21 to 31 with equated monthly instalment ranging from Rs. 0.02 million to Rs.0.08 million.

Term loan amounting to Rs. Nil (31 March 2018: Rs.42.50 million) related to rupee term loans from financial institution secured by way of first and exclusive charge by way of mortgage over a property and carried floating interest rate of 10.25% per annum and were repayable in 17 equated quarterly instalments of Rs. 2.50 million. These loans were further secured by way of personal guarantee of some of the Directors of the Company. Company has pre-closed these loan.

#### Unsecured term loan from bank:-

C) Term loan amounting to Rs. 96.05 million (31 March 2018: Rs. 31.80 million) relates to unsecured rupee term loans from bank. These loans carry fixed/ floating interest rate ranging from 9.25% to 10.40% per annum and are repayable in monthly instalments ranging from 4 to 31 with equated monthly instalment ranging from Rs.1.80 million to Rs.3.27 million. The said loans are backed by personal guarantee of some of the Directors of Company.

#### Unsecured Public Deposit:-

D) Rs. 192.05 million (31 March 2018: Rs. 276.14 million) relates to Deposits from Public and carry interest rate ranging from 7.25% to 11.50% per annum (31 March 2018: 7.25% to 12.00% per annum) (including 0.50% per annum extra interest to senior citizens) and are repayable after period ranging from 15 months to 36 months from the respective dates of deposit.

#### Secured short term borrowings:-

(a) Cash credit loans and working capital demand loans from banks under consortium limits are secured by first pari-passu charge by way of hypothecation over the Company's book debts including unbilled receivables and current assets. These loans are further secured by first pari-passu charge by way of hypothecation of fixed assets (present and future) excluding value of land and buildings which is taken for collateral and vehicles financed by other banks and financial institutions. The facilities are also secured by first pari-passu charge by way of equitable mortgage of certain properties owned by the Company. These loans are further secured by way of first pari-passu charge on value of 3,188,570 shares of the Company held by the promoter group and companies closely held by the members of the promoter group. The said loans are further secured by way of personal guarantee of some of the Directors, members of the promoter group and corporate guarantee of companies closely held by the members of the promoter group. Cash credit loans are renewed at the end of one year or any extension given by the banks from the date of respective sanctions and carries interest ranging from 9.20% to 9.95% per annum. Working capital demand loans from banks have bullet repayment and carry interest of 8.75% per annum.

(b) Overdraft from bank is secured by way of pledge of fixed deposits of Rs 27.27 million (31 March 2018: Rs 0.74 million) with the bank. These overdrafts carry interest which is 1% higher than the respective fixed deposit rates."

#### Unsecured public deposit:-

(c) Deposits from public carry interest rate ranging from 6.75% to 7.75% per annum (31 March 2018: 6.75% to 9.00% per annum) (including 0.50% per annum extra interest to senior citizens) and are repayable after period ranging from 6 months to 18 months from the respective dates of deposit.

## NET DEBT RECONCILIATION

This section sets out an analysis of net debt and the movements in net debt for each of the year presented:

	As at 31 March 2019	As at 31 March 2019
Cash and cash equivalents (refer note 13 & 14)	156.40	126.83
Investment in mutual fund (liquid)	-	8.07
Long term borrowings (including current maturities of long term borrowings)	(1,043.11)	(1,123.60)
Short term borrowings	(2,553.47)	(2,136.92)
<b>Net debt</b>	<b>(3,440.18)</b>	<b>(3,125.62)</b>



## 18. OTHER FINANCIAL LIABILITIES

	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Security deposit received	14.46	7.07
Interest accrued but not due on borrowings	6.96	13.79
<b>Total other non-current financial liabilities</b>	<b>21.42</b>	<b>20.86</b>
<b>Current</b>		
Current maturities of long-term borrowings (refer note 17)	426.85	448.89
Interest accrued but not due on borrowings	27.14	37.91
Unclaimed matured deposits and interest accrued thereon	0.29	1.51
Payable for capital goods	2.66	5.11
Security deposits received	11.54	2.31
Contract liabilities	19.70	13.29
Advance from customers	10.40	-
Book overdraft	6.17	4.62
Others	4.14	1.92
<b>Total other current financial liabilities</b>	<b>508.89</b>	<b>515.56</b>

## 19. EMPLOYEE BENEFIT OBLIGATIONS

	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Gratuity (refer note 38)	28.95	16.45
<b>Total employee benefit obligations</b>	<b>28.95</b>	<b>16.45</b>
<b>Current</b>		
Compensated absences	44.63	32.56
Gratuity (refer note 38)	25.16	21.97
<b>Total employee benefit obligations</b>	<b>69.79</b>	<b>54.53</b>



## 20. DEFERRED TAX LIABILITIES

	As at 31 March 2019	As at 31 March 2018
<b>Items leading to creation of deferred tax liabilities</b>		
Fixed assets: impact of differences between tax depreciation and depreciation/amortization charged in the financial statements	194.02	174.49
Others	2.31	1.88
<b>Total deferred tax liabilities</b>	<b>196.33</b>	176.37
<b>Items leading to creation of deferred tax assets</b>		
Defined benefit obligations	36.32	28.15
Provision for doubtful debt & advances	130.72	66.33
Others	27.95	6.99
<b>Total deferred tax assets</b>	<b>194.99</b>	101.47
<b>Net deferred tax liabilities</b>	<b>1.34</b>	74.90

## 21. TRADE PAYABLES

	As at 31 March 2019	As at 31 March 2018
<b>Current</b>		
Dues to Micro and Small Enterprises *	-	-
Dues to enterprises other than Micro and Small Enterprises	803.69	745.03
Trade payables to related parties (note 37)	-	0.03
<b>Total trade payables</b>	<b>803.69</b>	745.06

\* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no interests due or outstanding on the same.

## 22. PROVISIONS

	As at 31 March 2019	As at 31 March 2018
<b>Current</b>		
Provision for income tax (net of advance tax)	24.93	24.93
Provision for contingencies	15.00	15.00
<b>Total provisions - Current</b>	<b>39.93</b>	39.93



The Company has created a provision of Rs. 15.00 million as at 31 March 2019 (31 March 2018: Rs. 15.00 million) against contingent liabilities as a matter of abundance caution (refer note 39).

### 23. OTHER LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Statutory dues payable	27.70	27.77
<b>Total other liabilities</b>	<b>27.70</b>	<b>27.77</b>

### 24. REVENUE FROM CONTRACTS WITH CUSTOMERS

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Rendering of services (Services transferred over time)</b>		
Transportation of goods	22,526.27	19,592.46
Other services	86.94	27.77
<b>Revenue from contracts with customers</b>	<b>22,613.21</b>	<b>19,620.23</b>
<b>Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price</b>		
Revenue as per contracted price	22,694.08	19,620.23
<b>Adjustments</b>		
Incentives and penalties	(80.87)	-
<b>Revenue from contracts with customers</b>	<b>22,613.21</b>	<b>19,620.23</b>
<b>Revenue from rendering of services is earned primarily from customers within India.</b>		

### 25. OTHER INCOME

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income on - bank deposits	9.96	10.35
Interest income on - others	1.11	4.49
Interest income on - unwinding of security deposits	1.50	1.72
Rental income	9.89	2.41
Income from resource sharing	2.15	0.41
Change in surrender value of keyman insurance policy	1.24	0.68



Profit on sale of fixed assets (net)	40.53	13.11
Profit on sale of investments (net)	0.15	0.62
Liabilities no longer required written back	0.82	1.79
Net gain on financial assets measured at fair value through profit or loss	-	0.57
Miscellaneous income	8.77	4.03
<b>Total other income</b>	<b>76.12</b>	<b>40.18</b>

## 26. COST OF SERVICES\*

	For the year ended 31 March 2019	For the year ended 31 March 2018
Lorry hire, haulage and other ancillary cost	19,658.88	17,231.32
Vehicles' taxes	39.13	35.71
Repairs and maintenance	122.02	141.86
Consumption of tyres, tubes and other spare parts	75.17	106.24
Vehicle and marine insurance	63.53	57.93
Claims for losses and damage (net)	20.37	50.59
Commission to agents	8.88	6.06
Other charges	39.97	50.05
<b>Total cost of services</b>	<b>20,027.95</b>	<b>17,679.76</b>

\*includes expenses incurred on running of trucks and rail container owned by the Company.

## 27. EMPLOYEE BENEFIT EXPENSE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salary, wages and bonus	987.00	819.70
Gratuity expenses (refer note 38)	17.13	23.27
Contribution to provident and other funds	54.77	57.17
Workmen and staff welfare expenses	20.86	22.10
<b>Total employee benefit expense</b>	<b>1,079.76</b>	<b>922.24</b>



## 28. FINANCE COST

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense on - borrowings	286.76	315.65
Interest expense on - delayed payment of income tax	0.03	0.12
Interest expense on - delayed payment of service tax	0.01	0.01
Other borrowing cost	43.18	20.55
<b>Total finance cost</b>	<b>329.98</b>	<b>336.33</b>

## 29. DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant and equipment*	254.08	255.37
Amortization of Intangible Assets	6.40	6.51
<b>Total depreciation and amortization expense</b>	<b>260.48</b>	<b>261.88</b>

\*including depreciation amounting to Rs. 0.99 million (31 March 2018: Rs. 0.83 million) on building classified as investment properties.

## 30. OTHER EXPENSES

	For the year ended 31 March 2019	For the year ended 31 March 2018
Non-executive directors' commission	1.38	1.24
Directors sitting fee	0.71	0.79
Rent	50.70	44.95
Rates and taxes	1.62	3.84
Communication	17.19	20.05
Legal and professional	22.42	18.78
Commission	4.83	2.92
Advertisement and publicity	7.08	15.86
Business promotion and entertainment	9.33	9.02
Travelling and conveyance	24.07	24.43
Printing and stationery	6.63	10.13
Insurance	5.14	5.48
Vehicles running and maintenance	19.87	17.39
Repairs and maintenance (others)	24.84	21.18



Electricity and water	17.42	15.02
Payments to auditor (Refer details below)	5.34	3.66
Donations	4.21	3.53
Expenditure on corporate social responsibility (refer note 46)	6.73	4.89
Provision for doubtful trade receivables, advances and claims	184.95	25.69
Bad debts and advances written off	7.21	11.75
Loss on theft and embezzlement	0.05	0.32
Office and general expenses	38.06	34.85
Miscellaneous expenses	7.64	15.04
<b>Total other expenses</b>	<b>467.42</b>	<b>310.81</b>
<b>(a) Payments to auditor comprises:</b>		
As auditor:		
Audit fee	3.07	2.95
Consolidated financial statements	0.59	0.59
For certificate	1.30	0.12
Reimbursement of expenses	0.38	-
	<b>5.34</b>	<b>3.66</b>

### 31. INCOME TAX EXPENSE

The major components of income tax expense for the year ended 31 March 2019 and 31 March 2018 are:

#### (a) Profit or loss section

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax	258.60	70.70
Deferred tax (credit)	(74.07)	(13.01)
<b>Income tax expense</b>	<b>184.53</b>	<b>57.69</b>

#### (b) Other comprehensive income (OCI section)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Deferred tax related to items recognized in OCI during in the year:</b>		
Net loss/(gain) on remeasurements of defined benefit plans	1.45	2.95
Income tax charged to OCI	(0.51)	(1.03)
	<b>0.94</b>	<b>1.92</b>





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

### 33. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements in conformity with the Indian Accounting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures (including contingent liabilities). The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### A. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

##### Operating lease commitments – Company as a lessee

The Company has entered into lease agreements with lessor and has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it does not retain the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

##### Operating lease commitments – Company as a lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

#### B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

##### Revenue from contracts with customers

**Determining method to estimate variable consideration**  
Certain contracts for the transportation of goods include incentives or penalties, that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the transportation of goods with incentives or penalties, given the large number of customer contracts that have similar characteristics.

##### Estimating number of days for application of percentage of completion method

The Company records revenue by estimating the total number days the vehicle will take to deliver the goods. Number of days usually begin from the date of preparation of consignment note, to either actual delivery date or expected date of delivery agreed with customer.

##### Taxes

Deferred tax assets are recognized to the extent it is probable that taxable profits will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

##### Defined benefit plans

The cost of the defined benefit plans and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds with term that correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 38.

##### Provision for Leave encashment

The present value of leave encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of discount rate, future salary increase and withdrawal rates. Due to complexities involved in the valuation and its long term nature, provision for leave encashment is sensitive to changes in these assumptions. All assumptions are reviewed at each balance sheet date.

##### Provision for trade receivable

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience adjusted for forward-looking estimates. Individual trade receivables are written off when management deems them not to be collectible. For details of allowance for doubtful debts please refer note 35.

##### Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit



('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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 asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

**Contingencies**

Contingent liabilities may arise from ordinary course of business in relation to claims against the company, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future event occur or fail to occur. The assessment of existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and use of estimate regarding outcome of future events. refer note 39

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 34 and 35 for further disclosures.





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

### 34. FAIR VALUE MEASUREMENTS

(a) The carrying value of financial instruments by category

	31 MARCH 2019				31 MARCH 2018			
	FVTPL	FVTOCI	Amortized cost		FVTPL	FVTOCI	Amortized cost	
<b>Financial assets</b>								
Investments	-	-	-	8.07	-	-	-	-
Trade receivables	-	-	3,511.09	-	-	-	3,224.26	-
Loans	-	-	140.14	-	-	-	170.46	-
Cash and Bank Balances	-	-	156.40	-	-	-	126.83	-
Other Financial Assets	-	-	1,420.21	-	-	-	1,094.72	-
<b>Total financial assets</b>	-	-	5,227.84	8.07	-	-	4,616.27	-
<b>Financial liabilities</b>								
Borrowings	-	-	3,169.73	-	-	-	2,811.63	-
Trade payables	-	-	803.69	-	-	-	745.06	-
Other Financial Liabilities	-	-	530.31	-	-	-	536.42	-
<b>Total financial liabilities</b>	-	-	4,503.73	-	-	-	4,093.11	-

**(b) Fair value hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortized 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 prescribed under the accounting standard. An explanation of each level follows underneath.

**i) Financial assets measured at fair value - recurring fair value measurements**

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
<b>As at 31 March 2019</b>				
Investments	-	-	-	-
<b>Total financial assets</b>	-	-	-	-
<b>As at 31 March 2018</b>				
Investments	8.07	-	-	8.07
<b>Total financial assets</b>	8.07	-	-	8.07



ii) Assets and liabilities which are measured at amortized cost

	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
<b>As at 31 March 2019</b>				
<b>Financial assets</b>				
Trade receivables	-	-	3,511.09	3,511.09
Loans	-	-	140.14	140.14
Cash and Bank Balances	-	-	156.40	156.40
Other Financial Assets	-	-	1,420.21	1,420.21
<b>Total financial assets</b>	-	-	5,227.84	5,227.84
<b>Financial liabilities</b>				
Borrowings	-	-	3,169.73	3,169.73
Trade payables	-	-	803.69	803.69
Other Financial Liabilities	-	-	530.31	530.31
<b>Total financial liabilities</b>	-	-	4,503.73	4,503.73
<b>As at 31 March 2018</b>				
<b>Financial assets</b>				
Trade receivables	-	-	3,224.26	3,224.26
Loans	-	-	170.46	170.46
Cash and Bank Balances	-	-	126.83	126.83
Other Financial Assets	-	-	1,094.72	1,094.72



<b>Total financial assets</b>											4,616.27	4,616.27
<b>Financial liabilities</b>												
Borrowings											2,811.63	2,811.63
Trade payables											745.06	745.06
Other Financial Liabilities											536.42	536.42
<b>Total financial liabilities</b>											4,093.11	4,093.11

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example foreign exchange forward contracts) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfer of levels during the year.

a. As of 31 March 2019 and 31 March 2018, the fair value of cash and bank balances, trade receivables, loans, other current financial assets and liabilities, current borrowings, trade payables approximate their carrying amount largely due to the short term nature of these instruments.

b. For other financial assets and liabilities that are measured at amortized cost, the carrying amounts approximate the fair value.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

### 35. Financial risk management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to provide finance to the Company to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior and top management oversees the management of these risks. The Company's senior and top management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company's senior management is supported by a Risk Management Policy adopted by the Board of Directors that advises on financial risk and appropriate financial risk governance framework for the Company. It is Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review the policies periodically for managing each of these risks, which are summarized below.

#### A. Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The major exposure to the credit risk at the reporting date is from trade receivables. The Company is also exposed to credit risk from deposits with banks and financial institutions.

##### (i) Trade Receivables

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The major exposure to the credit risk at the reporting date is from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned through customers. Customer credit risk is managed by the company subject to the credit policy, procedures and control relating to customer credit risk management. Credit to each customer is given based on its credit rating score. Outstanding customer receivables are regularly monitored in the receivable review committee for any expected default in repayment. An impairment analysis is performed at each reporting date on an individual basis for all customers. The following table gives the movement in allowance for expected credit loss for the year ended 31 March 2019:

##### Movement in Expected Credit Loss Allowance:

Particulars	31 March 2019	31 March 2018
At the beginning of year	125.60	104.57
Movement during the year	154.40	21.03
<b>Total ECL</b>	<b>280.00</b>	125.60

##### (ii) Financial Instruments & Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within Board assigned limits. Counterparty limits are reviewed by the Company's Board of Directors throughout the year subject to the recommendation of the Company's Management Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through

counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts.

#### B. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain continuity of optimum levels of liquidity to meet its fund requirements. The Company closely monitors its liquidity position and maintains adequate source of financing through the use of cash credit facility, demand loans, commercial credit cards, vehicle refinance, unsecured loan, public deposit. Processes and policies related to such risks are overseen by the Company's treasury department under guidance of the senior management. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Besides debt, with the recent infusion of equity, there is sufficient liquidity to meet the financial liabilities in the foreseeable future.

##### (i) Maturities of financial liabilities

The maturity profile of the Company's financial liabilities based on contractual undiscounted payments is given in the table below:

	31 March 2019	31 March 2018
<b>On Demand</b>		
Bank overdraft	9.53	0.51
<b>Upto 1 year</b>		
Borrowing (including current maturities of long term borrowing)	2,970.79	2,585.30
Trade payable	803.69	745.06
Other financial liabilities	82.04	66.67
<b>More than 1 year</b>		
Borrowing	616.26	674.71
Other financial liabilities	21.42	20.86

#### C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at 31 March 2019 and 31 March 2018. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant in place



at 31 March 2019. The analyses exclude the impact of movements in market variables on the carrying values of gratuity, pension obligation and other post-retirement obligations and provisions. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2019 and 31 March 2018.

**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company operates on very selective international destinations and is somewhat exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the trade payables. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the company's functional currency (INR).

The Company's exposure to foreign currency risk at the end of the reporting period is Nil

**(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates and working capital facilities.

**Sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax	Effect on equity (OCI)
<b>As at 31 March 2019</b>			
Borrowings	+0.50%	17.98	-
	-0.50%	(17.98)	-
<b>As at 31 March 2018</b>			
Borrowings	+0.50%	16.30	-
	-0.50%	(16.30)	-

**36. Capital management**

**(a) Risk management**

For the purposes of the Company's capital management, Capital includes equity and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximizes shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company's endeavor is to bring the gearing ratio below 200%. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2019 and 31 March 2018.

The Company monitors capital using net debt to equity ratio, which is net debt (as reduced by Cash and bank balances) divided by total equity.

	As at 31 March 2018	As at 31 March 2017
Borrowings (refer note 17)	3,596.58	3,260.52
Cash and Bank Balances (refer note 13 & 14)	(156.40)	(126.83)
Investment in mutual fund (liquid)	-	(8.07)
<b>Net debt</b>	<b>3,440.18</b>	<b>3,125.62</b>
<b>Equity</b>	<b>3,684.87</b>	<b>3,344.72</b>
<b>Net debt to equity ratio</b>	<b>93%</b>	<b>93%</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**

(All amounts in Rupees million, unless stated otherwise)

**37. RELATED PARTY DISCLOSURES:**

<b>(a) Name of related party and related party relationship</b>
<b>Subsidiary companies</b>
Transrail Logistics Limited
DARCL Logistics Nepal Private Limited
Fr8ology Private Limited
<b>Key management personnel</b>
Krishan Kumar Agarwal (Chairman and Managing Director)
Darshan Kumar Aggarwal (Joint Managing Director)
Roshan Lal Aggarwal (Joint Managing Director)
Narender Kumar Agarwal (Joint Managing Director)
Hyoung Gun Kang (Whole Time Director & Deputy CEO)
Chol Hoi Kim (Chief Financial Officer)
Apoorva Kumar (Company Secretary)
<b>Relatives of key management personnel</b>
Prem Lata Agarwal
Raj Bala Agarwal
Sushma Agarwal
Madhu Bala Agarwal
Yogesh Agarwal
Puneet Agarwal
Vineet Agarwal
Nitin Agarwal
Nitesh Agarwal
Nikhil Agarwal
Ishant Agarwal
Mahima Agarwal
Sakshi Agarwal
Pushpa Devi Bansal
Usha Bansal
Shweta Gupta
Vibha Agarwal
<b>Enterprises owned/significantly influenced by key management personnel or their relatives</b>
Tek Chand & Sons (HUF)
Krishan Kumar & Sons (HUF)
Darshan Kumar & Sons (HUF)
Roshan Lal & Sons (HUF)
Narender Kumar & Sons (HUF)
ASM (India) Investments Private Limited



Gargo Investments Private Limited

Daffodil Software Limited

TCG ESOP Trust

TCG Media Limited

J B T A Logistics Private Limited

TCG Impex Private Limited

Autoload Solutions LLP

Fretron LLP

**Enterprises having significant influence**

CJ Logistics Corporation





**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**  
(All amounts in Rupees million, unless stated otherwise)

**(a) Details of related party transactions during the year ended 31 March 2019 and balances outstanding as at 31 March 2019**

Balance as at year end	Subsidiary Companies		Key Management Personnel		Enterprises owned/significantly influenced by key management personnel or their relatives		Relatives of Key Management Personnel		Enterprises having significant influence		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Loan given</b>												
Transrail Logistics Limited	-	47.14	-	-	-	-	-	-	-	-	-	47.14
<b>Trade receivable</b>												
Transrail Logistics Limited	4.30	1.94	-	-	-	-	-	-	-	-	4.30	1.94
Darcl Logistics Nepal Private Limited	6.13	59.47	-	-	-	-	-	-	-	-	6.13	59.47
Fretton LLP	-	-	-	-	0.09	-	-	-	-	-	0.09	-





Transactions during the year ended 31 March 2019	Subsidiary Companies		Key Management Personnel		Enterprises owned/significantly influenced by key management personnel or their relatives		Relatives of Key Management Personnel		Enterprises having significant influence		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Revenue from operations</b>												
Transrail Logistics Limited	70.82	39.63	-	-	-	-	-	-	-	-	70.82	39.63
Darcl Logistics Nepal Private Limited	-	78.89	-	-	-	-	-	-	-	-	-	78.89
<b>Other income</b>												
<b>Rental income</b>												
Transrail Logistics Limited	0.82	0.79	-	-	-	-	-	-	-	-	0.82	0.79
Freitron LLP	-	-	-	-	1.48	0.86	-	-	-	-	1.48	0.86
<b>Income from resource sharing</b>												
Transrail Logistics Limited	1.53	0.41	-	-	-	-	-	-	-	-	1.53	0.41
<b>Interest income</b>												
Krishan Kumar Agarwal	-	-	-	0.62	-	-	-	-	-	-	-	0.62
Darshan Kumar Aggarwal	-	-	-	1.43	-	-	-	-	-	-	-	1.43
Roshan Lal Aggarwal	-	-	-	1.06	-	-	-	-	-	-	-	1.06
Narender Kumar Aggarwal	-	-	-	0.72	-	-	-	-	-	-	-	0.72
<b>Interest paid</b>												
ASM (India) Investment Pvt. Ltd.	-	-	-	-	-	1.11	-	-	-	-	-	1.11
<b>Purchase of services</b>												
<b>-Cost of Services-Lorry Hire, haulage and other ancillary cost</b>												
TCG Media Limited	-	-	-	-	1.51	-	-	-	-	-	1.51	-
Autoload Solutions LLP	-	-	-	-	0.45	0.58	-	-	-	-	0.45	0.58
Transrail Logistics Limited	5.24	9.12	-	-	-	-	-	-	-	-	5.24	9.12
Freitron LLP	-	-	-	-	0.15	0.14	-	-	-	-	0.15	0.14
Darshan Kumar Aggarwal	-	-	55.62	31.15	-	-	-	-	-	-	55.62	31.15
CJ Logistics Corporation	-	-	-	-	-	-	-	-	3.42	-	3.42	-
<b>-Rent</b>												
Sushma Agarwal	-	-	-	-	-	-	0.57	-	-	-	0.76	0.57
Puneet Aggarwal	-	-	-	-	-	-	0.04	-	-	-	0.04	0.04
Tek Chand & Sons (HUF)	-	-	-	-	0.45	0.45	-	-	-	-	0.45	0.45
Yogesh Aggarwal	-	-	-	-	-	-	0.04	-	-	-	0.04	0.04
Shweta Gupta	-	-	-	-	-	-	0.04	-	-	-	0.04	0.04
Vibha Aggarwal	-	-	-	-	-	-	0.04	-	-	-	0.04	0.04

Vineet Agarwal	-	-	-	-	-	-	-	-	0.04	-	-	-	0.04	0.04	0.04
Nitin Agarwal	-	-	-	-	-	-	-	-	0.04	-	-	-	0.04	0.04	0.04
Nitesh Agarwal	-	-	-	-	-	-	-	-	0.04	-	-	-	0.04	0.23	0.23
Ishant Agarwal	-	-	-	-	-	-	-	-	0.04	-	-	-	0.04	0.04	0.04
Nikhil Agarwal	-	-	-	-	-	-	-	-	0.15	-	-	-	0.15	0.11	0.11
J B T A Logistics Private Limited	-	-	-	-	-	-	-	0.76	-	-	-	-	0.76	-	0.76
<b>-Employee benefit expense</b>															
Krishan Kumar Agarwal	-	-	54.90	40.69	-	-	-	-	-	-	-	-	54.90	40.69	40.69
Darshan Kumar Aggarwal	-	-	49.46	36.06	-	-	-	-	-	-	-	-	49.46	36.06	36.06
Roshan Lal Aggarwal	-	-	49.35	36.06	-	-	-	-	-	-	-	-	49.35	36.06	36.06
Narender Kumar Agarwal	-	-	49.37	36.06	-	-	-	-	-	-	-	-	49.37	36.06	36.06
Hyoung Gun kang	-	-	13.67	5.85	-	-	-	-	-	-	-	-	13.67	5.85	5.85
Chol Hoi Kim	-	-	13.33	5.20	-	-	-	-	-	-	-	-	13.33	5.20	5.20
Apoorva Kumar	-	-	3.30	3.85	-	-	-	-	-	-	-	-	3.30	3.85	3.85
Puneet Agarwal	-	-	-	-	-	-	-	-	9.91	-	-	-	9.91	11.15	11.15
Vineet Agarwal	-	-	-	-	-	-	-	-	8.95	-	-	-	8.95	9.92	9.92
Nitin Agarwal	-	-	-	-	-	-	-	-	7.39	-	-	-	7.39	8.05	8.05
Nitesh Agarwal	-	-	-	-	-	-	-	-	8.88	-	-	-	8.88	9.92	9.92
Mahima Agarwal	-	-	-	-	-	-	-	-	4.87	-	-	-	4.87	5.43	5.43
Nikhil Agarwal	-	-	-	-	-	-	-	-	7.36	-	-	-	7.36	8.06	8.06
Ishant Agarwal	-	-	-	-	-	-	-	-	4.91	-	-	-	4.91	5.44	5.44





Transactions during the year ended 31 March 2019	Subsidiary Companies		Key Management Personnel		Enterprises owned/significantly influenced by key management personnel or their relatives		Relatives of Key Management Personnel		Enterprises having significant influence		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Purchase of fixed assets</b>												
Transrail Logistics Limited	1.25	0.31	-	-	-	-	-	-	-	-	1.25	0.31
Fretron LLP	-	-	-	-	1.44	0.06	-	-	-	-	1.44	0.06
<b>Sale of fixed assets</b>												
Transrail Logistics Limited	0.75	-	-	-	-	-	-	-	-	-	0.75	-
Darshan Kumar Aggarwal	-	-	-	0.51	-	-	-	-	-	-	-	0.51
Roshan Lal Aggarwal	-	-	-	0.75	-	-	-	-	-	-	-	0.75
Sakshi Aggarwal	-	-	-	-	-	-	10.00	-	-	-	10.00	-
<b>Expenses recovered</b>												
Transrail Logistics Limited	0.48	0.46	-	-	-	-	-	-	-	-	0.48	0.46
CJ Logistics Corporation	-	-	-	-	-	-	-	-	32.37	16.45	32.37	16.45
<b>Expenses reimbursed</b>												
Transrail Logistics Limited	0.02	0.94	-	-	-	-	-	-	-	-	0.02	0.94
<b>Loan given</b>												
Transrail Logistics Limited	170.00	228.50	-	-	-	-	-	-	-	-	170.00	228.50
Krishan Kumar Aggarwal	-	-	-	27.00	-	-	-	-	-	-	-	27.00
Daishan Kumar Aggarwal	-	-	-	25.50	-	-	-	-	-	-	-	25.50
Roshan Lal Aggarwal	-	-	-	30.00	-	-	-	-	-	-	-	30.00
Narender Kumar Aggarwal	-	-	-	42.00	-	-	-	-	-	-	-	42.00
<b>Loan repaid to the Company</b>												
Transrail Logistics Limited	217.14	249.50	-	-	-	-	-	-	-	-	217.14	249.50
Krishan Kumar Aggarwal	-	-	-	27.00	-	-	-	-	-	-	-	27.00
Darshan Kumar Aggarwal	-	-	-	42.00	-	-	-	-	-	-	-	42.00
Roshan Lal Aggarwal	-	-	-	43.50	-	-	-	-	-	-	-	43.50
Narender Kumar Aggarwal	-	-	-	42.00	-	-	-	-	-	-	-	42.00
<b>Loan taken</b>												
ASM (India) Investment Pvt. Ltd.	-	-	-	-	-	10.40	-	-	-	-	-	10.40

Loan repaid by the Company																							
ASM (India) Investment Pvt. Ltd.	-	-	-	-	-	-	-	-	-	-	58.07	-	-	-	-	-	-	-	-	58.07			
<b>Security deposits received</b>																							
Krishan Kumar Agarwal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.31		
Vineet Agarwal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.11	
Ishant Agarwal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Freron LLP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Equity investments</b>																							
Fr8ology Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.60
Darcl Logistics Nepal Private Limited	1.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00

#### Terms and Condition of transaction with related party

(i) The sales to and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivable or payables. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

#### Terms and condition of Loan to Subsidiary Companies

(i) The loan granted to Transrail Logistics Limited is towards working capital margin or other business needs for Logistics services by way of infrastructure support. The loan is unsecured and repayable in full. The loan has been utilized for the purpose it was granted.

#### Terms and condition of Loan to Directors & KMP

(i) The Company operates loans scheme providing loans to employees. Under the scheme, the Company offers its employees a facility to borrow the money at an average market rate of interest.  
(ii) During the Previous Year all loans availed by Directors had been repaid in full along with interest.

#### Notes:

- (i) The above particulars do not include working capital loans and corporate term loans availed from banks, which are further secured by way of personal guarantee of some of the directors, relatives and some of their related entities.
- (ii) Cash credit facilities availed by Transrail Logistics Limited (TRL) are further secured by corporate guarantee of Rs. 205.00 million (31 March 2018: 205.00 million) of the Company, ASM India Investments Pvt Ltd. and personal guarantee of directors and members of promoter group.
- (iii) Does not include Rs. 35.00 million (31 March 2018: Nil million) provision for incentive to be distributed among relatives of KMP.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

### 38. GRATUITY AND OTHER POST-EMPLOYMENT BENEFITS PLAN

The Company has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service or part thereof in excess of six months subject to a maximum of Rs 2.00 million. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the profit and loss statement and amounts recognized in the balance sheet for Gratuity Plan.

#### Statement of profit & loss account

##### Net employee benefit expense recognized in employee cost:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current service cost	14.06	12.52
Past service cost	-	10.13
Interest cost	8.01	5.85
(Expected return) on plan assets	(4.94)	(5.24)
	17.13	23.27

##### Remeasurement of (Gain)/loss recognized in other comprehensive income

	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	0.96	(4.49)
Actuarial changes arising from changes in experience adjustments	(2.23)	1.54
Return on plan assets	(0.18)	-
	(1.45)	(2.95)

##### Changes in obligation during the year ended 31 March 2019

	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening defined benefit obligation	106.70	86.11
Current service cost	14.06	12.52
Past service cost	-	10.13
Interest cost	8.01	5.85
Actuarial (gain) / loss	(1.27)	(2.95)
Benefits paid	(6.59)	(4.96)
Present value of obligation as at year end	120.91	106.70

##### Changes in plan assets during the year ended 31 March 2019

	For the year ended 31 March 2019	For the year ended 31 March 2018
Fair value of plan assets as at the beginning of the year	68.28	68.00
Interest income	5.12	5.24



Contributions by employer	-	-
Benefits paid	(6.60)	(4.96)
Fair value of plan assets as at the end of the year	66.80	68.28

#### Net assets / liabilities recognized in the balance sheet as at 31 March 2019

	For the year ended 31 March 2019	For the year ended 31 March 2018
Present value of obligation at the end of the year	120.91	106.70
Fair value of plan assets at the end of the year	66.80	68.28
Net liabilities / (assets) recognized in the balance sheet	54.11	38.42

#### Investment details

	As at 31 March 2019	As at 31 March 2018
Insurance policies	100%	100%

#### Principle actuarial assumptions

	As at 31 March 2019	As at 31 March 2018
Discount rate (per annum)	7.60%	7.75%
Expected return on plan assets (per annum)	7.60%	7.75%
Expected increase in salary costs (per annum)	6.00%	6.00%
Attrition rate	12.00%	12.00%
Mortality	IALM 2012-14 Ultimate	IALM 2006-08 Ultimate
Retirement age	60 YEARS	60 YEARS

#### Quantitative sensitivity analysis for significant assumptions is as below:

	Change in assumptions	Change in assumptions	As at 31 March 2019	As at 31 March 2018
Discount rate	+ 1%	+ 1%	(6.17)	(5.41)
	- 1%	- 1%	6.94	6.07
Withdrawal rate	+ 1%	+ 1%	0.58	0.57
	- 1%	- 1%	(0.66)	(0.65)
Expected rate of salary increase	+ 1%	+ 1%	7.02	6.10
	- 1%	- 1%	(6.39)	(5.56)

The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**  
(All amounts in Rupees million, unless stated otherwise)

**39. CONTINGENT LIABILITIES**

	As at 31 March 2019	As at 31 March 2018
Claims against the Company not acknowledged as debts (refer note a)	150.00	178.55
Bank guarantee outstanding	670.76	565.92
Uncalled liability on shares partly paid of Darcl Logistics Nepal Private Limited	4.34	5.34
Corporate guarantee (refer note b)	62.02	85.17
Unpaid Bonus (refer note c)	23.35	23.35

a) In view of the large number of cases pending at various forums / courts, it is not practicable to furnish the details of each case. Based on the discussions with the solicitors / favorable decisions in similar cases / legal opinion taken by the Company, the management believes that the Company has a strong chance of success in the cases. However, the Company has created a provision of Rs. 15.00 million (31 March 2018: Rs. 15.00 million) against these contingent liabilities as a matter of abundance caution.

b) Corporate guarantee given by the Company to banks and financial institutions against loans taken by the subsidiaries.

c) The Payment of Bonus Act, 1965 ("the Act") was amended vide the Payment of Bonus (Amendment) Act, 2015 notified on 1 January 2016. The Act, inter-alia, has been amended to take retrospective effect with effect from 1 April 2014 and accordingly the revised bonus by way of arrears related to the year ended 31 March 2015 is required to be paid to the eligible employees. Based on expert opinion obtained by the Company stay orders from various High Courts across the country against the amendment to the Payment of Bonus Act to the extent that it gives retrospective effect from 1 April 2014, the statutory bonus for financial year 2014-15 amounting to Rs. 23.35 million has not been recognized and treated as contingent liability in the current year as well as in the previous year. The Company will remain vigilant to watch the actual Court proceeding and clarification / notification from the Central Government and will review the accounting impact as on 31 March 2020.

d) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28 February 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The company will update its provision, on receiving further clarity on the subject.

**40. The following are the particulars of the dues on account of Income Tax and Sales Tax / Value Added Tax as at 31 March 2019 that have been disputed by the Company at various levels:**

Name of the statute	Nature of the dues	Amount of dues* (Rs.)	Amount deposited (Rs.)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Acts/ Value Added Tax	Sales Tax/ Value Added Tax	16.16	8.95	FY 2007-08, 2008-09 and 2010-11 to 2018-19	Upto Commissioners' Level
		33.20	17.90	FY 2008-09 to 2017-18	Commercial Tax Tribunal
		5.43	5.06	FY 2007-08 to 2009-10, 2013-14 and 2016-17 and 2017-18	High Court
Income-tax Act, 1961	Income tax	24.13	-	AY 2014-15 to 2016-17	Commissioner of Income Tax (Appeals)
	Tax Deducted at Source	6.76	1.01	AY 2015-2016 AND 2016-17	Commissioner of Income Tax (Appeals)

\* amount as per demand orders, including interest and penalty, wherever quantified in the order



#### 41. CAPITAL AND OTHER COMMITMENTS

(a) The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amount to Rs. 11.89 million (31 March 2018: Rs. 7.26 million).

(b) The Company has other commitments on accounts of contracts remaining to be executed which are entered into in the normal course of business. The Company does not have any other long term contracts including derivative contracts for which there will be any material foreseeable losses.

(c) Transrail Logistics Limited (herein after referred to as "TRL") is wholly owned subsidiary of CJ Darcl Logistics Limited (herein after referred to as "CJ Darcl"). CJ Darcl is aware of the financial situation of the TRL, which has been reported in the statutory financial statements of the Company as of 31 March 2019. TRL being wholly owned subsidiary, CJ Darcl Board on request of TRL Board has already approved and extended the equity support by way of investment of Rs. 178.95 million in paid up equity share capital of the subsidiary and has also continued to offer Rs. 90.00 million inter-corporate loan in its meeting held on 8 April, 2019. In the Board Meeting held on 8 April, 2019, the Board of CJ Darcl has confirmed and approved continuity of Parent support by way of financial, operational, infrastructure and manpower support, which will be reviewed on periodical basis. CJ Darcl Board has affirmed that the Parent support already given by way of Equity investment and also inter-corporate loan along with operational, infrastructure and manpower support as and when required will remain continued in order to enable TRL to continue its business as a going concern.

(d) The Company has other commitments on accounts of incentive payable to directors in accordance with the term of Shareholder Agreement (SHA) amount to Rs 50.00 million (31 March 2018: Rs 100 million).

#### 42a. EMPLOYEE STOCK OPTION PLAN

In terms of the approval accorded by the shareholders at their Extra-Ordinary General Meeting held on 9 February 2008, the Company on 19 February 2008, had given an interest free advance of Rs. 6.00 million to TCG ESOP Trust ('the Trust'). The trust in turn purchased 600,000 equity shares of Rs. 10 each fully paid up from the Company for the purposes of granting share options to the employees of the Company. Subsequent to allotment of 600,000 shares to the trust, the Company in financial year 2007-2008 had allotted bonus in the ratio of 1:1 bonus share for each equity share held in the Company. Apart from the above advance, the Company had also given Rs. 0.20 million to the trust towards its formation etc. on 19 February 2008. The trust has refunded an amount of Rs. 6.00 million till the year ended 31 March 2013. TCG ESOP Trust holds 1,200,000 equity shares with face value of Rs 10 each. Scheme for issue of option to the employee is yet to be framed. The trust is holding entire 1,200,000 equity shares of Rs.10/-each of the Company (including 600,000 Equity Shares issued as Bonus Shares) as on 31 March 2019. The Share Holder Agreement (SHA) with CJ Logistics Corporation (which holds 50% shareholding), inter-alia, requires the Company to cancel the shares held in this ESOP trust by obtaining prior approval from NCLT (National Company Law Tribunal). Company is yet to start the process for seeking requisite approval of NCLT.

**42b.** As per the Share Holder Agreement dated 5 June 2017 (as amended), in the event of cancellation of 12,00,000 equity shares held by TCG ESOP Trust, Company will cancel 12,00,000 Equity Shares currently held by CJ Logistics Corporation.

#### 43. LEASES

##### In case of assets given on lease:

The Company has given various premises and commercial vehicles under operating lease agreement. These are generally cancellable at the option of the Company.

	For the year ended 31 March 2019	For the year ended 31 March 2018
Rental income for the year	51.50	8.41
Gross block	243.47	5.20
Depreciation provided during the year	10.08	0.12
Accumulated depreciation	135.96	0.12
Written down value of leased assets	107.51	5.08

##### In case of assets taken on lease:

The Company has taken various office premises and commercial vehicles under cancellable and non-cancellable operating lease agreements.

Lease payment for the year amounting to Rs. 113.39 million (31 March 2018: Rs. 117.30 million) have been charged to the statement of profit and loss. It includes Rs. 61.57 million (31 March 2018: Rs. 72.35 million) charge to lorry hire, haulage and other ancillary cost in note 26 and Rs. 51.82 million (31 March 2018: Rs. 44.95 million) towards rent in note 30.



Disclosure for premises under non-cancellable leases, where the Company is carrying commercial operations is as under:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Not later than one year	21.03	20.10
Later than one year but not later than five years	32.99	32.86
Later than five year	-	-

44. In respect of secured loans taken by the Company as at 31 March 2019, there has been instances where loan has been repaid by the Company fully, however the loan satisfaction letter (NOC letter) has not been issued by the Lender due to which Company is not in a position to file Form CHG-4 for satisfaction of charge.
45. The management has taken and given various premises on operating lease basis; rent / lease agreements in respect of which are yet to be entered / expired. Adjustment, if any, arising as a result of non-entering of such rent / lease agreements with the landlords / tenants, which in the opinion of the management would not be material, would be made in the year in which determined.

#### 46. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Gross amount required to be spent	5.84	7.41
(b) Amount spent:		
(i) Construction/acquisition of any asset	0.08	0.07
(ii) On purpose other than(i) above	6.65	4.82
(c) Administrative expenses	-	-

47. A sum of Rs. 92.95 million (31 March 2018: Rs. 79.11 million) is appearing under 'Claims receivable' (under note 8) from insurance companies and customers as at 31 March 2019. Also, 'Balance with government authorities' (under note 9) includes an amount of Rs 25.44 million (31 March 2018: Rs. 26.98 million) receivable against deposits given at various check posts. The Company believes that these amounts are recoverable. However, in view of the fact that the pace of recovery in respect of these balances is very slow and as a matter of abundance caution, the Company has made a provision of Rs. 52.33 million and Rs. 1.50 million as at 31 March 2019 (31 March 2018: Rs. 21.78 million and Rs. 1.50 million) against these claims receivable and security deposits respectively.
48. Transrail Logistics Limited is wholly owned subsidiary of CJ Darcl Logistics Limited. CJ Darcl has invested total equity share capital of Rs. 178.95 million in TRL from time to time by way of Parent support. Net Worth of TRL as on close of 31 March 2019 is at Rs. 199.12 million (31 March 2018: Rs. 127.96 million). The business has started picking up in TRL and the subsidiary company has earned profit (after tax) of Rs. 71.16 million during the financial year 2018-19. Basis the business outlook and projection, management is confident that the net worth of the company will further improve in coming years and there is no permanent diminution in the value of investment and therefore no provision is required at this stage.
49. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under section 92-92F of the Income Tax Act 1961. Since, the law requires existence of such information and documentation of to be contemporaneous in nature, Company has executed necessary agreement/document with all such related parties wherever transfer pricing is applicable. The management is of the opinion that it's transaction are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.



## 50. DISCLOSURE REQUIRED UNDER SEC 186(4) OF THE COMPANIES ACT 2013

Name of the loanee	Rate of Interest/ Due Date	Tenure	Secured/ unsecured	31 March 2019	31 March 2018
Transrail Logistics Limited	Nil	On demand	Unsecured	-	47.14

## 51. CARVE OUT ASSETS

The Company entered into Shareholder Agreement with CJ Logistics Corporation, a company registered under the Laws of Republic of Korea along with other Shareholders on 5 June 2017 which was further amended on 30 July 2017 and 6 April, 2018 and further on 9th August, 2019. As per the terms of Agreement, certain properties have been agreed to be carved out from the Company by way of sale at the prevailing circle rate before the expiry of 12 months from the release of all carved out assets by the lenders which may be further extended for 12 months based on mutual consent of both parties. The mechanism for carving out assets is as under:

a) There are total 25 immovable properties in asset block of the Company having book value of Rs. 104.60 million as on 30 September 2016 and reference circle rate of Rs. 229.90 million (hereinafter referred to as 'Aggregate reference circle rate') as per the agreement which have been agreed to be carved out from the Company termed as "Carve- Out Assets" in a span of 12 months from the release of all carved out assets by the lenders which may be further extended for 12 months based on mutual consent of both parties.

b) After the pledge on all Carve-Out Assets has been removed by the lenders, Company Promoters and/or third-party purchasers identified by the Promoters shall have paid to the Company a sum which is equal to the book value of all Carve-Out Assets i.e. Rs. 104.60 million as part of sales proceeds. The Company may enter into agreements for sale of certain Carve-Out Assets of which the pledge has been removed by the lenders. Any amount received for sale of such Carve-Out Asset will be counted towards the First Tranche Amount. In event, all carve out assets are not bought by Promoters, KPE's or third party (identified by promoters) within span of 12 months from the release of all carved out assets by the lenders which may be further extended for 12 months based on mutual consent of both parties., then Promoters shall pay to Company a sum equivalent to then prevailing circle rate of such remaining carve out assets less the first tranche amount and purchase all carve out assets.

c) In case, there is any shortfall between amount received in the Company on account of sale of all carve out asset and the aggregate reference circle rate, such shortfall will be adjusted by the Company from the Promoters on pro rata basis. In case, amount received in the Company on account of sale of all carve out asset exceeds the aggregate reference circle rate, such excess amount shall be paid to the Promoters on pro rata basis.

d) The Company will pay Rs. 10 million as retention bonus to each Promoter aggregating to Rs. 40 million after a period of 1 month from date of receipt of first tranche. Further the Company will pay Rs. 10 million as second retention bonus to each Promoter aggregating to Rs. 40 million after a period of 6 months from the first retention bonus.

e) Tax on the sale of the carve out assets shall be paid by Company, provided that tax payable on sale of carve out assets in excess of Rs. 15.00 million shall forthwith be paid by the Promoters of the Company.

f) During the year, lien on 15 assets have been vacated, out of the total 25 carve-out assets. These 15 assets have been shown as "Assets Held for sale" in the books of accounts at their carrying value, as at 31 March 2019.

## 52. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April 2019. A reliable estimate of the quantitative impact of Ind AS 116 on standalone financial statement will only be possible once the implementation project has been completed.



## Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. Since the Company operates in a complex multinational tax environment, applying the Interpretation may affect its consolidated financial statements. In addition, the Company may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

## Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

## Annual improvement to Ind AS

### Amendments to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its consolidated financial statements.



### 53. INFORMATION ABOUT MAJOR CUSTOMERS

Revenue from 1 major customer amounted to Rs. 2269.16 million aggregating to 9.98% of total revenue (31 March 2018: Rs. 2287.65 million aggregating to 11.66% of total revenue)

### 54. PREVIOUS YEAR FIGURES

Previous year figures have been regrouped and rearranged wherever necessary to conform to current year's classification.

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountant  
ICAI Firm Registration No. 101049W/E300004

**For and on behalf of the Board of Directors**

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)

Sd/-  
**per Yogesh Midha**  
**Partner**  
Membership No. 94941

Sd/-  
**Krishan Kumar Agarwal**  
(Chairman and Managing Director)  
DIN: 00151179

Sd/-  
**Narender Kumar Agarwal**  
(Joint Managing Director)  
DIN: 00052456

Sd/-  
**Hyoung Gun Kang**  
(Whole Time Director)  
DIN: 07875012

Sd/-  
**Choi Hoi Kim**  
(Chief Financial Officer)

Sd/-  
**Apoorva Kumar**  
(Company Secretary)  
FCS: 4905

Sd/-  
**Hira Lal Yadav**  
(AGM - Accounts)

Sd/-  
**Dinesh Sharma**  
(AGM - Accounts)

Place: New Delhi  
Date: 04 September 2019

Place: Gurugram  
Date: 04 September 2019



# INDEPENDENT AUDITOR'S REPORT

To

**The Members of**

**CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)**

**Report on the Consolidated Ind AS Financial Statements**

**Opinion**

We have audited the accompanying consolidated Ind AS financial statements of CJ Darcl Logistics Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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 separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("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 as at March 31, 2019, their consolidated profit/loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

**Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 Ind AS 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 Ind AS 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 are responsible for assessing the ability of the Group 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.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding

independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Other Matter

a. We did not audit the financial statements and other financial information, in respect of 1 subsidiary, whose Ind AS financial statements include total assets of Rs 4.40 million as at March 31, 2019 and total revenues of Rs. 0.15 million and net cash inflows of Rs. 1.52 million for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of such other auditors.

b. The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 1 subsidiary, whose financial statements and other financial information reflect total assets of Rs 8.12 million as at and as at March 31, 2019, and total revenues of Rs Nil and net cash inflows of Rs 0.87 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;



(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company, its subsidiaries incorporated in India for the year ended March 31, 2019.

(h) 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, as amended, 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 separate financial statements as also the other financial information of the subsidiaries, , as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, – Refer Note 40 to the consolidated Ind AS financial statements;

ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2019.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

**ICAI Firm Registration Number:** 101049W/E300004

UDIN: 19094941AAAADF8249

Sd/-

**per Yogesh Midha**

Partner

Membership Number: 94941

Place of Signature: New Delhi

Date: 04 September 2019



## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CJ DARCL LOGISTICS LIMITED (Formerly known as DARCL LOGISTICS LIMITED)

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

In conjunction with our audit of the consolidated financial statements of CJ Darcl Logistics Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of CJ Darcl Logistics Limited (hereinafter referred to as the "Holding Company") and its subsidiaries, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated 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 over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated 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 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 internal financial controls over financial reporting with reference to these consolidated financial statements.

#### Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated 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 control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated 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 over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated 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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



#### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to one subsidiary company, which is the company incorporated in India, is based on the report of the auditor of such subsidiary company incorporated in India.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

**ICAI Firm Registration Number:** 101049W/E300004

UDIN: 19094941AAAADF8249

Sd/-

**per Yogesh Midha**

Partner

Membership Number: 94941

Place of Signature: New Delhi

Date: 04 September, 2019



## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

	Notes	As at 31 March 2019	As at 31 March 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	1,772.88	1,820.67
Intangible assets	4	51.39	57.31
Capital work in progress		2.72	9.15
Investment properties	5	61.83	51.21
Financial assets			
i. Loans	6	32.20	17.86
ii. Other financial assets	7	45.60	50.52
Other non-current assets	8	534.89	509.47
Deferred tax assets (net)	9	17.44	-
<b>Total non-current assets</b>		<b>2,518.95</b>	2,516.19
<b>Current assets</b>			
Inventories	10	11.20	9.48
Financial assets			
i. Investments	11	-	8.07
ii. Trade receivables	12	3,626.59	3,396.69
iii. Cash and cash equivalents	13	39.91	31.80
iv. Bank balances other than (ii) above	14	159.32	126.78
v. Loans	6	112.52	109.19
vi. Other financial assets	7	1,417.83	1,088.43
Other current assets	8	496.62	429.43
		5,863.99	5,199.87
Assets classified as held for sale	3b	68.00	-
<b>Total current assets</b>		<b>5,931.99</b>	5,199.87
<b>Total Assets</b>		<b>8,450.94</b>	7,716.06
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	15	226.62	226.62
Other equity			
Reserves and surplus	16	3,477.54	3,066.54
<b>Total equity</b>		<b>3,704.17</b>	3,293.16
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	17	616.27	674.71
ii. Other financial liabilities	18	21.41	20.86
Employee benefit obligations	19	29.05	16.61
Deferred tax liabilities	20	1.34	74.90



<b>Total non-current liabilities</b>		<b>668.07</b>	787.08
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	17	<b>2,615.48</b>	2,222.09
ii. Trade payables	21	<b>814.18</b>	770.42
iii. Other financial liabilities	18	<b>509.13</b>	515.80
Provisions	22	<b>40.05</b>	40.29
Employee benefit obligations	19	<b>69.84</b>	54.61
Other current liabilities	23	<b>30.02</b>	32.61
<b>Total current liabilities</b>		<b>4,078.70</b>	3,635.82
<b>Total liabilities</b>		<b>4,746.77</b>	4,422.90
<b>Total equity and liabilities</b>		<b>8,450.94</b>	7,716.06
<b>Summary of significant accounting policies</b>	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountant  
ICAI Firm Registration No. 101049W/E300004

**For and on behalf of the Board of Directors**

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)

Sd/-

**per Yogesh Midha**

**Partner**

Membership No. 94941

Sd/-

**Krishan Kumar Agarwal**

(Chairman and Managing Director)

DIN: 00151179

Sd/-

**Narender Kumar Agarwal**

(Joint Managing Director)

DIN: 00052456

Sd/-

**Hyoung Gun Kang**

(Whole Time Director)

DIN: 07875012

Sd/-

**Chol Hoi Kim**

(Chief Financial Officer)

Sd/-

**Apoorva Kumar**

(Company Secretary)

FCS: 4905

Sd/-

**Hira Lal Yadav**

(AGM - Accounts)

Sd/-

**Dinesh Sharma**

(AGM - Accounts)

Place: New Delhi

Date: 04 September 2019

Place: Gurugram

Date: 04 September 2019



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Income</b>			
Revenue from contracts with customers	24	23,488.25	20,625.66
Other income	25	76.86	44.52
<b>Total income</b>		<b>23,565.11</b>	20,670.18
<b>Expenses</b>			
Cost of services	26	20,824.09	18,608.44
Employee benefit expenses	27	1,084.02	926.87
Finance costs	28	336.59	346.88
Depreciation and amortisation expense	29	260.90	268.53
Other expenses	30	482.40	316.88
<b>Total expenses</b>		<b>22,988.00</b>	20,467.60
<b>Profit before tax</b>		<b>577.11</b>	202.58
Income tax expense	31		
Current tax			
- Current year		269.31	78.63
- Earlier year		2.32	(1.61)
Minimum Alternate Tax credit entitlement			
- Current year		(10.71)	(7.70)
- Earlier year		(2.26)	
Deferred tax (credit)/charge		(91.50)	(13.01)
<b>Profit for the period</b>		<b>409.95</b>	146.27
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement of post employment benefit obligations		1.57	2.96
Income tax relating to these items		(0.51)	(1.03)
<b>Other comprehensive income / (loss) for the period, net of tax</b>		<b>1.06</b>	1.93
<b>Total comprehensive income for the period</b>		<b>411.01</b>	148.20
<b>Earnings per equity share</b>	32		
Basic earnings per equity share (Rs.)		18.09	6.53
Diluted earnings per equity share (Rs.)		18.09	6.53
<b>Summary of significant accounting policies</b>	2		



The accompanying notes form an integral part of the financial statements

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountant  
ICAI Firm Registration No. 101049W/E300004

**For and on behalf of the Board of Directors**

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)

Sd/-  
**per Yogesh Midha**  
**Partner**  
Membership No. 94941

Sd/-  
**Krishan Kumar Agarwal**  
(Chairman and Managing Director)  
DIN: 00151179

Sd/-  
**Narender Kumar Agarwal**  
(Joint Managing Director)  
DIN: 00052456

Sd/-  
**Hyoung Gun Kang**  
(Whole Time Director)  
DIN: 07875012

Sd/-  
**Chol Hoi Kim**  
(Chief Financial Officer)

Sd/-  
**Apoorva Kumar**  
(Company Secretary)  
FCS: 4905

Sd/-  
**Hira Lal Yadav**  
(AGM - Accounts)

Sd/-  
**Dinesh Sharma**  
(AGM - Accounts)

Place: New Delhi  
Date: 04 September 2019

Place: Gurugram  
Date: 04 September 2019



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Rupees million, unless stated otherwise)

<b>A. Equity share capital (refer note 15)</b>						
					Number	Amount
<b>Equity shares of INR 10 each issued, subscribed and fully paid</b>						
As at 1 April 2017					19,800,000	198.00
Add: Issued during the year					4,062,142	40.62
Less: Shares held by ESOP Trust at the year end					(1,200,000)	(12.00)
<b>Balance as at 31 March 2018</b>					<b>22,662,142</b>	<b>226.62</b>
<b>Add: Issued during the year</b>					<b>-</b>	<b>-</b>
<b>Balance as at 31 March 2019</b>					<b>22,662,142</b>	<b>226.62</b>
<b>B) Other equity (refer note 16)</b>						
	General reserve	Securities premium	Capital redemption reserve	Retained earnings	Total	
Balance as at 1 April 2017	951.87	105.05	54.00	774.56	1,885.48	
Profit for the year	-	-	-	146.27	146.27	
Other comprehensive income (net of tax)	-	-	-	1.93	1.93	
Addition during the year	-	1,066.39	-	-	1,066.39	
Share issue expenses	-	(33.53)	-	-	(33.53)	
Balance as at 31 March 2018	951.87	1,137.91	54.00	922.76	3,066.54	
<b>Profit for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>409.95</b>	<b>409.95</b>	
<b>Other comprehensive income (net of tax)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.06</b>	<b>1.06</b>	
<b>Balance as at 31 March 2019</b>	<b>951.87</b>	<b>1,137.91</b>	<b>54.00</b>	<b>1,333.77</b>	<b>3,477.55</b>	



The accompanying notes form an integral part of the financial statements

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountant  
ICAI Firm Registration No. 101049W/E300004

**For and on behalf of the Board of Directors**

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)

Sd/-

**per Yogesh Midha**

**Partner**

Membership No. 94941

Sd/-

**Krishan Kumar Agarwal**

(Chairman and Managing Director)

DIN: 00151179

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**Narender Kumar Agarwal**

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(Company Secretary)

FCS: 4905

Sd/-

**Hira Lal Yadav**

(AGM - Accounts)

Sd/-

**Dinesh Sharma**

(AGM - Accounts)

Place: New Delhi

Date: 04 September 2019

Place: Gurugram

Date: 04 September 2019



## CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Rupees million, unless stated otherwise)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>A. Cash flow from operating activities:</b>		
<b>Profit before taxation</b>	577.11	202.58
Adjustments for :		
Depreciation and amortisation expense	260.90	268.53
Profit on sale of fixed assets (net)	(40.25)	(15.10)
Interest income	(14.32)	(18.27)
Liabilities no longer required written back	(0.82)	(1.79)
Provision for doubtful trade receivables, advances and claims	194.47	26.69
Bad debts written off	7.36	11.80
Fair valuation of investments	-	(0.57)
Profit on sale of investments (net)	(0.15)	(0.62)
Interest income on - unwinding of security deposits	(1.50)	(1.72)
Finance costs	336.56	346.72
<b>Operating profit before working capital changes</b>	<b>1,319.35</b>	<b>818.25</b>
<b>Changes in working capital :</b>		
(Increase) in trade receivables	(355.06)	(417.53)
(Increase) in inventories	(1.73)	(1.50)
(Increase) in other financial assets	(374.02)	(89.53)
Decrease/(increase) in other current assets	(44.04)	18.85
(Decrease)/increase in trade payables	4.01	113.66
(Decrease)/increase in other financial liabilities	37.32	(2.87)
Increase in other liabilities	(2.56)	11.61
Employee benefit obligations & provisions	28.99	27.25
Cash generated from operations	612.26	478.19
Net income tax paid (net of refund)	(315.00)	(220.09)
<b>Net cash flow from operating activities (A)</b>	<b>297.26</b>	<b>258.10</b>
<b>B. Cash flows from investing activities</b>		
Capital expenditure on fixed assets including capital advances	(296.71)	(533.28)
Proceeds from sale of fixed assets	57.10	32.32
Sale of Investments	8.22	0.62
Interest received	13.72	19.03
Increase / (Decrease) in bank balance not considered in cash and cash equivalents	(29.01)	(89.53)
<b>Net cash used in investing activities (B)</b>	<b>(246.68)</b>	<b>(570.84)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issuance of share capital (net of share issue expenses)	-	1,073.49
Proceeds from long-term borrowings	442.60	623.57
Repayments of long-term borrowings	(524.22)	(444.88)
Net proceeds from short-term borrowings	416.55	(648.22)
Net (decrease) / increase in working capital borrowings	(23.15)	(10.78)



Finance cost paid	(354.25)	(334.75)
<b>Net cash used in financing activities (C)</b>	<b>(42.47)</b>	<b>258.43</b>
<b>Net (decrease) / increase in cash and cash equivalents (A + B + C)</b>	<b>8.11</b>	<b>(54.31)</b>
Cash and cash equivalents at the beginning of the year	31.80	86.11
<b>Cash and cash equivalents at the end of the year</b>	<b>39.91</b>	<b>31.80</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	11.89	14.75
Cheque on hand	-	0.05
Balances with scheduled banks:		
- in current accounts	27.72	16.45
- in deposit account (original maturity of 3 months or less)	0.30	0.55
<b>Total cash and cash equivalents (refer note 13)</b>	<b>39.91</b>	<b>31.80</b>
<b>Summary of significant accounting policies</b>		

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountant  
ICAI Firm Registration No. 101049W/E300004

**For and on behalf of the Board of Directors**

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)

Sd/-

**per Yogesh Midha**  
**Partner**

Membership No. 94941

Sd/-

**Krishan Kumar Agarwal**  
(Chairman and Managing Director)  
DIN: 00151179

Sd/-

**Narender Kumar Agarwal**  
(Joint Managing Director)  
DIN: 00052456

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(Company Secretary)  
FCS: 4905

Sd/-

**Hira Lal Yadav**  
(AGM - Accounts)

Sd/-

**Dinesh Sharma**  
(AGM - Accounts)

Place: New Delhi

Date: 04 September 2019

Place: Gurugram

Date: 04 September 2019



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

### 1. GROUP OVERVIEW

CJ Darcl Logistics Limited ("the Group" and its subsidiary companies collectively referred to as "Group"), is engaged in the business of carriers by road, rail and sea means of transportation, integrated logistics solutions and specialized logistics across multimodal transport operations.

The Financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on 04 September 2019.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (i) Basis of consolidation:

The consolidated financial statements of the Group and its subsidiary companies have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements have been prepared on an accrual basis as a going concern and under the historical cost convention, except for certain financial assets and financial liabilities that are measured at fair value as required under relevant Ind AS.

The financial statements are presented in Indian rupees (INR) and all values are rounded to nearest millions upto two decimals, except when otherwise stated.

#### a) Principles of consolidation

The consolidated financial statements relate to CJ Darcl Logistics Limited (the 'Group') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

i. The financial statements of the subsidiary companies, used in the consolidation are drawn upto the same reporting date as that of the Group i.e., 31 March 2019.

ii. The financial statements of the and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.

iii. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Group's separate financial statements.

#### b) Following subsidiary companies have been considered in the preparation of these consolidated financial statements:

Name of the entity	Country of Incorporation	Ownership held by	Percentage of voting power as at 31 March 2019	Percentage of voting power as at 31 March 2018
Transrail Logistics Limited	India	CJ Darcl Logistics Limited	100%	100%
Darcl Logistics Nepal Private Limited	Nepal	CJ Darcl Logistics Limited	100%	100%
Fr8ology Private Limited	India	CJ Darcl Logistics Limited	100%	100%

These consolidated financial statements are based, in so far as they relate to amounts included in respect of subsidiary companies, on the audited financial statements prepared for consolidation in accordance with the requirement of Indian Accounting Standard 110 – "Consolidated Financial Statements" of aforesaid entity.

#### ii) Change in accounting policies

##### Ind AS 115 Revenue from Contracts with Customers

Ind AS 115, "Revenue from Contracts with Customers", this new standard on revenue recognition supersedes Ind AS 18 Revenue, Ind AS 11 Construction Contracts and related interpretations. The new standard establishes uniform requirements regarding the nature, amount, timing, and time period of revenue recognition. The standard establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard also specifies the accounting for the incremental costs of obtaining the contract and costs directly related to fulfilling a contract.

The Group has adopted Ind AS 115 using the modified retrospective approach with any cumulative effects recognized in equity as of 1 January 2018 and with no restatement of comparatives. The implementation has not resulted in any significant changes to existing revenue recognition practices applied by the Group except for netting variable consideration in form of incentives and penalties with revenue amounting to INR 86.20 for the year ended March 31, 2019. Accordingly, there is no adjustment to equity.

##### Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration.



This Interpretation does not have any impact on the Group's financial statements.

**iii) Change in accounting estimate**

**Estimated useful lives of property, plant and equipment**

Upto March 31, 2018, the Group depreciated its Hydraulic Axle, Puller and Mobile phones over the period of 8 years, 8 years and 2 years respectively.

Considering the prevalent regulatory and economic conditions the Group has revisited and revised the estimate for depreciation of the Hydraulic Axle, Puller and Mobile over the period of 25 years, 15 years and 3 years respectively on prospective basis.

Had the Group continued to use the earlier estimate of depreciating the above assets, its financial statements for the period would have been impacted as below:

Depreciation for the current period would have been higher by Rs. 27.06 million. Profit before tax for the current period would have been lower by Rs. 27.06 million and property, plant and equipment assets would have been lower by Rs. 27.06 million.

**iv) Property plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT/GST/VAT credit availed wherever applicable. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**v) Depreciation methods, estimated useful lives and residual value**

Depreciation is provided on pro-rata basis using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as estimated by the management which is in line with the useful life of assets as prescribed under Schedule II of the Companies Act, 2013 except in respect of trucks and mobile phones, in which case the life of the assets has been assessed as 8 and 2 years respectively, taking into account their nature and their estimated usage.

The Group has used the following rates to provide depreciation on its property, plant and equipment:

Asset category	Useful lives estimated by management (SLM)	Useful life of assets as per Schedule II of Group Act (SLM)
Land		
- Freehold	-	
- Leasehold	99/5 years	Ove the period of lease
Buildings	30/61 years	30/61 years
Plant and machinery (flat wagon)	15 years	15 years
Rail containers	15 years	15 years
Plant and machinery (others)	8 years	8 years
Furniture and fittings	10 years	10 years
Office equipment	3/5 years	5 years
Computers	3/6 years	3/6 years
Trucks	8 years	6 years
Trucks (Puller/Axle)	15/25 years	6 years
Other vehicle	8 years	8 years

Leasehold land is amortised over the duration of the lease and leasehold improvements are depreciated on straight line basis over the unexpired period of lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income in Statement of Profit and Loss.





The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- a) The appropriate level of management is committed to a plan to sell the asset,
- b) An active programme to locate a buyer and complete the plan has been initiated,
- c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

#### **x) Investment Property**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life / residual value is accounted on prospective basis. Freehold land and properties under construction are not depreciated.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal.

#### **xi) Leases**

##### **Where the Group is the lessee**

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

##### **Where the Group is the lessor**

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

#### **xii) Impairment of non-financial assets**

The carrying amounts of the assets are reviewed at each Balance sheet date for any indication of impairment based on internal/external factors. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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 asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Impairment losses including impairment on inventories are recognised in the Statement of Profit and Loss.

#### **xiii) Financial Instruments**

##### **i) Financial assets**

###### **a) Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which



the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies “Revenue from contracts with customers”.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### **b) Subsequent measurement**

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

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### **Debt instruments at amortised cost**

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most applicable to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (“EIR”) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR

amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

#### **Debt instrument at FVTOCI**

A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss (P&L). Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. This category is applicable to investments in mutual funds.

#### **Equity Investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are



recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value. All changes in fair value including dividend are recognized in the statement of profit and loss.

#### De-recognition

A financial asset is de-recognised only when

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay. A financial assets is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

#### c) Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Loan commitments which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

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

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

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

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

#### Financial Liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.



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

Financial guarantees, issued in relation to obligations of subsidiaries, are initially recognised at fair value (as part of the cost of the investment in the subsidiary).

The Group's financial liabilities include trade and other payables, financial guarantee contracts and derivative financial instruments.

#### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

The financial guarantees are amortised over the life of the guarantee and are measured at each reporting date at the higher of:

- the remaining unamortized balance of the amount at initial recognition and
- the best estimate of expenditure required to settle the obligation at the end of the reporting period.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

#### **De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### **Reclassification of financial assets**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

#### **xiv) Revenue recognition**

##### **Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note 33.

##### **Performance obligations**

At contract inception, the Group assesses the goods and services promised in contracts with customers and identifies various performance obligations to provide distinct goods and services to the customers. The Group has determined following distinct goods and services that represent its primary performance obligations.

- **Transportation services:** Revenue is recognized for these performance obligations as they are satisfied over the contract term, which generally represents the transit period. The transit period can vary based upon the method of transport, generally a couple days for over the road, rail, and air transportation, or several weeks in the case of an ocean shipment. Group also provide certain ancillary logistics services, such as handling of goods, customs clearance services etc. The service period for these services is usually for a very short duration, generally few days or weeks. Hence, revenue from these services is recognised over the service period as the Group perform the primary obligation of transportation of goods.



- **Other allied services:** Revenue from leasing of vehicles (trains/trucks), renting of warehouse, fee-based management services are recognised over time as the customer simultaneously avails the benefits of these services. Hence, the revenue from such services is recognised on a monthly basis, basis the amount fixed as per the agreements.

#### Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for providing services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for transportation services provide the customer with incentives and include penalties levied on the Group. To estimate the variable consideration for the expected future incentives and penalties, the Group has applied the expected value method for all contracts.

#### Contract balances

##### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

##### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in financial instrument – initial recognition and subsequent measurement.

##### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

##### Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

##### Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

#### xv) Inventories

Inventories comprise of tyres, tubes and other accessories for repairs and maintenance of own vehicles, which are valued at cost or net realizable value, whichever is lower. Cost is determined on weighted average cost basis. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory based on weighted average cost basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### xvi) Employee benefits

##### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

##### (ii) Post-employment benefits

**Defined Contribution Plan:** A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to a separately entity. The Group has defined contribution plans for provident fund and employees' state insurance scheme. The Group's contribution in the above plans is recognised as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

**Defined Benefit Plans:** The Group has defined benefit plan namely Gratuity for employees. The liability in respect of gratuity plans is calculated annually by independent actuary using the projected unit credit method. The Group recognizes the following changes in the net defined benefit obligation under Employee benefits expense in statement of profit or loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailment and non-routine settlements
- Net interest expense

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other comprehensive income (OCI). They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Re-measurements are not reclassified to profit or loss in subsequent periods.



Compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the end of the year. Actuarial gains/losses are immediately recognised to the Statement of Profit and Loss. Termination benefits are recognized as an expense immediately.

#### **xvii) Borrowing cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

#### **xviii) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### **xix) Foreign Currency Transactions**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in statement of profit or loss.

#### **xx) Earnings per share**

Basic earnings per share (EPS) are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit or loss attributable to equity holders of the Group (after adjusting the corresponding income/charge for dilutive potential equity shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

#### **xxi) Provisions and Contingent liabilities**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax

rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.



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

**xxii) Segment reporting**

Business of the Group primarily consist of transportation of goods and allied services. Accordingly, there is no separate reportable segment.

**xxiii) Dividend distribution**

The Group recognizes a liability to make cash distribution to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. The corresponding amount is recognised directly in equity.

**xxiv) Cash and cash equivalents**

For the purpose of presentation in the Statement of Cash flows, Cash and Cash equivalents includes cash on hand, deposits held at call, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

**xxv) Investment in subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any in separate financial statements. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.



### NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

#### 3. PROPERTY, PLANT AND EQUIPMENT

Description of assets	Gross Block			Depreciation / amortisation			Net Block As at 31 March 2019
	As at 1 April 2018	Additions	Deductions	As at 1 April 2018	Additions	Deductions	
<b>Tangible assets</b>							
Land - Freehold*~	179.31	-	-	179.31	-	-	179.31
- Leasehold*	0.84	0.31	-	1.15	0.16	-	0.78
Buildings**#~	216.55	5.93	0.64	221.84	3.90	0.07	211.86
Plant and machinery (Flat wagons)	218.89	-	-	218.89	20.54	-	157.27
Rail containers	138.29	0.50	0.67	138.12	9.68	0.14	109.08
Plant and machinery (Others)	13.99	-	-	13.99	2.62	-	6.05
Furniture and fittings	60.30	11.51	0.16	71.65	6.29	0.05	58.11
Office equipment	108.69	23.58	4.13	128.14	19.27	2.86	83.34
Computers	23.10	8.84	2.15	29.79	6.13	1.45	14.91
Trucks	1,243.82	210.62	36.21	1,418.23	172.14	24.23	928.73
Other vehicles	85.34	13.02	1.01	97.35	11.56	0.53	66.54
Leasehold improvements	14.01	15.05	1.78	27.28	1.22	1.78	24.90
<b>Total</b>	<b>2,303.13</b>	<b>289.36</b>	<b>46.75</b>	<b>2,545.74</b>	<b>253.51</b>	<b>31.11</b>	<b>1,840.88</b>
<b>Less: Assets held for sale</b>							
Land - Freehold*	(50.04)	-	-	(50.04)	-	-	(50.04)
Buildings*	(19.30)	-	(0.41)	(18.89)	(0.31)	(0.03)	(17.96)
<b>Total</b>	<b>2,233.79</b>	<b>289.36</b>	<b>46.34</b>	<b>2,476.81</b>	<b>253.20</b>	<b>31.08</b>	<b>1,772.88</b>





Description of assets	Gross Block			Depreciation / amortisation			Net Block	
	As at 31 March 2017	Additions	Deductions	As at 31 March 2017	Additions	Deductions	As at 31 March 2018	As at 31 March 2018
<b>Tangible</b>								
Land - Freehold*	171.73	7.58	-	179.31	-	-	-	179.31
Land Leasehold	0.84	-	-	0.84	0.14	-	0.21	0.63
Buildings**^#	204.12	12.43	-	216.55	3.72	-	6.15	210.40
Plant and Machinery (Flat Wagons)	218.89	-	-	218.89	20.54	-	41.08	177.81
Rail Containers	139.44	-	1.15	138.29	9.70	-	19.50	118.79
Plant and Machinery (Others)	13.99	-	-	13.99	2.66	-	5.32	8.67
Furniture and Fittings	50.44	10.35	0.49	60.30	5.36	0.01	7.30	53.00
Office Equipment	88.57	21.98	1.86	108.69	18.19	0.71	28.39	80.30
Computers	16.95	7.01	0.86	23.10	5.46	0.13	10.20	12.90
Trucks	809.34	444.08	9.60	1,243.82	184.15	-	341.59	902.23
Other Vehicles	67.27	22.18	4.11	85.34	10.40	0.06	19.78	65.56
Leasehold Improvements	13.12	0.94	0.05	14.01	0.85	-	2.94	11.07
<b>Total</b>	<b>1,794.70</b>	<b>526.55</b>	<b>18.12</b>	<b>2,303.13</b>	<b>261.17</b>	<b>0.91</b>	<b>482.46</b>	<b>1,820.67</b>

\*The title deeds for land and other properties at New Delhi, West Bengal, Haryana, Gujarat, Chattisgarh, Rajasthan, Maharashtra, Jharkhand, Uttar Pradesh, Assam, Orissa, Andhra Pradesh and Karnataka are in the former name of the Group i.e. Delhi Assam Roadways Corporation Limited.

^ Includes title deed of the building amounting to Rs. 0.10 million (31 March 2018: Rs. 0.10 million) is pending for registration in the name of the Group. The said building is registered in the name of a director of the Group.

# Building includes Rs. 250 (in absolute term), representing cost of unquoted fully paid shares in Punit Chambers Premises Co-operative Society Limited and Skylone Co-operative Housing Society Limited.

For detail in respect of carve out assets please refer note 49

### 3B ASSETS HELD FOR SALE

As per the terms of Shareholder agreement dated 5 June 2017 entered into by the group with CJ Logistics Corporation, certain properties have been agreed to be carved out from the group (refer note 51). The details relating to gross block and accumulated depreciation of aforementioned assets as at 31 March 2019 are included in the table below:

Description of assets	Gross Block			Depreciation / amortisation			Net Block	
	As at 1 April 2018	Additions	Deductions	As at 31 March 2019	Charge for the year	Disposal	As at 31 March 2019	As at 31 March 2019
Assets held for sale								
Land - Freehold*	50.04	-	-	50.04	-	-	-	50.04
Buildings*	19.30	-	0.41	18.89	0.31	0.03	0.93	17.96
<b>Total Assets held for sale</b>	<b>69.34</b>	<b>-</b>	<b>0.41</b>	<b>68.93</b>	<b>0.31</b>	<b>0.03</b>	<b>0.93</b>	<b>68.00</b>

\*The title deeds for land and other properties at New Delhi, Haryana, Assam, West Bengal, Maharashtra and Karnataka are in the former name of the Group i.e. Delhi Assam Roadways Corporation Limited.

For detail in respect of carve out assets please refer note 49

### 4. INTANGIBLE ASSETS

Description of assets	Gross Block			Depreciation / amortisation			Net Block	
	As at 1 April 2018	Additions	Deductions	As at 31 March 2019	As at 1 April 2018	Additions	Deductions	As at 31 March 2019
Intangible assets								
Railway license	63.81	-	-	63.81	10.00	5.00	-	15.00
Software license fees	9.07	0.49	-	9.56	5.57	1.41	-	6.98
<b>Total intangible assets</b>	<b>72.88</b>	<b>0.49</b>	<b>-</b>	<b>73.37</b>	<b>15.57</b>	<b>6.41</b>	<b>-</b>	<b>21.98</b>

Description of assets	Gross Block			Depreciation / amortisation			Net Block	
	As at 1 April 2017	Additions	Deductions	As at 31 March 2018	As at 1 April 2017	Additions	Deductions	As at 31 March 2018
Intangible assets								
Railway license	63.81	-	-	63.81	5.00	5.00	-	10.00
Software license fees	7.91	1.20	0.04	9.07	4.09	1.52	0.04	5.57
<b>Total intangible assets</b>	<b>71.72</b>	<b>1.20</b>	<b>0.04</b>	<b>72.88</b>	<b>9.09</b>	<b>6.52</b>	<b>0.04</b>	<b>15.57</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(All amounts in Rupees million, unless stated otherwise)

### 5. INVESTMENT PROPERTIES

	As at 31 March 2019	As at 31 March 2018
<b>Gross carrying amount</b>		
Opening gross carrying amount	52.22	52.22
Additions	11.61	-
<b>Closing gross carrying amount</b>	<b>63.83</b>	52.22
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	1.01	0.18
Depreciation charge	0.99	0.83
<b>Closing accumulated depreciation</b>	<b>2.00</b>	1.01
<b>Net carrying amount</b>	<b>61.83</b>	51.21
<b>a) Amounts recognised in profit or loss for investment properties</b>		
	As at 31 March 2019	As at 31 March 2018
Rental income	7.43	-
Direct operating expenses from property that generated rental income	(1.58)	-
<b>Profit from investment properties before depreciation</b>	<b>5.85</b>	-
Depreciation	(0.99)	0.83
<b>(Loss) from investment properties</b>	<b>4.86</b>	0.83
<b>b) Fair value</b>		
	As at 31 March 2019	As at 31 March 2018
Investment properties	136.71	126.42

#### c) Estimation of fair value

The Group obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group consider information from a variety of sources including current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

### 6. LOANS

	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Security deposits	33.20	18.86
Less: Provision for doubtful security deposits	(1.00)	(1.00)
<b>Total loans - non current</b>	<b>32.20</b>	17.86



<b>Current</b>		
Security deposits	114.25	110.92
Less: Provision for doubtful security deposits (current)	(1.73)	(1.73)
	112.52	109.19
<b>Total loans - current</b>	<b>112.52</b>	<b>109.19</b>

## 7. OTHER FINANCIAL ASSETS

	As at 31 March 2019	As at 31 March 2018
<b>Non current</b>		
Balances held as margin money	44.84	48.36
Interest accrued on fixed deposits	0.76	2.16
<b>Total other financial assets - non current</b>	<b>45.60</b>	<b>50.52</b>
<b>Current</b>		
Claims receivable	92.98	79.89
Less: Provision for claims receivable	(52.33)	(21.78)
	40.65	58.11
Contract assets	1,331.75	923.52
Receivable against sale of assets	0.64	-
Interest accrued on fixed deposits	5.39	3.39
Surrender value of keyman insurance policy	6.62	5.39
Other receivable	30.91	93.90
Others	1.87	4.12
<b>Total other financial assets - current</b>	<b>1,417.83</b>	<b>1,088.43</b>

## 8. OTHER ASSETS

	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Capital advances	29.72	31.69
<b>Advances other than capital advances:</b>		
Prepaid expenses	3.72	14.40
Balance with government authorities	42.11	42.38
Less: Provision for balance with government authorities	(1.50)	(1.50)
	40.61	40.88
Advance income tax (net of provision for tax)	460.84	422.50
<b>Total other assets - Non-current</b>	<b>534.89</b>	<b>509.47</b>
<b>Current</b>		
Prepaid expenses	73.39	58.69
Balance with government authorities	42.53	-



Advances to employees	122.38	36.38
Contract cost	40.02	-
Advances to vendors	178.95	314.53
Less: Provision for advance to vendors	(21.03)	(21.72)
	157.92	292.81
Advance income tax - current	22.41	17.40
MAT Credit Entitlement	20.67	7.70
Receivable from related party (refer note 37)	17.30	16.45
<b>Total other current assets</b>	<b>496.62</b>	<b>429.43</b>

## 9. DEFERRED TAX ASSETS

	As at 31 March 2019	As at 31 March 2018
<b>Items leading to creation of deferred tax assets</b>		
Provision for doubtful debt	4.36	-
Defined benefit obligations	0.09	-
Fixed assets: impact of differences between tax depreciation and depreciation/amortization charged in the financial statements	1.66	-
Unabsorbed depreciation & carried forward business losses	11.33	-
<b>Total deferred tax assets</b>	<b>17.44</b>	<b>-</b>

## 10. INVENTORIES

	As at 31 March 2019	As at 31 March 2018
Tyres, tubes and other spare parts	11.20	9.48
<b>Total Inventories</b>	<b>11.20</b>	<b>9.48</b>

## 11. CURRENT INVESTMENTS

	As at 31 March 2019	As at 31 March 2018
<b>Investment in mutual funds - Quoted</b>		
Nil (31 March 2018: 650,883) units of SBI Equity Savings Fund	-	8.07
	-	8.07

## 12. TRADE RECEIVABLES

	As at 31 March 2019	As at 31 March 2018
<b>Trade receivables</b>		
Unsecured considered good	3,626.59	3,396.69
Doubtful	295.67	131.75
	3,922.26	3,528.44
<b>Allowance for impairment of trade receivables</b>		
Unsecured, considered good		
Doubtful	(295.67)	(131.75)
	(295.67)	(131.75)
<b>Total trade receivables</b>	<b>3,626.59</b>	<b>3,396.69</b>



The movement in impairment of trade receivables is as follows:

	As at 31 March 2019	As at 31 March 2018
Opening balance	131.75	109.72
Additions	163.92	22.03
	295.67	131.75

### 13. CASH AND CASH EQUIVALENTS

	As at 31 March 2019	As at 31 March 2018
Cash in hand	11.89	14.75
Cheque on Hand	-	0.05
Balances with banks		
- in current accounts	27.72	16.45
- In other deposit accounts (less than 3 months)	0.30	0.55
<b>Total cash and cash equivalents</b>	<b>39.91</b>	<b>31.80</b>
<b>Other bank balances</b>		
Deposits with remaining maturity of more than 3 months but less than 12 months	159.32	126.78
Deposits with remaining maturity of more than 12 months	44.84	48.36
	204.16	175.14
<b>Less : Disclosed under</b>		
Other bank balances (refer note 14)	159.32	126.78
Other financial assets (non-current) (refer note 7)	44.84	48.36
	204.16	175.14

Notes:

(a) The Group has pledged some of its deposits with banks to fulfill collateral requirements. Deposits with banks have been pledged as margin money as follows -

- i. Against Bank Guarantee amounting to Rs 102.41 million (31 March 2018: 100.99 million)
- ii. Against Public Deposits amounting to Rs 50.89 million (31 March 2018: 48.18 million)
- iii. Against Overdrafts amounting to Rs 27.27 million (31 March 2018: 0.74 million)
- iv. Against Standby Letter of Credit amounting to Rs 3.10 million (31 March 2018: 0.55 million)
- v. Other margin money deposits amounting to Rs 16.10 million (31 March 2018: 18.64 million)

(b) For the purpose of the statement of cash flows, cash and cash equivalents comprise the balances with banks as disclosed above.

### 14. OTHER BANK BALANCES

	As at 31 March 2019	As at 31 March 2018
In other deposit accounts (more than 3 months but less than 12 months)	159.32	126.78
<b>Total Other Bank balances</b>	<b>159.32</b>	<b>126.78</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

### 15. SHARE CAPITAL

	As at 31 March 2019	As at 31 March 2018
<b>Authorised equity share capital</b>		
45,000,000 (31 March 2018: 45,000,000) equity shares of Rs. 10 each	450.00	450.00
<b>Issued, subscribed and fully paid up equity shares</b>		
23,862,142 (31 March 2018: 23,862,142) equity shares of Rs. 10 each	238.62	238.62
Less: Shares held by ESOP Trust at the year end	(12.00)	(12.00)
	226.62	226.62

#### (a) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year

	March 31, 2019		March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
Number of share at beginning of the year	23,862,142	238.62	19,800,000	198.00
Less: Shares held by ESOP Trust at the year end	(1,200,000)	(12.00)	(1,200,000)	(12.00)
Add : Issue of shares*	-	-	4,062,142	40.62
<b>Number of share at the end of the year</b>	<b>22,662,142</b>	<b>226.62</b>	<b>22,662,142</b>	<b>226.62</b>

\*During the year ended 31 March 2018, the Group issued 4,062,142 equity shares of Rs. 10 each fully paid up at a premium of Rs. 262.52 per share to CJ Logistics Corporation.

#### (b) Terms/rights attached to equity shares

The holding company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. During the year ended 31 March 2019, the amount of per share interim dividend recognized as distributions to equity shareholders is Rs. Nil (31 March 2018: Nil). In the event of liquidation of the holding Company, the holders of equity shares will be entitled to receive remaining assets of the holding Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (c) Details of shareholders holding more than 5% equity shares in the Holding Company\*

	March 31, 2019		March 31, 2018	
	Number of shares	% holding	Number of shares	% holding
<b>Equity shares with voting rights</b>				
CJ Logistics Corporation	11,931,071	50.00%	11,931,071	50.00%
ASM (India) Investments Private Limited	3,238,064	13.57%	3,188,064	13.36%
Gargo Investments Private Limited	2,770,805	11.61%	2,820,805	11.82%
TCG Esop Trust	1,200,000	5.03%	1,200,000	5.03%

\* The disclosure is based on the legal ownership of the shares held as at the period end.



**(d) Shares reserved for issue under options**

1,200,000 shares (31 March 2018: 1,200,000 ) shares of Rs. 10 each are outstanding towards employee stock options which is currently being held by TCG ESOP Trust. The Share Holder Agreement (SHA) with CJ Logistics Corporation (which holds 50% shareholding), inter-alia, requires the holding Company to cancel the shares held in this ESOP trust by obtaining prior approval from NCLT (National Company Law Tribunal). Holding Company is yet to start the process for seeking requisite approval of NCLT. (refer note 42a).

**(e ) Aggregate number of shares bought back the period of five years immediately preceding the reporting date :**

	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
<b>Equity shares</b>					
Bought back	-	-	5,400,000	-	-

**16. RESERVES AND SURPLUS**

	As at 31 March 2019	As at 31 March 2018
General reserve (A)	951.87	951.87
Securities premium (B)	1,137.91	1,137.91
Capital redemption reserve (C)	54.00	54.00
Retained earnings (D)	1,333.77	922.76
<b>Total reserves and surplus</b>	<b>3,477.54</b>	<b>3,066.54</b>
<b>(A) General reserve</b>		
Balance as per last financial statements	951.87	951.87
Less: Transfer to capital redemption reserve in respect of the buy back of shares	-	-
<b>Closing balance</b>	<b>951.87</b>	<b>951.87</b>
<b>(B) Securities premium</b>		
Balance as per last financial statements	1,137.91	105.05
Add: premium on issue of equity shares during the year	-	1,066.39
Less: shares issue expenses	-	(33.53)
<b>Closing balance</b>	<b>1,137.91</b>	<b>1,137.91</b>
<b>(C) Capital redemption reserve</b>		
Balance as per last financial statements	54.00	54.00
Add: Transfer from general reserve	-	-
<b>Closing balance</b>	<b>54.00</b>	<b>54.00</b>
<b>(D) Retained earnings</b>		
Balance as per last financial statements	922.76	774.56
Net profit for the period	409.95	146.27
Other comprehensive income for the year (net of tax)	1.06	1.93
<b>Closing balance</b>	<b>1,333.77</b>	<b>922.76</b>



## 17. BORROWINGS

	As at 31 March 2019	As at 31 March 2018
<b>Non current</b>		
<b>Secured</b>		
Term loan from banks (refer note A)	672.31	661.33
Term loan from financial institution (refer note B)	82.70	154.33
<b>Unsecured</b>		
Term loan from banks (refer note C)	96.05	31.80
Deposits (refer note D)	192.05	276.14
<b>Total long term borrowings</b>	<b>1,043.11</b>	<b>1,123.60</b>
<b>Less: Current maturities of long-term borrowings (refer Note 18)</b>		
<b>Secured loan</b>		
Term loan from banks	258.96	249.54
Term loan from financial institution	31.43	39.13
<b>Unsecured</b>		
Term loan from banks	38.61	25.50
Deposits	97.86	134.72
	426.86	448.89
<b>Total long term borrowings</b>	<b>616.27</b>	<b>674.71</b>
<b>Current</b>		
<b>Secured</b>		
Cash credit (refer note a)	778.99	681.24
Working capital demand loan (refer note a)	1,752.93	1,453.82
Overdraft (refer note b)	9.53	0.51
<b>Unsecured</b>		
Deposits (refer note c)	74.03	86.52
<b>Total short term borrowings</b>	<b>2,615.48</b>	<b>2,222.09</b>

### Secured term loan from bank:-

A) Term loan amounting to Rs. 660.87 million (31 March 2018: Rs. 615.78 million) relates to rupee term loans from banks towards asset purchased under hire purchase/financing arrangement and Rs. 11.44 million (31 March 2018: Rs. 45.55) relates to rupee term loans from banks towards refinance on asset originally purchased under hire purchase/financing arrangement and are secured by way of hypothecation of the respective assets. These loans carry fixed/floating interest rates ranging from 7.91% to 10.95% per annum and are repayable in monthly instalments ranging from 1 to 59 with equated monthly instalment ranging from Rs. 0.01 million to Rs.1.29 million. Some of these loans are further secured by way of personal guarantee of some of the directors of the Group.

Secured term loan from financial institutions:-

B) Term loan amounting to Rs.82.70 million (31 March 2018: Rs. 111.83 million) relates to rupee term loans from financial institutions towards asset purchased under hire purchase/financing arrangement and are secured by way of hypothecation of the respective assets and carries fixed interest rates ranging from 7.62% to



9.88% per annum and are repayable in monthly instalments ranging from 21 to 31 with equated monthly instalment ranging from Rs. 0.02 million to Rs. 0.08 million.

Term loan amounting to Rs. Nil (31 March 2018: Rs. 42.50 million) related to rupee term loans from financial institution secured by way of first and exclusive charge by way of mortgage over a property and carried floating interest rate of 10.25% per annum and were repayable in 17 equated quarterly instalments of Rs. 2.50 million. These loans were further secured by way of personal guarantee of some of the Directors of the Group. Group has pre-closed these loan.

**Unsecured term loan from bank:-**

C) Term loan amounting to Rs. 96.05 million (31 March 2018: Rs. 31.80 million) relates to unsecured rupee term loans from bank. These loans carry fixed/ floating interest rate ranging from 9.25% to 10.40% per annum and are repayable in monthly instalments ranging from 4 to 31 with equated monthly instalment ranging from Rs. 1.80 million to Rs. 3.27 million. The said loans are backed by personal guarantee of some of the Directors of Group.

**Unsecured Public Deposit:-**

D) Rs. 192.05 million (31 March 2018: Rs. 276.14 million) relates to Deposits from Public and carry interest rate ranging from 7.25% to 11.50% per annum (31 March 2018: 7.25% to 12.00% per annum) (including 0.50% per annum extra interest to senior citizens) and are repayable after period ranging from 15 months to 36 months from the respective dates of deposit.

**Secured short term borrowings:-**

(a) Cash credit loans and working capital demand loans from banks under consortium limits are secured by first pari-passu charge by way of hypothecation over the Group's book debts including unbilled receivables and current assets. These loans are further secured by first pari-passu charge by way of hypothecation of fixed assets (present and future) excluding value of land and buildings which is taken for collateral and vehicles financed by other banks and financial institutions. The facilities are also secured by first pari-passu charge by way of equitable mortgage of certain properties owned by the Group. These loans are further secured by way of first pari-passu charge on value of 3,188,570 shares of the Company held by the promoter group and companies closely held by the members of the promoter group. The said loans are further secured by way of personal guarantee of some of the Directors, members of the promoter group and corporate guarantee of companies closely held by the members of the promoter group. Cash credit loans are renewed at the end of one year or any extension given by the banks from the date of respective sanctions and carries interest ranging from 9.20% to 9.95% per annum. Working capital demand loans from banks have bullet repayment and carry interest of 8.75% per annum.

(b) Overdraft from bank is secured by way of pledge of fixed deposits of Rs 27.27 million (31 March 2018: Rs 0.74 million) with the bank. These overdrafts carry interest which is 1% higher than the respective fixed deposit rates.

**Unsecured public deposit:-**

(c) Deposits from public carry interest rate ranging from 6.75% to 7.75% per annum (31 March 2018: 6.75% to 9.00% per annum) (including 0.50% per annum extra interest to senior citizens) and are repayable after period ranging from 6 months to 18 months from the respective dates of deposit.

**Net debt reconciliation**

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented:

	As at 31 March 2019	As at 31 March 2018
Cash and Bank Balances (refer note 13 & 14)	199.24	158.59
Investment in mutual fund (liquid)	-	8.07
Long term borrowings (including current maturities of long term borrowings)	(1,043.11)	(1,123.60)
Short term borrowings	(2,615.48)	(2,222.09)
<b>Net debt</b>	<b>(3,459.35)</b>	<b>(3,179.03)</b>



## 18. OTHER FINANCIAL LIABILITIES

	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Security deposit received	14.46	7.07
Interest accrued but not due on borrowings	6.95	13.79
<b>Total other non-current financial liabilities</b>	<b>21.41</b>	<b>20.86</b>
<b>Current</b>		
Current maturities of long-term borrowings (refer note 17)	426.86	448.89
Interest accrued but not due on borrowings	27.14	37.91
Unclaimed / unpaid matured deposits and interest accrued thereon	0.29	1.51
Payable for capital goods	2.66	5.11
Security deposits received	11.57	2.37
Advance from customers	19.70	13.34
Advance against sale of assets	10.41	-
Book overdraft	6.43	4.75
Others	4.07	1.92
<b>Total other current financial liabilities</b>	<b>509.13</b>	<b>515.80</b>

## 19. EMPLOYEE BENEFIT OBLIGATIONS

	As at 31 March 2019	As at 31 March 2018
<b>Non-current</b>		
Gratuity (refer Note 38)	29.05	16.61
<b>Total Employee benefit obligations - Non-current</b>	<b>29.05</b>	<b>16.61</b>
<b>Current</b>		
Compensated absences	44.68	32.63
Gratuity (refer Note 38)	25.16	21.98
<b>Total Employee benefit obligations - Current</b>	<b>69.84</b>	<b>54.61</b>

## 20. DEFERRED TAX LIABILITIES

	As at 31 March 2019	As at 31 March 2018
<b>Items leading to creation of deferred tax liabilities</b>		
Fixed assets: impact of differences between tax depreciation and depreciation/amortization charged in the financial statements	194.02	174.49
Others	2.31	1.88





## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts in Rupees million, unless stated otherwise)

### 24. REVENUE FROM CONTRACTS WITH CUSTOMERS

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Rendering of services (Services transferred over time)</b>		
Transportation of goods	23,401.31	20,597.88
Other services	86.94	27.78
<b>Revenue from contracts with customers</b>	<b>23,488.25</b>	<b>20,625.66</b>
<b>Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price</b>		
Revenue as per contracted price	23,574.45	20,625.66
<b>Adjustments</b>		
Incentives and penalties	(86.20)	-
<b>Revenue from contracts with customers</b>	<b>23,488.25</b>	<b>20,625.66</b>
<b>Revenue from rendering of services is earned primarily from customers within India.</b>		

### 25. OTHER INCOME

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income on - Bank deposits	12.45	11.78
Interest income on - Others	1.87	4.49
Interest income on - unwinding of security deposits	1.50	1.72
Interest income on - Income tax refund	-	2.00
Rental income	9.07	1.62
Income from resource sharing	0.62	-
Change in surrender value of keyman insurance policy	1.24	0.68
Profit on sale of fixed assets (net)	40.25	15.10
Profit on sale of investments (net)	0.15	0.62
Liabilities / provisions no longer required written back	0.82	1.79
Fair valuation of investments	-	0.57
Miscellaneous income	8.89	4.15
<b>Total other income</b>	<b>76.86</b>	<b>44.52</b>

### 26. COST OF SERVICES\*

	For the year ended 31 March 2019	For the year ended 31 March 2018
Lorry hire, haulage and other ancillary cost	20,448.20	18,148.13
Vehicles' taxes	39.13	35.71
Repairs and maintenance	122.02	141.86
Consumption of tyres, tubes and other spare parts	75.16	106.24



Vehicle and marine insurance	63.53	57.93
Claims for losses and damage (net)	25.59	60.91
Commission to agents	8.89	6.06
Other charges	41.57	51.60
<b>Total cost of services</b>	<b>20,824.09</b>	<b>18,608.44</b>

\*includes expenses incurred on running of trucks and rail container owned by the Group.

## 27. EMPLOYEE BENEFIT EXPENSE

	For the year ended 31 March 2019	For the year ended 31 March 2018
Salary, wages and bonus	990.55	823.52
Gratuity expenses (refer note 38)	17.18	23.35
Contribution to provident funds	54.96	41.96
Workmen and staff welfare expenses	21.33	38.04
<b>Total employee benefit expense</b>	<b>1,084.02</b>	<b>926.87</b>

## 28. FINANCE COSTS

	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense on - borrowings	291.59	323.65
Interest expense on - delayed payment of income tax	0.03	0.14
Interest expense on - delayed payment of TDS	0.00	-
Interest expense on - delayed payment of Indirect tax	0.01	0.03
Other borrowing cost	44.96	23.06
<b>Total finance costs</b>	<b>336.59</b>	<b>346.88</b>

## 29. DEPRECIATION AND AMORTISATION EXPENSES

	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant and equipment*	254.49	262.01
Amortisation of intangible assets	6.41	6.52
<b>Total depreciation and amortisation expense</b>	<b>260.90</b>	<b>268.53</b>

\*including depreciation amounting to Rs. 0.99 million (31 March 2018: Rs. 0.83 million) on building classified as investment properties.



### 30. OTHER EXPENSES

	For the year ended 31 March 2019	For the year ended 31 March 2018
Non-executive directors' commission	1.38	1.24
Directors sitting fees	1.09	1.09
Rent	51.69	45.80
Rates and taxes	1.82	4.08
Communication	17.33	20.26
Legal and professional	23.54	19.70
Commission	4.86	3.03
Advertisement and publicity	7.15	16.01
Business promotion and entertainment	9.33	9.02
Travelling and conveyance	24.19	24.61
Printing and stationery	6.89	10.34
Insurance	5.27	5.64
Vehicles running and maintenance	19.87	17.40
Repairs and maintenance (others)	24.89	21.25
Electricity and water	17.43	15.02
Payments to auditor (refer details below)	5.93	4.25
Donations	4.21	3.53
Expenditure on corporate social responsibility (refer note 46)	6.73	4.89
Provision for doubtful trade receivables, advances and claims	194.47	26.69
Bad debts written off	7.36	11.80
Loss on theft and embezzlement	0.05	0.32
Office and general expenses	38.06	34.85
Miscellaneous expenses	8.58	15.99
Resource sharing expenses	0.28	0.07
<b>Total other expenses</b>	<b>482.40</b>	<b>316.88</b>
<b>(a) Payment to auditors comprises:</b>		
As auditor:		
Audit fee	3.54	3.44
Consolidated financial statements	0.59	0.59
For certificate	1.30	0.12
Reimbursement of expenses	0.44	0.04
<b>(b) Payment to other auditor</b>	<b>0.06</b>	<b>0.06</b>
	<b>5.93</b>	<b>4.25</b>



### 31. INCOME TAX EXPENSES

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

#### (a) Profit or loss section

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax		
- Current year	269.31	78.63
- Earlier year	2.32	(1.61)
MAT Credit Entitlement		
- Current year	(10.71)	(7.70)
- Earlier year	(2.26)	-
Deferred tax (credit)/charge	(91.50)	(13.01)
<b>Income tax expense</b>	<b>167.16</b>	<b>56.31</b>

#### (b) Other comprehensive income (OCI section)

	For the year ended 31 March 2018	For the year ended 31 March 2018
<b>Deferred tax related to items recognised in OCI during in the year:</b>		
Net loss/(gain) on remeasurements of defined benefit plans	1.45	2.96
Income tax charged to OCI	(0.51)	(1.03)
	<b>0.94</b>	<b>1.93</b>

#### (c) Reconciliation of tax expense and the accounting profit

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before income tax expense	577.11	202.58
Tax at the Indian tax rate of 34.608% (Year ended 31 March 2018 – 34.608%)	183.02	51.70
At India's statutory income tax rate of 27.820% (Year ended 31 March 2018 – 33.063%)	14.91	15.82
<b>Non-deductible expenses for tax purposes:</b>		
Donation	2.81	2.07
Interest under income tax act	0.01	0.05
Impact of tax paid under MAT provisions	12.97	7.70
MAT credit entitlement	(12.97)	(7.70)
Adjustments in respect of current income tax of previous years	-	(1.61)
Adjustments on which deferred tax recognised in current year	(17.43)	(15.83)
Adjustments on which deferred tax was not recognised in previous year	(14.85)	-
Others	(1.31)	4.11
<b>Income tax expense reported in the statement of profit and loss</b>	<b>167.16</b>	<b>56.31</b>



### 32. EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit attributable to equity holders for basic earnings	409.95	146.27
Effect of dilution	-	-
Profit attributable to equity holders for the effect of dilution	409.95	146.27
Weighted average number of equity shares for basic EPS	22,662,142	22,404,223
Effect of dilution:	-	-
	22,662,142	22,404,223
Basic EPS (in Rs.)	18.09	6.53
Diluted EPS in Rs.)	18.09	6.53



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

### 33. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements in conformity with the Indian Accounting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures (including contingent liabilities). The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### A. Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

##### Operating lease commitments – Group as a lessee

The Group has entered into lease agreements with lessor and has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it does not retain the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

##### Operating lease commitments – Group as a lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

#### B. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

##### Revenue from contracts with customers

###### • Determining method to estimate variable consideration

Certain contracts for the transportation of goods include incentives or penalties, that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the transportation of goods with incentives or penalties, given the large number of customer contracts that have similar characteristics.

###### • Estimating number of days for application of percentage of completion method

The Group records revenue by estimating the total number days the vehicle will take to deliver the goods. Number of days usually begin from the date of preparation of consignment note, to either actual delivery date or expected date of delivery agreed with customer.

##### Taxes

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

##### Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds with term that correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 38.



**Provision for trade receivable**

The present value of leave encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of discount rate, future salary increase and withdrawal rates. Due to complexities involved in the valuation and its long term nature, provision for leave encashment is sensitive to changes in these assumptions. All assumptions are reviewed at each balance sheet date.

**Provision for trade receivable**

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience adjusted for forward-looking estimates. Individual trade receivables are written off when management deems them not to be collectible. For details of allowance for doubtful debts please refer Note 35.

**Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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 asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

**Contingencies**

Contingent liabilities may arise from ordinary course of business in relation to claims against the Group, including legal, contractor and other claims. By their nature, contingencies will be resolved only when one or more uncertain future event occur or fail to occur. The assessment of existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and use of estimate regarding outcome of future events. refer note 39

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 34 and 35 for further disclosures.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

### 34. FAIR VALUE MEASUREMENTS

#### a) The carrying value of financial instruments by category

	31 March 2019			31 March 2018		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
Investments	-	-	-	8.07	-	-
Trade receivables	-	-	3,626.59	-	-	3,396.69
Loans	-	-	144.72	-	-	127.05
Cash and bank balances	-	-	199.23	-	-	158.59
Other Financial Assets	-	-	1,463.43	-	-	1,138.95
<b>Total financial assets</b>	-	-	5,433.97	8.07	-	4,821.28
<b>Financial liabilities</b>						
Borrowings	-	-	3,231.75	-	-	2,896.80
Trade payables	-	-	814.18	-	-	770.42
Other financial liabilities	-	-	530.54	-	-	536.66
<b>Total financial liabilities</b>	-	-	4,576.47	-	-	4,203.88

#### (b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortized 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 Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath.

i) Financial assets measured at fair value - recurring fair value measurements				
	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2019</b>				
Investments	-	-	-	-
<b>Total financial assets</b>	-	-	-	-
<b>As at 31 March 2018</b>				
Investments	8.07	-	-	8.07
<b>Total financial assets</b>	8.07	-	-	8.07



ii) Assets and liabilities which are measured at amortised cost				
	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2019</b>				
<b>Financial assets</b>				
Trade receivables	-	-	3,626.59	3,626.59
Loans	-	-	144.72	144.72
Cash and bank balances	-	-	199.23	199.23
Other financial assets	-	-	1,463.43	1,463.43
<b>Total financial assets</b>	-	-	<b>5,433.97</b>	<b>5,433.98</b>
<b>Financial liabilities</b>				
Borrowings	-	-	3,231.75	3,231.75
Trade payables	-	-	814.18	814.18
Other financial liabilities	-	-	530.54	530.54
<b>Total financial liabilities</b>	-	-	<b>4,576.47</b>	<b>4,576.46</b>
<b>As at 31 March 2018</b>				
<b>Financial assets</b>				
Trade receivables	-	-	3,396.69	3,396.69
Loans	-	-	127.05	127.05
Cash and bank balances	-	-	158.59	158.59
Other financial assets	-	-	1,138.95	1,138.95
<b>Total financial assets</b>	-	-	<b>4,821.28</b>	<b>4,821.27</b>
<b>Financial liabilities</b>				
Borrowings	-	-	2,896.80	2,896.80
Trade payables	-	-	770.42	770.42
Other financial liabilities	-	-	536.66	536.66
<b>Total financial liabilities</b>	-	-	<b>4,203.88</b>	<b>4,203.88</b>

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example foreign exchange forward contracts) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfer of levels during the year.

a. As of 31 March 2019 and 31 March 2018 the fair value of cash and bank balances, trade receivables, other current financial assets and liabilities, borrowings, trade payables approximate their carrying amount largely due to the short term nature of these instruments.

b. For other financial assets and liabilities that are measured at amortised cost, the carrying amounts approximate the fair value.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

### 35. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to provide finance to the Group to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to credit risk, liquidity risk and market risk. The Group's senior and top management oversees the management of these risks. The Group's senior and top management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Group's senior management is supported by a Risk Management Policy adopted by the Board of Directors that advises on financial risk and appropriate financial risk governance framework for the Group. It is Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review the policies periodically for managing each of these risks, which are summarized below.

#### (A) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The major exposure to the credit risk at the reporting date is from trade receivables. The Group is also exposed to credit risk from deposits with banks and financial institutions.

##### (i) Trade receivables

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The major exposure to the credit risk at the reporting date is from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned through customers. Customer credit risk is managed by the group subject to the credit policy, procedures and control relating to customer credit risk management. Credit to each customer is given based on its credit rating score. Outstanding customer receivables are regularly monitored in the receivable review committee for any expected default in repayment. An impairment analysis is performed at each reporting date on an individual basis for all customers. The following table gives the movement in allowance for expected credit loss for the year ended 31 March 2019:

#### Movement in expected credit loss allowance:

Particulars	31 March 2019	31 March 2018
At the beginning of year	131.75	109.72
Movement during the year	163.92	22.03
<b>TOTAL ECL</b>	<b>295.67</b>	<b>131.75</b>

##### (ii) Financial instruments & cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within Board assigned limits. Counterparty limits are reviewed by the Group's Board of Directors throughout the year subject to the recommendation of the Group's Management Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts.

#### (B) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's objective is to at all times maintain continuity of optimum levels of liquidity to meet its fund requirements. The Group closely monitors its liquidity position and maintains adequate source of financing through the use of cash credit facility, demand loans, commercial credit cards, vehicle refinance, unsecured loan, public deposit. Processes and policies related to such risks are overseen by the Group's treasury department under guidance of the senior management. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Besides debt, with the recent infusion of equity, there is sufficient liquidity to meet the financial liabilities in the foreseeable future.

##### (i) Maturities of financial liabilities

The maturity profile of the Group's financial liabilities based on contractual undiscounted payments is given in the table below:

	31 March 2019	31 March 2018
<b>On Demand</b>		
Bank overdraft	9.53	47.65
<b>Upto 1 year</b>		



Borrowing (including current maturities of long term borrowing)	3,032.81	2,670.47
Trade payable	818.00	772.18
Other financial liabilities	82.33	66.91
<b>More than 1 year</b>		
Borrowing	616.26	674.72
Other financial liabilities	21.42	20.86

### (C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at 31 March 2019 and 31 March 2018. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2019. The analyses exclude the impact of movements in market variables on the carrying values of gratuity, pension obligation and other post-retirement obligations and provisions. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2019 and 31 March 2018.

#### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group operates on very selective international destinations and is somewhat exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the trade payables. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR).

The Group's exposure to foreign currency risk at the end of the reporting period is Nil

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates and working capital facilities.

#### Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax	Effect on profit before tax	Effect on equity (OCI)
<b>As at 31 March 2019</b>				
Borrowings	+0.50%	18,293,034	18.29	-
	-0.50%	(18,293,034)	(18.29)	-
<b>As at 31 March 2018</b>				
Borrowings	+0.50%	16,728,445	16.73	-
	-0.50%	(16,302,597)	(16.73)	-

## 35. CAPITAL MANAGEMENT

### (a) Risk management

For the purposes of the Group's capital management, Capital includes equity and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and maximizes shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group's endeavor is to bring the gearing ratio below 200%. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2019 and 31 March 2018.

The Group monitors capital using net debt to equity ratio, which is net debt (as reduced by Cash and Cash Equivalent) divided by total equity.



	As at 31 March 2019	As at 31 March 2018
Borrowings (refer note 17)	3,658.61	3,345.69
Cash and Bank Balances (refer note 13 & 14)	(199.24)	(158.59)
Investment in mutual fund (liquid)	-	(8.07)
<b>Net debt</b>	<b>3,459.37</b>	<b>3,179.03</b>
<b>Equity</b>	<b>3,704.17</b>	<b>3,293.16</b>
<b>Net debt to equity ratio</b>	<b>93%</b>	<b>97%</b>

### 37. RELATED PARTY DISCLOSURES:

#### (a) Name of related party and related party relationship

##### Key management personnel

Krishan Kumar Agarwal (Chairman and Managing Director)  
 Darshan Kumar Aggarwal (Joint Managing Director)  
 Roshan Lal Aggarwal (Joint Managing Director)  
 Narender Kumar Agarwal (Joint Managing Director)  
 Hyoung Gun Kang (Whole Time Director & Deputy CEO)  
 Chol Hoi Kim (Chief Financial Officer)  
 Apoorva Kumar (Company Secretary)

##### Relatives of key management personnel

Prem Lata Agarwal  
 Raj Bala Agarwal  
 Sushma Agarwal  
 Madhu Bala Agarwal  
 Yogesh Agarwal  
 Puneet Agarwal  
 Vineet Agarwal  
 Nitin Agarwal  
 Nitesh Agarwal  
 Nikhil Agarwal  
 Ishant Agarwal  
 Mahima Agarwal  
 Sakshi Agarwal  
 Pushpa Devi Bansal  
 Usha Bansal  
 Shweta Gupta  
 Vibha Agarwal



**Enterprises owned/significantly influenced by key management personnel or their relatives**

Tek Chand & Sons (HUF)
Krishan Kumar & Sons (HUF)
Darshan Kumar & Sons (HUF)
Roshan Lal & Sons (HUF)
Narender Kumar & Sons (HUF)
ASM (India) Investments Private Limited
Gargo Investments Private Limited
Daffodil Software Limited
TCG ESOP Trust
TCG Media Limited
J B T A Logistics Private Limited
TCG Impex Private Limited
Autoload Solutions LLP
Fretron LLP

**Enterprises having significant influence**

CJ Logistics Corporation
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## NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

### (a) Details of related party transactions during the year ended 31 March 2019 and balances outstanding as at 31 March 2019

Balance as at year end	Key Management Personnel		Enterprises owned/ significantly influenced by key management personnel or their relatives		Relatives of Key Management Personnel		Enterprises having significant influence		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Loan given</b>										
<b>Trade receivable</b>										
Fretron LLP	-	-	0.09	-	-	-	-	-	0.09	-
<b>Security deposits</b>										
Autoload Solutions LLP	-	-	0.10	0.10	-	-	-	-	0.10	0.10
<b>Trade payable</b>										
Krishan Kumar Agarwal	24.01	6.46	-	-	-	-	-	-	24.01	6.46
Darshan Kumar Aggarwal	23.97	5.75	-	-	-	-	-	-	23.97	5.75
Roshan Lal Aggarwal	23.51	6.10	-	-	-	-	-	-	23.51	6.10
Narendar Kumar Agarwal	24.13	6.25	-	-	-	-	-	-	24.13	6.25
Hyoung Gun kang	0.57	0.57	-	-	-	-	-	-	0.57	0.57
Chol Hoi Kim	0.54	0.23	-	-	-	-	-	-	0.54	0.23
Apoorva Kumar	0.57	0.14	-	-	-	-	-	-	0.57	0.14
Puneet Agarwal	-	-	-	-	0.10	0.29	-	-	0.10	0.29
Vineet Agarwal	-	-	-	-	0.30	0.36	-	-	0.30	0.36
Nitesh Agarwal	-	-	-	-	0.22	0.59	-	-	0.22	0.59
Nitin Agarwal	-	-	-	-	0.39	0.40	-	-	0.39	0.40
Nikhil Agarwal	-	-	-	-	0.39	0.30	-	-	0.39	0.30
Mahima Agarwal	-	-	-	-	0.29	0.25	-	-	0.29	0.25
Ishant Agarwal	-	-	-	-	0.21	0.33	-	-	0.21	0.33
Autoload Solutions LLP	-	-	-	0.03	-	-	-	-	-	0.03
CJ Logistics Corporation	-	-	-	-	-	-	3.42	-	3.42	-
<b>Security deposits payable</b>										
Krishan Kumar Agarwal	1.31	1.31	-	-	-	-	-	-	1.31	1.31
Roshan Lal Aggarwal	0.60	0.60	-	-	-	-	-	-	0.60	0.60
Vineet Agarwal	-	-	-	-	0.60	0.60	-	-	0.60	0.60
Nitesh Agarwal	-	-	-	-	0.39	0.39	-	-	0.39	0.39
Nikhil Agarwal	-	-	-	-	0.67	0.67	-	-	0.67	0.67
Mahima Agarwal	-	-	-	-	0.09	0.09	-	-	0.09	0.09
Ishant Agarwal	-	-	-	-	1.18	-	-	-	1.18	-
Fretron LLP	-	-	0.11	0.11	-	-	-	-	0.11	0.11
<b>Other recoverable</b>										
CJ Logistics Corporation	-	-	-	-	-	-	17.30	16.45	17.30	16.45





**NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019**  
(All amounts in Rupees million, unless stated otherwise)

Transactions during the year ended 31 March 2019	Key Management Personnel		Enterprises owned/ significantly influenced by key management personnel or their relatives		Relatives of Key Management Personnel		Enterprises having significant influence		Total	
	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019
<b>Other income</b>										
<b>Rental income</b>										
Frettron LLP	-	1.48	0.86	-	-	-	-	-	1.48	0.86
<b>Income from resource sharing</b>										
<b>Interest income</b>										
Krishan Kumar Aggarwal	-	-	0.52	-	-	-	-	-	-	0.52
Darshan Kumar Aggarwal	-	-	1.43	-	-	-	-	-	-	1.43
Roshan Lal Aggarwal	-	-	1.06	-	-	-	-	-	-	1.06
Narender Kumar Aggarwal	-	-	0.72	-	-	-	-	-	-	0.72
<b>Interest paid</b>										
ASM (India) Investment Pvt. Ltd.	-	-	1.11	-	-	-	-	-	-	1.11
<b>Purchase of services</b>										
<b>-Cost of Services-Lorry Hire, haulage and other ancillary cost</b>										
TCG Media Limited	-	1.51	-	-	-	-	-	-	1.51	-
Autoload Solutions LLP	-	0.45	0.58	-	-	-	-	-	0.45	0.58
Frettron LLP	-	0.15	0.14	-	-	-	-	-	0.15	0.14
Darshan Kumar Aggarwal	55.62	-	-	-	-	-	-	-	55.62	31.15
CJ Logistics Corporation	-	-	-	-	-	-	-	-	3.42	-
<b>-Rent</b>										
Sushma Aggarwal	-	-	-	-	0.76	0.57	-	-	0.76	0.57
Puneet Aggarwal	-	-	-	-	0.04	0.04	-	-	0.04	0.04
Tek Chand & Sons (HUF)	-	0.45	0.45	-	-	-	-	-	0.45	0.45
Yogesh Aggarwal	-	-	-	-	0.04	0.04	-	-	0.04	0.04
Shweta Gupta	-	-	-	-	0.04	0.04	-	-	0.04	0.04
Vibha Aggarwal	-	-	-	-	0.04	0.04	-	-	0.04	0.04
Vineet Aggarwal	-	-	-	-	0.04	0.04	-	-	0.04	0.04
Nitin Aggarwal	-	-	-	-	0.04	0.04	-	-	0.04	0.04

Nitesh Agarwal	-	-	-	-	0.04	0.23	-	-	0.04	0.23
Ishant Agarwal	-	-	-	-	0.04	0.04	-	-	0.04	0.04
Nikhil Agarwal	-	-	-	-	0.15	0.11	-	-	0.15	0.11
JBTA Logistics Private Limited	-	-	0.76	0.76	-	-	-	-	0.76	0.76
<b>-Employee benefit expense</b>										
Krishan Kumar Agarwal	54.90	40.69	-	-	-	-	-	-	54.90	40.69
Darshan Kumar Agarwal	49.46	36.06	-	-	-	-	-	-	49.46	36.06
Roshan Lal Agarwal	49.35	36.06	-	-	-	-	-	-	49.35	36.06
Narender Kumar Agarwal	49.37	36.06	-	-	-	-	-	-	49.37	36.06
Hyoung Gun kang	13.67	5.85	-	-	-	-	-	-	13.67	5.85
Choi Hoi Kim	13.33	5.20	-	-	-	-	-	-	13.33	5.20
Apoorva Kumar	3.30	3.85	-	-	-	-	-	-	3.30	3.85
Puneet Agarwal	-	-	-	-	9.91	11.15	-	-	9.91	11.15
Vineet Agarwal	-	-	-	-	8.95	9.92	-	-	8.95	9.92
Nitin Agarwal	-	-	-	-	7.39	8.05	-	-	7.39	8.05
Nitesh Agarwal	-	-	-	-	8.88	9.92	-	-	8.88	9.92
Mahima Agarwal	-	-	-	-	4.87	5.43	-	-	4.87	5.43
Nikhil Agarwal	-	-	-	-	7.36	8.06	-	-	7.36	8.06
Ishant Agarwal	-	-	-	-	4.91	5.44	-	-	4.91	5.44





Transactions during the year ended 31 March 2019	Key Management Personnel		Enterprises owned/ significantly influenced by key management personnel or their relatives		Relatives of Key Management Personnel		Enterprises having significant influence		Total	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
<b>Purchase of fixed assets</b>										
Fretron LLP	-	-	1.44	0.06	-	-	-	-	1.44	0.06
<b>Sale of fixed assets</b>										
Darshan Kumar Aggarwal	-	0.51	-	-	-	-	-	-	-	0.51
Roshan Lai Aggarwal	-	0.75	-	-	-	-	-	-	-	0.75
Sakshi Agarwal	-	-	-	-	10.00	-	-	-	10.00	-
<b>Expenses recovered</b>										
CJ Logistics Corporation	-	-	-	-	-	-	32.37	16.45	32.37	16.45
<b>Expenses reimbursed</b>										
<b>Loan given</b>										
Krishan Kumar Agarwal	-	27.00	-	-	-	-	-	-	-	27.00
Darshan Kumar Aggarwal	-	25.50	-	-	-	-	-	-	-	25.50
Roshan Lai Aggarwal	-	30.00	-	-	-	-	-	-	-	30.00
Narender Kumar Aggarwal	-	42.00	-	-	-	-	-	-	-	42.00
<b>Loan repaid to the Group</b>										
Krishan Kumar Agarwal	-	27.00	-	-	-	-	-	-	-	27.00
Darshan Kumar Aggarwal	-	42.00	-	-	-	-	-	-	-	42.00
Roshan Lai Aggarwal	-	43.50	-	-	-	-	-	-	-	43.50
Narender Kumar Aggarwal	-	42.00	-	-	-	-	-	-	-	42.00
<b>Loan taken</b>										
ASM (India) Investment Pvt. Ltd.	-	-	-	10.40	-	-	-	-	-	10.40
<b>Loan repaid by the Group</b>										
ASM (India) Investment Pvt. Ltd.	-	-	-	58.07	-	-	-	-	-	58.07
<b>Security deposits received</b>										
Krishan Kumar Aggarwal	-	1.31	-	-	-	-	-	-	-	1.31
Vineet Agarwal	-	-	-	-	-	0.11	-	-	-	0.11
Ishant Aggarwal	-	-	-	-	1.18	-	-	-	1.18	-
Fretron LLP	-	-	-	0.11	-	-	-	-	-	0.11
<b>Equity investments</b>										

**Terms and Condition of transaction with related party**

(i) The sales to and purchase from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivable or payables. For the year ended 31 March 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Terms and condition of Loan to Directors & KMP**

(i) The Group operates loans scheme providing loans to employees. Under the scheme, the Group offers its employees a facility to borrow the money at an average market rate of interest.

(ii) During the Year under report, all loans availed by Directors have been repaid in full along with interest and no loan is outstanding as on 31 March 2019.

**Notes:**

- (i) The above particulars do not include working capital loans and corporate term loans availed from banks, which are further secured by way of personal guarantee of some of the directors, relatives and some of their related entities.
- (ii) Cash credit facilities availed by Transrail Logistics Limited (TRL) are further secured by corporate guarantee of Rs. 205.00 million (31 March 2018: 205.00 million) of the Company, ASM India Investments Pvt Ltd. and personal guarantee of directors and members of promoter group.
- (iii) Does not include Rs. 35.00 million (31 March 2018: Nil million) provision for incentive to be distributed among relatives of KMP.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

### 38. GRATUITY AND OTHER POST- EMPLOYMENT BENEFITS PLAN

The Group has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service or part thereof in excess of six months subject to a maximum of Rs 2.00 million. The scheme is funded with an insurance Group in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognised in the profit and loss account and amounts recognized in the balance sheet for Gratuity Plan.

#### Statement of profit & loss account

##### Net employee benefit expense recognised in employee cost:

	As at 31 March 2019	As at 31 March 2018
Current service cost	14.09	12.59
Past service cost	-	10.14
Interest cost	8.03	5.85
(Expected return) on plan assets	(4.94)	(5.24)
	17.18	23.34

##### Remeasurement of (Gain)/loss recognised in other comprehensive income

	As at 31 March 2019	As at 31 March 2018
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	0.97	(4.50)
Actuarial changes arising from changes in experience adjustments	(2.30)	1.54
Return on plan assets	(0.18)	-
	(1.51)	(2.96)

##### Changes in obligation during the year ended 31 March 2019

	As at 31 March 2019	As at 31 March 2018
Opening defined benefit obligation	106.87	86.21
Current service cost	14.09	12.59
Past service cost	-	10.13
Interest cost	8.03	5.86
Actuarial (gain) / loss	(1.33)	(2.96)
Benefits paid	(6.65)	(4.96)
Present value of obligation as at year end	121.01	106.87

##### Changes in plan assets during the year ended March 31, 2019

	As at 31 March 2019	As at 31 March 2018
Fair value of plan assets as at the beginning of the year	68.28	68.00
Interest income	5.12	5.24
Contributions by employer	-	-
Benefits paid	(6.60)	(4.96)
Fair value of plan assets as at the end of the year	66.80	68.28



#### Net assets / liabilities recognised in the balance sheet as at 31 March 2019

	31 March 2019	31 March 2018
Present value of obligation at the end of the year	121.01	106.88
Fair value of plan assets at the end of the year	66.80	68.28
Net liabilities / (assets) recognised in the balance sheet	54.21	38.60

#### Investment details

	As at 31 March 2019	As at 31 March 2018
Insurance policies	100%	100%

#### Principle actuarial assumptions

	As at 31 March 2019	As at 31 March 2018
Discount rate (per annum)	7.60%	7.75%
Expected return on plan assets (per annum)	7.60%	7.75%
Expected increase in salary costs (per annum)	6.00%	6.00%
Attrition rate	12.00%	12.00%
Mortality	IALM 2012-14 Ultimate	IALM 2006-08 Ultimate
Retirement age	60 years	60 years

#### Quantitative sensitivity analysis for significant assumptions is as below:

	Change in assumptions	As at 31 March 2019	As at 31 March 2018
Discount rate	+ 1%	(6.18)	6.24
	- 1%	6.95	(5.60)
Withdrawal rate	+ 1%	0.58	0.76
	- 1%	(0.66)	(0.81)
Expected rate of salary increase	+ 1%	7.01	6.28
	- 1%	(6.39)	(5.74)

The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

### 39. CONTINGENT LIABILITIES

	As at 31 March 2019	As at 31 March 2018
Claims against the Group not acknowledged as debts (refer note a)	152.47	181.04
Bank guarantee outstanding	731.37	619.77
Uncalled liability on shares partly paid of Darcl Logistics Nepal Private Limited	4.34	5.34
Unpaid Bonus (refer note b)	24.00	24.00

a) In view of the large number of cases pending at various forums / courts, it is not practicable to furnish the details of each case. Based on the discussions with the solicitors / favorable decisions in similar cases / legal opinion taken by the Group, the management believes that the Group has a strong chance of success in the cases. However, the Group has created a provision of Rs. 15.12 million (31 March 2018: Rs. 15.12 million) against these contingent liabilities as a matter of abundance caution.

b) The Payment of Bonus Act, 1965 ("the Act") was amended vide the Payment of Bonus (Amendment) Act, 2015 notified on 1 January 2016. The Act, inter-alia, has been amended to take retrospective effect with effect from 1 April 2014 and accordingly the revised bonus by way of arrears related to the year ended 31 March 2015 is required to be paid to the eligible employees. Based on expert opinion obtained by the Group stay orders from various High Courts across the country against the amendment to the Payment of Bonus Act to the extent that it gives retrospective effect from 1 April 2014, the statutory bonus for financial year 2014-15 amounting to Rs. 24 million has not been recognized and treated as contingent liability in the current year as well as in the previous year. The Group will remain vigilant to watch the actual Court proceeding and clarification / notification from the Central Government and will review the accounting impact as on 31 March 2020.

c) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28 February 2019. As a matter of caution, the Group has made a provision on a prospective basis from the date of the SC order. The Group will update its provision, on receiving further clarity on the subject.

### 40. The following are the particulars of the dues on account of Income Tax and Sales Tax / Value Added Tax as at 31 March 2019 that have been disputed by the Group at various levels:

Name of the statute	Nature of the dues	Amount of dues* (Rs.)	Amount deposited (Rs.)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Acts/ Value Added Tax	Sales Tax/ Value Added Tax	16.62	9.41	FY 2007-08, 2008-09 and 2010-11 to 2018-19	Upto Commissioners' Level
		35.53	19.14	FY 2008-09 to 2017-18	Commercial Tax Tribunal
		5.13	5.06	FY 2007-08 to 2009-10, 2013-14 and 2016-17 and 2017-18	High Court
Income-tax Act, 1961	Income tax	24.13	-	AY 2014-15 to 2016-17	Commissioner of Income Tax (Appeals)
	Tax Deducted at Source	6.76	1.01	AY 2015-2016 and 2016-17	Commissioner of Income Tax (Appeals)

\* amount as per demand orders, including interest and penalty, wherever quantified in the order



#### 41. CAPITAL AND OTHER COMMITMENTS

41(a) The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amount to Rs. 11.89 million (31 March 2018: Rs. 7.26 million).

41(b) The Group has other commitments on accounts of contracts remaining to be executed which are entered into in the normal course of business. The Group does not have any other long term contracts including derivative contracts for which there will be any material foreseeable losses.

41(c) The Group has other commitments on accounts of incentive payable to directors in accordance with the term of Shareholder Agreement (SHA) amount to Rs 50.00 million (31 March 2018: Rs 100 million).

#### 42. EMPLOYEE STOCK OPTION PLAN

**42a.** In terms of the approval accorded by the shareholders at their Extra-Ordinary General Meeting held on 9 February 2008, the holding Company on 19 February 2008, had given an interest free advance of Rs. 6.00 million to TCG ESOP Trust ('the Trust'). The trust in turn purchased 600,000 equity shares of Rs. 10 each fully paid up from the holding Company for the purposes of granting share options to the employees of the holding Company. Subsequent to allotment of 600,000 shares to the trust, the holding Company in financial year 2007-2008 had allotted bonus in the ratio of 1:1 bonus share for each equity share held in the holding Company. Apart from the above advance, the holding Company had also given Rs. 0.20 million to the trust towards its formation etc. on 19 February 2008. The trust has refunded an amount of Rs. 6.00 million till the year ended 31 March 2013. TCG ESOP Trust holds 1,200,000 equity shares with face value of Rs 10 each. Scheme for issue of option to the employee is yet to be framed. The trust is holding entire 1,200,000 equity shares of Rs.10/-each of the holding Company (including 600,000 Equity Shares issued as Bonus Shares) as on 31 March 2019. The Share Holder Agreement (SHA) with CJ Logistics Corporation (which holds 50% shareholding), inter-alia, requires the holding Company to cancel the shares held in this ESOP trust by obtaining prior approval from NCLT (National Company Law Tribunal). Holding Company is yet to start the process for seeking requisite approval of NCLT.

**42b.** As per the Share Holder Agreement dated 5 June 2017 (as amended), in the event of cancellation of 12,00,000 equity shares held by TCG ESOP Trust, Group will cancel 12,00,000 Equity Shares currently held by CJ Logistics Corporation.

#### 43. LEASES

##### In case of assets given on lease:

The Group has given various premises and commercial vehicles under operating lease agreement. These are generally cancellable at the option of the Group.

	For the year ended 31 March 2019	For the year ended 31 March 2018
Rental income for the year	50.68	7.63
Gross block of leased assets	243.47	5.20
Depreciation provided during the year	10.08	0.12
Accumulated depreciation	135.96	0.12
Written down value of leased assets	107.51	5.08

##### In case of assets taken on lease:

The Group has taken various office premises and commercial vehicles under cancellable and non-cancellable operating lease agreements.

Lease payment for the year amounting to Rs. 113.26 million (31 March 2018: Rs. 112.49 million) have been charged to the statement of profit and loss. It includes Rs. 61.57 million (31 March 2018: Rs. 66.92 million) charge to lorry hire, haulage and other ancillary cost in note 26 and Rs. 51.69 million (31 March 2018: Rs. 45.57 million) towards rent in note 30.

##### Disclosure for premises under non-cancellable leases, where the Group is carrying commercial operations is as under:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Not later than one year	21.03	20.10
Later than one year but not later than five years	32.99	32.86
Later than five year	-	-



44. In respect of secured loans taken by the Group as at 31 March 2019, there has been instances where loan has been repaid by the Group fully, however the loan satisfaction letter (NOC letter) has not been issued by the Lender due to which Group is not in a position to file Form CHG-4 for satisfaction of charge.
45. The management has taken and given various premises on operating lease basis; rent / lease agreements in respect of which are yet to be entered / expired. Adjustment, if any, arising as a result of non-entering of such rent / lease agreements with the landlords / tenants, which in the opinion of the management would not be material, would be made in the year in which determined.

#### 46. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Gross amount required to be spent	5.84	7.41
(b) Amount spent:		
(i) Construction/acquisition of any asset	0.08	0.07
(ii) On purpose other than(i) above	6.65	4.82
(c) Administrative expenses	-	-

47. A sum of Rs. 92.98 million (31 March 2018: Rs. 79.89 million) is appearing under 'Claims receivable' (under note 7) from insurance companies and customers as at 31 March 2019. Also, 'Balance with government authorities' (under note 8) includes an amount of Rs 42.11 million (31 March 2018: Rs. 42.38 million) receivable against deposits given at various check posts. The Group believes that these amounts are recoverable. However, in view of the fact that the pace of recovery in respect of these balances is very slow and as a matter of abundance caution, the Group has made a provision of Rs. 52.33 million and Rs. 1.50 million as at 31 March 2019 (31 March 2018: Rs. 21.78 million and Rs. 1.50 million) against these claims receivable and security deposits respectively.

48. The Group has established a comprehensive system of maintenance of information and documents are required by the transfer pricing legislation under section 92-92F of the Income Tax Act 1961. Since, the law requires existence of such information and documentation of to be contemporaneous in nature, Group is in the process of updating the documentation entered with the joint venture during the financial year and expects such records to be in existence latest by the due date under that law. The management is of the opinion that it's transaction are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

#### 49. CARVE OUT ASSETS

The Group entered into Shareholder Agreement with CJ Logistics Corporation, a company registered under the Laws of Republic of Korea along with other Shareholders on 5 June 2017 which was further amended on 30 July 2017 and 6 April, 2018 and further on 9th August, 2019. As per the terms of Agreement, certain properties have been agreed to be carved out from the Group by way of sale at the prevailing circle rate before the expiry of 12 months from the release of all carved out assets by the lenders which may be further extended for 12 months based on mutual consent of both parties. The mechanism for carving out assets is as under:

a) There are total 25 immovable properties in asset block of the Group having book value of Rs. 104.60 million as on 30 September 2016 and reference circle rate of Rs. 229.90 million (hereinafter referred to as 'Aggregate reference circle rate') as per the agreement which have been agreed to be carved out from the Group termed as "Carve- Out Assets" in a span of 12 months from the release of all carved out assets by the lenders which may be further extended for 12 months based on mutual consent of both parties.

b) After the pledge on all Carve-Out Assets has been removed by the lenders, Group Promoters and/or third-party purchasers identified by the Promoters shall have paid to the Group a sum which is equal to the book value of all Carve-Out Assets i.e. Rs. 104.60 million as part of sales proceeds. The Group may enter into agreements for sale of certain Carve-Out Assets of which the pledge has been removed by the lenders. Any amount received for sale of such Carve-Out Asset will be counted towards the First Tranche Amount. In event, all carve out assets are not bought by Promoters, KPE's or third party (identified by promoters) within span of 12 months from the release of all carved out assets by the lenders which may be further extended for 12 months based on mutual consent of both parties, then Promoters shall pay to the Group a sum equivalent to then prevailing circle rate of such remaining carve out assets less the first tranche amount and purchase all carve out assets.

c) In case, there is any shortfall between amount received in the Group on account of sale of all carve out asset and the aggregate reference circle rate, such shortfall will be adjusted by the Group from the Promoters on pro rata basis. In case, amount received in the Group on account of sale of all carve out asset exceeds the aggregate reference circle rate, such excess amount shall be paid to the Promoters on pro rata basis.

d) The Group will pay Rs. 10 million as retention bonus to each Promoter aggregating to Rs. 40 million after a period of 1 month from date of receipt of first tranche. Further the Group will pay Rs. 10 million as second retention bonus to each Promoter aggregating to Rs. 40 million after a period of 6 months from the first retention bonus.

e) Tax on the sale of the carve out assets shall be paid by Group, provided that tax payable on sale of carve out assets in excess of Rs. 15.00 million shall forthwith be paid by the Promoters of the Group.

f) During the year, lien on 15 assets have been vacated, out of the total 25 carve-out assets. These 15 assets have been shown as "Assets Held for sale" in the books of accounts at their carrying value, as at 31 March 2019.





## 51. INFORMATION ABOUT MAJOR CUSTOMERS

Revenue from 1 major customer amounted to Rs. 2269.16 million aggregating to 9.98% of total revenue (31 March 2018: Rs. 2287.65 million aggregating to 11.66% of total revenue)

## 52. GROUP INFORMATION

### Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name of the subsidiaries	Country of incorporation	Principal activity	% equity interest	
			31 March 2019	31 March 2018
Transrail Logistics Limited	India	Transportation & logistics services	100%	100%
Fr8ology Private Limited	India	IT enable logistics services	100%	100%
Darcl Logistics Nepal Private Limited	Nepal	Transportation & logistics services	100%	100%

### Entities with significant influence over the Group

CJ Logistics Corporation (Korean Inc) owns 50.00% of the equity shares in CJ Darcl Logistics Limited.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in Rupees million, unless stated otherwise)

### 53. STATUTORY GROUP INFORMATION

Name of the entity	As at 31 March 2019							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As % of consolidated net assets	Amount in INR Million	As % of consolidated profit or loss	Amount in INR Million	As % of consolidated other comprehensive income/(loss)	Amount in INR Million	As % of consolidated total comprehensive income/(loss)	Amount in INR Million
<b>Holding Company</b>								
CJ Darcl Logistics Limited	94.46%	3,499.06	82.75%	339.23	88.93%	0.94	82.76%	340.17
<b>Subsidiaries</b>								
<b>Indian</b>								
Transrail Logistics Limited	5.38%	199.11	17.43%	71.45	11.07%	0.12	17.41%	71.57
Fr8ology Private Limited	0.11%	4.12	-0.07%	(0.28)	0.00%	-	-0.07%	(0.28)
<b>Foreign</b>								
Darcl Logistics Nepal Private Limited	0.05%	1.88	-0.11%	(0.45)	0.00%	-	-0.11%	(0.45)
	<b>100.00%</b>	<b>3,704.17</b>	<b>100.00%</b>	<b>409.95</b>	<b>100.00%</b>	<b>1.06</b>	<b>100.00%</b>	<b>411.01</b>

Name of the entity	As at 31 March 2018							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As % of consolidated net assets	Amount in INR Million	As % of consolidated profit or loss	Amount in INR Million	As % of consolidated other comprehensive income/(loss)	Amount in INR Million	As % of consolidated total comprehensive income/(loss)	Amount in INR Million
<b>Holding Company</b>								
CJ Darcl Logistics Limited	92.67%	3,051.74	62.70%	91.71	99.30%	1.92	63.18%	93.63
<b>Subsidiaries</b>								
<b>Indian</b>								
Transrail Logistics Limited	7.16%	235.71	36.94%	54.04	0.70%	0.01	36.47%	54.05
Fr8ology Private Limited	0.13%	4.39	-0.14%	(0.21)	0.00%	-	-0.14%	(0.21)
<b>Foreign</b>								
Darcl Logistics Nepal Private Limited	0.04%	1.32	0.50%	0.73	0.00%	-	0.49%	0.73
	<b>100.00%</b>	<b>3,293.16</b>	<b>100.00%</b>	<b>146.27</b>	<b>100.00%</b>	<b>1.93</b>	<b>100.00%</b>	<b>148.20</b>



## 54. PREVIOUS YEAR FIGURES

Previous year figures have been regrouped and rearranged wherever necessary to conform to current year's classification.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountant

ICAI Firm Registration No. 101049W/E300004

**For and on behalf of the Board of Directors**

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)

Sd/-

**per Yogesh Midha**  
**Partner**

Membership No. 94941

Sd/-

**Krishan Kumar Agarwal**  
(Chairman and Managing Director)  
DIN: 00151179

Sd/-

**Narender Kumar Agarwal**  
(Joint Managing Director)  
DIN: 00052456

Sd/-

**Hyoung Gun Kang**  
(Whole Time Director)  
DIN: 07875012

Sd/-

**Chol Hoi Kim**  
(Chief Financial Officer)

Sd/-

**Apoorva Kumar**  
(Company Secretary)  
FCS: 4905

Sd/-

**Hira Lal Yadav**  
(AGM - Accounts)

Sd/-

**Dinesh Sharma**  
(AGM - Accounts)

Place: New Delhi

Date: 04 September 2019

Place: Gurugram

Date: 04 September 2019

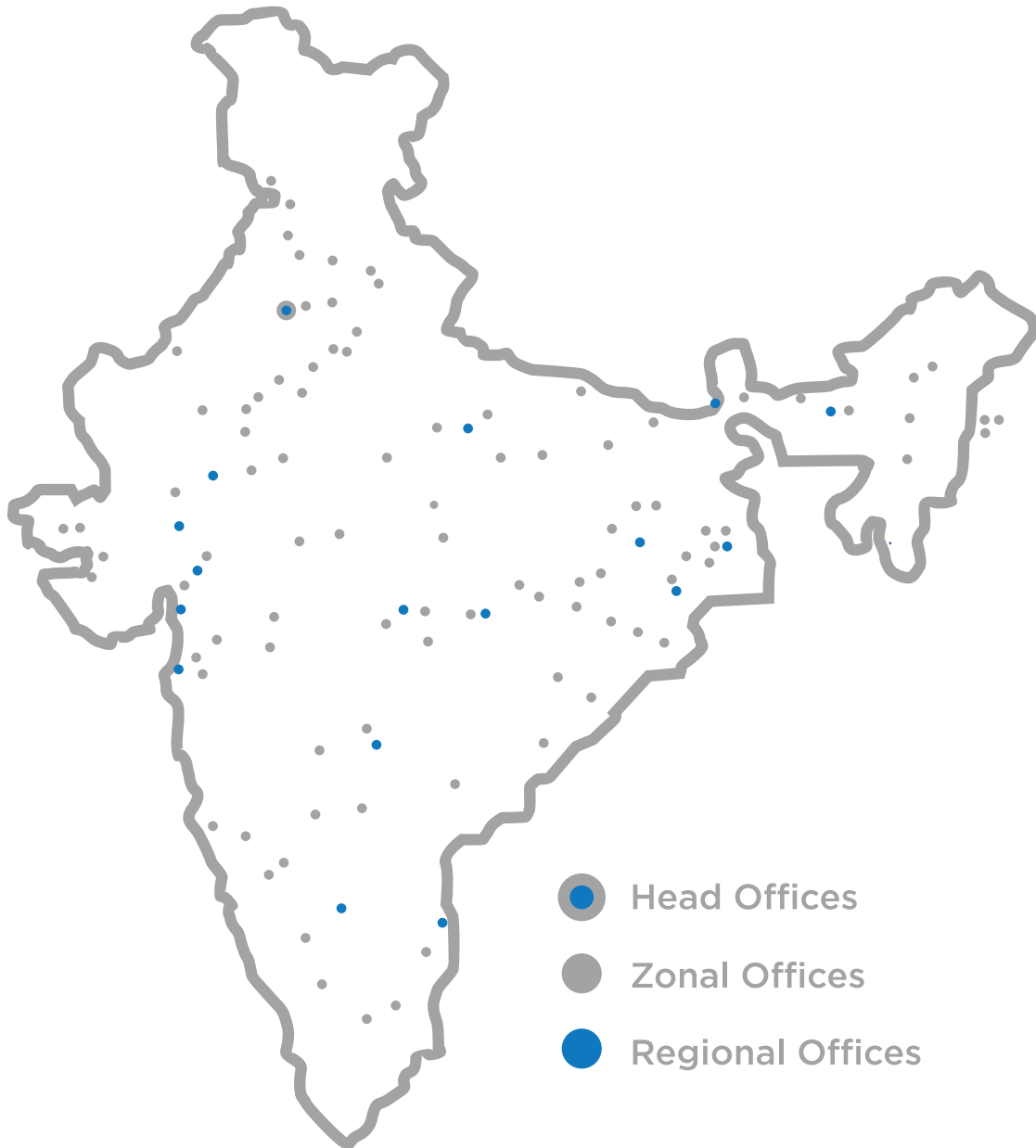






**ALDEN INFLECTION** OUTSTANDING LOGISTICS COMPANY OF THE YEAR AWARD BY **NASSCOM** WAS RECEIVED BY CS APOORVA KUMAR & MR. HIMANSHU GOVIL FOR THE COMPANY IN SEPTEMBER, 2019





## CJ Darcl Logistics Limited

### Registered Office

DARCL House, Plot No-55P, Sector-44, Institutional Area,  
Gurugram-122003

Ph. : 0124 4303876 | Fax : 0124 4034162

Email : [ro@cjdarcl.com](mailto:ro@cjdarcl.com)

Website : [www.cjdarcl.com](http://www.cjdarcl.com)

