

16th Annual Report 2017-2018



TM International Logistics Limited
(A JV of TATA STEEL, NYK and Martrade)



CSR Activities undertaken in FY 2017-18



16th Annual Report 2017-2018



Contents

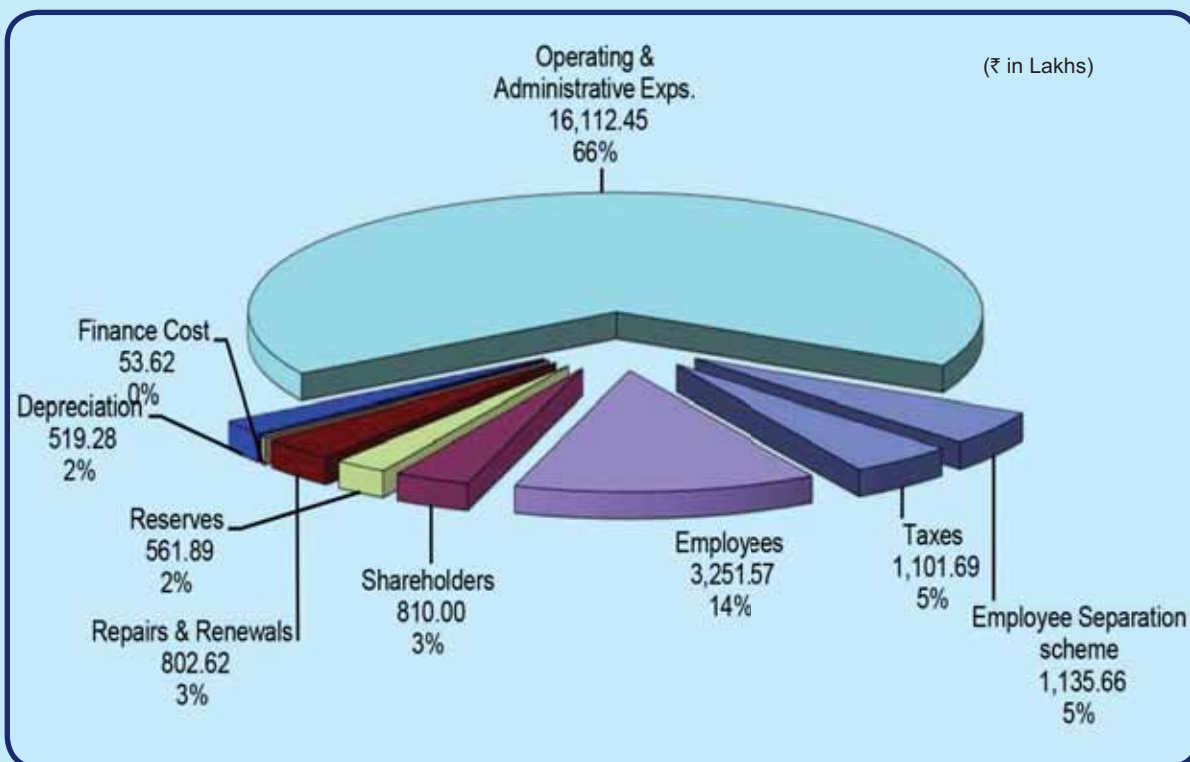
Financial Highlights	4
Corporate Information.....	9
Chairman's Statement	8
Directors' Report.....	10
Annexures to Directors' Report	26
Shareholders' Information	39
Independent Auditors' Report	40
Annexure to the Auditors' Report.....	42
Balance Sheet	47
Profit and Loss Account.....	48
Cash Flow Statement	49
Statement of Changes in Equity	51
Accounting Policies	52
Notes to Financial Statement	63

Accounts of Subsidiary Companies

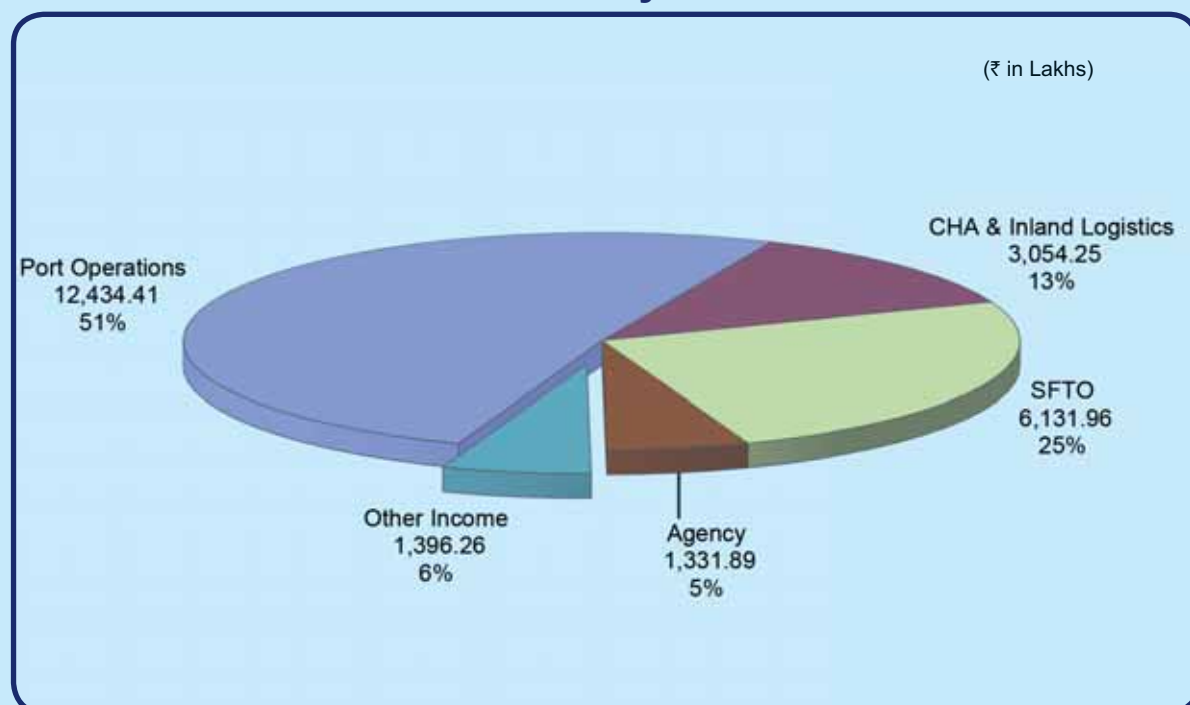
TKM Global Logistics Limited	93
International Shipping and Logistics FZE	163
TKM Global GmbH	195
TKM Global China Limited.....	217
TM International Logistics Limited - Consolidated Financial Statements	247

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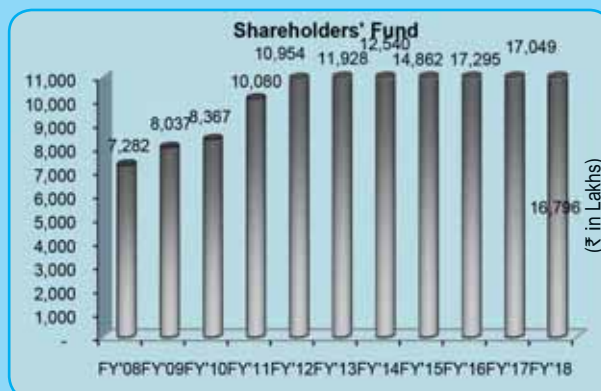
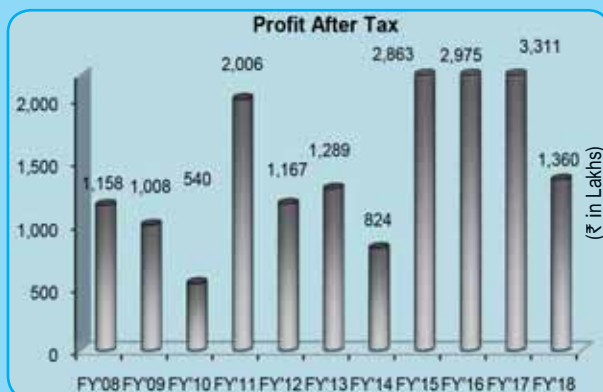
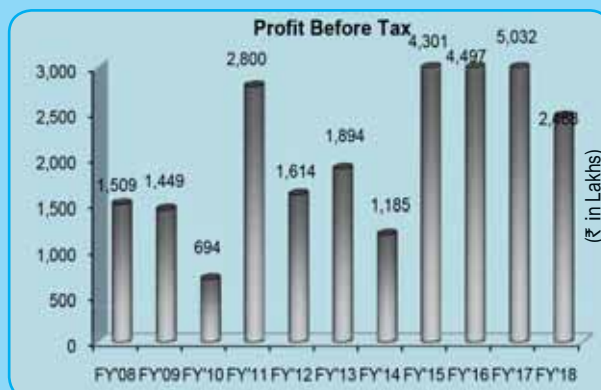
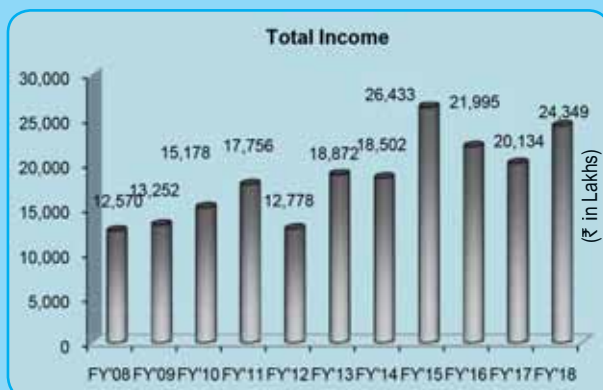
Distribution of Revenue of TMIL 2017-18



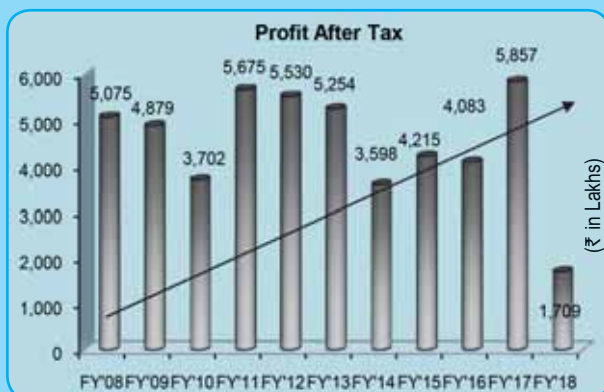
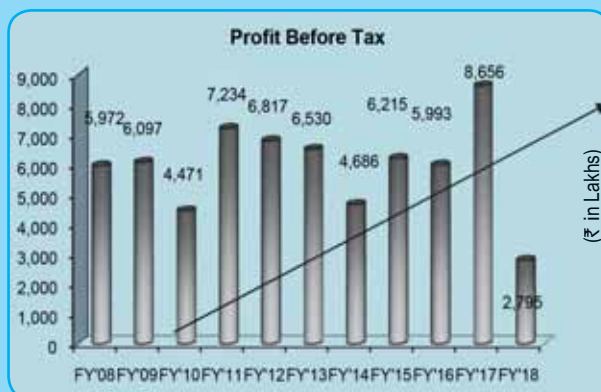
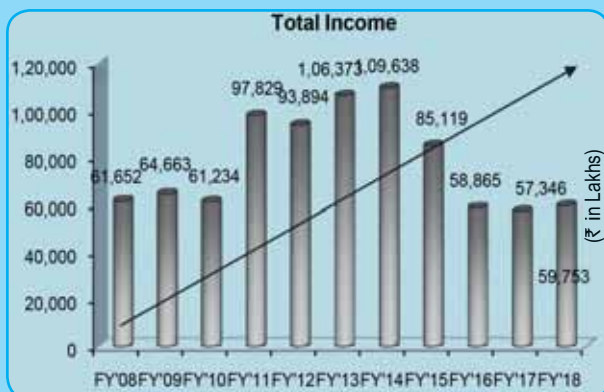
Revenue Earned by TMIL 2017-18



Financial Highlights of TMIL 2017-18



Financial Highlights of TMIL Group 2017-18



Corporate Information
Board of Directors of TMILL Group of Companies
(As on 1st June, 2018)



Mr. Sandipan Chakravorty
Chairman – TMILL



Mr. Guenther Hahn
Director – TMILL & ISL



Mr. Shinichi Yanagisawa
Director – TMILL



Capt. Vivek Singh Anand
Director – TMILL



Mr. Dipak Banerjee
Director – TMILL & TKM India



Mr. Peeyush Gupta
Director – TMILL



Mr. Sandeep Bhattacharya
Director – TMILL & ISL



Mr. Dinesh Shastri
Director – TMILL



Mr. Ashish Kumar Gupta
Managing Director – TMILL
Chairman – ISL & TKM India
Director – TKM China

TMILL – TM INTERNATIONAL LOGISTICS LIMITED
ISL – INTERNATIONAL SHIPPING & LOGISTICS FZE, DUBAI
TKM INDIA – TKM GLOBAL LOGISTICS LTD.

TKM GmbH – TKM GLOBAL GmbH
TKM CHINA – TKM GLOBAL CHINA LTD.

Corporate Information

Board of Directors of TMILL Group of Companies (As on 1st June, 2018)



Mr. Virendra Sinha
Director – TKM India



Capt. Soumya Ranjan Patnaik
Director & CEO – ISL



Mr. Amar Patnaik
MD – TKM GmbH
Director – TKM India &
TKM China



Mr. Anand Chand
Director – TKM India &
TKM China

Chairman's Statement

I take pleasure in presenting the 16th Annual Accounts of the Company for the fiscal year ended 31st March 2018.

The world business market, specially the logistics sector, continued to be volatile as before. However, TMILL performed well by venturing into some exciting new projects and also regaining some portfolios they had lost earlier.

The main new business TMILL ventured in, was the SFTO Scheme of Indian Railways with three rakes and handling a volume of 0.2 million tonne during the year. If the rakes were supplied earlier by the manufacturers, our profitability would have been even better. A manifold growth plan in SFTO is planned for the current fiscal and I expect SFTO to be a major profitable vertical of TMILL, for which I congratulate the management and the team.



We could also win back a contract for Port Operation handling at Haldia. Berth No.12 terminal (Haldia) recorded a performance beyond ABP in the year (1.6 million tonne) through superior productivity and operational excellence. To improve volumes further, TMILL ventured in opening and operating raw materials from Kolkata Port and subsequently despatching by rail to Jamshedpur. This initiative also helped Tata Steel significantly in getting more raw materials in a smooth way.

TMILL ventured into a new area of operation by bagging the transportation contract of "Pravesh Doors" (a new initiative of Tata Steel). TMILL deputed some of its experienced persons to Vietnam to execute Port Operations for VISSAI- a large organisation in Vietnam. The performance of our people was excellent and highly appreciated by VISSAI.

ISL- the shipping arm of TMILL has acquired a panamax vessel - MV ISL Star, which commenced operations from 19th March'18. We expect this vessel to contribute well to our business.

Our Freight Forwarding team saw a dramatic turnaround after a span of three years by generating profits.

In the employee front, a successful ESS (Early Separation Scheme) plan was implemented in Haldia/Paradip with full support from union, employees and management. This had a bottom line impact of ₹ 11.4 crores, but even then, we earned satisfactory profits.

In areas of social welfare, CSR (Corporate Social Responsibility) and community development - TMILL remain focused and committed to areas of infrastructure, health, skilling and employability in selected zones. Safety was always given the top most priority and I am happy to report that LTI (Loss Time Injury) figures dropped from 9 to 2 with increased vigilance, workplace safety initiatives and continuous training programmes.

I would like to take this opportunity to express my sincere gratitude to all our shareholders, customers, suppliers and other stakeholders for their continued support and confidence in the Company and the management. I would also like to thank the unions, all employees in the Company in India and Overseas, the management team and my colleagues in the Board of Directors especially the Managing Director, for their significant contributions to the Company. There is no doubt in my mind that the same spirit and commitment will enable the TMILL Group to achieve new milestones in the coming years.

Sandipan Chakravorty
Chairman

1st June, 2018



CORPORATE INFORMATION (TMILL)

Board of Directors

(As on 1st June, 2018)

Chairman

Mr. Sandipan Chakravorty

Directors

Mr. Guenther Hahn
Mr. Shinichi Yanagisawa
Captain Vivek Singh Anand
Mr. Dipak Banerjee
Mr. Peeyush Gupta
Mr. Sandeep Bhattacharya
Mr. Dinesh Shastri

Managing Director

Mr. Ashish Kumar Gupta

Committee of Directors

Audit Committee

Mr. Dipak Banerjee (Chairman)
Mr. Sandeep Bhattacharya (Member)

Nomination and Remuneration Committee

Mr. Dipak Banerjee (Chairman)
Mr. Guenther Hahn (Member)
Mr. Sandipan Chakravorty (Member)

Corporate Social Responsibility Committee

Mr. Sandipan Chakravorty (Chairman)
Mr. Dipak Banerjee (Member)
Mr. Peeyush Gupta (Member)
Mr. Ashish Kumar Gupta (Member)

Management Team

Mr. Ashish Kumar Gupta – Managing Director
Mr. Anand Chand – Chief Financial Officer
Mr. Anurag Garg- V.P (Sales, Mktg. & BD)
Mr. Sudip Sinha – G.M (Operations)
Mr. Devdipta Samanta – GM Logistics Operations
(Haldia & Paradip)
Mr. Robin A. Pramanik – Chief Corporate Safety, CSR,
AA and Chief Ethics Counsellor
Ms. Malini Sengupta – Head HR, IR & Administration
Mr. Abhishek Verma- Chief – IT
Ms. Jyoti Purohit – Company Secretary

Auditors

Price Waterhouse & Co.
Chartered Accountant LLP
Kolkata

Bankers

State Bank of India
HDFC Bank Limited
ICICI Bank Limited
Axis Bank Limited
Kotak Mahindra Bank Limited
IDBI Bank Limited

Registered Office:

Tata Centre
43, Jawaharlal Nehru Road
Kolkata – 700 071
Tel: 91-33-22887051 / 2224 8485

Corporate Identification Number (CIN)

U63090WB2002PLC094134

TM International Logistics Ltd.**CIN – U63090WB2002PLC094134****Directors' Report****To the Members,**

Your directors present the Sixteenth Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

(₹ in millions)

Sl. No.	Particulars	2017-18	2016-17
(a)	Total Income	2434.88	2022.08
(b)	Less: Operating and Administrative Expenses	2017.21	1453.39
(c)	Profit before interest, depreciation and taxes	417.67	568.69
(d)	Less: Depreciation	51.93	43.32
(e)	Less: Interest	5.36	22.19
(f)	Less: Exceptional Items	113.57	–
(g)	Profit before taxes (PBT)	246.82	503.18
(h)	Less: Taxes (including deferred taxes)	110.78	172.06
(i)	Profit after taxes (PAT)	136.03	331.12
	Other Comprehensive Income	1.16	9.41
	Net Profit carried to Balance Sheet	137.19	340.53

DIVIDEND

The Board of Directors in their meeting held on 19th April, 2018, had recommended a dividend @ 45% i.e ₹ 4.5/- per equity share on the 18,000,000 equity shares of ₹ 10/- each amounting to ₹ 8,10,00,000/- (Rupees Eight crores and Ten lakhs only), for the year ended 31st March, 2018.

PUBLIC DEPOSITS

The Company has not accepted or renewed any deposit from the public during the year under report.

OPERATIONS**(i) Port Operations**

The coastline of India is currently served with 12 Major Ports and about 100 operational Non Major Ports which is predominantly on the west coast. Major Ports are under the jurisdiction of the Government of India and are governed by the Major Port Trust Act 1963, except Ennore Port. Non Major Ports come under the jurisdiction of the respective State Governments' Maritime Boards.



TMILL operates both at Major and Non Major ports predominantly on the eastcoast of India mentioned below:

Major Ports

- Kolkata Port, Paradip Port, Vishakhapatnam Port, Mumbai Port .

Non Major Ports

- Dhamra Port, Gangavaram Port, Kattupalli Port, Krishnapatnam Port, Visakha Container Terminal Private Limited.

The total tonnage handled by TMILL during FY17-18 & FY'16-17 are as below:

(MMts: Million Metric Tonnes)

Ports	Volume (2017-18)	Volume (2016-2017)
UOM	MMTs	MMTs
Haldia B12	1.664	1.439
Haldia Other Berths	2.535	2.450
Paradip	3.779	3.490
Other Ports	0.538	0.134
Total	8.516	7.513

During the year 2017-18, the following were the highlights with regard to TMILL Port Operations:

- Highest tonnage of 1.60 MMTs in FY 17-18 as against previous best of 1.4 MMTs handled in B-12 in FY16-17.
- Record discharge in a day of 21,675 MT for limestone achieved in B12.
- Successful commencement of handling of raw materials from Kolkata Dock System and Netaji Dock System for the first time ever and despatches to Jamshedpur by rail.
- Second harbour mobile crane and two top lifters along with other loaders and trailers added at B12.
- Around 5000sq.mt of land has been taken on lease as co-terminus to B12 at LL6 for development of storage area and maintenance shed.

(ii) CHA & Inland Logistics

During the year, there has been a focused approach on standardisation of duty scrip utilisation, gearing up of CHAIL system for E- Sanchit : Customs module for online upload of documents. We have also introduced software support in our Paradip office for online upload of import /export data in customs ICEGATE system. Our license has been extended for Vizag clearances and we have handled approximately 6000 import /export shipments this year.

We are continuing with Shikhar 25 - Project on Reduction in local logistics cost jointly undertaken by TSL, TMILL & TKM. This year there is a cost saving of ₹ 9 crores to TSL. Additionally our efforts are on to restrict /reduce /eliminate penalty charges of filing bulk supplementary bill of

entries. We have successfully done our test trial in this year and we expect to bring a savings of close to ₹ 50 lacs annually from next financial year to TSL.

TMILL facilitated refund of anti-dumping duty to Tata Motors Ltd. of ₹ 147 crores. Further, TMILL was actively engaged in refund of extra duty deposit to Tata Steel of approximately ₹ 130 lacs of Custom office's - Special Valuation Branch investigation completion on related party transactions.

(iii) Agency Business

Ship Agency Business handled a total of 423 ship calls in 14 ports out of which majority of the vessels were attended in Haldia, Paradip & Dhamra. The annual revenue generated by the division was ₹ 128 million, i.e 13 % decrease over the ABP for FY'18. Contribution of ₹ 76.8 million was achieved, which is 19% higher than ABP and posted PBT (before allocation) of ₹ 65.4 million, which is about 27% higher than ABP for FY'18. In terms of customer base, ₹ 35 million (27% approx. of the total) revenue has been generated from non-Tata Steel business in FY'18.

The Division attained the best-ever financials in Ship Agency, with a revenue of ₹ 12.80 crore (32.23% increase as compared to FY'17), Contribution of ₹ 7.68 Cr. (9.55% increase as compared to FY'17). Please note that FY'17 was the previous best year for Ship Agency business. TMILL has given comprehensive supply chain solution to :-

- a. **Tata Steel Ltd.** :- Movement of 8100 Mt of Steel Coils in 4 Barges, Ex-Haldia To Bangladesh (Narayanganj Port). Services Included :- shore handling/stevedoring at Haldia, Customs clearance at Haldia/Kolkata/Hem Nagar, placement of suitable barges & transportation upto the discharge port.
- b. **Jindal Steel and Power Ltd.** :- Movement of 6988.508 Mt (Steel Plates -4205.800 Mt & Steel Rails – 2782.708 Mt) of Steel cargo in 7 Barges, Ex-Kolkata to Bangladesh (Narayanganj Port & Mongla Port). Services Included: - receiving of the cargo, stacking, shore handling, Customs clearance at Kolkata/Hem Nagar, placement of suitable barges & transportation upto the discharge port and stevedoring at the disport.
- c. **Tata International Ltd.** :- Movement of 3000 Mt of Bagged Sponge Iron in 3 Barges, Ex-Kolkata to Bangladesh (Narayanganj Port). Services Included: - receiving of the cargo, stacking, shore handling, Customs clearance at Kolkata/Hem Nagar, placement of suitable barges & transportation upto the discharge port.
- d. **Transshipment at Port Meadow** – a pioneering project:-In January'18, we played a significant role in making the transshipment operation at Port Meadow (in Andaman) a successful one. We acted as the Agents for both mother vessel (Transhipper vessel – MV. Trina Oldendorff) and daughter vessel (MV. Spar Rigel). Mother vessel transhipped 24999.762 Mt Coal a/c TSL onto the daughter vessel at Port Meadow.
- e. **Trans loading of steel cargo at Sagour Anchorage** :- We have effectively managed the topping up operation of 9847.472 MT Steel Coils a/c TSL in April'18 w.r.t the vessel MV Anni Selmer.



- f. **Effectively managing Anchorages-KDS dry bulk cargo operation** :- Agency Team played a pivotal role in successfully managing the entire operation including expeditious flow of statutory documents to ensure minimal loss of time and also introduced Diamond Harbour as an alternative anchorage point (in view of congestion at Sagour) for Lighterage of 11000 Mt lime stone ex -MV. Alster Bay in Mar'18. Also managed 10868.72 Mt coal a/c Vimla Fuels and 10200 Mt Clinker a/c Anchal Cement as Agents at Sagour in the months of Jan & Feb'18 respectively.

(iv) Special Freight Train Operations

The Company forayed into railway initiative through Indian Railway's wagon investment and freight incentive scheme called Special Freight Train Operator (SFTO). This scheme provides an opportunity to the user/logistic service provider to invest in high capacity and special purpose rolling stocks (Wagons) for transportation of non-conventional traffic.

TMILL, after taking license of SFTO in steel category, commenced its operation in April'2017 with three number of BFNS 22.9 rakes between Tata Steel plant at Jamshedpur and Kalinganagar to Chennai.

The operational performance details of SFTO in the FY'18:

No. of rakes booked	No. of rakes loaded	No. of Trips	TONNAGE HANDLED (Mn MT)	TRIPS PER MONTH PER RAKE (Avg.)
76	77	76	207251	2.5

KEY HIGHLIGHTS:

- Till date zero complain have been received from TSL.
- The Company plans to add 9 more rakes for various destinations in Fy 19.
- The rake operations were adversely impacted by the blast furnace breakdown at TSL-Kalinganagar Plant.

(v) Warehouse

During the financial year, the Company was able to retain all its existing customers and contract at Jamshedpur & Kalinganagar. A total Revenue of ₹ 127 million could be generated against the ABP target of ₹ 164 million, which is 75% compliance.

The primary reason for significant gap in the compliance is non-commencement of Gangavaram, TSL Yard & Smart Warehousing at Tubes Division, Jamshedpur. While the Tubes Division tender is likely to be finalised by Q2 – FY'19, the proposal of Gangavaram Yard Operation has been put on hold by Tata Steel. The revenue that was considered against these projects were 39 % of the total ABP Revenue target.

During the year two major contracts viz. O&M of IM Section and Warehousing & Fulfilment of SMD imports at Jamshedpur has been re-awarded to TMILL for a period of 3 years & 1 year respectively.

The IM Section operations at Kalinganagar remained at very low level in view of stabilisation of steel plant and no further sustenance capital projects.

New initiatives undertaken during the period are as follows :

- Participation in BOT tender for Grain Storage Silos for FCI.
- Transfer of TINPLATE & AGRICO Operations to the newly built warehouse in Jamshedpur
- Commencement of Tool Kit Stores Management in Jamshedpur Plant.
- Bagging of complete IM Section O&M Contract.
- Acquisition of Covered & Open Storage at Kalinganagar for tapping the business potential in the area.

SUBSIDIARIES

The statement pursuant to Section 129 of the Companies Act, 2013 and the relevant rules in respect of the subsidiaries of the Company viz. International Shipping and Logistics FZE, Dubai and TKM Group, (i.e TKM Global Logistics Limited, TKM Global GmbH, Germany, TKM Global China Ltd., China), has been included as an Annexure to the report. (Refer Annexure 1)

Also, separate Directors' report on each of the above mentioned subsidiaries, forms part of the Annual Report.

(i) International Shipping & Logistics, FZE

During the year under review, total revenue of the Company was USD 37.00 million (₹ 2385.62 million) as against USD 34.33 million (₹ 2303.04 million) for the previous year. The Company made a profit of USD 0.96 million (₹ 61.91 million) as against net profit of USD 1.81 million (₹ 122.02 million) in the previous year.

In Q4- FY 18, ISL acquired MV ISL Star, a 1999-built 74,461 dwt gearless Panamax bulk carrier. The purchase was concluded in Norway on the 19th Mar 2018 with a capex cost of \$8.16 Mn.

New Initiatives / Achievements

- All time high no. of Indian coastal shipments.
- Booked 3 shipments of sand.
- Successfully executed 5 shipments of Steel for TSL, through e-bidding in collaboration with TATA-NYK.
- ISL has been granted the port to port shipping contract by Sagarmala Coastal Ltd. to move bagged NPK fertilizer. This is the first of its kind initiative by IFFCO-the venture is an end-to-end based logistics from their plant in Gandhidham to various destinations on W.C. India.

Opportunities

- Make greater inroads into Indian Coastal shipping by partnering with end to end logistics service providers.



- To participate in movement of coal on E.C. India.
- Explore shipping opportunities in S.E. Asia- Vietnam, Cambodia and Myanmar.
- Provide Commercial Management services to other customers.
- Identify investment opportunities.

Challenges

- Small operators with lesser fixed cost acting as our competitors
- Retention of well-trained human resources

(ii) TKM Group

TKM India - During the year, the Company achieved air imports volumes of 657 MT as against 412 MT in FY 16–17. This 59% rise is due to increase in Tata Steel air imports. Sea Exports were almost double of last year due to increase exports from FAMD division of TSL. As a part of growth strategy, the branch offices at Mumbai, Bangalore & Kolkata have been given expanded geographical mandate and converted to Regional Offices. The freight forwarding business of the Company registered a revenue of Rs. 461.26 Mn as against last year's revenue of ₹ 445.25 Mn and ABP target of ₹ 500.95 Mn.

The O&M contract for IM Section (Capital Procurement) has been extended till 31st July, 2018. In view of the insignificant capital projects of TSL the scope of IM section has been reduced considerably. A revenue of ₹ 26.05 mn has been generated from the operations during the year under review resulting in PBT of ₹ 0.36 mn.

TKM Global GmbH - During the year under review, the Company has achieved a total income of Euro 4,875,649 mn (₹ 391,283,508 mn) as compared to Euro 12,299,189 mn (₹ 904,481,991 mn) during the previous year.

During FY 17-18, the plan for break bulk cargo was 12,000 freight tons. However, the actual for the year stood at 8,591 freight tons. The less than planned cargo volume on break bulk basis was due to very low capital import shipments account Tata Steel during the year. Furthermore, depressed container freight rate made shipping of oversized cargo using special equipment more cost optimal than using the break bulk option.

TKM Global China Limited - During the year under review, TKM China earned a total income of RMB 23,946,063(Rs. 233,138,869/-) vis-à-vis RMB 19,976,663 (₹ 187,603,833/-) during the previous financial year. The Net Profit for the FY'17-18 was RMB 140,880 (₹ 1,371,608/-) against a Net Loss of RMB 192,911(₹ 1,811,704/-) in FY'16-17.

During this period, while Sea Freight both FCL & LCL volumes were similar with a little increase at 1,988 CBM & 2,272 TEUS in spite of the drop in the nominated TSL Cargo from China.

Air Exports remained similar to last year, while Air Imports volumes were 37MT which were lower than the planned as some customers switched to sea mode (150 W/M), which were possible due to increase in the volumes of present customers.

Break Bulk Exports: During FY'17-18, the Company did not handled any BB cargo as compared to PY 2,300 Freight Ton on account of TKM GmbH.

Train Freights grew from China-Germany, both in FCL & LCL modes, mainly outbound, which were successfully delivered providing Door-to-Door services with very decent yield as sold towards solutions towards Sea Exports handled for the same customers. (16 TEUs & 100 CBM).

PROJECT INITIATIVES

Special Freight Train Operations : In April 2017, TMILL inducted first SFTO rake for Tata Steel , operating between Jamshedpur Steel Plant and Chennai Depot. A total of three rakes are currently operating between Jamshedpur – Chennai & Kalinganagar – Chennai routes. After satisfactory performance of these rakes, TMILL is in process of finalizing nine additional rake which will be inducted from Oct 2018 onwards. Four of these rakes are new design rakes, nomenclature BFNSM rake with carrying capacity of 4000 MT of steel Coils. TMILL will be the first company in India to induct these new rakes. With total 12 rakes running in system by end of FY 19, TMILL will have the capacity to handle 1.0 Mn MT of cargo per annum.

Supply Chain Solution for Pravesh Doors: Tata Steel has entered into the business of value added products like Pravesh Doors which are ready to use steel doors with wooden or non wooden finish for commercial and residential use. TMILL has been selected as partner for its outbound transportation from manufacturing plants in Hyderabad & Chandigarh for PAN India delivery. TMILL is also bidding for warehouse and supply chain management contract for the product and has tied up with a supply chain specialist vendor for the same. This business has immense potential to build the capability in Supply Chain Management . The projected turnover from this business would be approx. 20 Cr per annum initially. This would be a new vertical for TMILL and has potential to expand Non Tata Steel Business in coming years.

Warehouse at Kalinganagar: TMILL has leased a built up warehouse facility at Kalinganagar, in close proximity to Tata Steel Plant from its subsidiary TKM India, which in turn has taken it from Apeejay Group. Since there is no quality warehousing facility at present in Kalinganagar, TMILL intend to run it efficiently and attract cargo from TSL and nearby Industries for the same. Currently the warehouse has two customers, TSDPL and Tata Steel.

Vietnam Port project: TMILL was approached by VISSAI cement of Vietnam, which has developed a port, to assist them in commissioning the same as VISSAI itself has no experience in Port operations. VISSAI is also a major trading partner with Tata Group company like Tata International. From October 2017 to Jan 2018, TMILL deputed its personnel to the port site [against commercial consideration] and the team successfully commissioned the port to the satisfaction and appreciation of VISSAI. The idea of taking up this mandate was to enhance our understanding of ports outside India by leveraging our operational expertise and also to build relationship to invest in the said port and do O & M.

QUALITY INITIATIVES

TMILL Group continued its journey towards Business Excellence and participated in the JRDQV External Assessment -2017. TMILL maintained the score band of 450-550 with a marginal increase in absolute score from 485 in 2016 to 490 in 2017.

TMILL group has taken up various improvement projects as part of the Business Excellence plan



for improving different customer facing and other processes. Brainstorming and action planning based on Voice of Customer outcome was also done to have in depth understanding for the areas of improvement. Employees of TMILL also participated in External Assessment of other Tata companies and contributed to this group activity positively.

SCALE Awards 2017 (National award for Supply Chain and Logistics Excellence) was organized by Confederation of Indian Industry (CII) to recognize excellence in Supply Chain and Logistics in India. TMILL applied for SCALE awards in 2 categories i.e. 3rd Party Logistics and Terminal operators. The Company was selected in 3rd party Logistics category and made presentation in a CII event held in Hyderabad (November, 2017) and won 1st prize in the said category.

SAFETY INITIATIVES

Zero Fatality and reduction in the number of Lost Time Injuries (LTI) from 9 in FY 16-17 to 2 in FY 17-18 was achieved through constant emphasis on regular Safety training and awareness in the field operations from time to time. A total of 21,090 (75,665 in FY 16-17) man hours of safety training was carried out during the year. Special emphasis was laid down through TSL Group Safety campaigns such as “Stay Clear Be Clear”, “Find It & Fix It” across all operational locations. Tata Group guidelines for recording and reporting of occupational injuries and illness were circulated across the locations and implemented. The number of Near Miss cases reported went up from 7 in FY 2016-17 to 13 in FY 2017-18. The cases were investigated and learnings and preventive measure shared across the locations.

The system for recording of safety observations was further finetuned to eliminate duplication of the same observation by different individuals. The incidents and learnings from Near Misses and Lost Time Injuries were shared across the organisation through Tool Box Talk meetings at the commencement of every shift, mailers and communication meetings. Safety training programmes for Defensive Driving and Accident Prevention, Safe Handling of Loose Gears and Lifting Appliances, Signalling, Rail Wagon Safety and cargo handling using Reach Stacker were carried out at Haldia and Paradip ports. Fire Fighting and First Aid and Life Saving training programmes by St John’s Ambulance were conducted at regular intervals at Haldia and Paradip Ports. The quarterly and half yearly medical check-ups were carried out at Haldia for the dock workers. 114 Safety Audits were carried out at regular frequencies within the group and the findings of the audit were acted upon. Tata Safety Beliefs were circulated amongst all the employees.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices and procedures. The Company believes that good corporate governance practices are essential for enhancing shareholders’ value and in carrying on business, imbibing the principles of trusteeship, empowerment, innovation, corporate social responsibility, transparency and ethical practices.

The Committees constituted by the Board of Directors viz., Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee have functioned effectively during the year under review.

Various policies like, Nomination & Remuneration Policy, Whistle Blower Policy for employees & vendors, Risk Management Policy, Corporate Social Responsibility Policy as required under the

Companies Act 2013 are in place and are being adhered.

The Company follows a process of selection & governance of Board members, reviews the independence & effectiveness of Internal & External Auditors and lays a large emphasis on protection of stakeholders' interest.

REPORT ON OTHER AREAS

A report on each of the following areas has been attached as an Annexure to this report: (Refer Annexure 2).

- Company's Policy as regards to foreign exchange exposure;
- Earnings Management of the Company;
- Asset Management of the Company;
- Accounting policies adopted by the Company;
- Going Concern Test;
- Segmental Report.

BOARD OF DIRECTORS

During the year ended 31st March, 2018, 6 (Six) meetings of the Board of Directors of the Company were held.

As on 31st March, 2018, the Board comprises of 10 (Ten) Directors, out of which 2 (two) were Independent, 7 (seven) were Non-Executive and 1 (One) Executive. The Composition of the Board of Directors as on 31st March 2018, along with the details of the meetings held during the year under review has been attached as an Annexure to this report : **(Refer Annexure 3).**

None of the Directors of the Company are disqualified under Section 164 of the Companies Act, 2013.

During the year under review, till the date of preparation of the Directors report, the following changes in the Board of Directors have been recorded:

- Pursuant to the terms of amended Joint Venture Agreement, Tata Steel is entitled to appoint 5 directors on the Board of TMILL as its nominees. As there were only 4 TSL nominated Directors on the Board of TMILL, as per the nomination received from TSL, Mr. Dinesh Shastri was appointed as additional Non-Executive Director on the Board of TMILL, w.e.f 2nd February, 2018.
- Consequent upon withdrawal of nomination of Mr. Koichi Uragami by NYK Holding (Europe) B.V - JV Partner, (he resigned from the Board w.e.f 12th February, 2018) and on recommendation of the Nomination and Remuneration Committee, Captain Vivek Singh Anand (nominee of NYK Holding (Europe) B.V) was appointed in his place as an Additional Non-Executive Director w.e.f 19th February, 2018.
- Consequent upon withdrawal of nomination of Mr. Shingo Mizoguchi by NYK Holding (Europe) B.V - JV Partner, (he resigned from the Board w.e.f 13th March, 2018) and on recommendation of the Nomination and Remuneration Committee, Mr. Shinichi Yanagisawa (nominee of NYK Holding (Europe) B.V) was appointed in his place as an Additional Non-Executive Director w.e.f



15th March, 2018.

- Mr. Sabyasachi Hajara- Independent Director, resigned from the Board w.e.f 10th April, 2018.

Appropriate resolutions seeking Members' approval to the aforesaid appointments are appearing in the Notice convening the 16th Annual General Meeting of the Company.

Directors to retire by rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Sandipan Chakravorty- Non-Executive Chairman & Mr. Guenther Hahn- Non Executive Director, retire by rotation and being eligible, have offered themselves for re-appointment.

Independent Directors

As on 31st March, 2018 the Board of Directors of the Company comprised of 2 (Two) Independent Directors. One of the Independent Directors resigned w.e.f 10th April, 2018. The Companies Act requires that the Non-Executive Directors, including Independent Directors, be drawn from amongst eminent professionals with experience in business / finance / law / public administration and enterprises. The attributes and qualifications of Independent Directors are in accordance with those prescribed under Section 149(6) of the Companies Act, 2013 read with the rules/ schedules thereunder. The Independent Directors of the Company have confirmed that they meet the criteria of independence as prescribed under Section 149(6) of the Act. One meeting of Independent Directors without the presence of non- independent Directors and members of management was also held during the year.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and CSR Committees. The manner in which the evaluation has been carried out has been explained in the Nomination and Remuneration Policy as adopted by the Company.

COMMITTEES OF THE BOARD OF DIRECTORS

The Committees constituted by the Board of Directors viz., Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee have functioned effectively during the year under review. The details of the Committees, as required to be formed as per the applicable sections of the Companies Act are as follows:

i) Audit Committee

As on 31st March, 2018, the Audit Committee comprised of 3 (three) Non-Executive Directors, 2 (two) of whom were Independent Directors. The Chairman of the Committee is an Independent Director. The names of the members of the Audit Committee along with the meetings held are provided as an Annexure to this Report. **(Refer Annexure 3)**

Board of Directors of the Company has accepted all recommendation of the Audit Committee during the year under review.

ii) Nomination & Remuneration Committee

The Remuneration Policy as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company remains unchanged. The same can be accessed at the following link www.tmilltd.com

iii) Corporate Social Responsibility Committee

The Board constituted a Corporate Social Responsibility Committee in compliance with the provisions of Section 178 of the Companies Act 2013, comprising of 4 (Four) Directors of which (3) three are Non - Executive. The CSR Policy as approved by the Board of Directors, is in place and being adhered to.

At TMILL, the CSR activities are designed to promote sustainable and equitable development to improve the quality of life of people in the communities in and around the geographies TMILL operates. The focus is on improving the quality of life amongst socially and economically backward communities, providing preventive health care and sanitation, making available safe drinking water, ensuring environmental sustainability and promoting education & employment and enhancing vocational skills.

During the year 2017-18, the annual expenditure on CSR was drawn up as per the guidelines and an amount of ₹ 82.88lacs was spent during the year as against the 2% Average Net Profit requirement of ₹ 78.61 Lacs.

Details of the meeting held during the year under review has been attached as an Annexure to this report. **(Refer Annexure 3).**

Annual Report on CSR containing particulars as required under Section 135 of the Act and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been attached as an Annexure to this report. **(Refer Annexure 4).**

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory auditors and external consultant(s), including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18.

Accordingly, pursuant to Section 134(3) (c) & 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm having:

- followed in the preparation of the Annual Accounts, the applicable accounting standards and that there are no material departures;
- selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;



- taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the Annual Accounts on a going concern basis; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and the same are adequate and operating effectively.

AUDITORS

The Auditors of the Company, M/s Price Waterhouse & Co. Chartered Accountants LLP, Chartered Accountants, Kolkata, were appointed for a period of 5 years commencing 15th AGM held in 2017, subject to ratification of their appointment by shareholders every year.

Appropriate resolution seeking Members' approval to the ratification of the aforesaid re-appointment is appearing in the Notice convening the 16th Annual General Meeting of the Company.

AUDIT OBSERVATIONS & EXPLANATION BY THE BOARD

No qualification, reservation or adverse remark or disclaimer have been made by the Auditor's in their report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statement.

INTERNAL FINANCIAL CONTROL

As required under Section 134(3) (q) of the Companies Act 2013 read with Rule 8(5) (viii) of Companies (Accounts) Rules, 2014 and the guidance note issued by the Institute of Chartered Accountant of India, the Company has adopted and implemented Internal Control over Financial Reporting (ICOFR) which commensurate with the size, scale and complexity of the Company's business. The Company confirms having the following in place:

- an Internal Audit System whose reports are reviewed by the Audit Committee;
- orderly and efficient conduct of Company's Business, including adherence to Company's policies;
- procedures to safeguard Company's assets;
- procedures to prevent and detect frauds and errors,
- accuracy and completeness of the accounting records.

RELATED PARTY DISCLOSURES

During the financial year, all contracts or arrangements entered into by the Company with the related parties as referred in Section 188 (1) of the Act were on arm's length basis and were in ordinary course of business.

The disclosures of material transactions as required under Section 134 of the Companies Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, relating to contracts or arrangements

entered by the Company with related parties referred to in Section 188 (1) of the Act are provided in Form AOC-2. **(Refer Annexure 5)**

RISK MANAGEMENT POLICY

The Board of Directors of the Company has already adopted the Risk Management Policy on 31st March, 2015. The Company always had a system-based approach to business risk management. Backed by strong internal control systems, the current risk management framework consists of the following elements:

- Strategic Planning: Senior leadership Group of TMILL provides direction for formulation of strategy in collaboration with cross section of all levels of management. The Company follows two level of strategy;
 - i) Group level Strategy taking into account the shareholders perspective from medium to long term, and;
 - ii) The Current Business perspective –Short term which starts at SBU level culminating into Annual Business Plan approved by the Board.
- Strategic Challenges & advantages are determined from SWOT analysis of individual SBU's & support functions.
- The Senior Management of the Company regularly discuss the strategic & Operational risks involved in the business.
- A combination of centrally issued policies and divisionally-evolved procedures brings robustness to the process of ensuring that business risks are effectively addressed.
- Appropriate structures have been put in place to proactively monitor and manage the inherent risks in businesses with unique / relatively high risk profiles.
- A strong and independent Internal Audit function carries out risk focused audits enabling identification of areas where risk management processes may need to be improved. The Audit Committee of the Board reviews Internal Audit findings and provides strategic guidance on internal controls.

PARTICULARS OF EMPLOYEES

The Company declares that there is no employee/officer whose details are required to be given in the statement of particulars of employees as required under the provisions of section 197 of the Companies Act read with Rule 5(2) of Companies (Appointment & Remuneration) of Managerial Personnel, Rules 2014.

VIGIL MECHANISM

As per the provisions of Section 177 (10), of the Companies Act 2013, the Company has established a vigil mechanism by adoption of the Whistle Blower Policy for Directors & Employees and Vendors to report their genuine concerns.

The Whistle Blower Policy of the Company encourages Directors and employees and Vendors to



bring to the Company's attention, instances of unethical behaviour and actual or suspected incidents of fraud or violation of the Code of Conduct that could adversely impact the Company's operations, business performance and/or reputation. The Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld. It is the Company's Policy to ensure that no employee or vendor is victimised or harassed for bringing such incidents to the attention of the Company. The practice of the Whistle Blower Policy is overseen by the Audit Committee of the Board. The policy allows access to the Audit Committee Chairman in cases specified under the policy.

ANNUAL RETURN

The Extract of the Annual Return under cover of Form MGT 9, as per the provisions of Section 92(3) & Section 134 (3) of the Companies Act 2013 read with Rule 12 of Companies (Management & Administration) Rules, 2014, has been attached as an Annexure to this report. Also the details of the remuneration of KMP are part of Form MGT 9. (Refer Annexure 6)

INTERNAL COMMITTEE

The Company has zero tolerance for sexual harassment at workplace. The Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder and in line with the POSH policy for Tata Steel Group Companies, on 9th December 2014. The internal complaints committee was reconstituted during the year to take care of the members who had resigned from the services of the Company. No case of sexual harassment was reported during the year. The committee members periodically created an awareness amongst the employees based on the awareness packs sent by Chief Ethics Counsellor. Periodic awareness programmes were conducted by the Chief Ethics Counsellor for male and female employees to sensitize them on the provisions of the Act as well as the POSH policy in place. POSH Work Shops and online training was organised for the ICC members and select employee groups.

ENVIRONMENT

The company uses Bio Diesel fuel for all its mobile equipment operating at Haldia port as against the earlier practice of using normal diesel with a view to curb the air pollution. The surroundings of the Women and Children Block of the Durgachak Sub Divisional Hospital were cleaned of all shrubbery and the entire drainage system was overhauled and rectified to ensure no stagnation of water within the premises which was a breeding ground for mosquito larvae. Smokeless Chulhas were installed at 8 Anganwadi Schools in and around Haldia to prevent pollutions caused by smoke in the school classrooms. The Company procured and installed 2 dust fences between Berth No's 11 and 12 and Berth No's 12 and 13 with a view to reduce dust entering our Berth #12 at Haldia especially when dusty cargo is handled at the adjacent berths. The frequency of water sprinkling tankers at Haldia has been increased during our operations to ensure effective dust control measures. The usage of Video conferencing was further maximised within the TMILL group of companies for conducting meetings at all locations to reduce our carbon footprint. Communications are carried out electronically through

email with a request not to print out the email unless essential to reduce the consumption of paper within the group. All employees are advised to power off lights, fans, air conditioner units and other electrical equipment when not in use. The Company replaced the earlier sodium vapour lamps with LED lamps which provide better illumination and consume lesser electricity at port locations. Dock workers undergo period medical check up's as per the guidelines laid down by the Dock Workers (Safety, Health and Welfare) Rules 1990.

PERSONNEL

The Company has a diverse workforce with a total strength of 230+ on-roll employees and 700+ contractual employees across various locations in the year 2017-18. During the year, the Company continued its focus on training and development with specific emphasis in building leadership competencies across levels. A formal platform of 'Skillport' was rolled out as an alternate mode of learning to traditional class room based training. The Company also introduced revised Leave Policies like introduction of adoption, relocation, convocation leaves as a focused approach to create work life balance and also develop a culture to attract millennial workforce. The Company maintained cordial industrial relations with the representative of Union of employees at the ports and at Kolkata and have been able to successfully roll out the ESS (Employee Separation Scheme) Policy for 20 employees under TPW (Tata Port Works) Union. Apart from the above activities, HR department continued to focus on strengthening of the Performance Management System for the TMILL Group, working towards a competitive Reward and Compensation structure, activities around comprehensive Employee Wellness activities and increased Workforce engagement. TMILL Group India Operations received an award for Strong Commitment to HR Excellence at the 8th CII HR Excellence Award Confluence 2017-18.

INFORMATION TECHNOLOGY

In TMILL group, different SBUs manage the operational and customer data using the business specific application due to varied requirement of each businesses which caters to the specific part of the logistic chain. Main ERP chosen for the company is SAP, which was implemented in the year 2006 in TMILL and last year same was rolled out in TKM India. During the year, perimeter and end-point security was enhanced to cover more locations, existing applications were enhanced and interface between various business applications were developed. In total, the Company uses more than 15 applications and supports the workforce across multiple locations. Port locations, Jamshedpur office, Diamond Heritage office and HO at Kolkata are directly connected to the company Wide Area Network. Company has deployed strict perimeter security and backup mechanism to protect the hardware and software information assets. ISL IT infrastructure was successfully moved to Cloud making it centrally manageable and more secure.

Regular preventive maintenance of hardware, monitoring of application and strict SLA with service providers has helped the Company to maintain healthy uptime in all its applications and network. The IT system of the Company allows interfacing with the IT application of key customers on real time sharing of information and communication, for example the Tata Steel SAP is connected with TMILL- IT system and information transmission is done through the IT interface which is reviewed



and expanded as per the requirement.

Integrity, reliability and accuracy is ensured through various policies and procedures which are followed by the IT department. Company's audit process includes the validation of the same. IT MIS captures the key performance elements and is being reviewed and circulated to all business heads on a monthly basis.

The Company have unified the Email and collaboration services of all group companies except TKM GmbH which is being planned along with other initiatives. To bring IT infrastructure of TMILL compatible to the growth plan of the organisation, initiatives are being planned to create and integrate the various business applications to enhance cross functional synergies and create a platform which can promote unified brand. Also, upgrade of SAP to the latest S4 HANA version and adoption of same in TKM Germany, TKM China and ISL Dubai to have simplified processes, integration and analytics."

ACKNOWLEDGEMENT

The Company maintained cordial relationship with Port Officials at Haldia and Paradip, Customs Authorities, Banks and other government agencies including various tax authorities. The Directors acknowledge with gratitude the support extended by Tata Steel Limited, IQ Martrade Holding And Management GmbH and NYK Holding (Europe) B.V. The Directors are also thankful to the Government of India, Board of Trustees of Kolkata and Paradip Port and other State and Central Government Agencies, Reserve Bank of India, State Bank of India, HDFC Bank, ICICI Bank, Axis Bank, Kotak Mahindra Bank, IDBI Bank, the union, the employees of the Company, and other business associates for their continued support.

For and on behalf of the Board of Directors

Sd/-

Sandipan Chakravorty
Chairman

Sd/-

Ashish Kumar Gupta
Managing Director

Kolkata, 19th April, 2018

Annexure 1 to the Directors' Report
Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part 'A': Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ In Million)

	Particulars	1	2	3	4
1	Name of the subsidiary	TKM Global Logistics Limited	International Shipping & Logistics, FZE	TKM Global GmbH, Germany	TKM Global China Limited
2	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period.	N.A.	N.A.	N.A.	N.A.
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsidiaries.	NA	1 USD = INR 63.9273	1 EUR = INR 80.62	1 RMB = INR 10.32
4	Share capital	36.00	17.50	4.12	70.53
5	Reserves & Surplus	205.19	2200.17	1907.49	(34.90)
6	Total assets	384.06	2358.46	2121.87	53.49
7	Total Liabilities	384.06	140.79	2121.87	53.49
8	Investments	54.99	476.63	0.00	0.00
9	Turnover	492.72	2495.62	384.35	247.12
10	(Loss)/Profit before taxation	(12.79)	76.26	(39.60)	1.45
11	Provision for taxation	1.95	14.35	15.60	0.00
12	(Loss)/Profit after taxation	(10.84)	61.91	24.00	1.45
13	Proposed Dividend	NIL	81.00	NIL	NIL
14	% of shareholding	100%	100%	100% Shareholding of TKM Global Logistics Limited	74.18% (TKM Global GmbH, Germany) and 25.82% (ISL, FZE)

PART "B": Associates and Joint Ventures: The Company does not have any associates/Joint Ventures as on 31st March, 2018. Hence, there is nothing to Report.



Annexure 2 to the Directors' Report

Report on Other Areas:

Company's Policy as regards to foreign exchange exposure

The Company complies with the FEMA Act and Rules.

Earnings Management of the Company

The Company is currently engaged in Port Operations and Customs House Agent & Inland Logistics business. The Revenue, Operating and Administrative Expenses, Tax Provisions and Profit are indicated under the heading Financial Highlights in the Directors' Report.

Asset Management of the Company

The Company has made investments in various Fixed Assets during the year. All the assets are properly insured and maintained.

Accounting Policies adopted by the Company

The Accounting policies of the Company have been stated in the Significant Accounting Policies in the Notes forming part of the Annual Accounts and transactions of the Company have been recorded as per the said policies.

Going Concern Test

The operations in all business areas have been efficient throughout the financial year under review and the response from customers has been encouraging. The Company, therefore, by all accounts fulfils the test of going concern and with the projected business, it is estimated to generate sufficient revenue, profit and funds. The Company has been regular in meeting its external commitments.

Segmental Report

The Company has considered Port Operation business segment as the primary segment. The Company is engaged in cargo handling and related activities at Ports, which in the context of accounting Standard (AS) 17 'Segmental Reporting' issued by the Institute of Chartered Accountants of India, is the only business segment.

The Company renders Port operation service only within India and there are no exports. The conditions prevailing in India being uniform, no separate geographical segment disclosure is considered necessary.

Annexure 3 to the Directors' Report

Meeting of the Board of Directors for FY 2017-18

Name of the Directors	Composition	No. of meetings held	No. of meetings attended
Mr. Sandipan Chakravorty	Non Executive (Chairman)	6	6
Mr. Dipak Kumar Banerjee	Independent	6	4
Mr. Sabyasachi Hajara	Independent	6	6
Mr. Guenther Hahn	Non Executive	6	6
Mr. Koichi Uragami*	Non Executive	6	3
Mr. Shingo Mizoguchi*	Non Executive	6	6
Mr. Sandeep Bhattacharya	Non Executive	6	6
Mr. Peeyush Gupta	Non Executive	6	5
Mr. Dinesh Shastri*	Non Executive	6	1
Captain Vivek Singh Anand	Non Executive	6	0
Mr. Shinichi Yanagisawa*	Non Executive	6	0
Mr. R N Murthy *	Managing Director	6	1
Mr. Ashish Kumar Gupta*	Managing Director	6	5

* For part of the year

Meeting of the Audit Committee

Name of the Directors	Composition	No. of meetings held	No. of meetings attended
Mr. Dipak Kumar Banerjee	Independent (Chairman)	5	4
Mr. Sabyasachi Hajara	Independent	5	5
Mr. Sandeep Bhattacharya	Non Executive	5	5

Meeting of the Nomination and Remuneration Committee

Name of the Directors	Composition	No. of meetings held	No. of meetings attended
Mr. Dipak Kumar Banerjee	Independent (Chairman)	1	1
Mr. Sabyasachi Hajara	Independent	1	1
Mr. Guenther Hahn	Non- Executive	1	1
Mr. Sandipan Chakravorty	Non- Executive	1	1

Meeting of the Corporate Social Responsibility Committee

Name of the Directors	Composition	No. of meetings held	No. of meetings attended
Mr. Sandipan Chakravorty	Non Executive (Chairman)	4	4
Mr. Peeyush Gupta	Non Executive	4	4
Mr. Dipak Kumar Banerjee	Non Executive	4	3
Mr. R N Murthy *	Managing Director	4	1
Mr. Ashish Kumar Gupta*	Managing Director	4	3

*For part of the year

Annexure 4 to the Directors' Report

Annual Report on CSR Activities of the Company for the financial year ended 31st March, 2018 (Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014)

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	TMILL's CSR activities are designed to promote sustainable and equitable development to improve the quality of life of people in the communities in and around the geographies we operate in. The focus has been on improving the quality of life amongst socially and economically backward communities, providing preventive health care and sanitation, making available safe drinking water, ensuring environmental sustainability and promoting education and employment enhancing vocational skills. The CSR Policy of the Company may be accessed on http://www.tmiltd.com/about-us/shareholders.asp .
2. Composition of CSR committee	The CSR Committee comprises of the Chairman and the Managing Director of the Company along with 2(two) Non-Executive Directors, one of whom is an Independent Director. The Chairman of the Company is the Chairman of the Committee. The names of the members of the CSR Committee as on 31st March, 2018 is, as follows: Mr. Sandipan Chakravorty - Chairman, Mr. Dipak Banerjee - Member, Mr. Peeyush Gupta - Member, Mr. Ashish Kumar Gupta- Member.
3. Average net profit of Company for last 3 financial years	₹ 39,30,48,480/-
4. Prescribed CSR expenditure (2% of the amount as in item 3 above)	₹ 78,60,970/-

5. Details of CSR spent during the financial year:		₹ 82,87,531/-		₹ 82,87,531/-						
		a) Total amount to be spent during the financial year	b) Amount unspent, if any	Nil						
i)		c) Manner in which the amount spent in the financial year	Sl. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the State and district where projects or programmes were undertaken	Amount/outlay (B u d g e t) projects or programme wise (₹ In Lakhs)	Amount spent on the projects of programmes Sub heads: 1) D i r e c t expenditure on projects or 2) programmes Overheads (₹ in Lakhs)	Cumulative expenditure up to the reporting period (Rs. In Lakhs)	A m o u n t spent: Direct or through agency implementing (Rs. in Lakhs)
			1.	Construction of rehabilitation centre for differentially abled persons requiring special care.	Special education and employment e n h a n c i n g vocational skills for differentially abled persons.	Nimtouri Tamluk Unayan Samity, West Nimtouriin Bengal	29.95	29.95 Direct Expenditure on Projects.	29.95	29.95 Direct
			2	Providing deep bore well with submersible pump and water storage & distribution facilities & sanitation facilities at Hospital. Providing safe drinking water in Birsa Munda school. 2 X 500 Gallon Stainless Steel Drinking Water Tankers for Haldia Municipality. Providing preventive health care for pregnant mothers through CINI. 3.15 KW Solar Energy Source and Water distribution system and replacement of bed linen and mosquito nets at KhelaGhar. Installation of Smokeless Chula at 8 Anganwadi schools.	Preventive Health Care, Sanitation & Drinking Water	D u r g a c h a k Sub Divisional H o s p i t a l Haldia, Birsa Munda School, Paradip, Haldia Municipality, & Falta in West Bengal & Khela Ghar Badu in West Bengal, Haldia West Bengal	25.64	25.64 Direct Expenditure on project & Through Implementation Agency	25.64	Direct: 17.20 Agency: 8.44



		3	Providing Education support to 15 Children in remission from Cancer and 10 poor and needy children at high school and college level through Society for Indian Children's Welfare and evening coaching classes to 125 Slum children through Don Bosco Mirpara. Scholarship for bright SC/ST candidates at FAEA.	Promoting education amongst poor children	Kolkata and Mirpara Howrah, West Bengal, New Delhi	13.97	13.97 Through Implementation Agency.	13.97	Agency 13.97
		4	Providing skilling of 275 poor tribal women at Ramakrishna Mission Narendrapur, 60 poor youth at Don Bosco Technical Training School in Liluah, 10 poor and orphan children at George Telegraph Institute Haldia Scholarship for bright SC/ST candidates and providing education and counselling support to 60 slum children	Enhancing Vocational skills for livelihood.	Narendrapur, Kolkata, Liluah Howrah and Haldia in West Bengal	13.32	13.32 Through Implementation Agency	13.32	13.32 Agency
			Total			82.88	82.88	82.88	82.88
6. Reasons for not spending the prescribed amount (in case the Company has failed to spend amount specified under item 4)	Not Applicable. The Company has spent ₹ 4,26,561/- over and above the prescribed CSR expenditure for FY 2017-18.								

The CSR Committee has confirmed that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

On behalf of the Board
Ashish Gupta
Managing Director

Sandipan Chakravorty
Chairman

Kolkata, 19th April, 2018

Annexure 5 to the Directors' Report

Form No. AOC-2

(Pursuant to clause (h) of sub-section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto :

- Details of contracts or arrangements or transactions not at arm's length basis:- NIL
- Details of material contracts or arrangement or transactions at arm's length basis : Please note that in absence of the definition of the term 'material' in Companies Act 2013, the Company has considered 10% of the standalone turnover for the FY 17-18 as material, and accordingly the details of all such contracts having 10% or more of the value of turnover as on 31st March 2018, are being provided below:

Sl. No.	Name of the related Party and nature of relationship	Nature of Contract/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient features of the contracts or arrangements or transactions including the value, if any	Actual Value of transactions (Rs. in millions)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Agency							
1	Tata Steel Limited (Parent Company)	Ship Agency Reimbursement of port dues/others	Vessel wise contract Vessel wise contract	Ship Agency Activities Ship Agency Activities	17.53 11.95	NA NA	NA NA
CHA & IL							
2.	Tata Steel Limited (Parent Company)	Custom Clearance Reimbursement of shipping line bills	From 01.06.17 till 30.06.18	Custom Clearance Custom Clearance	175.83 69.08	NA NA	NA NA
		Warehousing	FY 17-18 Contract Valid till 30.11.2018	Handling, Storage, Transportation - TGS & Kaimandir Warehouse (JSR) Kaimandir Warehouse (JSR) Rent	35.19 9.17	NA NA	NA NA
			FY 17-18 Contract Valid till 31.05.2018	Handling, Transportation & Supervision - IM Section Supervision and Misc. activity including Stock Verification for TGS Marine Dine	17.58 7.34	NA NA	NA NA
			FY 17-18	Renting of Warehouse for Lab & Testing with Supply of security and electricity	3.25	NA	NA
			FY 17-18	Renting of Warehouse for R&D Establishment of Tata Steel with Supply of security and electricity	3.25	NA	NA
			FY 17-18	C&F Agent for Agripro	6.82	NA	NA
			FY 17-18	Tool Kit Stores - JIT Delivery	7.11	NA	NA
			FY 17-18	Rent and Electricity charges received from Tata Steel Ltd.	0.96	NA	NA
			FY 17-18	Providing Warehouse facility to TSL at Kalinganagar	0.30	NA	NA
Port Operations							
3.	Tata Steel Limited (Parent Company) Old Contract	Port Operations at B-12 (Halidia) Port Operations-Other Berth at Halidia & Paradip & OP	FY 17-18 FY 17-18	Port Handling Port Handling (Invoice) Reimbursement	506.11 927.80 1241.50	NA NA NA	NA NA NA
4	Tata Steel Limited (Parent Company) New Contract	Port Operations at B12 Halidia Port Operations - Other Berth at Halidia & Paradip	From 15.12.17 till 15.12.2018 From 15.12.17 till 15.12.2018	Port Handling Port Handling (Invoice) Reimbursement	227.40 497.68 620.29	NA NA NA	NA NA NA
SFTO							
5	Tata Steel Limited (Parent Company)	RFQ Based Contract	From 01.03.17 till 28.02.22	SFTO Railway Contract (For 3 existing rates)	608.76	NA	NA
Others							
6	Tata Steel Limited (Parent Company)	Rental services	FY 17-18	Rental services - Kolkata and Jamshedpur	41.51	NA	NA



Annexure 6 to the Directors' Report

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March 2018

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : U63090WB2002PLC094134
- ii) Registration Date : 18th January 2002
- iii) Name of the Company : TM International Logistics Ltd.
- iv) Category/Sub-Category of the Company : Port Operations
- v) Address of the registered office & contact details : Tata Centre,
43, Jawaharlal Nehru Road,
Kolkata 700 071.
- vi) Whether listed company (Y/ N) : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turn over of the Company shall be stated:

Sl. No.	Name & Description of main Services	NIC Code of the Product/ service	% to total turn over of the company
1	Port Operations	5222	53.73
2	SFTO	49120	26.50

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1.	Tata Steel Limited	L27100MH1907PLC000260	Holding	51	2(46)
2.	TKM Global Logistics Limited	U51109WB1991PLC051941	Subsidiary	100	2(87)
3.	International Shipping Logistics FZE	- NA -	Subsidiary	100	2(87)
4.	TKM Global China Limited	- NA -	Subsidiary	100	2(87)
5.	TKM Global GMBH, Germany	- NA -	Subsidiary	100	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)
i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	Yes	10	0.00	-	Yes	10	0.00	Nil
b) Central Govt.									
c) State Govt (s)									
d) BodiesCorp.	-	Yes	9179990	51	-	Yes	9179990	51	Nil
e) Banks/FI									
f) Any Other									
Sub-total (A)(1):-			9180000	51			9180000	51	NIL
(2) Foreign									
a) NRIs- Individuals									
b) Other- Individuals									
c) Bodies Corp.	-	Yes	8820000	49	-	Yes	8820000	49	NIL
d) Banks/FI									
e) Any Other....									
Sub-total (A)(2):-			8820000	49			8820000	49	NIL
Total shareholding of Promoter (A)= (A)(1)+(A)(2)			18000000	100			18000000	100	NIL
B. Public Shareholding									
1. Institutions			NIL				NIL		
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):-			NIL				NIL		
2. Non- Institutions			NIL				NIL		
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh									
c) Others (specify)									
Sub-total (B) (2):-			NIL				NIL		
Total Public Shareholding (B) = (B) (1)+ (B) (2)			NIL				NIL		



Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non- Institutions			NIL				NIL		
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify) NIL									
Sub-total(B)(2):-			NIL				NIL		
Total Public Shareholding (B) = (B) (1)+ (B) (2)			NIL				NIL		
C. Shares held by Custodian for GDRs & ADRs			NIL				NIL		
Grand Total (A+B+C)			18000000				18000000		

(ii) Shareholding of Promoter

Sl. 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.	Tata Steel Ltd.	9179990	51	NIL	9179990	51	NIL	NIL
2.	IQ Martrade Holding And Management, GmbH	4140000	23	NIL	4140000	23	NIL	NIL
3.	NYK Holding (Europe) (BV)	4680000	26	NIL	4680000	26	NIL	NIL
4.	Mr. Dibyendu Bose (Jointly with Tata Steel)	1	0.00	NIL	1	0.00	NIL	NIL
5.	Mr. Jayant Chakraborty (Jointly with Tata Steel)	1	0.00	NIL	1	0.00	NIL	NIL
6.	Mr. Chacko Joseph (Jointly with Tata Steel)	1	0.00	NIL	1	0.00	NIL	NIL
7.	Mr. Sumit Shubhdarshan (Jointly with Tata Steel)	1	0.00	NIL	1	0.00	NIL	NIL
8.	Mr. Dhamrendra Kumar (Jointly with Tata Steel)	1	0.00	NIL	1	0.00	NIL	NIL
9.	Mr. R. Ranganath (Jointly with Tata Steel)	1	0.00	NIL	1	0.00	NIL	NIL
10.	Mr. N. S. Raghu (Jointly with Tata Steel)	1	0.00	NIL	1	0.00	NIL	NIL
11.	Mr. Peeyush Gupta (Jointly with Tata Steel)	1	0.00	NIL	1	0.00	NIL	NIL
12.	Mr. Surendra Goenka- (Jointly with Tata Steel Ltd.)	1	0.00	NIL	1	0.00	NIL	NIL
13.	Mr. Manas Bandyopadhyay- (Jointly with Tata Steel Ltd.)	1	0.00	NIL	1	0.00	NIL	NIL
Total		18000000			18000000	Total		

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

Sl. 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
	At the beginning of the year	18000000	100.00	18000000	100.00
	Date-wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	—	—	—	—
	At the End of the year	18000000	100.00	18000000	100.00

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

Sl. 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
	At the beginning of the year	—	—	—	—
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	—	—	—	—
	At the End of the year (or on the date of separation, if separated during the year)	—	—	—	—

(v) Shareholding of Directors and Key Managerial Personnel :

Sl. 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
	At the beginning of the year	1	0	1	0
	Date-wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat Equity etc):	0	0	0	0
	At the End of the year	1	0	1	0

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans (In ₹)	Deposits (In ₹)	Total Indebtedness (In ₹)
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i +ii + iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
● Addition	Nil	Nil	Nil	Nil
● Reduction				
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTM/Manager	
		Mr. R N Murthy (01.04.2017 - 30.06.2017)	Mr. Ashish Kumar Gupta Managing Director
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,778,247	7,272,389
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify		
5.	Others, please specify (PF, SAF, Performance Bonus etc.)	5,300,000	Nil
	Total (A)	7,078,247	7,272,289

B. Remuneration to other directors

(Amount in ₹)

Particulars of Remuneration	Name of the Directors						Total
	Mr. Sandipan Chakravorty	Mr. Dipak Banerjee	Mr. Sabyasachi Hajara	Mr. Guenther Hahn	Mr. Koichi Uragami*	Mr. Shingo Mizoguchi*	
1. Independent Directors							
● Fee for attending board / committee meetings/ Independent Director Meeting	–	280,000	280,000	–	–	–	560,000/-
● Commission	–	444,000	302,000	–	–	–	746,000
Total (1)	–	724,000	582,000	–	–	–	1,306,000
2. Other Non-Executive Directors							
● Fee for attending board / committee meetings	240,000	–	–	160,000	60,000	120,000	5,80,000
● Commission	4,34,000	–	–	189,000	57,000	113,500	793,500
Total (2)	674,000	–	–	349,000	117,000	233,500	1,373,500
Total (B)=(1+2)	674,000	724,000	582,000	349,000	117,000	233,500	2,679,500
Total Managerial Remuneration							
Overall Ceiling as per the Act							

* Resigned during the year.

** As per the Tata Steel Group Policy, NO Sitting Fees has been paid to the Nominee Directors of Tata Steel,(ie Mr. Peeyush Gupta, Mr. Sandeep Bhattacharya and Mr. Dinesh Shastri) from July, 2016 onwards. Also, No commission is being paid to TSL Nominee Directors.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel (Mr. Anand Chand, CFO)	Key Managerial Personnel (Ms. Jyoti Purohit, CS)
		Total	Total
1.	Gross salary	3,440,828	1,455,708
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify.		
5.	Others, please (PF, SAF, LTA, Performance bonus etc.)	1,759,500	320,800
	Total	5,200,328	1,776,508

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no Penalties / punishments / compounding of offences for the year ended 31st March, 2018.



Shareholders' Information

(₹ in Lakhs)

Financial Highlights	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Assets Employed								
Net Fixed Assets	6480.62	6145.95	5,729.13	10,495.83	9,288.37	9,925.02	10,129.06	9,138.55
Net Current Assets	9678.86	9577.26	10445.51	8,398.67	5,855.83	5,259.07	4,790.68	3,411.46
Non-Current Investments	639.58	639.58	639.58	639.58	459.58	459.58	379.58	379.58
Other Long Term Loans & Advances	1230.40	1094.55	1194.02	1,242.86	2,929.29	2,473.98	1,807.40	2,392.09
Deferred Tax Assets	1310.18	1331.70	1488.09					
Total	19,339.63	18,789.04	19,496.33	20,776.93	18,533.07	18,117.65	17,106.72	15,321.67
Financed by								
Equity Share Capital	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00
Reserves & Surplus	14996.41	15249.35	12927.25	13,061.85	10,740.27	10,127.58	9,153.77	8,280.07
Shareholders' Funds	16,796.41	17,049.35	14,727.25	14,861.85	12,540.27	11,927.58	10,953.77	10,080.07
Loan Fund								
Long Term Provision & Liabilities	2543.22	1739.69	4769.08	5,717.28	5,697.70	5,768.24	5,684.52	4,796.79
Deferred Tax Liability				197.80	295.10	421.83	468.428	444.807
Total	19,339.63	18,789.04	19,496.33	20,776.93	18,533.07	18,117.65	17,106.72	15,321.67
Total Income	24,348.77	20,133.66	21,040.85	26,432.53	18,502.03	18,872.19	12,777.92	17,755.72
Profit and Appropriations								
Profit before tax	2468.15	5031.80	3100.21	4,301.02	1184.779399	1,894.47	1,613.57	2,799.68
Income Tax & Fringe Benefit Tax	1107.81	1720.57	1039.61	1,437.83	361.16	605.11	447.00	793.32
Profit after Tax	1,360.34	3,311.24	2,060.61	2,863.19	823.62	1,289.36	1,166.57	2,006.37
Other Comprehensive Income	11.55	94.08	-38.40					
Dividend paid and tax thereon	-1,624.83	-1,083.22	-541.61	541.61	210.59	315.89	292.88	292.88
Retained Earnings	-252.94	2,322.10	1,480.60	2,321.58	613.03	973.48	873.69	1,713.49
Financial Ratios								
1 EBITDA / Turnover	12.49%	28.25%	18.41%	19.24%	12.51%	14.69%	18.16%	19.10%
2 PAT / Turnover	5.59%	16.45%	9.79%	10.83%	4.45%	6.83%	9.13%	11.30%
3 Return on Average Capital Employed	14.58%	31.67%	20.82%	30.84%	9.41%	15.94%	14.70%	28.93%
4 Average Debtors to Turnover	37.71%	34.73%	18.90%	12.05%	19.63%	20.12%	19.78%	13.25%
5 Gross Block to Net Block	1.26	1.16	1.08	1.45	0.97	1.13	1.13	1.24
6 Debt to Equity	-	-	-	-	-	-	-	-
7 Current Ratio	2.56	1.51	2.07	1.79	1.88	1.64	1.81	1.50
8 Networth per Share	93.31	94.72	81.82	82.57	69.67	66.26	60.85	56.00
9 Earnings per share (₹)	7.56	18.40	11.45	15.91	4.58	7.16	6.48	11.15
10 Dividend Pay Out	5.95%	40.77%	21.84%	15.72%	21.85%	20.94%	21.60%	12.56%

Figures from FY15-16 onwards are in INDAS

INDEPENDENT AUDITORS REPORT

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TM INTERNATIONAL LOGISTICS LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of TM International Logistics Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements to 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 specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity



with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The standalone Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated April 27, 2017, expressed an unmodified opinion on those standalone Ind AS financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ('the Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the 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.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements - Refer Note 33;
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2018.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E300009

Chartered Accountants

Pinaki Chowdhury

Partner

Membership Number: 057572

Kolkata

April 19, 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of TM International Logistics Limited on the standalone Ind AS financial statements for the year ended March 31, 2018

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

1. We have audited the internal financial controls over financial reporting of TM International Logistics Limited ('the Company') as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E300009

Chartered Accountants

Pinaki Chowdhury

Partner

Membership Number: 057572

Kolkata

April 19, 2018

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of TM International Logistics Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) The title deeds of immovable properties, as disclosed in Note 4 on Property, Plant and Equipment to the standalone Ind AS financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted loans, secured or unsecured to Companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act, except unsecured loan to a Company covered in the register maintained under Section 189 of the Act.
 - (a) In respect of the aforesaid loan, the terms and conditions under which such loan was granted are not prejudicial to the Company's interest.
 - (b) In respect of the aforesaid loan, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amount, as stipulated, and are also regular in payment of interest as applicable.
 - (c) In respect of the aforesaid loan, there is no amount which is overdue for more than ninety days.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its operations.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Professional Tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, duty of excise, value added tax, goods and service taxes at March 31, 2018, as applicable, which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax and duty of customs as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of statute	Nature of dues	Amount (₹ Lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1944	Service Tax	705.96	2001-02 to 2005-06	High Court of Orissa
		95.28	2004-05 to 2007-08	Central Excise Service Tax Appellate Tribunal
		18.12	2006-07 to 2007-08	Central Excise Service Tax Appellate Tribunal
		4.53	2010-11 to 2013-14	Central Excise Service Tax Appellate Tribunal
		169.58	2011-12	Commissioner (Appeals)*
		7.55	2011-12	Commissioner (Appeals)*
Income Tax Act 1961	Income Tax	14.16	2008-09	Income Tax Appellate Tribunal
		21.46	2009-10	Commissioner of Income Tax (Appeals)
		114.48	2010-11	Commissioner of Income Tax (Appeals)
Custom Act, 1962	Custom Duty	23.13	2005-06	Central Excise Service Tax Appellate Tribunal

* to be filed

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (IndAS) 24, Related Party Disclosures specified under Section 133 of the Act.

- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E300009

Chartered Accountants

Pinaki Chowdhury

Partner

Membership Number: 057572

Kolkata

April 19, 2018



TM International Logistics Limited
Balance Sheet as at 31st March 2018

	Note No.	As at	
		31st March 2018 ₹ in lakhs	31st March 2017 ₹ in lakhs
I. ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	4	2,219.44	1,889.10
(b) Intangible Assets	5	4,020.41	3,256.84
(c) Intangible Assets under Development		240.71	1,000.00
(d) Financial assets			
(i) Investments	6	639.57	639.57
(ii) Loans	7	532.45	519.10
(iii) Other Financial Assets	8	8.97	54.30
(e) Non-current Tax Asset (Net)	9	683.92	442.29
(f) Deferred Tax Assets (Net)	44	1,310.18	1,331.70
(g) Other Non-current Assets	10	5.06	9.15
Total Non-current Assets		9,660.71	9,142.05
(2) Current Assets			
(a) Inventories	11	143.89	100.21
(b) Financial Assets			
(i) Investments	12	626.63	1,156.97
(ii) Trade Receivables	13	8,372.77	9,989.26
(iii) Cash and Cash Equivalents	14	1,754.62	767.11
(iv) Other Bank Balances	15	9,233.75	11,619.19
(v) Loans	16	78.59	89.76
(vi) Other Financial Assets	17	163.30	230.95
(c) Other Current Assets	18	3,977.78	4,344.68
Total Current Assets		24,351.33	28,298.13
Total Assets		34,012.04	37,440.18
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	19	1,800.00	1,800.00
(b) Other Equity	20	14,996.38	15,249.34
Total Equity		16,796.38	17,049.34
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
Other Financial Liabilities	21	29.37	33.99
(b) Provisions	22	2,513.84	1,700.25
Total Non-current Liabilities		2,543.21	1,734.24
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	23	4,554.52	6,729.56
(ii) Other Financial Liabilities	24	34.90	34.90
(b) Provisions	25	568.37	3,311.34
(c) Other Current Liabilities	26	9,514.66	8,580.80
Total Current Liabilities		14,672.45	18,656.60
Total Liabilities		17,215.66	20,390.84
Total Equity and Liabilities		34,012.04	37,440.18
The accompanying Notes form an integral part of the Standalone Balance Sheet			
This is the Standalone Balance Sheet referred to in our report of even date For Price Waterhouse & Co Chartered Accountants LLP Firm Registration No. 304026E / E300009 Chartered Accountants		For and on behalf of the Board of Directors	
Sd/-	Sd/-	Sd/-	
Pinaki Chowdhury	Jyoti Purohit	Sandipan Chakravorty	
Partner	Company Secretary	Chairman	
Membership Number 057572		Sd/-	
Kolkata, April 19, 2018		Ashish Kr Gupta	
		Managing Director	
		Anand Chand	
		Chief Financial Officer	

TM International Logistics Limited
Statement of Profit and Loss for the Year Ended 31st March 2018

		For the year ended 31st March 2018	For the year ended 31st March 2017
	Note No.	₹ in lakhs	₹ in lakhs
I. Revenue from Operations	27	23,140.60	18,867.13
II. Other Income	28	1,208.17	1,353.69
III. Total Income (I + II)		24,348.77	20,220.82
IV. Expenses			
Operational Expenses	29	12,668.92	8,886.89
Employee Benefits Expense	30	3,251.58	3,133.70
Finance Costs	31	53.62	221.89
Depreciation and Amortization Expense	4 & 5	519.29	433.25
Other Expenses	32	4,251.57	2,513.29
Total Expenses		20,744.98	15,189.02
V. Profit Before Tax and Exceptional Items (III - IV)		3,603.79	5,031.80
VI. Exceptional Items	38	1,135.66	-
VII. Profit Before Tax (V-VI)		2,468.13	5,031.80
VIII. Income Tax Expense			
(1) Current Tax	43	1,086.29	1,541.52
(2) Tax Relating to Earlier Years	43	-	22.66
(3) Deferred Tax	43	21.52	156.39
IX. Profit for the Year (VII-VIII)		1,360.32	3,311.23
X. Other Comprehensive Income			
Items that will not be Reclassified to Profit or Loss			
(1) Remeasurements of the Post Employment Defined Benefit Obligations		17.67	143.87
(2) Income Tax on Above		(6.12)	(49.79)
XI. Total Comprehensive Income for the Year (IX+X)		1,371.87	3,405.31
XII. Earning per Equity Share	39		
(1) Basic		7.56	18.40
(2) Diluted		7.56	18.40

The accompanying Notes form an integral part of the Statement of Profit and Loss

This is the Standalone Statement of Profit and Loss referred to in our report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration No. 304026E / E300009

Chartered Accountants

Sd/-

Pinaki Chowdhury

Partner

Membership Number 057572

Kolkata, April 19, 2018

Sd/-

Jyoti Purohit
Company Secretary

Sd/-

Anand Chand
Chief Financial Officer

For and on behalf of the Board of Directors
Sd/-

Sandipan Chakravorty

Chairman

Sd/-

Ashish Kr Gupta
Managing Director



TM International Logistics Limited
Statement of Cash Flow for the Year Ended 31st March 2018

	Notes	For the year ended 31st March 2018	For the year ended 31st March 2017
		₹ in lakhs	₹ in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit Before Tax		2,468.13	5,031.80
Adjustments for:			
Depreciation / Amortisation Expenses		519.29	433.25
Loss/(Gain) on Disposal of Property, Plant & Equipment (Net)	32	0.89	4.61
Profit on Sale of Investments	28	(46.29)	(49.05)
Interest Income	28	(671.48)	(846.36)
Dividend Income	28	(28.16)	(15.90)
Provision for doubtful debt		1.83	-
Operating Profit before Changes in Operating Assets and Liabilities		2,244.21	4,558.35
<u>Changes in Operating Assets and Liabilities</u>			
(Increase)/ Decrease in Trade Receivables		1,614.66	(5,993.55)
(Increase)/ Decrease in Loans		(50.18)	21.82
(Increase)/ Decrease in Other Assets		370.99	(2,042.25)
Increase in Inventories		(43.69)	(6.41)
Increase/ (Decrease) in Trade Payables		(2,175.04)	2,944.84
Decrease in Financial Liabilities		(4.62)	(29.79)
Increase in Other Liabilities		933.86	3,979.56
Decrease in Provisions		(1,911.72)	(388.08)
Cash Generated from Operations		978.47	3,044.49
Direct Taxes Paid (Net of Refund)		(1,334.01)	(1,447.61)
Net Cash from/(used in) Operating Activities		(355.54)	1,596.88
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payment for Acquisition/Construction of Property, Plant & Equipment		(857.05)	(1,473.11)
Proceeds from Disposal of Property, Plant & Equipment		2.24	6.84
Fixed Deposits (Realised)		35,676.43	34,253.38

TM International Logistics Limited
Statement of Cash Flow for the Year Ended 31st March 2018 (contd.)

	Notes	For the year ended 31st March 2018	For the year ended 31st March 2017
		₹ in lakhs	₹ in lakhs
Fixed Deposits (Placed)		(33,252.20)	(34,779.48)
Repayment of Loan by Subsidiary- TKM Global Logistics Limited		48.00	48.00
Sale of Investments in Mutual Funds		42,222.92	33,653.72
Purchase of Investments In Mutual Funds		(41,646.29)	(33,949.05)
Interest Received		745.67	870.97
Dividends Received	28	28.16	15.90
Net Cash from/ (used in) Investing Activities		2,967.88	(1,352.83)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend Paid		(1,350.00)	(900.00)
Dividend Distribution Tax Paid		(274.83)	(183.22)
Net Cash used in Financing Activities		(1,624.83)	(1,083.22)
Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C)		987.51	(839.17)
Cash and Cash Equivalents at the Beginning of the Year	14	767.11	1,606.28
Cash and Cash Equivalents at the End of the Year	14	1,754.62	767.11

Note

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS-7 'Statement of Cash Flows'.

The accompanying Notes form an integral part of the Statement of Cash Flows

This is the Standalone Statement of Cash Flows referred to in our report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration No. 304026E / E300009

Chartered Accountants

Sd/-

Pinaki Chowdhury
Partner

Membership Number 057572

Kolkata, April 19, 2018

Sd/-

Jyoti Purohit
Company Secretary

Sd/-

Anand Chand
Chief Financial Officer

For and on behalf of the Board of Directors
Sd/-

Sandipan Chakravorty
Chairman

Sd/-

Ashish Kr Gupta
Managing Director



TM International Logistics Limited **Statement of Changes in Equity for the Year Ended 31st March 2018**

A. Equity Share Capital (Refer Note 19)

	₹ in Lakhs
Balance at March 31, 2016	1,800.00
Changes in equity share capital during the year	—
Balance at March 31, 2017	1,800.00
Changes in equity share capital during the year	—
Balance at March 31, 2018	1,800.00

B. Other Equity (Refer Note 20)

₹ in Lakhs

Other Equity	Other Equity		
	General Reserves	Retained Earnings	Total
Balance as at March 31, 2016	7,716.76	5,210.49	12,927.25
Profit for the Year	-	3,311.23	3,311.23
Other Comprehensive Income for the Year	-	94.08	94.08
Final Dividend on Equity Shares for FY 15-16	-	(450.00)	(450.00)
Dividend Distribution Tax on Above		(91.61)	(91.61)
Interim Dividend on Equity Shares for FY 16-17		(450.00)	(450.00)
Dividend Distribution Tax on Above	-	(91.61)	(91.61)
Balance as at March 31, 2017	7,716.76	7,532.59	15,249.34
Balance as at April 1, 2017	7,716.76	7,532.59	15,249.34
Profit for the Year	-	1,360.32	1,360.32
Other Comprehensive Income for the Year	-	11.55	11.55
Final Dividend on Equity Shares for FY 16-17	-	(1,350.00)	(1,350.00)
Dividend Distribution Tax on Above	-	(274.83)	(274.83)
Balance as at March 31, 2018	7,716.76	7,279.63	14,996.38

The accompanying Notes form an integral part of the Standalone Statement of Change in Equity

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration No. 304026E / E300009

Chartered Accountants

Sd/-

Pinaki Chowdhury

Partner

Membership Number 057572

Kolkata, April 19, 2018

Sd/-

Jyoti Purohit

Company Secretary

Sd/-

Anand Chand

Chief Financial Officer

For and on behalf of the Board of Directors

Sd/-

Sandipan Chakravorty

Chairman

Sd/-

Ashish Kr Gupta

Managing Director

TM International Logistics Limited**Notes forming part of Standalone Financial Statements as at 31st March 2018****1 Company Background**

TM International Logistics Limited ('TMILL' or 'the Company') is a public limited Company incorporated in India with its registered office in Kolkata, West Bengal, India. TMILL is a Joint Venture between Tata Steel Limited (51%), IQ Martrade of Germany (23%), and Nippon Yusen Kaisha- NYK (26%). TMILL is in the business of Port Operation, material transportation through railways and related services. The company offers a broad range of services in Port handling and storing Bulk, Break Bulk, Project Cargo with related services of Agency business, Custom Clearance, Warehousing operations, etc.

The Standalone financial statements were approved and authorised for issue with the resolution of the Company's Board of Directors on April 19, 2018.

2 Significant Accounting Policies

This Note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. These standalone financial statements are the separate financial statements of the Company.

2.1 Basis of Preparation**(i) Compliance with Ind AS**

The standalone financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical Cost Convention

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

- a) certain financial assets and liabilities which are measured at fair value;
- b) defined benefit plans - plan assets measured at fair value.

(iii) Current versus Non-current Classification

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

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalents 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 classified as current when:

- it is expected to be settled in the 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.

All other liabilities are classified as non-current.

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

2.2 Property, Plant and Equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognized.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in the statement of profit and loss.

Depreciation Method and Estimated Useful lives

Depreciation is calculated on a pro-rata basis using the straight-line method to allocate their cost, over their estimated useful values in accordance with Schedule II to the Act, except in respect of Vehicles, Buildings constructed on the Leased Land and certain Plant and Equipments, after taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.

The estimated useful lives for the main categories of property, plant and equipment are:

Type of Asset	Estimated Useful life
Buildings Constructed on the Leased Land	Upto 30 years
Non-Factory Building	60 years
Plant and Equipments	7 -15 years
Vehicles	5 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Computers-Desktop, Laptops etc.	3 years
Computers-Servers	6 years

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss within 'Other Income'/'Other Expenses'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances'

2.3 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

The estimated useful lives for the main categories of intangible assets are:

Type of Asset	Estimated Useful life
Operational Rights under Service Concession Agreement Berth#12- Haldia Port	30 years
Special Freight Train Operator License	20 years

2.4 Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

2.5 Leases

As A Lessee

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 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.

As A Lessor

Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight-line basis over the lease term.

2.6 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A. Investment in Subsidiaries

Investments in subsidiaries are stated at cost less provision for impairment loss, if any. Investments are tested for impairment wherever event or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

B. Investments (Other than Investments in Subsidiaries) and Other Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses is either recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this depends on the business model in which the investment is held. For investments in equity instruments, this depends on whether the Company has made an

irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies the debt investments when and only when the business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company 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 that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instrument as amortised cost measurement categories. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired

Equity Instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Income' in the Statement of Profit and Loss.

(iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of Financial Assets

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the



entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

(vi) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.7 Trade Receivables

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.8 Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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.

2.9 Trade Payables

Trade Payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Employee Benefits

A. Short-term Employee Benefits

Liabilities for short-term employee 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. The liabilities are presented under Trade Payables -Current in the Balance Sheet.

B. Post-Employment Benefits

i) Defined Benefit Plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss. Remeasurement 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. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

ii) Defined Contribution Plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

C. Other Long - term Employee Benefits

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at year end annually by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented under 'Provisions' in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

D. Termination Benefits

Termination benefits obligation arise from either Company's decision to terminate the employment or an employee's decision to accept Company's offer of benefits in exchange for termination of employment. The net present value of the obligation for amount payable to employees, who have opted for retirement under the Employees' Early Separation Scheme of the Company, is charged to the Statement of Profit and Loss.

2.11 Income Tax

The income tax expense 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, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of 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 on the basis of amounts expected to be paid to the tax authorities.

Deferred 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 standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

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 impacts 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 tax asset is realised or the deferred tax liability is settled.

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

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

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

2.12 Provisions and Contingencies

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 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.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.13 Revenue Recognition

Revenue is recognized for amounts the Company expects to be entitled to in exchange for rendering services to a customer. Amount disclosed as revenue are net of discounts, rebates, goods and service taxes, amounts collected on behalf of third parties, as applicable.

Contract with a customer is accounted for when all the following criteria are met:

- the parties to the contract have approved the contract and are committed to perform their respective obligations;
- each party's rights regarding the goods or services to be transferred are identifiable;
- payment terms for the goods or services to be transferred are identifiable;
- the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- it is probable that the entity will collect the consideration to which it is entitled in exchange for the goods or services that will be transferred to the customer.

Interest Income

Interest income on loans and deposit with banks is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend Income

Dividend is 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.

2.14 Foreign Currency Transactions and Translation**Functional and Presentation Currency**

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone financial statements



are presented in Indian Rupee (Rs.), which is the Company's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Exchange differences arising from settlement of foreign currency transactions and from year-end restatement are recognised in Profit or Loss. Foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within 'Other Income'/'Other Expenses'. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.15 Earnings per Share

Basic Earnings per Share

Basic earnings per equity share is computed by dividing profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.16 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors is collectively the Company's CODM. Based on the synergies, risks and returns associated with business operations and in terms of Ind AS 108, the CODM of the Company has assessed that the Company is predominantly engaged in the business of a single reportable segment of Logistics Service Provider during the year.

3 Use of Estimates and Critical Accounting Judgments

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that impact the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these standalone financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods impacted.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items

which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each impacted line item in the standalone financial statements.

A. Employee Benefits (Estimation of Defined Benefit Obligation)

Post-employment benefits represent obligation that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit cost over the employee's approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting requires the company to make assumptions regarding variables such as discount rate, rate of compensation increase and future mortality rates. Changes in these key assumptions can have a significant impact on the defined benefit obligations funding requirements and benefit costs incurred.

B. Estimation of Expected Useful Lives and Residual Values of Property, Plants and Equipment

Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

C. Impairment of Trade Receivables

Impairment of trade receivables is primarily estimated based on prior experience with and the past due status of receivables based on factors that include ability to pay and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

D. Contingencies

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. The cases and claims against the Company often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law, in the normal course of business. The Company consults with legal counsel and certain other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

E. Deferred Taxes

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.



TM International Logistics Limited

Notes forming part of Standalone Financial Statements as at 31st March 2018

Note 4 and 5 : Property Plant & Equipment and other Intangible Assets

₹ in Lakhs

	As at 31st March 2018	As at 31st March 2017
Note 4 : Property Plant & Equipment		
Carrying amount of :		
Building	998.35	927.10
Plant and Equipments	877.28	579.87
Furniture and Fixtures	134.23	153.88
Vehicles	124.67	124.79
Office Equipment	84.91	103.46
Total Property Plant & Equipment	2,219.44	1,889.10
Note 5 : Intangible Assets		
Software	65.94	35.16
Special Freight Train Operator License	952.47	-
Operational Rights under Service Concession Agreement Berth#12-Haldia Port	3,002.00	3,221.68
Total Intangible Assets	4,020.41	3,256.84

TM International Logistics Limited

Notes forming part of Standalone Financial Statements as at 31st March 2018

₹

	Note 4						Note 5			
	Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Total Property, Plant and Equipment	Software	Special Freight Train Operator License	Operational Rights under Service Concession Agreement Berth#12-Haldia Port	Total Intangible Assets
Gross Carrying Amount as at 1st April, 2017	956.96	740.97	194.43	163.18	182.36	2,237.90	80.66	-	3,649.26	3,729.93
Additions	88.88	386.04	1.47	59.28	26.09	561.76	54.58	1,000.00	-	1,054.58
Disposals	-	-	1.21	-	13.71	14.92	-	-	-	-
Gross Carrying Amount as at 31st March, 2018	1,045.84	1,127.01	194.69	222.46	194.74	2,784.74	135.24	1,000.00	3,649.26	4,784.50
Accumulated Depreciation/Amortisation as at 1st April, 2017	29.86	161.10	40.55	38.39	78.90	348.80	45.50	-	427.58	473.08
Charge for the Year	17.63	88.63	20.31	59.40	42.31	228.28	23.80	47.53	219.68	291.01
Disposals	-	-	0.40	-	11.38	11.78	-	-	-	-
Accumulated Depreciation/Amortisation as at 31st March, 2018	47.48	249.73	60.46	97.79	109.82	565.29	69.30	47.53	647.25	764.09
Net Carrying Amount at the Beginning of the Year	927.10	579.87	153.88	124.79	103.46	1,889.10	35.16	-	3,221.69	3,256.84
Net Carrying Amount at the End of the Year	998.35	877.28	134.23	124.67	84.91	2,219.44	65.94	952.47	3,002.00	4,020.41



TM International Logistics Limited

Notes forming part of Standalone Financial Statements as at 31st March 2018

₹

	Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipment	Total Property, Plant and Equipment	Software	Special Freight Train Operator License	Operational Rights under Service Concession Agreement Berth#12-Haldia Port	Total Intangible Assets
Gross Carrying Amount as at 1st April, 2016	886.13	1,170.49	192.25	134.18	155.87	2,539.92	80.66	-	3,553.89	3,634.55
Additions	70.83	163.75	2.37	42.79	28.31	308.05	-	-	95.37	95.37
Disposals	-	#	0.19	13.79	1.82	15.80	-	-	-	-
Transfers*	-	593.27	-	-	-	593.27	-	-	-	-
Gross Carrying Amount as at 31st March, 2017	956.96	740.97	194.43	163.18	182.36	2,237.90	80.66	-	3,649.26	3,729.92
Accumulated Depreciation/Amortisation as at 1st April, 2016	14.39	144.62	19.50	18.13	38.17	234.81	23.91	-	209.88	233.79
Charge for the Year	15.47	92.08	21.08	23.89	41.43	193.94	21.59	-	217.70	239.29
Disposals	-	#	0.03	3.63	0.69	4.35	-	-	-	-
Transfers*	-	75.60	-	-	-	75.60	-	-	-	-
Accumulated Depreciation/Amortisation as at 31st March, 2017	29.86	161.10	40.55	38.39	78.90	348.80	45.50	-	427.58	473.08
Net Carrying Amount at the Beginning of the Year	871.75	1,025.87	172.75	116.06	117.71	2,304.11	56.76	-	3,344.01	3,400.76
Net Carrying Amount at the End of the Year	927.10	579.87	153.88	124.79	103.46	1,889.10	35.16	-	3,221.68	3,256.84

* As per the Service Concession agreement (SCA) of Berth#12 - Haldia port, four loaders and two hoppers which were part of the project facility was replaced as on 30th June, 2016 by eight Loaders which were earlier used at LL-6 Railway Siding Operation and classified under tangible assets as on 31st March, 2016. During the FY 2016-17, the Company has intimated to Kolkata Port Trust about the replacement of loaders and hoppers and requested to include the eight loaders as a part of the project facility of SCA of Berth#12 - Haldia port. The written down value of eight loaders as on 30th June, 2016 was ₹ 517.68 Lakhs (Gross Block- ₹ 593.28 Lakhs, less Accumulated Depreciation- ₹ 75.60 Lakhs).

Amount is below the rounding-off norm adopted by the Company.

Note : Aggregate amount of depreciation and amortisation expense has been included under "Depreciation and Amortisation Expenses" in the Statement of Profit and Loss.

TM International Logistics Limited
Notes forming part of Standalone Financial Statements as at 31st March 2018

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
6. INVESTMENTS - NON CURRENT		
Investment Carried at Cost		
Investments in Equity Instruments of Subsidiary Companies (Unquoted)		
International Shipping Logistics FZE, Dubai 1 Share of 1,000,000 AED each, fully paid up [31.03.2017: 1 Share of 1,000,000 AED each, fully paid up]	123.82	123.82
TKM Global Logistics Limited 3,600,000 Shares of ₹ 10 each, fully paid up [31.03.2017: 3,600,000 Shares of ₹ 10 each, fully paid up]	515.75	515.75
	639.57	639.57
Aggregate value of Unquoted Investments	639.57	639.57

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
7. LOANS- NON CURRENT		
Unsecured, Considered Good		
Loan to Related Party	136.00	184.00
- Subsidiary -TKM Global Logistics Limited		
Security Deposits	314.75	252.84
Loan to Employees	81.70	82.26
	532.45	519.10

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
8. OTHER FINANCIAL - ASSETS NON CURRENT		
Unsecured, Considered Good		
Fixed Deposits with Banks (with Maturity of More Than 12 Months) #	7.93	46.72
Interest Accrued on Deposits #	1.04	7.58
	8.97	54.30
# Financial Assets carried at Amortised Cost		

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
9. NON CURRENT TAX ASSETS (NET)		
Advance Payment of Taxes	683.92	442.29
[Net of Provision for Tax: ₹ 6,332 Lakhs (31.03.2017: ₹ 5,239.59 lakhs)]	683.92	442.29



TM International Logistics Limited

Notes forming part of Standalone Financial Statements as at 31st March 2018

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
10. OTHER NON CURRENT TAX ASSETS		
Prepaid Expenses	5.06	9.15
	5.06	9.15

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
11. INVENTORIES CURRENT		
At Lower of Cost and Net Realisable Value		
Stores and Spares	143.89	100.21
	143.89	100.21

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
12. INVESTMENTS- CURRENT		
Investments Carried at Fair Value through Profit or Loss		
Investments in Mutual Funds (Unquoted)		
In units of ₹ 1,000/- each		
HDFC Liquid Fund-Direct Plan- Daily Dividend Reinvestment	-	501.55
Nil (31.03.2017: 49,180) Units		
Tata Money Market Fund-Direct Plan-Daily Dividend Reinvestment	626.63	655.42
62,568 (31.03.2017: 65,442) Units		
	626.63	1,156.97
Aggregate Value of Unquoted Investments	626.63	1,156.97

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
13. TRADE RECEIVABLES- CURRENT		
Unsecured, Considered Good #	8,372.77	9,989.26
Unsecured, Considered Doubtful	1.83	-
	8,374.60	9,989.26
Less : Provision for Doubtful Debts	1.83	-
	8,372.77	9,989.26
# Include Dues from Related Parties (Refer Note 50)	7,952.51	9,710.75

TM International Logistics Limited
Notes forming part of Standalone Financial Statements as at 31st March 2018

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
14. CASH AND CASH EQUIVALENTS		
Cash on Hand	0.93	0.56
Cheques, Drafts on Hand	31.28	14.05
Balances with Banks		
In Current Account	522.41	752.50
In Deposit Account	1,200.00	-
	1,754.62	767.11

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
15. OTHER BANK BALANCES		
Fixed Deposits with Banks	9,233.75	11,619.19
	9,233.75	11,619.19
* Earmarked Amount	1,426.85	1,354.14

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
16. LOANS CURRENT		
Unsecured, Considered Good		
Loan to Related Party	48.00	48.00
- Subsidiary - TKM Global Logistics Limited		
Security Deposits	13.57	19.22
Loan to Employees	17.02	22.54
	78.59	89.76

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
17. OTHER FINANCIAL ASSETS - CURRENT		
Unsecured, Considered Good		
Accrued Interest on Deposits	163.30	230.95
	163.30	230.95



TM International Logistics Limited

Notes forming part of Standalone Financial Statements as at 31st March 2018

	As at	
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
18. OTHER CURRENT ASSETS		
Balance with Government Authorities @	562.27	216.96
Capital Advance	-	20.03
Prepaid Expenses	235.09	197.55
Advance to Employees	7.47	3.39
Advance to Supplier/Service Providers	3,172.95	3,906.75
	3,977.78	4,344.68

@ Balances with Government Authorities primarily include unutilised goods and service tax input credits on purchase of services, etc. These are regularly utilised to offset the goods and service tax liability on services rendered by the Company. Accordingly, these balances have been classified as current assets.

	As at	
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
19. EQUITY SHARE CAPITAL		
Authorised		
19,000,000 Equity Shares of ₹ 10 each [31.03.2017: 19,000,000 shares of ₹ 10 each]	1,900.00	1,900.00
Issued, Subscribed and Paid-up		
18,000,000 Equity Shares of ₹ 10 each, fully paid up [31.03.2017: 18,000,000 shares of ₹ 10 each fully paid up]	1,800.00	1,800.00
	1,800.00	1,800.00

i Reconciliation of Shares

Reconciliation of Shares	As at		As at	
	31st March 2018		31st March 2017	
	No. of Shares (in lakhs)	Amount (₹ in Lakhs)	No. of Shares (₹ in lakhs)	Amount (₹ in Lakhs)
Equity Share of ₹10 each				
Balance at the Beginning of the year	180	1,800	180	1,800
Balance at the End of the year	180	1,800	180	1,800

ii Terms and Rights attached to Equity Shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

TM International Logistics Limited
Notes forming part of Standalone Financial Statements as at 31st March 2018
iii Details of Equity Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Shareholders	As at		As at	
	31st March 2018		31st March 2017	
	No. of Shares (in lakhs)	% age	No. of Shares (in lakhs)	% age
Tata Steel Limited	92	51	92	51
NYK Holding (Europe) B.V.	47	26	47	26
IQ Mantrade Holding Und Management GmbH	41	23	41	23
	180	100	180	100

	As at	
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
20. OTHER EQUITY		
General Reserves		
Balance at the Beginning of the Year	7,716.76	7,716.76
Balance at the End of the Year	7,716.76	7,716.76
Retained Earnings		
Balance at the beginning of the Year	7,532.58	5,210.49
Profit for the Year	1,360.32	3,311.23
Other Comprehensive Income for the Year		
- Remeasurement of Post Employment Defined Benefit Obligation, Net of Tax	11.55	94.08
Final Dividend on Equity Shares	(1,350.00)	(450.00)
Tax on Dividends on Above	(274.83)	(91.61)
Interim Dividend on Equity Shares	-	(450.00)
Tax on Dividends on Above	-	(91.61)
Balance at the End of the Year	7,279.62	7,532.58
	14,996.38	15,249.34

	As at	
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
21. OTHER FINANCIAL LIABILITIES - NON CURRENT		
Liability for Employee's Family Benefit Scheme	29.37	33.99
	29.37	33.99

	As at	
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
22. PROVISIONS - NON CURRENT		
Provision for Employee Benefits		
- Employee Separation Scheme	923.65	-
- Post Retirement Medical Benefit Payable	32.49	35.02
- Director Pension Scheme Payable	178.52	194.32
- Provision for Compensated Absences	574.62	699.11
Replacement Obligation for Berth#12 at Haldia Port	804.57	771.80
	2,513.85	1,700.25



TM International Logistics Limited

Notes forming part of Standalone Financial Statements as at 31st March 2018

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
23. TRADE PAYABLES - CURRENT		
Creditors for Supplies and Services #	3,981.20	6,192.13
Creditors for Accrued Wages and Salaries	573.32	537.43
	4,554.51	6,729.56
# Include dues to Related Parties (Refer Note 50)	31.46	47.13

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
24. OTHER FINANCIAL LIABILITIES - CURRENT		
Liability for Employee's Family Benefit Scheme	34.90	34.90
	34.90	34.90

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
25. PROVISIONS CURRENT		
Provision for Employee Benefits		
- Employee Separation Scheme	189.34	-
- Provision for Gratuity	86.62	5.46
- Post Retirement Medical Benefit Payable	2.82	3.10
- Director Pension Scheme Payable	15.87	17.23
- Provision for Compensated Absences	24.00	40.11
Replacement Obligation for Berth#12 at Haldia Port	249.73	3,245.44
	568.37	3,311.34

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
26. OTHER CURRENT LIABILITIES		
Advances Received from Customers #	9,274.61	8,307.23
Dues Payable to Government Authorities @	240.05	273.58
	9,514.66	8,580.81
# Include dues to Related Parties (Refer Note 50)	8,491.03	6,710.48

@ Dues Payable to Government Authorities comprise goods and service tax, withholding taxes, payroll taxes and other taxes payable.

	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
27. REVENUE FROM OPERATIONS		
Income from Port Related Services	17,008.64	18,867.13
Income from Special Train Freight Operation (SFTO)	6,131.96	-
	23,140.60	18,867.13

TM International Logistics Limited
Notes forming part of Standalone Financial Statements as at 31st March 2018

	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
28. OTHER INCOME		
Dividend from Financial Assets Carried at Fair Value through Profit or Loss	28.16	15.90
Interest Income from Financial Assets carried at Amortised Cost		
- Deposits	649.00	818.84
- Loan to Subsidiary	22.48	27.52
Profit on Sale of Investments	46.29	49.05
Other Non Operating Income	70.29	9.13
Income from Insurance Claim	4.06	126.65
Income from Rental Services	58.09	60.42
Provision/Liabilities no Longer Required Written Back	329.80	246.18
	1,208.17	1,353.69
29. OPERATING EXPENSES		
Intraport Transportation including On Shore handling	967.91	952.83
Custom Clearance Charges	29.93	22.37
Stevedoring & Other Related Expenses	5,564.11	6,548.89
Equipment Assistance Charges	265.66	571.88
Railway Freight Charges	4,956.71	-
Royalty to Kolkata Port Trust - Haldia Dock Complex	884.60	790.92
	12,668.92	8,886.89
30. EMPLOYEE BENEFIT EXPENSE		
Salaries and Wages, including Bonus	2,758.65	2,698.21
Contribution to Provident and Other Funds	262.12	261.95
Staff Welfare Expenses	230.81	173.54
	3,251.58	3,133.70
31. FINANCE COST		
Unwinding of Discount on Replacement Obligation for Berth#12, etc.	53.62	221.89
	53.62	221.89



TM International Logistics Limited

Notes forming part of Standalone Financial Statements as at 31st March 2018

	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
32. OTHER EXPENSES		
Consumption of Stores and Spare Parts	399.66	409.43
Power & Fuel	113.70	117.03
Rent (including Plot Rent)	835.75	925.11
Repairs to Buildings	120.83	156.57
Repairs to Machinery	512.90	314.56
Repairs- Others	168.89	119.25
Insurance Charges	82.49	56.74
Rates and Taxes	35.75	34.60
Travelling Expenses	353.05	142.69
Lease Rent of Rakes-SFTO	621.75	-
Loss on Foreign Currency Transactions (Net)	-	0.96
Corporate Social Responsibility Expenditure (Refer Note Below)	82.88	55.29
Replacement Obligation under SCA at Berth#12, Haldia	113.07	(612.92)
Security Charges	199.80	224.85
Loss on Sale of Property, Plant and Equipments (Net)	0.89	4.61
Provision for Doubtful Debts	1.83	-
Bad Debts Written off	5.34	0.15
Professional & Consultancy charges	145.59	168.17
Payment to Auditors (Refer Note Below)	18.20	26.42
Miscellaneous Expenses	439.20	369.78
	4,251.57	2,513.29
Payment to Auditors		
As Auditors		
- Audit Fee	7.10	9.63
- Tax Audit	2.84	3.00
- Other Matters (including Certification)	6.96	12.90
- Out of Pocket Expenses	1.30	0.89
CSR Expenditure		
a) Gross amount required to be spent by the Company during the Year	78.61	51.28
b) Amount Spent during the Year :		
(i) Construction/Acquisition of an Asset	53.34	47.23
(ii) On Purposes other than (i) Above	29.54	8.06

TM International Logistics Limited

Notes forming part of Standalone Financial Statements as at 31st March 2018

33. CONTINGENCIES:

- (a) Bank Guarantees: ₹ **259.41 Lakhs** (31.03.2017: ₹ 45.41 Lakhs).
- (b) Kolkata Port Trust has claimed an amount of ₹ **1,280.02 Lakhs** (31.03.2017: ₹ 1,280.02 Lakhs) in December, 2007 for cargo shifting charges. An appeal has been filed with Hon'ble Calcutta High Court. The Hearing has not been concluded and the suit is pending for disposal at Hon'ble Calcutta High Court.
- (c) Service Tax: ₹ **705.96 Lakhs** (31.03.2017: ₹ 705.96 Lakhs). The Service Tax Department has raised the demand for handling of export cargo and intra-port transportation for the FY 2001-02 to FY 2005-06 and the Company has filed writ petitions and obtained stay orders from Hon'ble High Court of Orissa. The matter is pending with Hon'ble High Court of Orissa.
- (d) Additional Claim by Kolkata Port Trust (KoPT) for 14000 sq.m. plot rent at Berth#12 for ₹ **82.26 Lakhs** (31.03.2017: ₹ 71.73 Lakhs). The Company has not accepted the claim and the matter is under discussion with KoPT. However, the Company has deposited under protest ₹ **6.87 Lakhs** inclusive of interest of ₹ **1.95 Lakhs** to KoPT.
- (e) In accordance with the provisions of the Major Port Trust Act, Tariff Authority of Major Ports (TAMP) issued tariff order directing the Company to refund the alleged excess charge of ₹ 2,359.55 Lakhs to the customers alongwith compound interest totalling to ₹ **8,293.24 Lakhs** (31.03.2017: ₹ 7,404.67 Lakhs) relating to the period from 01.04.2002 to 30.09.2007. The matter is pending to be heard by Hon'ble Calcutta High Court.
- (f) Kolkata Port Trust (Haldia Dock Complex) has demanded in Year 2009 an amount of ₹ **332.71 Lakhs** (31.03.2017: ₹ 332.71 Lakhs) towards interest against non-payment of royalty of ₹ 575.88 Lakhs for the first 6 years of operation, which the Company has disputed. The case had been referred for Arbitration. The Arbitration proceedings has been concluded and interim award was received on 10.05.2017. Against the arbitration interim order, KoPT has filed the writ petition in Kolkata High Court in Sept'17. The Company has filed a writ petition in November, 2017. One hearing of the case was held without conclusion till date.
- (g) Tariff Authority of Major Ports (TAMP) vide order dated 25.05.2011 has notified the revised rates of various port charges of Berth# 12, Haldia Dock Complex, to be effective from 24.06.2011, against which the Company has filed writ petition with Hon'ble Calcutta High Court. As per Hon'ble Calcutta High Court order dated 05.07.2011, the Company had made the monthly deposit of differential amount between revised and earlier rates amounting to ₹ **1,426.85 Lakhs** (31.03.2017: ₹ 1,348.68 Lakhs) with a scheduled bank till April, 2014.
- (h) The Company had received in December, 2011, a demand of ₹ **74.79 Lakhs** (31.03.2017: ₹ 74.79 Lakhs) for AY09-10 in respect of assessment done under section 143(3) of the Income Tax Act, 1961, against which the Company appealed to CIT(A) and the order of CIT(A) issued in January 2013 was in favour of the Company except for disallowance of ₹ 14.16 Lakhs towards exempt dividend income by applying section 14A read with rule 8D against which the Company has appealed to ITAT. The Department has also filed a counter appeal to ITAT for total disallowance. On 10.04.2017 Company received an order dated 17.03.2017 from ITAT allowing all the grounds of appeal in favour of company except amount towards exempt dividend income, for which ITAT set aside the order of CIT (A) and remit the matter back to Assessing Officer for recalculating the same based on principals as explained in the order.
- (i) The Company had received a demand of ₹ **23.66 Lakhs** (31.03.2017: ₹ 23.66 Lakhs) for AY 10-11 in respect of assessment done under section 143(3) of the Income Tax Act, 1961, against which the Company has appealed to CIT(A) as per the relevant provisions of the Income Tax Act, 1961. The Company has paid ₹ 2.20 Lakhs in protest to the department.
- (j) The Company had received in March 2014, a demand of ₹ **114.48 Lakhs** (31.03.2017: ₹ 114.48 Lakhs) for AY 11-12 in respect of assessment done under section 143(3) of the Income Tax Act, 1961, against which the Company has appeal to CIT(A) as per the relevant provisions of the Income Tax Act, 1961. Further the department has adjusted the said demand from the refund receivable of ₹ 62.60 Lakhs related to AY06-07.
- (k) The Company had received in June 2011, a demand of ₹ **1.31 Lakhs** (31.03.2017 : ₹ 1.31 Lakhs) from the Deputy Director, ESI, in respect of assessment done covering the period from October 2009 to March 2010, against which the Company has made an appeal to Employees' State Insurance Court, Kolkata under section 75(1)(g) of the Employees State Insurance Act as amended. The Company has also deposited 25% of the demanded amount in protest. Subsequently, the Company has withdrawn the case and submitted prayer on 10.09.2015 for availing Amnesty Scheme - 2014 to the Director General, ESI Corporation, Delhi by paying additional 5% of the demanded amount.
- (l) The Company had received a show cause notice in December 2014, from DRI, Mumbai. Pursuant to the said show cause notice, a penalty of ₹ **25.00 Lakhs** (31.03.2017: ₹ 25.00 Lakhs) has been imposed on the Company, against which the Company has filed an appeal in February 2015 in CESTAT, Kolkata, after paying the required applicable fees of ₹ 1.87 Lakhs (7.5% of the penalty imposed).
- (m) The Company had received a demand of ₹ **157.20 Lakhs** (31.03.2017: ₹ 157.20 Lakhs) from the Commissioner of Service Tax, Service Tax Commissionerate Kolkata, vide order no.-72/Commr/ST/Kol/2010-11 dated 31.03.2011, in respect of various services rendered covering



TM International Logistics Limited

Notes forming part of Standalone Financial Statements as at 31st March 2018

the period from FY 2004-05 to FY 2007-08, against which the Company has appealed to CESTAT, as per the relevant provisions of the law. CESTAT, Eastern Zone vide order dated 24.09.2013 directed the Company to deposit the entire amount, against which the Company filed a writ petition with Hon'ble Calcutta High Court for stay on the deposit demanded by CESTAT. The Hon'ble Calcutta High Court has granted stay on pre-deposit in the month of March' 2014 and remanded the matter back to the CESTAT to reconsider the matter in entirety on the ground of natural justice. During FY 14-15, CESTAT has transferred the case back to Commissioner for further hearing on a condition of a pre-deposit of ₹ 10.00 Lakhs and accordingly the Company has deposited the same. Written Reply submitted to the adjudication on 07.07.2017. Order from Commissioner of CGST has been received with revised Demand of ₹ 95.28 Lakhs on 22.11.2017. We filed the appeal against the said order on 20.02.2018 before CESTAT and awaiting for the date of hearing.

- (n) The Company had received a demand of ₹ **1,9.08 Lakhs** (including penalty of ₹ 9.54 Lakhs)(31.03.2017: ₹ 19.08 Lakhs) from the Additional Commissioner of Service Tax, Kolkata, vide order no.-10/JC/ST/Kol/2012-13 dated 18.06.2012, in respect of various services rendered covering the period from FY2006-07 to FY2007-08, against which the Company has appealed to Commissioner (Appeal-1). The first appeal had confirmed the demand and against that the Company had filed an appeal before CESTAT on 25.11.2016 with pre deposit of ₹ 0.95 Lakhs.
- (o) The Company had received a demand for penalty of ₹ **4.53 Lakhs** (31.03.2017: ₹ 4.53 Lakhs) from deputy commissioner of service Tax for wrong availing of Cenvat Credit and short payment of service tax during the period FY 2010-11 to FY 2013-14. The Company has appealed to The Commissioner of Central Excise (Appeals-I). The said appeal has been rejected by Commissioner of Central Excise (Appeals-I) and we had filed appeal on 08.04.2016 before CESTAT and awaiting for the date of hearing.
- (p) The Company has received as demand of ₹ **169.63 Lakhs** (2016-17: Nil) relating to the FY 2011-12 at Paradip unit for irregular availment of CENVAT credit. The Company has not accepted the claim and will appeal against the order before the commissioner(Appeal).
- (q) The Company has received as demand of ₹ **7.55 Lakhs** (2016-17: Nil) relating to the FY 2011-12 at Haldia for non-payment of service tax after introduction of Point of Taxation. The Company has not accepted the claim as the liability of tax already been adjusted against the advance service tax paid in the earlier period. The company will appeal against the order before the Commissioner(Appeal).

34. COMMITMENTS:

- (a) In terms of the Licence Agreement dated 29.01.2002 with Board of Trustees for the Port of Kolkata, the Company is required to invest in equipments and infrastructure in Berth #12 (Haldia Dock Complex) as follows :

Sl. No	Purpose of Investment	Phasing of Investment from Licence Agreement dated 29.01.2002 (in ₹ in Lakhs)			
		Within 18 months (Lapsed on 28.07.2003)	Within 24 months (Lapsed on 28.01.2004)	Within 36 months (Lapsed on 28.01.2005)	Total
1	For Procurement of Equipment for Ship to Shore Handling & vice versa and Horizontal Transfer of Cargo	2,306.00	285.00	-	2,591.00
2	Storage of Cargo	-	174.00	120.00	294.00
3	Office Building, Workshop etc.	-	75.00	25.00	100.00
4	Utility Services	-	22.00	-	22.00
	Total	2,306.00	556.00	145.00	3,007.00

As at 31.03.2018, Company's investments in equipments and infrastructure aggregate to ₹ **2,580.00 Lakhs** (31.03.2017: ₹ 2,580.00 Lakhs).

The Management has requested the Port Trust Authorities for suitable modification to the investment obligation in view of the changes in the business and economic scenario. The Port Trust Authorities have, subject to sanction of the Government of India, approved the changes proposed by the Company in the specifications of the equipments and other required infrastructure.

- (b) Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ **162.09 Lakhs** (31.03.2017: ₹ 2,795.03 Lakhs).

TM International Logistics Limited
Notes forming part of Standalone Financial Statements as at 31st March 2018

35. The Company has cancellable operating lease arrangements for certain warehouse and office space. Terms of such lease include option for renewal on mutually agreed terms. There are no restrictions imposed by lease arrangements and there are no purchase options or contingent rents. Operating lease rentals (including sub-lease) for the year recognised in profit or loss amounts to ₹ **651.62 Lakhs** (31.03.2017: ₹ 732.72 Lakhs).

Minimum Lease Payments in Relation to Non-cancellable Operating Leases are Payable as follows:

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
	₹ in Lakhs	₹ in Lakhs
Within One Year	933.66	184.77
Later than One Year but not Later than Five Years	2,987.59	980.78
Later than Five Years	1,780.43	1,988.51
	5,701.68	3,154.06

The lease expenses recognised during the year in this regard amount to ₹ **805.88 Lakhs** (31.03.2017: ₹ 192.39 Lakhs).

36. Based on and to the extent of information obtained from suppliers regarding their status as Micro, Small or Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 there are no amounts due to them as at the end of the year. The Company has not paid any interest during the year in terms of Sec 16 of The Micro, Small and Medium Enterprise Development Act, 2006.

37. Segment Reporting

Based on the synergies, risks and returns associated with business operations and in terms of Ind AS - 108, the Company is predominantly engaged in the business of a single reportable segment of Logistics during the year.

Entity-wide Disclosures :

- (i)
- | Service-wise Revenues from External Customers | For the year ended
31st March 2018 | For the year ended
31st March 2017 |
|--|---------------------------------------|---------------------------------------|
| Income from Port Related Services | 17,008.64 | 18,867.13 |
| Income from Special Train Freight Operation (SFTO) | 6,131.96 | - |
- (ii)
- | The Company is Domiciled in India. The Amount of its Revenue from External Customers Broken Down by Location of the Customers is shown below: | For the year ended
31st March 2018 | For the year ended
31st March 2017 |
|---|---------------------------------------|---------------------------------------|
| India | 22,670.18 | 18,374.44 |
| Rest of the World | 470.42 | 492.69 |
- (iii) All non-current assets of the Company (excluding Financial Assets) are located in India.
- (iv)
- | Details of Major Customers Accounting for more than 10% of Revenue from External Customers: | For the year ended
31st March 2018 | For the year ended
31st March 2017 |
|---|---------------------------------------|---------------------------------------|
| Tata Steel Limited | 20,047.71 | 15,452.10 |

38. The Company had rolled out Early Separation Scheme effective 1st June 2017 (31.03.2017: NIL) for its unionised employees of port operations at Haldia & Paradip. The said scheme was rolled out to all unionised employees with some pre condition with regard to age, number of years in service, etc. Accordingly, management has accepted the admission of 20 employees into the scheme. The present value of total outflow of the scheme is ₹ **1,135.66 Lakhs** (31.03.2017: NIL) and is shown under 'Exceptional Items' in the Statement of Profit and Loss. The corresponding liability of ₹ **923.65 Lakhs** is appearing as Provision-Non Current and ₹ **189.34 Lakhs** (31.03.2017: NIL) is appearing as Provision-Ccurrent in Balance sheet.



TM International Logistics Limited

Notes forming part of Standalone Financial Statements as at 31st March 2018

39 Earnings Per Share (EPS) :

	For the year ended 31st March 2018	For the year ended 31st March 2017
(A) Basic		
(i) Number of Equity Shares at the Beginning of the Year (In Lakhs)	180.00	180.00
(ii) Number of Equity Shares at the End of the Year (In Lakhs)	180.00	180.00
(iii) Weighted Average Number of Equity Shares (In Lakhs) Outstanding during the Year	180.00	180.00
(iv) Face Value of Each Equity Share (₹)	10.00	10.00
(v) Profit after Tax Available for Equity Shareholders Profit for the Year (₹ in Lakhs)	1,360.32	3,311.23
(vi) Basic Earnings per Equity Share (₹) [(v)/(iii)]	7.56	18.40
(B) Diluted		
(i) Dilutive Potential Equity Shares	-	-
(ii) Earnings per Equity Share (₹) [Same as (A)(vi) above]	7.56	18.40

40. The Board of Directors have recommended a final dividend of ₹ 4.50 per share (31.03.2017: ₹ 7.50 per share). The proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.

41 Employee Benefits

- (a) The Company provides Superannuation Benefit to its employees. The contribution towards Superannuation is paid to a separate trust administered by the Company. The company has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay employee benefits. The contributions are recognised as expenses in the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees.

The company has recognised expenses under defined benefit contributions in Statement of Profit and Loss, as below:

Nature of Benefits	For the Year ended 31st March 2018 (₹ uin Lakhs)	For the Year ended 31st March 2017 (₹ uin Lakhs)
Superannuation Fund	61.25	57.82
Tata Employees' Pension Scheme	9.00	9.03
Total	70.25	66.85

(b) Defined Benefits Plans

- i. Funded
 - a. Provident Fund
 - b. Post Retirement Gratuity
- ii. Unfunded:
 - a. Director Pension Scheme
 - b. Post Retirement Medical Benefit Scheme

Provident Fund

The Company provides Provident Fund benefit to its employees. The contributions towards Provident fund upto May, 2009 were paid to the trust administered by the Government. The Company has got exemption under Section 17 of the Employees' Provident Fund and Miscellaneous

TM International Logistics Limited
Notes forming part of Standalone Financial Statements as at 31st March 2018

Provisions Act, 1952 from the Central Govt., Ministry of Labour and Employment for setting up of an exempted Provident Fund Trust w.e.f. 30th March, 2009. Accordingly, the Company has been contributing PF dues from June, 2009 onwards to the Trust fund created under the name and style as 'TM International Logistics Limited Employees' Provident Fund'.

Both the employees and the Company make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company.

In view of the Company's obligation to meet shortfall, if any, on account of interest, Provident Fund Trusts set up by the Company are treated as defined benefit plans. The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, an amount of ₹ **4.31 Lakhs** (31.03.2017 - ₹ 8.28 Lakhs) has been provided towards future anticipated shortfall with regard to interest rate obligation of the Company as at the Balance Sheet date.

Principal Actuarial Assumptions	31st March 2018
Discount Rate	7.50%
Expected Return on Exempted Fund	8.55 % - 8.75%
Expected Guranteed Interest Rate	8.55%

The company has recognised expenses under defined benefit plan in Statement of Profit and Loss, as below:

Nature of Benefits	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
Provident Fund	125.27	124.24

Post Retirement Gratuity

The Company provides Gratuity Benefits to its employees. Gratuity liabilities are funded through a separate trust managed by Tata Steel Limited. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per the requirement of Indian Accounting Standards 19 - Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in Statement of Profit and Loss in full in the year in which they occur.

These plans typically expose the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Discount Rate Risk	The Company is exposed to the risk of falling discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of liability.
Demographic Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality and attrition rates of plan participants. An increase in life expectancy or service term of the plan participants will increase the plan's liability.
Salary Growth Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.



TM International Logistics Limited

Notes forming part of Standalone Financial Statements as at 31st March 2018

The following table sets forth the particulars in respect of the Gratuity Plan (Funded) of the Company:

₹ n Lakhs

Description	31st March 2018	31st March 2017
1. Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation:		
a. Present Value of Obligation at the Beginning of the Year	1,087.74	967.89
b. Current Service Cost	69.56	57.94
c. Interest Expenses	65.38	72.83
d. Curtailment (Credit)/ Cost	(21.30)	-
e. Remeasurement Losses	-	-
Actuarial Gain arising from Changes in Experience Adjustments	(12.94)	(29.65)
Actuarial (Gain)/Loss arising from Changes in Financial Assumptions	(39.55)	67.56
f. Benefits Paid	(307.59)	(56.41)
g. Acquisitions	38.57	7.58
h. Present Value of Obligation at the End of the Year	879.87	1,087.74
2. Reconciliation of Opening and Closing balances of the Fair Value of Plan Assets:		
a. Fair Value of Plan Assets at the Beginning of the Year	1,082.28	885.00
b. Acquisition Adjustments	-	6.02
c. Interest Income	65.18	69.61
d. Contributions from Employer	5.46	82.89
e. Return on Plan Assets, excluding Amounts included in Interest Income Above	(52.07)	95.17
f. Benefits Paid	(307.59)	(56.41)
g. Fair Value of Plan Assets at the End of the Year	793.26	1,082.28
3. Reconciliation of Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:		
a. Present Value of Obligation at the End of the Year	879.87	1,087.74
b. Fair Value of Plan Assets at the End of the Year	793.26	1,082.28
c. Liabilities Recognized in the Balance Sheet	86.61	5.46
Provision for Employee Benefit - Current (Refer Note 25)	86.61	5.46
4. Expense Recognized in the Statement of Profit and Loss during the Year		
a. Service Cost		
- Current Service Cost	69.56	57.94
- Past Service Cost		
b. Curtailment Cost / (Credit)	(21.30)	-
c. Net Interest Cost	0.19	3.21
Total Expense Recognized during the Year in the Statement of Profit and Loss	48.45	61.15

TM International Logistics Limited
Notes forming part of Standalone Financial Statements as at 31st March 2018

Description	31st March 2018	31st March 2017
5. Expense Recognised in the Statement of Other Comprehensive Income		
a. Actuarial (Gain)/Loss due to DBO Experience	(12.94)	(29.65)
b. Actuarial (Gain)/Loss due to DBO Assumption Changes	(39.55)	67.56
c. Actuarial (Gain)/Loss arising during the Year (a + b)	(52.49)	37.91
d. Return on Plan Assets, excluding Amounts included in Interest Income Above	52.07	(95.17)
Total (Income)/Expense Recognised in Other Comprehensive Income (c + d)	(0.42)	(57.26)
6. Category of plan asset	793.26	1,082.26
7. Maturity Profile of Defined Benefit Obligation		
a. Within 1 Year	63.37	70.56
b. 2-5 Years	159.71	190.55
c. More than 5 Years	3,972.24	821.67
8. Assumptions		
a. Discount Rate (per annum)	7.50%	7.00%
b. Rate of Escalation in Salary (per annum)	9.00%	9.00%
Assumption regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2006-2008) published by the Institute of Actuaries of India		

	Amount invested in %	Amount invested in %
9. Investment Details		
a. Government of India Securities	8.4%	8.5%
b. Public Sector unit Bonds	2.3%	3.8%
c. State / Central Government Guaranteed Securities	6.7%	8.4%
d. Private Sector unit Bonds	6.4%	6.8%
e. Others (including bank balances)	76.2%	72.5%

10. Actuarial assumptions for the determination of the defined obligation are discount rate and expected salary escalation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	FY 2017-18		FY 2016-17	
Effect of change in Increase by 1%	Discount Rate	Salary Escalation	Discount Rate	Salary Escalation
(i) Aggregate Service and Interest Cost	72.28	81.10	88.59	98.85
(ii) Closing Balance of Obligation	807.59	960.97	999.15	1,186.59
Decrease by 1%				
(i) Aggregate Service and Interest Cost	82.87	72.16	101.76	87.87
(ii) Closing Balance of Obligation	962.74	807.71	1,189.50	999.87

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

11. The Company expects to contribute ₹54.80 Lakhs (31.03.2017 - ₹70.56 Lakhs) to the funded gratuity plans during the next financial year.

12. The weighted average duration of the defined benefit obligation as at 31.03.2018 is 9 years (31.03.2017 - 9 years).



TM International Logistics Limited

Notes forming part of Standalone Financial Statements as at 31st March 2018

Details of Unfunded Post Retirement Defined Benefit Obligations (Other than Provident Fund and Gratuity) are as follows:

	For the year ended			
	31st March 2018		31st March 2017	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
	Medical	Ex- MD Pension	Medical	Ex- MD Pension
1. Reconciliation of Opening and Closing Balances of Obligation				
a. Opening Defined Benefit Obligation	38.12	211.55	40.57	296.26
b. Interest Cost	2.57	14.22	2.80	22.31
c. Remeasurement (Gain)/Loss:				
(i) Actuarial Gains and Losses Arising from Changes in Financial Assumptions	(1.34)	(7.38)	2.18	12.12
(ii) Actuarial Gains and Losses Arising from Experience Adjustments	(1.35)	(7.20)	1.41	(102.33)
d. Benefits Paid	(2.69)	(16.81)	(8.85)	(16.81)
Closing Defined Benefit Obligation	35.31	194.38	38.12	211.55
2. Reconciliation of Fair Value of Assets and Obligations				
a. Present Value of Obligation as at the End of the Year	35.31	194.38	38.12	211.55
b. Amount Recognised in the Balance Sheet				
(i) Retirement Benefit Liability - Current	2.82	15.87	3.10	17.23
(ii) Retirement Benefit Liability - Non Current	32.49	178.51	35.02	194.32
3. Amounts Recognised in the Statement of Profit and Loss in respect of these Defined Benefit Plans are as follows:				
a. Net Interest Expenses	2.57	14.22	2.80	22.31
Components of Defined Benefit Costs Recognised in Profit or Loss	2.57	14.22	2.80	22.31
b. Remeasurement on the Net Defined Benefit Liability:				
(i) Actuarial Gains and Losses Arising from Changes in Financial Assumptions	(1.34)	(7.38)	2.18	12.12
(ii) Actuarial Gains and Losses Arising from Experience Adjustments	(1.35)	(7.20)	1.41	(102.33)
Components of Defined Benefit Costs recorded in Other Comprehensive Income	(2.69)	(14.58)	3.60	(90.21)
Total	(0.12)	(0.36)	6.39	(67.90)
4. The Principal Assumptions used for the Purpose of the Acturial Valuations were as follows:				
a. Discount Rate (Per Annum)	7.50%	7.50%	7.00%	7.00%
b. Medical Cost - % of Annual Entitlement Utilised (Per Annum)	6.00%	NA	6.00%	NA

TM International Logistics Limited
Notes forming part of Standalone Financial Statements as at 31st March 2018

	For the year ended			
	31st March 2018		31st March 2017	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
	Medical	Ex- MD Pension	Medical	Ex- MD Pension
5. Experience on Actuarial Gain/Loss for Benefit Obligations and Plan Assets:				
Present Value of Defined Benefit Obligations	35.31	194.38	38.12	211.55
Experience Gain / (Loss) Adjustments	(1.35)	(7.20)	1.41	(102.33)
6. Actuarial assumptions for the determination of the defined obligation are discount rate and expected salary escalation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.				

Effect of Change in Health Care Cost	FY 2017-18		FY 2016-17	
	Discount Rate	Medical Inflation	Discount Rate	Medical Inflation
Increase by 1%				
(i) Aggregate Service and Interest Cost	2.46	2.82	2.87	3.28
(ii) Closing Balance of Obligation	32.85	38.14	35.25	41.40
Decrease by 1%				
(i) Aggregate Service and Interest Cost	2.80	2.53	3.28	2.92
(ii) Closing Balance of Obligation	38.11	32.79	41.40	35.21

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(c) Leave Obligations

The Company provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Company's policy. The Company records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement. The total provision recorded by the Company towards this obligation at the year end is ₹ **598.62 Lakhs** (31.03.2017 : ₹ 739.22 Lakhs). Some portion of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.



TM International Logistics Limited

Notes forming part of Standalone Financial Statements as at 31st March 2018

- 42 (a) TM International Logistics Limited (TMILL / Licensee) signed a service concession agreement with Kolkata Port Trust (KoPT/Licensor) on 29th January - 2002 for allotment of multipurpose berth along with its back up area at Haldia Dock Complex. TMILL has taken a berth (Berth #12) at Haldia Port on lease from the Kolkata Port Trust - Haldia Dock Complex (KoPT-HDC) for a period of 30 years ending on 28th January, 2032. Further in Dec - 2006 and Sep - 2006, TMILL took a plot from KoPT on lease, measuring 54,000 square meter and 9,000 square meter respectively, for the purpose of storing Cargos and to develop a railway siding for cargo handled at Berth #12. Said plots have been taken on lease for a period ending on 28th January, 2032 (i.e. end date of lease period of the original Service Concession Agreement).
- (b) (i) The rates of the Company is governed by Tariff Authority for Major Ports (TAMP) and is as per the 'Guidelines for Regulation of Tariff at Major Ports, 2004'.
- The actual physical and financial performance will be reviewed at the end of the prescribed tariff validity period with reference to the projections relied upon at time of fixing the prevailing tariff. If performance variation of more than + or - 20% is observed as compared to the projections, tariff will be adjusted prospectively. While doing so, 50 % of the benefit / loss already accrued will be set off while revising the tariff.
- TAMP will prescribe a timetable specifying when each port should submit tariff proposal for review/revision. Till such a timetable is prescribed, proposals for revision of existing tariff shall be forwarded at least 3 months before these are due for revision. Major Port Trusts, including Private Terminal Operators will be duty bound to send proposal for fixation of tariff within the prescribed time frame. In case of failure on their part to do so, TAMP may for good and sufficient reasons to believe that interests of users are to be protected and / or to rationalise tariff arrangements commonly at ports, suo motu, initiate proceedings in any tariff matter, review and, if necessary, revise the tariffs. In such proceedings, opportunity of hearing will be given to the concerned ports.
- The Major Port Trusts, including Private Terminal Operators at such ports shall initiate tariff proposal and forward the same to TAMP at least three months before these are due for revision. The Private Operators can submit their tariff proposals directly to TAMP with a copy to the landlord port trust for information.
- Tariff once fixed shall be in force for three years unless a different period is explicitly prescribed in any individual case by TAMP or in the past concession agreement. For good and sufficient reasons, ports may propose revision ahead-of-schedule. After the specified validity period is over, the approval accorded will lapse automatically unless specifically extended by TAMP.
- (ii) The Licensee shall pay to the Licensor royalty per month at the percentage level set out in the License Agreement.
- (c) (i) KoPT has granted to TMILL the exclusive right to enter upon, occupy and use the KoPT's assets for the purpose of providing the services at Berth#12 as per the terms and conditions of service concession agreement.
- (ii) TMILL shall provide the cargo handling services at Berth#12 and during the operation phase shall manage, operate, maintain, repair and replace the Project facilities and Services, entirely at its cost, charges, expenses, risk in accordance with the provision of the License agreement. TMILL has to provide Services on a common user basis and may offer preferential or priority berthing to the customers to optimise the use of Berth#12 in accordance with License Agreement.
- (iii) TMILL shall at its own cost make development and improvements in the Licensor's Assets and shall install/provide cargo handling equipment's as may be necessary or appropriate as per the License Agreement.
- (iv) At the end of the concession period, TMILL shall handover Licensor's Assets to the Licensor free of cost and also transfer all its rights, titles and interest in or over the tangible assets at Berth#12. On the transfer date, the Licensor shall pay to the license the compensation/terminal value, as the case may be, in accordance with the license agreement.
- (v) The licensor may extend the license period beyond 30 years as per the provision of the concession agreement. As per the provision of agreement, the Licensor and Licensee are entitled to terminate the license agreement either on account of force major event or on account of event of default.
- (d) There had been no changes in the arrangement during the year.
- (e) The service concession agreement have been classified as Intangibles Assets.
- (f) Intangible Assets include Upfront Fees paid to Kolkata Port Trust - Haldia Dock Complex towards securing the right to operate Berth No. 12 (situated at Haldia) for a period of 30 years and which is being amortised on straight line basis over the lease period.

TM International Logistics Limited
Notes forming part of Standalone Financial Statements as at 31st March 2018
43. Income Tax Reconciliation

	For the Year ended 31st March 2018	For the Year ended 31st March 2017
	₹ in Lakhs	₹ in Lakhs
A. Tax Expense Recognised in Profit or Loss		
Current Tax on Profits for the Year	1,086.29	1,541.52
Adjustment for Current Tax of Earlier Years	-	22.66
	1,086.29	1,564.18
Origination and Reversal of Temporary Differences	21.52	156.39
Income Tax Expense	1,107.81	1,720.57
B. Tax on Other Comprehensive Income		
Current Tax		
-Remeasurements on Post-employment Defined Benefit Plans	6.12	49.79
	6.12	49.79

The Income Tax Expense for the Year can be Reconciled to the Accounting Profit/ (Loss) as follows:

	For theYear ended31st March 2018	For theYear ended31st March 2017
	₹ in Lakhs	₹ in Lakhs
Profit Before Tax for the Year	2,468.13	5,031.80
Income Tax Expense Calculated at 34.608 % (2016-17: 34.608 %)	854.17	1,741.41
Effect of Income Exempt from Income Taxes	(9.75)	(5.50)
Effect of Expenses that are not Deductible in Determining Taxable Profit	37.97	19.82
Effect on Deferred Tax Balances due to Change in Income Tax Rate	246.92	-
Effect on other items	(21.50)	(57.82)
	1,107.81	1,697.91
Adjustment for Current Tax of Earlier Years	-	22.66
Income Tax Expense for the Year	1,107.81	1,720.57

The tax rate used for the year 2017-18 and 2016-17 in the reconciliations above is the corporate tax rate of 30% plus cess and surcharge payable by corporate entities in India on taxable profits under the Indian tax law.



TM International Logistics Limited
Notes forming part of Standalone Financial Statements as at 31st March 2018

44

₹ in Lakhs

Deferred Tax (Liability)/ Asset (Net)	As at 1st April 2016	Charge/ (credit) for the Year	As at 1st April 2017	Charge/ (credit) for the Year	As at 31st March 2018
Deferred Tax Liabilities					
Property Plant & Equipment and Intangible Assets	(458.63)	133.98	(324.65)	820.28	495.63
	(458.63)	133.98	(324.65)	820.28	495.63
Deferred Tax Assets					
Items Allowable for Tax Purpose on Payment/ Adjustment	229.17	26.66	255.83	(81.51)	174.32
Replacement Obligation for Berth#12 at Haldia Port	1,706.01	(315.72)	1,390.28	(1,083.27)	307.01
Employees' Early Separation Scheme (ESS)	-	-	-	324.10	324.10
Others	11.54	(1.31)	10.24	(1.11)	9.12
	1,946.72	(290.37)	1,656.35	(841.80)	814.55
Deferred Tax (Liability)/ Asset (Net)	1,488.09	-	1,331.70	-	1,310.18

45 Disclosure on Specified Bank Notes (SBNs) :

During last year, the Company had specified bank notes or other denominations as defined in the MCA notifications G.S.R. 308('E) dated 31.03.2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from 08.11.2016 to 30.12.2016, the denomination wise SBNs and other notes as per the notification is given below:

₹ in Lakhs

Particulars	SBNs *		Other Denomination Notes		Total	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Closing Cash in Hand as on 08.11.2016	-	0.53	-	0.27	-	0.80
(+) Non-Permitted Receipts	-	-	-	-	-	-
(+) Permitted Receipts	-	-	-	9.00	-	9.00
(-) Permitted Payments	-	-	-	8.47	-	8.47
(-) Amount Deposited in Banks	-	0.53	-	0.01	-	0.54
Closing Cash in Hand as on 30.12.2016	-	-	-	0.79	-	0.79

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of finance, Department of Economic Affairs number S.O. 3047('E) dated 08.11.2016.

TM International Logistics Limited

Notes forming part of Standalone Financial Statements as at 31st March 2018

45 Fair Value Measurements

(a) Instruments by Category

The following table presents carrying amount and fair value of each category of financial assets and liabilities as at the year end:

(₹ in Lakhs)

	Note No.	31st March 2018	31st March 2017
Financial Assets			
Assets Carried at Fair Value through Profit or Loss			
Investments in Mutual Fund	12	626.63	1,156.97
Assets Carried at Amortised Cost		-	-
Loans	7, 16	611.04	608.85
Trade Receivables	13	8,372.77	9,989.26
Other Financial Assets	8, 17	172.27	285.25
Cash and Cash Equivalents	14	1,754.62	767.11
Other Bank Balances	15	9,233.75	11,619.19
Total Financial Assets		20,771.08	24,426.64
Financial Liabilities			
Liabilities Carried at Amortised Cost			
Trade Payables	23	4,554.52	6,729.56
Other Financial Liabilities	21, 24	64.27	68.88
		4,618.79	6,798.45

(b) Fair Value Measurement

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31.03.2017.

The following methods and assumptions were used to estimate the fair values:

- In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.
- The management assessed that fair values of loans given (Current), trade receivables, cash and cash equivalents, other bank balances, other financial assets (current), trade payables and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments.

Further Management also assessed the carrying amount of Other Financial Instruments which are redeemable approximation of their Fair Values and the difference between the Carrying Amounts and the Fair Value is not expected to be significant

(c) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value,



TM International Logistics Limited

Notes forming part of Standalone Financial Statements as at 31st March 2018

the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds. The mutual funds are valued using the closing Net Asset Value.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise 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.

₹ in Lakhs

	31st March, 2018	31st March, 2017
	Level 1	Level 1
Recognised and Measured at Fair Value - Recurring Measurements		
Financial Assets		
Investments		
Mutual Funds - Daily Dividend	626.63	1,156.97
	626.63	1,156.97

47 Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of above risks. The senior executives working to manage the financial risks are accountable to the Audit Committee and the Board of Directors. This process provides assurance to the Company's senior management that the Company's financial risks-taking 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 the Company's risk appetite.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(a) Credit Risk:

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Term Deposits with Banks and Investments in Mutual Funds)

Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed centrally and is subject to the Company's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. The Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience with customers. Total revenue from Tata Steel Limited is ₹ 20,044.71 Lakhs (31.03.2017: ₹ 15,452.10 Lakhs) which comprise more than 10% of the total revenue of the Company.

Other Financial Assets

Credit risk from balances with banks, term deposits, loans and investments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements. The

TM International Logistics Limited
Notes forming part of Standalone Financial Statements as at 31st March 2018

Company's maximum exposure to credit risk for the components of the Balance Sheet as of 31.03.2018 and 31.03.2017 is the carrying amounts as disclosed in Note 46.

Financial Assets that are Neither Past Due Nor Impaired

None of the Company's cash equivalents with banks, loans and investments were past due or impaired as at 31.03.2018 and 31.03.2017. Of the total trade receivables, ₹ **7,230.10 Lakhs** as at 31.03.2018 and ₹ 9,040.29 Lakhs as at 31.03.2017 consisted of customer balances that were neither past due nor impaired.

Financial Assets that are Past Due but Not Impaired

The Company's credit period for customers generally ranges from 0 - 45 days. The ageing of trade receivables that are past due but not impaired (net of provisions/allowances) is given below:

₹ in Lakhs

Period (in days)	31st March 2018	31st March 2017
1-90	776.87	800.01
91-180	203.96	53.20
More than 180	161.84	95.80
	1,142.67	949.01

Receivables are deemed to be past due or impaired with reference to the Company's policy on provisioning of receivables. Further, case to case basis are analysed with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

₹ in Lakhs

Reconciliation of Provision for Doubtful Debts - Trade receivables	As at 31st March 2018	As at 31st March 2017
Opening Balance	-	-
Provision made during the Year	1.83	-
Closing Balance	1.83	-

(b) Liquidity Risk:

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and maintains adequate sources of financing.

Maturities of Financial Liabilities

The table below analyse Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amount disclosed in the table are the contractual undiscounted cash flows.



TM International Logistics Limited
Notes forming part of Standalone Financial Statements as at 31st March 2018

₹ in Lakhs

	As at 31st March 2018				
	Upto 1 Year	1 Year to 3 Years	3 Years to 5 Years	More than 5 Years	Total
Trade Payables	4,554.52	-	-	-	4,554.52
Other Financial Liabilities	8.75	17.32	7.78	30.42	64.27
	4,563.27	17.32	7.78	30.42	4,618.79
	As at 31st March 2017				
	Upto 1 Year	1 Year to 3 Years	3 Years to 5 Years	More than 5 Years	Total
Trade Payables	6,729.56	-	-	-	6,729.56
Other Financial Liabilities	8.75	17.49	17.32	25.33	68.89
	6,738.31	17.49	17.32	25.33	6,798.45

(c) Market Risk

i) Foreign Currency Exchange Rate Risk:

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency. Accordingly, the Company does not have any exposure to Foreign Currency Risk at the end of the reporting period.

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 do not have any interest bearing financial liabilities. The Company's interest earning financial assets are loan given to subsidiary and term deposits with banks, which are fixed rate interest bearing investments and accordingly, the Company is not significantly exposed to interest rate risk.

(d) Securities Price Risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Company invests its surplus funds in various debt instruments, which mainly comprises liquid schemes of mutual funds. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

Securities Price Risk Exposure

The Company's exposure to securities price risk arises from investments in mutual funds held by the Company and classified in the Balance Sheet as fair value through profit or loss, as disclosed in Note 45.

48 Capital Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Company determines the amount of capital required on the basis of annual business plan also taking into consideration any long term strategic investment and expansion plans. The funding needs are met through equity and cash generated from operations.

TM International Logistics Limited
Notes forming part of Standalone Financial Statements as at 31st March 2018
49 LIST OF RELATED PARTIES AND RELATIONSHIP
(a) Entities with Joint Control of or Significant influence over the Company:

Name	Type	Place of Incorporation	31st March 2018	31st March 2017
Tata Steel Limited	Joint Venturer	India	51%	51%
IQ Martrade Holding and Management GmbH	Joint Venturer	Germany	23%	23%
NYK Holding (Europe) B.V.	Joint Venturer	Netherland	26%	26%

(b) The Company has following Subsidiaries and Step-down Subsidiary Companies:-

Name	Type	Place of Incorporation	31st March 2018	31st March 2017
International Shipping Logistics FZE	Wholly Owned Subsidiary	India	100%	100%
TKM Global GmbH	Wholly Owned Subsidiary of TKM Global Logistics Limited	UAE	100%	100%
TKM Global Logistics Limited	Wholly Owned Subsidiary	Germany	100%	100%
TKM Global China Limited	Wholly Owned Subsidiary of TKM Global Logistics Limited	China	100%	100%

(c) Joint Venturer & Entities with Joint Control of or significant influence over the company.

Tata NYK Shipping Pte Ltd.

(d) The Company has the following Fellow Subsidiaries with which Transactions have taken place during the Current/ Previous Year

The Indian Steel and Wire Products Limited

Tata Metaliks Limited

Jamshedpur Continuous Annealing & Processing Company Private Limited

Tata Sponge Iron Limited

The Tinplate Company of India Limited

Jamshedpur Utilities and Services Company

(e) Key Managerial Personnel of the Company

Name	Relationship
Mr. R N Murthy (till 30th June, 2017)	Managing Director
Mr. Ashish Kumar Gupta (till 1st May, 2017)	Executive Director
Mr. Ashish Kumar Gupta (w.e.f 1st July, 2017)	Managing Director
Mr. Dipak Kumar Banerjee	Independent Director
Mr. Sabyasachi Hajara (till 10th April, 2018)	Independent Director
Mr. Dinesh Shastri (w.e.f 2nd February, 2018)	Non-Executive Director
Captain Vivek Singh Anand (w.e.f 19th February, 2018)	Non-Executive Director
Mr. Shinichi Yanagisawa (w.e.f 15th March, 2018)	Non-Executive Director
Mr. Shingo Mizoguchi (till 13th March, 2018)	Non-Executive Director
Mr. Koichi Uragami (till 12th February, 2018)	Non-Executive Director
Mr. Sandipan Chakravorty	Non-Executive Director
Mr. Peeyush Gupta	Non-Executive Director
Mr. Sandeep Bhattacharya	Non-Executive Director
Mr. Guenther Hahn	Non-Executive Director



TM International Logistics Limited
Notes forming part of Standalone Financial Statements as at 31st March 2018

(f) Others with which Transactions have taken place during the Current/ Previous Year

Name	Relationship
'TM International Logistics Limited Employees' Provident Fund.	Post Employment Benefit Plan of the Company

50. Particulars of Transactions with Related Parties during the Year and Balances Outstanding at Year-end

₹ Lakhs

Particulars	Entities with Joint Control of or Significant Influence over the Company	Fellow Subsidiaries	Subsidiaries	Joint Venture of Tata Steel Limited	Total
Transactions					
Rendering of Services	30,481.50	1,118.94	83.63	72.89	31,756.96
	(12,136.42)	(814.18)	(62.45)	(120.05)	(13,133.10)
Receiving of Services	424.70	-	202.33	-	627.03
	(276.94)	-	(1.34)	-	(278.28)
Interest Income	-	-	22.48	-	22.48
	-	-	(21.20)	-	(21.20)
Repayment of Loan Given	-	-	48.00	-	48.00
	-	-	(36.00)	-	(36.00)
Recovery of Expenses	19,523.12	960.37	397.97	4,570.66	25,452.12
	(10,171.50)	(1,353.95)	(162.66)	(6,422.04)	(18,110.15)
Reimbursement of Expenses	-	-	13.84	-	13.84
	-	-	(107.46)	-	(107.46)
Rental Income	-	-	58.09	-	58.09
	-	-	(39.44)	-	(39.44)
Dividend Paid	688.50	-	-	-	688.50
	(459.00)	-	-	-	(459.00)
Balance Outstanding at Year-end					
Trade Receivables	7,674.23	119.38	158.90	71.06	8,023.57
	(9,546.66)	(70.10)	(93.98)	(21.03)	(9,731.77)
Loans	-	-	184.00	-	184.00
	-	-	(232.00)	-	(232.00)
Trade Payables	0.65	-	30.81	-	31.46
	(30.80)	-	(16.33)	-	(47.13)
Advance from Customers	8,138.00	319.87	33.16	245.92	8,736.95
	(6,632.61)	(77.79)	(0.09)	(147.91)	(6,858.40)

Figures in bracket represents transactions with related parties during last year and balances as at the end of last year.

TM International Logistics Limited

Notes forming part of Standalone Financial Statements as at 31st March 2018

Post Employment Benefit Plans

₹ Lakhs

Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017
Contribution towards Provident Fund	125.27	124.24

Transactions with Key Management Personnel during the Year and Balances Outstanding at Year-end

₹ Lakhs

Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017
Remuneration to Key Management Personnel		
Short-term Benefits	129.85	165.48
Post-employment Benefits	18.47	2.72
Other Long- term Benefits	7.53	3.47
Balance Outstanding at Year-end		
Commission Payable to Key Management Personnel	17.08	27.71

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No. 304026E / E300009

Chartered Accountants

Pinaki Chowdhury

Partner

Membership Number 057572

For and on behalf of the Board of Directors

Sandipan Chakravorty
Chairman

Ashish Kr Gupta
Managing Director

Jyoti Purohit
Company Secretary

Anand Chand
Chief Financial Officer

Place : Kolkata

Date : April 19, 2018



TKM Global Logistics Limited

CORPORATE INFORMATION

TKM Global Logistics Limited

(As on 1st June, 2018)

Board of Directors

Chairman

Mr. Ashish Kumar Gupta

Directors

Mr. Amar Patnaik

Mr. Dipak Kumar Banerjee

Mr. Virendra Sinha

Mr. Anand Chand

Management Team

Mr. Anurag Garg

VP (Marketing, Sales & BD)

Mr. Manish Agarwal

Chief -Freight Forwarding

Mr. Pranab Roy Chowdhury

Head Finance & Accounts

Ms. Malini Sengupta

Head – HR, IR & Administration

Mr. Robin Pramanik

Chief - Corporate Safety,

CSR, AA & Chief Ethics

Counsellor

Mr. Animesh Panda

Regional Manager (Freight Forwarding East)

Registered Office

Tata Centre

14th Floor

43, Jawaharlal Nehru Road

Kolkata – 700 071

Tel: 91-33-22887051

Fax: 91-33-22886342

Statutory Auditors

Price Waterhouse & Co. Chartered Accountant LLP

Kolkata

Corporate Office

Unit No. 711, 7th floor

Diamond Heritage

16, Strand Road

Kolkata – 700 001.

Bankers

Citi Bank

Standard Chartered Bank

HDFC Bank

ICICI Bank

Corporate Identification Number (CIN)

U51109WB1991PLC051941



TKM Global Logistics Limited

Directors' Report

[Pursuant to Section 134(3) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014]

To the Members,

The Directors have pleasure in presenting the 27th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2018.

FINANCIAL RESULTS

(₹ in millions)

	31.03.2018	31.03.2017
(a) Total Income	492.72	546.79
(b) Less: Operating and Administrative Expenses	500.53	536.97
(c) Profit before interest, depreciation and taxes	(7.81)	9.82
(d) Less: Depreciation	2.73	2.88
(e) Less: Interest	2.25	3.28
(f) Profit before taxes (PBT)	(12.79)	3.66
(g) Less: taxes (incl. deferred taxes)	(1.95)	0.90
(h) Profit after taxes (PAT)	(10.84)	2.76

A report on the performance and financial position of each of the subsidiaries is provided in **Annexure A** to this report.

DIVIDEND

The Directors do not recommend payment of any dividend for the year under review.

OPERATIONAL REVIEW

A. Freight Forwarding

During the year, the Company achieved air imports volumes of 657 MT as against 412 MT in FY 16–17. This 59% rise is on account of new customers. Air exports showed a decline of 20% i.e; from 624 MT to 489 MT as compared to previous year as the anticipated export volumes from Tata International has declined.

Sea Exports were almost double of last year due to increase exports from FAMD division of Tata Steel. Sea import volumes continued to be a challenge, being 60% of last years' volume on back

of lower business acquisition from Non-Tata segment.

As a part of growth strategy, the branch offices at Mumbai, Bangalore & Kolkata have been given expanded geographical mandate and converted to Regional Offices. Mumbai Region now spans over Indore, Pune, Vadodara & Ahmedabad. Ahmedabad is a new office which the Company has started with one sales person in Feb '18.

Further, Bangalore Regional Office now looks after Chennai also. The company is striving to strengthen its sales team at both the locations and is also studying Hyderabad market for business potential.

The stakeholders will be pleased to know that the FF division has turned around. After making continuous losses for last 3 years, the Company has made profit in H2 this year. The Company is hopeful of maintaining this trend in the forthcoming years.

The freight forwarding business of the Company registered a revenue of ₹ 461.26 Mn as against last year's revenue of ₹ 445.25 Mn and ABP target of ₹ 500.95 Mn.

B. Warehousing

The O&M contract for IM Section (Capital Procurement) has been extended till 31st December, 2018.

The covered warehouse space measuring 64,700 sq. ft. and 100,000 sq. ft. of open storage area has been taken on 5 years lease w.e.f., September, 2017. The area has been acquired with a strategic intent of tapping the potential warehousing & potential business in view of the impending 2nd phase expansion of Tata Steel, Kalinganagar.

The potential of warehousing business for Vendor Managed Inventory (VMI) is being explored in consultation with Tata Steel.

A revenue of ₹ 26.05 mn has been generated from the operations during the year under review resulting in PBT of ₹ 1.70 mn.

The Company has achieved 2.36 mn safe man-hours in its KPO operations since 2013.

The safety performance during FY 17-18 is as below:

- o LTI : Nil
- o Fatality : Nil
- o LTI Free Manhours : 23.60 lakh hours

The safety audit under Contract Safety Management System (CSMS) of TSL was conducted in Jul '17. The Company has been rated as star rated partner in safety audit by Tata Steel.

A separate project team is working on the new business of providing and operating equipment fleet to Tata Steel for its requirement of impending 2nd phase of expansion.



PUBLIC DEPOSITS

The Company has not accepted or renewed any deposit from the public during the year under report.

EMPLOYEE RELATIONS

The Company continued to maintain cordial Industrial Relations and adhered to all timelines related to HR legal compliances. The operations of Indore and Dewas were merged and the same is now taken care of at a single point. A formal platform of 'Skillport' was rolled out as an alternate mode of learning to traditional class room based training. The Company also introduced revised Leave Policies like introduction of adoption, relocation, convocation leaves as a focused approach to create work life balance and also attract millennial workforce. Apart from the above activities, HR department continued to focus on strengthening of the Performance Management System for the TMILL Group, working towards a competitive Reward and Compensation structure, activities around comprehensive employee wellness activities and increased workforce engagement.

BOARD OF DIRECTORS

a. Composition

Your Board comprises of 5 (Five) Directors, out of which 2 (two) are Independent Non-executive Directors and 3 (Three) are Non-Independent Non-Executive Directors.

As on 31st March, 2018, Mr. Ashish Kumar Gupta, Mr. Amar Patnaik, Mr. Anand Chand, Mr. Dipak Kumar Banerjee and Mr. Virendra Sinha continued to be the Directors on the Board of your Company.

b. Directors to retire by rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Anand Chand, Non-Executive Director retire by rotation and being eligible, has offered himself for re-appointment. The Board has at its meeting held on 16th April, 2018 recommended his re-appointment.

None of the Directors of your Company are disqualified under Section 164(2) of the Companies Act, 2013.

Appropriate resolutions seeking members' approval to the aforesaid appointments are appearing in the Notice convening the 27th AGM of the Company.

c. Independent Directors

The Board of Directors of your Company has 2 Independent Directors as per the Companies Act, 2013. The Act requires that the Non-Executive Directors, including Independent Directors, be drawn from amongst eminent professionals with experience in business/finance/law/public administration and enterprises. The attributes and qualifications of Independent Directors are in accordance with those prescribed under Section 149(6) of the Companies Act, 2013 read with the Rules thereunder. The Independent Directors of your Company have submitted a declaration confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act.

The Independent Directors of the Company met on 15th March, 2018 without the presence of Non-Independent Directors and members of the Management. At this meeting, the IDs inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole as also evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

DISCLOSURE AND COMPOSITION OF THE COMMITTEES OF THE BOARD

The Committees constituted by the Board of Directors viz., Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee have functioned effectively during the year under review.

Details of the meetings held by the Board and various Committees during the year under review are given in **Annexure B** to this report.

The details of the Committee as required to be formed as per the applicable sections of the Companies Act are as follows:

Audit Committee

An Audit Committee of the Board of Directors as required u/s 177 of the Act has been constituted and it comprises of three Non-Executive Directors, of which two are Independent Directors. The Chairman of the Audit Committee is an Independent Director. As on 31st March, 2018, the composition of the Audit Committee is as below:

Sl. No.	Name of the Member	Category
1.	Mr. Virendra Sinha, Chairman	Independent Non-Executive Director
2.	Mr. Dipak Kumar Banerjee, Member	Independent Non-Executive Director
3.	Mr. Ashish Kumar Gupta, Member	Non-Independent Non-Executive Director

The Board of Directors of your Company has accepted all recommendation of the Audit Committee during the year under review.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board of Directors as required u/s 135 of the Act and Rules made thereunder has been constituted and it comprises of three Directors, of which one is an Independent Director. The Chairman of the CSR Committee is a Non-Independent Director.

a. Composition

As on 31st March, 2018, the composition of the CSR Committee is as below:

Sl. No.	Name of the Member	Category
1.	Mr. Ashish Kumar Gupta, Chairman	Non-Independent Non-Executive Director
2.	Mr. Amar Patnaik, Member	Non-Independent Non-Executive Director
3.	Mr. Dipak Kumar Banerjee, Member	Independent Non-Executive Director

The Company already has a Corporate Social Responsibility Policy in place.

b. Corporate Social Responsibility Initiatives

During the year 2017-18, your Company was required to spend an amount of ₹ 3.45 lakhs towards CSR activities.

In view of the above, an amount of Rs.3.51 lakhs was spent towards CSR activities during FY 17-18 towards providing technical/vocational training to 9 orphan children in AC refrigeration technician and 1 orphan child in electrical technician from Gandhi Ashram orphanage at The George Telegraph Institute at Haldia

This project was in accordance with Schedule VII of the Companies Act, 2013.

The Annual Report on CSR activities for period under review is annexed as **Annexure C** to this report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors as required u/s 178 of the Act has been constituted and it comprises of four Non-Executive Directors, of which two are Independent Directors. The Chairman of the Nomination and Remuneration Committee is an Independent Director. As on 31st March, 2018, the composition of the Nomination and Remuneration Committee is as below:

Sl. No.	Name of the Member	Category
1.	Mr. Dipak Kumar Banerjee, Chairman	Independent Non-Executive Director
2.	Mr. Virendra Sinha, Member	Independent Non-Executive Director
3.	Mr. Ashish Kumar Gupta, Member	Non-Independent Non-Executive Director
4.	Mr. Anand Chand, Member	Non-Independent Non-Executive Director

The Company already has a Nomination and Remuneration Policy in place which can be accessed at the following link on the Company's website:

<http://www.tkmglobal.com/pdf/nrc-policy.pdf>

STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS

Freight Forwarding

a. Strengths

- Ability to manage complex operations with high level of service orientation.
- Ability to provide end-to-end logistics solution.
- Offices covers major business geographies in India.
- Capable of fulfilling just-in-time supply requirement.

b. Weakness

- Limited freight buying power as compared to large forwarders.
- Absence of robust channel partners / overseas network structure.
- Limited ability to consolidate air cargo at pallet level.

c. Opportunities

- i. Auto ancillary market in Pune area can be a significant customer base for freight forwarding (FF) business.
- ii. Other Tata group companies, which have not been tapped so far in FF business.

d. Threats

- i. Shipping lines directly contacting small /mid-size customers obviating the need for freight forwarders.
- ii. Possible development of trading platforms obviating the need for Freight Forwarders.

Warehousing**a. Strengths**

- i. Ability to manage complex operations with high level of service orientation.
- ii. Capable of fulfilling just-in-time supply requirement.
- iii. Strong engagement with Equipment suppliers which translates in competitive lease rentals/ procurement price.

b. Weakness

- i. Automation & IT intervention is insignificant due to limited period contracts.
- ii. Asset Light structure and hence dependence on third party warehousing space.

c. Opportunities

- i. Managing vendor-managed inventory system for the vendors of Tata Steel.
- ii. Development of infrastructure for Tata Steel with in principal understanding of its future potential warehousing requirement.
- iii. Due to GST regime, many companies are moving to large warehousing format instead of fragmented state wise warehousing.

d. Threats

- ii. Competition.
- iii. Continuous pressure on margins.

DIRECTORS' RESPONSIBILITY STATEMENT :-

The Company is in compliance with various accounting and financial reporting requirements in respect of the financial statements for the year under review.

Pursuant to Section 134(5) of the Companies Act, 2013 and in respect of the Annual Accounts for the year under review, the Directors hereby confirm that:



- i. in the preparation of the annual accounts, the applicable accounting standards had been followed with proper explanation relating to material departures;
- ii. the directors had selected such accounting policies and applied them consistently and made judgements 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 and loss of the company for that period;
- iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the directors had prepared the annual accounts on a going concern basis; and
- v. 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.

AUDITORS

The Auditors of the Company, M/s. Price Waterhouse & Co. Chartered Accountants LLP, Chartered Accountants, Kolkata, retire at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

AUDIT OBSERVATIONS & EXPLANATIONS

No qualification, reservation or adverse remark or disclaimer have been made by the Auditor's in their report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans, guarantees or made any investment as per the provisions of Section 186 of the Companies Act, 2013.

RELATED PARTY DISCLOSURES

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All the related party transactions were placed before the Audit Committee for approval and also before the Board for their review. Prior omnibus approval of the Audit Committee is obtained and a review of the same is conducted on a quarterly basis for the actual transactions entered during the year. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all the related party transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

It may be noted that in view of good corporate governance practice, the meaning of the term 'material transaction' has been derived from Clause 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the Company has considered all such transactions entered/to be entered into whether individually or taken together with previous transactions, if any, which are equal to or more than 10% of the annual standalone turnover (Listing Agreement specifies 'annual consolidated turnover') as per the last audited financial statements of the company i.e., for the year ended 31st March, 2018.

The particulars as required under Section 134 of the Act read with Rule 8(2) of Companies (Accounts) Rules, 2014, relating to contracts or arrangements entered by the Company with related parties referred to in Section 188 (1) of the Act is provided in **Annexure D** to this Report.

EXTRACT OF THE ANNUAL RETURN AS PER SECTION 92(3) OF THE ACT

Pursuant to Section 92(3) of the Companies Act, 2013, an extract of annual return of the Company for FY 17-18 is provided as **Annexure F** to this report.

INTERNAL FINANCIAL CONTROL

As required under Section 134(3) (q) of the Companies Act 2013 read with Rule 8(5) (viii) of Companies (Accounts) Rules, 2014, the Company has an Internal Control System commensurate with the size, scale and complexity of the business. As per the relevant provisions of the Companies Act, 2013 and the guidance note issued by the Institute of Chartered Accountants of India, the management of the company has adopted and implemented the Internal Control over Financial Reporting (ICOFR) framework. The management of the company has adopted the following steps for the development of the said framework:

- Define materiality of the transactions;
- Preparation of process narrative or process flow charts, as the case may be;
- Identify/assess internal/external risk factors and availability of existing controls;
- Development of Risk Control Matrix (RCM) for the entity, key processes and IT General Controls;
- Testing of controls to ensure they are operating effectively;
- Remedy the gaps, if necessary;
- Re-testing to ensure operating effectiveness.

RISK MANAGEMENT POLICY

The Company has a Risk Management Policy in place. The Company always had a system-based approach to business risk management. Backed by strong internal control systems, the current risk management framework consists of the following elements:

- Strategic Planning: Senior leadership Group provides direction for formulation of strategy in collaboration with cross section of all levels of management. Your company follows two level of strategy:



- i) Group Level Strategy taking into account the shareholders perspective from medium to long term, and
 - ii) The Current Business perspective – Short term which starts at unit level culminating into Annual Business Plan approved by the Board.
- The Senior Management of the Company regularly discuss the Strategic & the Operational risks involved in the business and also on the appropriate mitigation strategies and periodic reviews of the progress on the management of risks.
 - A combination of centrally issued policies and divisionally-evolved procedures brings robustness to the process of ensuring that business risks are effectively addressed.
 - Appropriate structures have been put in place to proactively monitor and manage the inherent risks in businesses with unique/relatively high risk profiles.
 - A strong and independent Internal Audit function carries out risk focused audits enabling identification of areas where risk management processes may need to be improved. The Audit Committee of the Board reviews Internal Audit findings, provides strategic guidance on internal controls & implementation of the action plans emerging out of the same.

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

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is as below:

A. Conservation of Energy

The Company is not a major consumer of energy.

B. Technology Absorption:

Nil

C. Foreign exchange earnings & outgo:

The foreign exchange earnings in terms of inflows during the year was ₹ 3,17,78,674/- on account of freight, agency fees and others and the foreign exchange outgo during the year in terms of freight outflows was ₹ 10,29,76,601/- on account of freight and foreign travel.

PARTICULARS OF EMPLOYEES

Your Company has no such employees falling within the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of Companies (Appointment and Remuneration) of Managerial Personnel) Rules, 2014.

SUBSIDIARY COMPANIES

The statement pursuant to Section 129 of the Companies Act, 2013 read with Rule 5 of Companies

(Accounts) Rules, 2014 in respect of the subsidiaries of the Company viz. TKM Global GmbH, Germany and TKM Global China Ltd., China is provided as **Annexure E** to this report.

ACKNOWLEDGEMENT

Your Directors wish to take the opportunity to place on record their sincere appreciation and gratitude for the continued assistance, support and co-operations extended by all Government Authorities, Banks, Overseas Agents, Clearing Agents, Shipping Lines, Air Lines and other business associates and last but not the least the Members of the Company.

For and on behalf of the Board

Sd/-

Ashish Kumar Gupta

Chairman

DIN: 07808012

Sd/-

Anand Chand

Director

DIN: 06879532

Place: Kolkata

Date: 16th April, 2018



Annexure A

FINANCIAL PERFORMANCE OF SUBSIDIARIES

(₹ In millions)

Sl. No.	Particulars	TKM Global GmbH As on 31.03.2018	TKM Global China Ltd. As on 31.03.2018
(a)	Total Income	39,30,85,549	24,71,47,180
(b)	Less: Operating and Administrative Expenses	42,86,55,822	24,56,93,270
(c)	Profit before taxes (PBT)	-3,55,70,273	14,53,910
(d)	Less: taxes (incl. deferred taxes)	1,55,98,703	—
(e)	Profit after taxes (PAT)	-1,99,71,570	14,53,930

The reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries is as below:

1 EUR = INR 75.53 and 1 RMB = INR 9.74

Annexure B
Board and Committee meetings held during the year

Dates on which the Board and Committee Meetings were held during FY 17-18		
Board Meetings		
Date of the Meeting	Total Strength of the Board/Committee	No. of Directors Present
20th April, 2017	5	4
21st June, 2017	5	2
22nd July, 2017	5	5
16th October, 2017	5	5
16th January, 2018	5	5
Audit Committee Meetings		
20th April, 2017	3	3
21st June, 2017	3	2
22nd July, 2017	3	3
16th October, 2017	3	3
16th January, 2018	3	3
Nomination and Remuneration Committee Meetings		
20th April, 2017	4	4
21st June, 2017	4	2
Corporate Social Responsibility Meetings		
20th April, 2017	3	2
Independent Director's Meetings		
15th March, 2018	2	2

Annual Report on CSR Activities of the Company for the financial year ended 31st March, 2018

[(Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	TKM's CSR activities are designed to promote sustainable and equitable development so as to improve the quality of life of people in the communities in and around the geographies we operate in. The focus has been on improving the quality of life amongst socially and economically backward communities, promoting education and making available safe drinking water. One of the major CSR activities which was proposed to be undertaken during the year was: Providing Technical / Vocational training to 9 orphan children in AC Refrigeration technician and 1 Orphan child in Electrical technician from Gandhi Ashram orphanage at The George Telegraph Institute at Haldia. The CSR Policy of the Company may be accessed on http://www.tmil.com/about-us/shareholders.asp .									
2. Composition of CSR committee	The CSR Committee comprises of the Non-Executive Chairman of the Company along with 2(two) Non-Executive Directors, one of whom is an Independent Director. The names of the members of the CSR Committee are as follows: Mr. Ashish Kumar Gupta - Chairman, Mr. Dipak Kumar Banerjee - Member, Mr. Amar Patnaik - Member									
3. Average net profit of company for last 3 financial years	₹ 17,118,834/-									
4. Prescribed CSR expenditure (2% of the amount as in item 3 above)	₹ 342,377/-									
5. Details of CSR spent during the financial year:	a) Total amount spent during the financial year	₹ 351,348/-								
	b) Amount unspent, if any	NIL								
	c) Manner in which the amount spent in the financial year	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes	Amount outlay (Budget) projects or programme wise (₹ In Lakhs)	Amount spent on the projects of programmes	Cumulative expenditure up to the reporting period (₹ In Lakhs)	Amount spent: Direct or through implementing agency		
				(1) Local area or other (2) Specify the State and district where projects or programmes were undertaken		Sub heads: 1. Direct expenditure on projects or programmes 2. Overheads				
		Providing technical / vocational training to orphan children	Education and Employment Enhancing Vocational Skills	Haldia, West Bengal	3.51	(TIAE) Through Implementation Agency External	Nil	TIAE		
		Total			3.51					



6. Reasons for not spending the prescribed amount (in case the Company has failed to spend amount specified under item 4)	N.A.
---	------

The CSR Committee has confirmed that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company

For TKM Global Logistics Limited

Sd/-

Ashish Kumar Gupta
Director & Chairman, TKM Global Logistics Ltd. &
Chairman, CSR Committee
DIN: 07808012

Date & Place : Kolkata, 16th April, 2018



Disclosure of particulars of contracts/arrangements entered into by the Company with its related parties referred to in section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

[Pursuant to clause (h) of sub-section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. Details of contracts or arrangements or transactions not at arm's length basis:- NIL
2. Details of material contracts or arrangements or transactions at arm's length basis:

Sl. No.	Name of the related Party and nature of relationship	Nature of Contract / arrangements/transactions	Duration of the contracts/arrangements / transactions	Salient features of the contracts or arrangements or transactions	Actual Value of transactions entered during FY '18 (₹ In millions)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Tata Steel - FAMD (Parent Company)	Business Invoice	From 01.07.17 to 31.03.18	Service Charge & Shipping Line Locals	89.61	N.A.	N.A.
2.	Tata Steel - IBU (Parent Company)	Business Invoice	From 01.02.17 to 31.03.18	Service Charge & Shipping Line Locals	12.08		
3.	Tata Steel - Import (Parent Company)	Business Invoice	Nomination contract	Shipping line locals	11.11		
4.	Tata Steel - Jamshedpur (Parent Company)	Business Invoice	Spot contract	Air Export freight contract	0.67		
	Tata Steel IM Section (Parent Company)	Business Invoice	From 01.01.17 to 31.03.18	Service Agreement - Resource Based	13.11		
			From 17.11.17 to 17.11.18	Service Agreement - Resource Based (New contract)	3.23		
			From 02.01.18 to 30.04.18	Hiring of equipments	2.30		
7.	Tata Steel Ltd. - Wire Division Export and Import (Parent Company)	Business Invoice	From 01.08.17 till 31.07.18	Agency Charges and reimbursement of expenses	23.35		
8.	Tata Steel Ltd. - CRC West (Parent Company)	Business Invoice	Spot contract	Clearance & transportation charges and reimbursement of expenses	0.74		
9.	Tata Steel Ltd. - Pithampur (Parent Company)	Business Invoice	Spot Contract	Sea Export Freight Contract	5.86		
		Business Invoice	Spot Contract	Reimbursement of transportation charges	8.54		
		Business Invoice	Spot Contract	Custom Clearance & Agency charges	0.33		
10.	Tata Steel Asia HK Ltd.	Business Invoice	From 01.07.17 to 31.03.18	Reimbursement of expenses	166.46		
		Total			337.39		

*No Board approval is required since Sec 188 of the Companies Act, 2013 is not applicable. However, the entries have been made for noting of the Board.

It may be noted that in view of good corporate governance practice, the meaning of the term 'material transaction' has been derived from Clause 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the Company has considered all such transactions entered/ to be entered into whether individually or taken together with previous transactions, if any, which are equal to or more than 10% of the annual standalone turnover (Listing Agreement specifies 'annual consolidated turnover') as per the last audited financial statements of the company i.e., for the year ended 31st March, 2018.



Annexure-E

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Part 'A' : Subsidiaries

Amount (In ₹ millions)

Sl. No.	Particulars		
1.	Name of the subsidiary	TKM Global GmbH, Germany	TKM Global China Limited
2.	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	1 EUR = INR 80.62	1 RMB = INR 10.32
4.	Share Capital	4.12	70.53
5.	Reserves & Surplus	1911.57	(34.90)
6.	Total Assets	2121.92	53.49
7.	Total Liabilities	2121.92	53.49
8.	Investments	0.00	0.00
9.	Turnover	384.35	247.12
10.	Profit before taxation	(35.57)	1.45
11.	Provision for taxation	15.60	0.00
12.	Profit after taxation	(19.97)	1.45
13.	Proposed Dividend	NIL	NIL
14.	% of shareholding	100%	100%

Part 'B': Associates and Joint Ventures

The Company does not have any joint ventures or associates as on 31st March, 2018. Hence, there is nothing to report in this regard.

Annexure F
A. Extract of Annual Return as on Financial Year ended 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

- i. CIN Number of the Company: U51109WB1991PLC051941
- ii. Registration Date: 5th June, 1991
- iii. Name of the Company: TKM Global Logistics Limited
- iv. Category/ Sub-category of the Company: Freight Forwarding and Warehousing Services
- v. Address of Registered office and contact details: 'Tata Centre', 43, Jawaharlal Nehru Road, Kolkata - 700 071.
- vi. Whether listed company: No
- vii. Name, Address and contact details of Registrar and Transfer Agent: N.A.

II. Principal Business Activity of the Company:

All the business activities contributing to 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	Percentage to total turnover of the company
1.	Freight Forwarding	DIV 52 Group 522	90.31%
2.	Warehousing, Material Handling and others	DIV 52 Group 521	9.69%

III. Particulars of Holding, Subsidiary and Associate Companies:

Sr. No.	Name of the Company	CIN	Holding/ Subsidiary/ Associate	Percentage of shares held	Applicable Section
1.	TM International Logistics Limited	U63090WB2002PLC094134	Holding Company	100%	S.2(46)
2.	TKM Global GmbH	N.A.	Subsidiary Company	100%	S. 2(87)
3.	TKM Global China Ltd.	N.A.	Subsidiary Company	100%	S. 2(87)

**ceased to be a subsidiary w.e.f., 7th December, 2016 due to transfer of its ownership to Adani Ports*

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

i. Category wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	—	—	—	—	—	—	—	—	—
b) Central Govt.	—	—	—	—	—	—	—	—	—
c) State Govt.(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	—	36,00,000	36,00,000	100	—	36,00,000	36,00,000	100	—
e) Banks/FIs	—	—	—	—	—	—	—	—	—
f) Any Other	—	—	—	—	—	—	—	—	—
Sub-total: (A)(1)	—	36,00,000	36,00,000	100	—	36,00,000	36,00,000	100	—
(2) Foreign									
a) NRIs – Individuals	—	—	—	—	—	—	—	—	—
b) Other Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Banks/FIs	—	—	—	—	—	—	—	—	—
e) Any Other	—	—	—	—	—	—	—	—	—
Sub-total: (A)(2)	—	—	—	—	—	—	—	—	—
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	0	36,00,000	36,00,000	100	0	36,00,000	36,00,000	100	—
B. Public Shareholding									
(1) Institutions									
i. Mutual Funds	—	—	—	—	—	—	—	—	—
ii. Banks/FIs	—	—	—	—	—	—	—	—	—
iii. Central Govt.	—	—	—	—	—	—	—	—	—
iv. State Govt.(s)	—	—	—	—	—	—	—	—	—
v. Venture Capital Funds	—	—	—	—	—	—	—	—	—
vi. Insurance Companies	—	—	—	—	—	—	—	—	—
vii. FIs	—	—	—	—	—	—	—	—	—
viii. Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—

TM International Logistics Ltd.

(A JV of Tata Steel, NYK and Martrade)

16th Annual Report 2017-18

ix. Others (Specify)	—	—	—	—	—	—	—	—	—
Sub-total: (B)(1)	0	0	0	0	0	0	0	0	0
(2) Non-Institutions									
a) Bodies Corp.	—	—	—	—	—	—	—	—	—
i. Indian	—	—	—	—	—	—	—	—	—
ii. Overseas	—	—	—	—	—	—	—	—	—
b) Individuals	—	—	—	—	—	—	—	—	—
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	—	—	—	—	—	—	—	—	—
ii. Individual shareholders holding nominal share capital in excess of ₹1 lakh	—	—	—	—	—	—	—	—	—
c) Others (specify)	—	—	—	—	—	—	—	—	—
Sub-total: (B)(2)	0	0	0	0	0	0	0	0	0
Total public shareholding (B) = (B)(1) + (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	36,00,000	36,00,000	100	0	36,00,000	36,00,000	100	—

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	TM International Logistics Ltd.	35,99,994	100	0	35,99,994	100	0	0
2.	TM International Logistics Ltd. jointly with Mr. Ashish Kumar Gupta	1	0	0	1	0	0	0
3.	TM International Logistics Ltd. jointly with Mr. Sudip Sinha	1	0	0	1	0	0	0
4.	TM International Logistics Ltd. jointly with Mr. Amit Kumar Sau	1	0	0	1	0	0	0
5.	TM International Logistics Ltd. jointly with Mr. Anand Chand	1	0	0	1	0	0	0
6.	TM International Logistics Ltd. jointly with Mr. Manish Agarwal	1	0	0	1	0	0	0
7.	TM International Logistics Ltd. jointly with Mr. K. L. Bhowmick	0	0	0	1	0	0	0

iii. Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding during the year 31.03.2017	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	36,00,000	100	36,00,000	100
2.	Date-wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.)	—	—	—	—
3.	At the end of the year	36,00,000	100	36,00,000	100

iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

NIL

v. Shareholding of Directors and Key Managerial Personnel

None of the Directors holds any shares of the Company. The Company does not have any key managerial personnel.

V. Remuneration of Directors and Key Managerial Personnel

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

The Company does not have any Managing Director, Whole-time Directors and/or Manager.

B. Remuneration to other Directors

Particulars of Remuneration	Name of the Directors		Total
	Mr. Dipak Kumar Banerjee	Mr. Virendra Sinha	
1. Independent Directors			
a. Sitting fees for attending Board/Committee meetings of the Company during FY 17-18	148,500	189,000	337,500
b. Commission paid to Independent Non-Executive Directors for FY 17-18	103,774	169,811	273,585
Total (1)	252,274	358,811	611,085
2. Other Non-Executive Directors			
a. Sitting fees for attending Board/Committee meetings of the Company during FY 17-18	NIL	NIL	NIL
b. Commission paid to Non-Independent Non-Executive Directors for FY 17-18	NIL	NIL	NIL
Total (2)	0	0	0
Total Remuneration (1+2)	252,274	358,811	611,085
Overall Ceiling as per the Act	1% of net profit calculated as per sec 198 of the Act		

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

The Company does not have any Key Managerial Personnel.

VI. Penalties/ Punishment/ Compounding of Offences

No penalties/punishment/compounding of offences has been imposed on the Company by any government authorities during the year under review.

However, a legal case in respect of a service tax demand amounting to Rs.66 crores (including penalty and interest) has been imposed on the Company by DGCEI of Service Tax Dept. The Company has challenged the DGCEI order and the matter is sub-judice at CESTAT, Kolkata.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**TKM GLOBAL LOGISTICS LIMITED****Report on the Indian Accounting Standards (Ind AS) Financial Statements**

1. We have audited the accompanying Ind AS financial statements of TKM Global Logistics Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Ind AS financial statements to 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 specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the



appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of loss and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated April 20, 2017, expressed an unmodified opinion on those Ind AS financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ('the Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company

and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements - Refer Note 39;
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2018.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E300009

Chartered Accountants

Sd/-

Pinaki Chowdhury

Partner

(Membership Number: 057572)

Kolkata

April 16, 2018



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of TKM Global Logistics Limited on the Ind AS financial statements for the year ended March 31, 2018

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

1. We have audited the internal financial controls over financial reporting of TKM Global Logistics Limited ('the Company') as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions

and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E300009

Chartered Accountants

Sd/-

Pinaki Chowdhury

Partner

Kolkata

April 16, 2018

(Membership Number: 057572)



ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
 - (c) The title deed of immovable property, as disclosed in Note 4 on Property, Plant and Equipment to the Ind AS financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the operations of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of Professional Tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, duty of customs, duty of excise, value added tax, goods and service tax as at March 31, 2018, as applicable, which have not been deposited on account of any dispute. The particulars of dues of income tax and service tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	6677.63	FY 2005-06 to 2009-10	Central Excise Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	120.6	FY 2010-11	Commissioner(Appeal)
Income Tax Act, 1961	Income Tax	125.88	FY 2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	76.09	FY 2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	59.73	FY 2013-14	Commissioner(Appeal)

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. In our opinion and according to the information and explanations provided to us, the moneys raised by way of term loans have been applied on an overall basis.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The provisions of Section 197 read with Schedule V to the Act are not applicable to the Company. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E300009

Chartered Accountants

Sd/-

Pinaki Chowdhury

Partner

Kolkata

April 16, 2018

(Membership Number: 057572)



TKM Global Logistics Ltd.
Balance Sheet as at 31st March 2018

	Note No.	As at	
		31st March 2018 ₹	31st March 2017 ₹
I. ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	4	628.24	641.72
(b) Intangible Assets	4	10.75	14.81
(c) Financial Assets			
(i) Investments	5	549.42	549.42
(ii) Loans	6	87.99	1.74
(iii) Other Financial Assets	7	1.64	-
(d) Non-current Tax Asset (Net)	8	771.78	681.16
(e) Deferred Tax Assets (Net)	33	44.22	24.75
(f) Other Non-current Assets	9	0.09	0.15
Total Non-current Assets		2,094.13	1,913.75
(2) Current Assets			
(a) Financial Assets			
(i) Investments	10	0.50	2.43
(ii) Loans	11	12.42	38.74
(iii) Trade Receivables	12	1,450.05	1,724.66
(iv) Cash and Cash Equivalents	13	80.16	318.78
(v) Other Balances with Bank	14	13.36	13.91
(vi) Other Financial Assets	15	0.65	0.84
(b) Other Current Assets	16	189.33	147.55
Total Current Assets		1,746.47	2,246.91
Total Assets		3,840.60	4,160.66
EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share Capital	17	360.00	360.00
(b) Other Equity	18	2,051.88	2,128.77
Total Equity		2,411.88	2,488.77
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities			
Borrowings	19	136.00	184.00
(b) Provisions	20	162.14	178.90
Total Non-current Liabilities		298.14	362.90
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	21	911.67	1,078.92
(ii) Other Financial Liabilities	22	147.71	75.45
(b) Provisions	23	23.85	31.65
(c) Other Current Liabilities	24	38.08	122.85
(d) Current Tax Liabilities (Net)	25	9.27	0.12
Total Current Liabilities		1,130.58	1,308.99
Total Liabilities		1,428.72	1,671.89
Total Equity and Liabilities		3,840.60	4,160.66

The accompanying Notes form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

In terms of our report attached
For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration No. 304026E / E300009

Chartered Accountants

Sd/-

Pinaki Chowdhury

Partner, Membership Number 057572

Kolkata, 16th April, 2018

For and on behalf of the Board of Directors
Sd/-

Ashish Kumar Gupta
Chairman

Anand Chand
Director

TKM Global Logistics Ltd.
Statement of Profit and Loss for the Year Ended 31st March 2018

		For the year ended 31st March 2018	For the year ended 31st March 2017
	Note No.	₹	₹
I. Revenue from Operations	26	4,873.08	5,337.40
II. Other Income	27	54.10	130.51
III. Total Income (I +II)		4,927.18	5,467.91
IV. Expenses:			
Operating Expenses	28	3,823.14	4,032.93
Employee Benefits Expense	29	860.18	949.24
Finance Costs	30	22.48	32.78
Depreciation and Amortization Expense	4	27.26	28.78
Other Expenses	31	321.98	387.52
Total Expenses (IV)		5,055.04	5,431.25
V. Profit/(Loss) Before Tax (III-IV)		(127.86)	36.66
VI. Income Tax Expense:			
(1) Current Tax	32	-	10.19
Less: MAT Credit Entitlement		-	(3.87)
(2) Deferred Tax	33	(19.47)	2.71
VII. Profit/(Loss) for the Year (V-VI)		(108.39)	27.63
VIII. Other Comprehensive Income			
Items that will not be Reclassified to Profit or Loss			
(1) Remeasurement of Defined Benefit Plans		31.50	(10.42)
(2) Income Tax on Above		-	3.22
		31.50	(7.20)
IX. Total Comprehensive Income for the Year (VII+VIII)		(76.89)	20.43
X. Earning per Equity Share	34		
(1) Basic		(3.01)	0.77
(2) Diluted		(3.01)	0.77

The accompanying Notes form an intergral part of the Statement of Profit and Loss.

This is the Statement of Profit and Loss referred to in our report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration No. 304026E / E300009

Chartered Accountants

Sd/-

Pinaki Chowdhury

Partner, Membership Number 057572

Kolkata, 16th April, 2018

For and on behalf of the Board of Directors
Sd/-

Ashish Kumar Gupta
Chairman

Anand Chand
Director



TKM Global Logistics Ltd.

Cash Flow Statement for the year ended 31st March 2018

		For the year ended 31st March 2017	For the year ended 31st March 2016
	Note No.	₹ in Lakhs	₹ in Lakhs
A. Cash Flow From Operating Activities			
Net Profit/(Loss) before Tax		(127.86)	36.66
Adjustments for:			
Depreciation and Amortisation Expense	4	27.26	28.78
Finance Costs	30	22.48	32.78
Dividend Income	27	(4.32)	(6.16)
Interest Income	27	(2.16)	(3.79)
(Gain)/Loss on Disposal of Property, Plant and Equipment(Net)	31	0.28	6.49
Operating Profit/(Loss) before Changes in Operating Assets and Liabilities		(84.32)	94.76
Changes in Operating Assets and Liabilities			
(Increase)/Decrease in Trade Receivables		279.66	(210.58)
(Increase)/Decrease in Other Receivables		(59.93)	67.26
Increase in Other Assets		(41.72)	(92.28)
Increase/(Decrease) in Trade Payables		(167.25)	392.30
Increase/(Decrease) in Other Financial Liabilities		68.86	-
Increase/(Decrease) in Provisions		6.95	31.96
Increase/(Decrease) in Other Liabilities		(84.77)	99.03
Cash Generated from/(used in) Operations		(82.52)	382.45
Income Taxes Paid (Net of Refunds)		(86.53)	(65.55)
Net Cash Generated from/(used in) Operating Activities		(169.05)	316.90
B. Cash Flows from investing Activities			
Purchase of Investments		(1,206.42)	(1,206.16)
Sale of Investments		1,208.35	1,213.71
Proceeds from Maturity of Deposits with Banks		13.91	13.03
Payments for Placing of Deposits with Banks		(14.95)	(13.91)
Interest Received		2.29	3.93
Dividends Received	27	4.32	6.16
Payments for Acquisition of Property, Plant and Equipment		(6.98)	(13.96)
Proceeds on Disposal of Property, Plant and Equipment		0.39	1.51
Net Cash Generated from/(used in) Investing Activities		0.91	4.31

TKM Global Logistics Ltd.
Cashflow Statemtn for the Year Ended 31st March 2018 (contd.)

		For the year ended 31st March 2018	For the year ended 31st March 2017
	Note No.	₹	₹
C. Cash Flow From Operating Activities			
Repayment of Borrowings		(48.00)	(348.00)
Interest Paid	30	(22.48)	(32.78)
Net Cash used in Financing Activities		(70.48)	(380.78)
Net (Decrease) in Cash and Cash Equivalents (A+B+C)		(238.62)	(59.57)
Cash and Cash Equivalents at the Beginning of the Year	13	318.78	378.35
Cash and Cash Equivalents at the End of the Year	13	80.16	318.78

Note:

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7 'Statement of Cash Flows'.

The accompanying Notes form an integral part of the Cash Flow Statement.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No. 304026E / E300009

Chartered Accountants

Sd/-

Pinaki Chowdhury

Partner, Membership Number 057572

Kolkata, 16th April, 2018

For and on behalf of the Board of Directors
Sd/-

Ashish Kumar Gupta
Chairman

Anand Chand
Director



TKM Global Logistics Ltd. Statement of Changes in Equity

A. Equity Share Capital (Refer Note 17)	Amount in ₹ Lakhs
Balance at April 1, 2016	360.0
Changes in Equity Share Capital during the Year	-
Balance at March 31, 2017	360.00
Changes in Equity Share Capital during the Year	-
Balance at April 1, 2017	360.00
Changes in Equity Share Capital during the Year	-
Balance at March 31, 2018	360.00

(₹ in Lakhs)

B. Other Equity (Refer Note 18)	General Reserves	Retained Earnings	Total
Balance as at April 1, 2016	5.64	2,102.70	2,108.34
Profit for the Year	-	27.63	27.63
Other Comprehensive Income for the Year, Net of Tax	-	(7.20)	(7.20)
Balance as at March 31, 2017	5.64	2,123.123	2,128.77
Balance as at April 1, 2017	5.64	2,123.113	2,128.75
Loss for the Year	-	(108.39)	(108.39)
Other Comprehensive Income for the Year, Net of Tax	-	31.50	31.50
Balance as at March 31, 2018	5.64	2,046.24	2,051.88

The accompanying Notes from an integral part of the Statement of Changes in Equity.
This is the Statement of Changes in Equity referred to in our report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No. 304026E / E300009
Chartered Accountants
Sd/-

Pinaki Chowdhury
Partner, Membership Number 057572
Kolkata, 16th April, 2018

For and on behalf of the Board of Directors
Sd/-

Ashish Kumar Gupta
Chairman
Anand Chand
Director

TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2017

1. General Information

TKM Global Logistics Limited ('TKM' or 'the Company') is an unlisted public limited Company incorporated in India with its registered office in Kolkata, West Bengal, India. TKM is a wholly owned subsidiary of TM International Logistics Limited (TMILL), which is a joint venture between TATA Steel Limited (51%), IQ Martrade of Germany (23%) and Nippon Yusen Kaisha - NYK (26%). TKM is a logistics and supply chain service provider and mainly in the business of freight forwarding and material handling

The financial statements were approved and authorised for issue with the resolution of the Company's Board of Directors on April 16, 2018.

2. Significant Accounting Policies

This Note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. These standalone financial statements are the separate financial statements of the Company.

2.1 Basis for preparation

(i) Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical Cost Convention

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

- i) certain financial assets and liabilities which are measured at fair value;
- ii) defined benefit plans - plan assets measured at fair value.

(iii) Current versus Non-current Classification

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

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalents 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 classified as current when:

- it is expected to be settled in the 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.

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



TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

2.2. Property, Plant and Equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognized.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in the statement of profit and loss.

Depreciation Method and Estimated Useful Lives

Depreciation is calculated on a pro-rata basis using the straight-line method to allocate their cost, over their estimated useful values in accordance with Schedule II to the Act, except in respect of Vehicles and certain Plant and Equipments, after taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.

The estimated useful lives for the main categories of property, plant and equipment are:

Type of Asset	Estimated Useful life
Non-Factory Building	60 years
Plant and Equipment	7 -15 years
Vehicles-Four Wheelers	8 years
Vehicles-Two Wheelers	10 years
Office Equipment	5 years
Computers (included in Office Equipment)	3 years
Furniture and Fixtures	10 years

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss within 'Other Income'/'Other Expenses'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances'.

2.3. Intangible Assets

Software for internal use, which is primarily acquired from third-party vendors is capitalised. It has a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation/system integration services, where applicable.

Amortisation Method and Period

Intangible assets are amortised over a period of 3years. Amortization is recognized on a straight-line basis over their estimated useful lives. Amortisation method and useful lives are reviewed periodically including at each financial year end.

TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss when the asset is derecognized.

2.4. Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

2.5. Leases

As A Lessee

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 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.

As A Lessor

Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight-line basis over the lease term.

2.6. Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A. Investment in Subsidiaries

Investments in subsidiaries are stated at cost less provision for impairment loss, if any. Investments are tested for impairment wherever event or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.



TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

B. Investments (Other than Investments in Subsidiaries) and Other Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses is either recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this depends on the business model in which the investment is held. For investments in equity instruments, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies the debt investments when and only when the business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company 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 that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instrument as amortised cost measurement categories. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired

Equity Instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Income' in the Statement of Profit and Loss.

(iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

(iv) Derecognition of Financial Assets

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Dividend Recognition

Dividend is 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.

(vi) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

(vii) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.7. Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.8. Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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.

2.9. Trade Payables

Trade Payables represent liabilities for goods and services provided to the Company prior to the end of financial year which



TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.10. Employee Benefits

A. Short-term Employee Benefits

Liabilities for short-term employee 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. The liabilities are presented under 'Trade Payables-Current' in the Balance Sheet.

B. Post-employment Benefits

i) Defined Benefit Plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated at year-end by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss. Remeasurement 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. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

ii) Defined Contribution Plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

C. Other Long-term Employee Benefits

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at year-end by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

2.11. Income Tax

The income tax expense 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, unused tax credits and to unused tax losses.

TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

The current tax charge is calculated on the basis of 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 on the basis of amounts expected to be paid to the tax authorities.

Deferred 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 standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

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 impacts 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 tax asset is realised or the deferred tax liability is settled.

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

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

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

2.12. Provisions and Contingencies

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 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.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.13. Revenue recognition

Revenue is recognized for amounts the Company expects to be entitled to in exchange for rendering services to a customer.



TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

Amount disclosed as revenue are net of discounts, rebates, goods and service taxes, amounts collected on behalf of third parties, as applicable.

Contract with a customer is accounted for when all the following criteria are met:

- the parties to the contract have approved the contract and are committed to perform their respective obligations;
- each party's rights regarding the services to be transferred are identifiable;
- payment terms for the services to be transferred are identifiable;
- the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- it is probable that the entity will collect the consideration to which it is entitled in exchange for the services that will be transferred to the customer.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend income

Dividend is 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.

2.14. Foreign currency transactions and translation

Functional and Presentation Currency

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

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Exchange differences arising from settlement of foreign currency transactions and from year-end restatement are recognised in Profit and Loss. Foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within 'Other Income'/'Other Expenses'. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.15 Borrowing Costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

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

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.16 Earnings per Share

Basic Earnings per Share

Basic earnings per equity share is computed by dividing profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.17 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors is collectively the Company's CODM. Based on the synergies, risks and returns associated with business operations and in terms of Ind AS 108, the Finance Head of the Company has assessed that the Company is predominantly engaged in the business of a single reportable segment of Logistics Service Provider during the year.

3. Use of Estimates and critical Accounting Judgments

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that impact the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these standalone financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods impacted.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each impacted line item in the standalone financial statements.

The areas involving critical estimates or judgements are:

A. Employee Benefits (Estimation of Defined Benefit Obligation)

Post-employment benefits represents obligation that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit cost over the employee's approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting requires the company to make assumptions regarding variables such as discount rate, rate of compensation increase and future mortality rates. Changes in these key assumptions can have a significant impact on the defined benefit obligations funding requirements and benefit costs incurred.



TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

B. Estimation of Expected Useful Lives and Residual Values of Property, Plants and Equipment.

Management reviews its estimate of useful lives of property, plant and equipments at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

C. Contingencies

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. The cases and claims against the Company often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law, in the normal course of business. The Company consults with legal counsel and certain other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

D. Deferred Taxes

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

TKM Global Logistics Ltd.
Notes Forming part of Financial Statements of the year ended 31st March, 2018

Note 4 : Property, Plant and Equipment and Other Intangible Assets			₹ in Lakhs
	As at March 2018	As at March 2017	
Net Carrying amount of :			
Building	589.99	601.19	
Plant and Equipments	5.37	6.04	
Furniture and Fixtures	20.35	27.05	
Office Equipments	12.53	7.44	
Total Property Plant & Equipment	628.24	641.72	
Software	10.75	14.81	
Other Intangible Assets	10.75	14.81	

	Building	Plant and Equipments	Furniture and Fixtures	Office Equipments	Total Property, Plant and Equipment	Software	Total Other Intangible Assets
Gross Carrying Amount as at 1st April, 2017	623.62	7.29	40.53	20.92	692.36	18.46	18.46
Additions	-	-	-	10.38	10.38	-	-
Disposals	-	-	-	10.39	10.39	-	-
Gross Carrying Amount as at 31st March, 2018	623.62	7.29	40.53	20.91	692.35	18.46	18.46
Accumulated Depreciation/Amortisation as at 1st April, 2017	22.43	1.25	13.48	13.48	50.64	3.65	3.65
Charge for the Year	11.20	0.67	6.70	4.63	23.20	4.06	4.06
Disposals	-	-	-	9.73	9.73	-	-
Accumulated Depreciation/Amortisation as at 31st March, 2018	33.63	1.92	20.18	8.38	64.11	7.71	7.71
Net Carrying Amount at the beginning of the Year	601.19	6.04	27.05	7.44	641.72	14.81	14.81
Net Carrying Amount at the end of the Year	589.99	5.37	20.35	12.53	628.24	10.75	10.75

	Building	Plant and Equipments	Furniture and Fixtures	Office Equipments	Total Property, Plant and Equipment	Software	Total Other Intangible Assets
Gross Carrying Amount as at 1st April, 2016	623.62	7.29	50.25	19.92	701.08	3.51	3.51
Additions	-	-	0.41	3.29	3.70	14.95	14.95
Disposals	-	-	10.13	2.29	12.42	-	-
Gross Carrying Amount as at 31st March, 2017	623.62	7.29	40.53	20.92	692.36	18.46	18.46
Accumulated Depreciation/Amortisation as at 1st April, 2016	11.23	0.58	8.16	8.88	28.85	1.08	1.08
Charge for the year	11.20	0.67	8.07	6.27	26.21	2.57	2.57
Disposals	-	-	2.75	1.67	4.42	-	-
Accumulated Depreciation/Amortisation as at 31st March, 2017	22.43	1.25	13.48	13.48	50.64	3.65	3.65
Net Carrying Amount at the beginning of the Year	612.39	6.71	42.09	11.04	672.23	2.43	2.43
Net Carrying Amount at the end of the Year	601.19	6.04	27.05	7.44	641.72	14.81	14.81

Note : Aggregate amount of depreciation has been included under "Depreciation and Amortisation Expenses" in the Statement of Profit and Loss.



TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

As at		
5. NON-CURRENT INVESTMENTS	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Investment Carried at Cost		
Investments in Equity Instruments of Subsidiary Companies (Unquoted)		
i) TKM Global GmbH 100 Shares of Euro 511.29 each, fully paid up (31.03.2017: 100 Shares of Euro 511.29 each, fully paid up)	110.64	110.64
ii) TKM Global China Ltd 1 Share of USD 10,00,000, fully paid up (31.03.2017: 1 Share of USD 10,00,000, fully paid up)	438.78	438.78
	549.42	549.42
Aggregate value of Unquoted Investments	549.42	549.42

As at		
6. LOANS- NON CURRENT	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Loan to Employees	-	0.13
Security Deposits	87.99	1.61
	87.99	1.74

As at		
7. OTHER FINANCIAL - ASSETS NON CURRENT	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Unsecured, Considered Good		
Fixed Deposits with Banks(with Maturity of more than 12 months) #	1.59	-
Interest Accrued on Deposits #	0.05	-
	1.64	-
# Financial Assets carried at Amortised Cost		

As at		
8. NON CURRENT TAX ASSETS (NET)	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Advance Payment of Taxes [Net of Provisions for Tax ₹ 230.56 Lakhs (31.03.2017: ₹ 314.38 Lakhs)]	771.78	681.16
	771.78	681.16

TKM Global Logistics Ltd.
Notes Forming part of Financial Statements of the year ended 31st March, 2018

As at		
9. OTHER NON CURRENT TAX ASSETS	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Prepaid Expenses	0.09	0.15
	0.09	0.15

As at		
10. INVESTMENTS - CURRENT	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Investments Carried at Fair Value through Profit or Loss		
Investments in Mutual Funds (Unquoted)		
Tata Liquid Fund Direct Plan-Daily Dividend [45.20 Units (31.03.2017: 218.26 Units)]	0.50	2.43
	0.50	2.43
Aggregate value of Unquoted Investments	0.50	2.43

As at		
11. LOANS - CURRENT	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Unsecured, Considered Good :		
Loan to Employees	10.48	12.74
Security Deposits	1.94	26.00
Unsecured, Considered Doubtful :		
Security Deposits	-	1.27
	12.42	40.01
Less: Provision for Bad and Doubtful Loans	-	1.27
	12.42	38.74

As at		
12. TRADE RECEIVABLES	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Unsecured		
(i) Considered Good #	1,450.05	1,724.66
(ii) Considered Doubtful #	38.37	57.27
	1,488.42	1,781.93
Less : Provision for Doubtful Debts	38.37	57.27
	1,450.05	1,724.66
# Includes dues from Related Parties (Refer Note 39)	507.78	990.35



TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

As at		
13. CASH AND CASH EQUIVALENTS	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Cash on Hand	0.66	1.51
Cheques, Drafts on Hand	-	0.67
Balances with Banks		
In Current Account	79.50	181.60
In Deposit Account	-	135.00
	80.16	318.78

As at		
14. OTHER BANK BALANCES	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Fixed Deposit with Banks (with maturity of more than three months but less than twelve months)	13.36	13.91
	13.36	13.91

As at		
15. OTHER FINANCIAL ASSETS - CURRENT	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Unsecured, Considered Good		
Interest Accrued on Deposits	0.65	0.84
	0.65	0.84

As at		
16. OTHER CURRENT ASSETS	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Balance with Government Authorities @	113.79	75.61
Prepaid for Expenses	27.20	24.76
Advances to Suppliers/Service Providers	48.34	47.18
	189.33	147.55

@ Balances with Government Authorities primarily include unutilised input credits on purchase of services, etc. These are regularly utilised to offset the tax liability on services rendered by the company. Accordingly, these balances have been classified on current Assets.

TKM Global Logistics Ltd.
Notes Forming part of Financial Statements of the year ended 31st March, 2018

17. EQUITY SHARE CAPITAL	As at	
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Authorised 50,00,000 Equity Shares of ₹ 10 each, fully paid up (31.03.2017 : 50,00,000 Equity Shares of ₹ 10 each)	500.00	500.00
Issued, Subscribed and Paid-up 36,00,000 Equity Shares of ₹ 10 each, fully paid up (31.03.2017 : 36,00,000 Equity Shares of ₹ 10 each)	360.00	360.00
	360.00	360.00

i Reconciliation of Shares

Reconciliation of Shares	As at		As at	
	31st March 2018		31st March 2017	
	No. of Shares (in lakhs)	Amount (₹ in Lakhs)	No. of Shares (₹ in lakhs)	Amount (₹ in Lakhs)
Equity Share of ₹10 each				
Balance at the Beginning of the Year	36.00	360.00	36.00	360.00
Balance at the End of the Year	36.00	360.00	36.00	360.00

ii Terms and Rights attached to Equity Shares

The Company has one class of Equity Shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

iii Details of Equity Shares held by Shareholders holding Company

Shareholders	As at	
	31st March 2018	31st March 2017
TM International Logistics Limited	360.00	360.00

iii Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares in the company:

Shareholders	As at		As at	
	31st March 2018		31st March 2017	
	No. of Shares (in lakhs)	% age	No. of Shares (in lakhs)	% age
TM International Logistics Limited	36.00	100%	36.00	100%



TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

As at		
18. OTHER EQUITY	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
General Reserves		
Balance at the beginning of the Year	5.64	5.64
Balance at the end of the Year	5.64	5.64
Retained Earnings		
Balance at the beginning of the Year	2,123.13	2,102.70
Profit/(Loss) for the Year	(108.39)	27.63
Other Comprehensive Income	31.50	(7.20)
- Remeasurements of Post-Employment Defined Benefit Obligation, Net of Tax		
Balance at the end of the Year	2,046.24	2,123.13
	2,051.88	2,128.77

As at		
19. NON CURRENT BORROWINGS	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Unsecured		
Loan from Related Party	184.00	232.00
Less : Current Maturities of Long-term Debt (Refer Note : 22)	(48.00)	(48.00)
	136.00	184.00
Terms of Repayment - Total Loan amount is repayable in quarterly instalments of ₹12 Lakhs each. Interest is payable on monthly basis at 10.50 % p.a.		

As at		
20. PROVISIONS - NON CURRENT	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Provision for Employee Benefits (Refer Note 35)		
- Provision for Compensated Absences	162.14	178.90
	162.14	178.90

As at		
21. TRADE PAYABLES - CURRENT	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Creditors for Supplies and Services @	814.17	959.20
Creditors for Accrued Wages and Salaries	97.50	119.72
	911.67	1,078.92
@ Includes dues to Related Parties (Refer Note 39)	262.62	101.95

TKM Global Logistics Ltd.
Notes Forming part of Financial Statements of the year ended 31st March, 2018

As at		
22. OTHER FINANCIAL LIABILITIES - CURRENT	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Current Maturities of Long-term Debt	48.00	48.00
Capital Liabilities @	28.85	25.45
Security Deposit @	70.86	2.00
	147.71	75.45
@ Includes dues to Related Parties	76.36	3.83

As at		
23. PROVISIONS CURRENT	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
Provision for Employee Benefits (Refer Note 35)		
- Provision for Gratuity	21.30	21.43
- Provision for Compensated Absences	2.55	10.22
	23.85	31.65

As at		
24. OTHER CURRENT LIABILITIES	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
Advances Received from Customers	21.41	100.59
Dues Payable to Government Authorities @	16.67	22.26
	38.08	122.85

@ Dues payable to Government Authorities primarily includes goods and services tax, with holding taxes, payroll related taxes and other taxes payable

25. CURRENT TAX LIABILITIES	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
Provision for Taxes	9.27	0.12
[Net of Advance: ₹ 85.72 Lakhs (31.03.2017 : ₹ 11.05 Lakhs)]	9.27	0.12

26. REVENUE FROM OPERATIONS	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
a) Sale of Services		
i) Freight, Agency and Other Charges	4,400.68	4,250.36
ii) Warehousing	260.52	884.86
b) Other Operating Revenues		
i) Service Charge	211.88	202.18
	4,873.08	5,337.40



TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

27. OTHER INCOME	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
Dividend from Financial Assets Carried at Fair Value through Profit or Loss	4.32	6.16
Liabilities no Longer Required Written Back	25.24	41.71
Recovery of Bad Debts	-	3.33
Gain on Foreign Currency Transactions (Net)	4.75	33.58
Provision for Doubtful Debts Written Back	7.16	31.79
Interest Income on Financial Assets Carried at Amortised Cost	2.16	3.79
Income from Rental Services	10.46	9.60
Other Non-Operating Income	0.01	0.55
	54.10	130.51

28. OPERATING EXPENSES	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
a) Freight, Documentation and Other Charges	3,610.96	3,462.93
b) Warehousing	212.18	570.00
	3,823.14	4,032.93

29. EMPLOYEE BENEFIT EXPENSE	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
Salaries and Wages	755.83	852.89
Contribution to Provident and Other Funds	81.89	58.20
Staff Welfare Expenses	22.46	38.15
	860.18	949.24

30. FINANCE COST	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
Interest Expense on Financial Liabilities carried at Amortised Cost - Borrowing from Related Party	22.48	32.78
	22.48	32.78

TKM Global Logistics Ltd.
Notes Forming part of Financial Statements of the year ended 31st March, 2018

31. OTHER EXPENSES	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
Power and Fuel	10.91	13.51
Rent	91.12	113.46
Repairs and Maintenance		
- Building	7.68	7.64
- Others	22.30	22.08
Insurance	32.33	14.72
Rates and Taxes	1.64	1.13
Travelling and Conveyance	45.00	39.94
Legal and Professional Fees	32.62	36.45
Provision for Doubtful Debts	0.58	16.54
Payment to Auditors (Refer Note 31.1 Below)	6.70	11.03
Corporate Social Responsibility Expenditure (Refer Note 31.2 Below)	3.51	2.22
Bad Debts Written-off [Net of Adjustment of Provision for Doubtful Debts ₹12.33 Lakhs (31.03.2017: ₹10,57 Lakhs)]	14.74	14.82
Loss on Sale of Fixed Assets	0.28	6.49
Miscellaneous Expenses	52.57	87.49
	321.98	387.53
31.1 Payment to Auditors		
As Auditors		
- Audit Fee	3.60	4.61
- Other Matters (including Certification)	2.37	6.20
- Out of Pocket Expenses	0.73	0.22
31.2 Corporate Social Responsibility Expenditure		
a) Gross amount required to be spent during the Year	3.42	1.91
b) Amount Spent during the Year		
(i) Construction/Acquisition of an Asset	-	-
(ii) On Purposes other than (i) Above	3.51	2.22



TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

32. INCOME TAX EXPENSE	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
A. Tax Expense Recognised in Profit or Loss		
Current Tax		
Current Tax on Profits for the Year	-	6.32
Deferred Tax		
Origination and Reversal of Temporary Differences	(19.47)	2.71
Income Tax Expense	(19.47)	9.03
B. Tax on Other Comprehensive Income		
Current Tax		
Remeasurements on Post-employment Defined Benefit Plans	-	3.22
	-	3.22

Income Tax Expense for the year can be reconciled to the accounting Profit/(Loss) as follows:

	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
Profit Before Tax for the Year	(127.87)	36.66
Income Tax Expense calculated at 30.90% (31.03.2017: 30.09%)	(39.51)	11.33
Effect of Income that is Exempt from Tax	(1.33)	(1.90)
Effect of items that are not Deductible in Determining Taxable Profit	10.91	0.09
Effect on Deferred Tax Balances due to the Change in Income Tax Rate	1.78	-
Effect of other items	8.68	(0.48)
	(19.47)	9.03

The tax rate used for the year 2017-18 and 2016-17 in the reconciliations above is the corporate tax rate considering tax rate on book profit of 18.5% (31.03.2017 : 30.0%) plus cess and surcharge, where applicable, payable by corporate entities in India on taxable profits under the Indian tax law.

33. Deferred Tax (Liability)/Asset (Net)

₹ in Lakhs

	As at 1st April 2016	Charge/ (Credit) for the Year	As at 31st March'17	Charge/ (Credit) for the Year	As at 31st Marc'18
Deferred Tax Liabilities					
Property, Plant and Equipment and Intangible Assets	(86.62)	0.09	(86.53)	(5.89)	(92.42)
	(86.62)	0.09	(86.53)	(5.89)	(92.42)
Deferred Tax Assets					
Provision for Doubtful Debts and Advances	27.64	(9.55)	18.09	(8.11)	9.98
Leave Encashment	51.69	6.75	58.44	(15.62)	42.82
Mat Credit Entitlement	30.88	3.87	34.75	-	34.75
Unabsorbed Business Loss	-	-	-	49.09	49.09
	110.21	1.07	111.28	25.36	136.64
Deferred Tax (Liability)/Asset (Net)	23.59	-	24.75	-	44.22

TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

34. Earnings Per Share (EPS) :

₹ in Lakhs

	For the year ended 31st March 2018	For the year ended 31st March 2017
A) Basic		
(i) Number of Equity Shares at the Beginning of the Year	36.00	36.00
(ii) Number of Equity Shares at the End of the Year	36.00	36.00
(iii) Weighted Average Number of Equity Shares Outstanding during the Year	36.00	36.00
(iv) Face Value of Each Equity Share (₹)	10.00	10.00
(v) Profit after Tax Available for Equity Shareholders Profit for the Year (₹)	(108.39)	27.63
(vi) Basic Earnings per Equity Share (₹) [(v)/(iii)]	(3.01)	0.77
(B) Diluted		
(i) Dilutive Potential Equity Shares	-	-
(ii) Earnings per Equity Share (₹) [Same as (A)(vi) above]	(3.01)	0.77

35. Employee Benefits :

(i) Post Employment Defined Contribution Plans

The Company provide Provident Fund to its employees, both the employer and employee make monthly contributions to a fund administered by Government of India. The company has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay employee benefits. The contributions are recognised as expenses in the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by employees. During the year an amount of ₹ 31.58 Lakhs (Previous Year - ₹ 35.49 Lakhs) has been recognised as expenditure towards the above defined contribution plans by the company.

(ii) Defined Benefit Plans

The Company provides Gratuity benefits to its employees. Gratuity liabilities are funded through Life Insurance Corporation of India. The company makes payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. Liabilities with regard to Gratuity plan are ascertained by an independent actuarial valuer. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in Statement of Profit and Loss in full in the year in which they occur.

These plans typically expose the Company to actuarial risks such as discount rate risk, as mentioned below.

Discount Rate Risk	The Company is exposed to the risk of falling discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of liability.
Demographic Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality and attrition rates of plan participants. An increase in life expectancy or service term of the plan participants will increase the plan's liability.
Salary Growth Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.



TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

The following table sets forth the particulars in respect of the Gratuity Plan (Funded) of the Company:

₹ in Lakhs

Description	31st March 2018	31st March 2017
1. Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation:		
a. Present Value of Obligation at the Beginning of the Year	169.56	142.04
b. Current Service Cost	39.72	13.04
c. Interest Expense	11.28	10.75
d. Remeasurement Losses		
Actuarial Gain arising from Changes in Experience Adjustments	(21.39)	(4.02)
Actuarial (Gain)/Loss arising from Changes in Financial Assumptions	(10.12)	14.44
e. Benefits Paid	(16.83)	(6.69)
f. Present Value of Obligation at the End of the Year	172.22	169.56
2. Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets:		
a. Fair value of plan assets at the Beginning of the Year	148.13	130.22
b. Return on Plan Assets, excluding Amounts included in Interest	10.11	10.38
c. Contributions from Employer	9.51	14.22
d. Benefits Paid	(16.83)	(6.69)
e. Fair value of Plan Assets at the End of the Year	150.92	148.13
3. Reconciliation of Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:		
a. Present Value of Obligation at the End of the Year	172.22	169.56
b. Fair Value of Plan Assets at the End of the Year	150.92	148.13
c. Liabilities recognized in the Balance Sheet	21.30	21.43
Provision for Employee Benefit - Current (Refer Note 23)	21.30	21.43
4. Expense Recognised in the Statement of Profit and Loss during the Year		
a. Service Cost		
- Current Service Cost	12.68	13.04
- Past Service Cost	27.04	-
b. Net interest cost	1.17	0.37
Total Expense Recognised during the Year in the Statement of Profit and Loss	40.89	13.41
5. Expense Recognised in the Statement of Other Comprehensive Income		
a. Actuarial (Gain)/Loss due to DBO Experience	(21.39)	(4.02)
b. Actuarial (Gain)/Loss due to DBO assumption changes	(10.12)	14.44
Total (Income)/Expense Recognised in Other Comprehensive Income	(31.51)	10.42
6. Category of Plan Assets:		
Funded with LICI	150.92	148.13
7. Maturity Profile of Defined Benefit Obligation		
a. Within 1 year	2.98	9.83
b. 1-2 years	3.61	3.22
c. 2-5 years	20.17	13.55
d. Over 5 years	107.58	73.29
8. Assumptions		
a. Discount Rate (per annum)	7.50%	7.00%
b. Rate of Escalation in Salary (per annum)	9.00%	9.00%
Assumption regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2006-2008) published by the Institute of Actuaries of India		
Investment details are not available, all contributions are deposited and managed by Life Insurance Corporation of India.		

TKM Global Logistics Ltd.
Notes Forming part of Financial Statements of the year ended 31st March, 2018

9. Actuarial assumptions for the determination of the defined obligation are discount rate and expected salary escalation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	FY 2017-18		FY 2016-17	
Effect of change in	Discount Rate	Salary Escalation	Discount Rate	Salary Escalation
Increase by 1%				
(i) Aggregate Service and Interest Cost	(18.06)	20.55	(18.88)	13.76
(ii) Closing Balance of Obligation	154.16	192.77	150.68	183.33
Decrease by 1%				
(i) Aggregate Service and Interest Cost	21.06	(17.99)	22.28	(14.24)
(ii) Closing Balance of Obligation	193.28	154.23	191.84	155.32

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

10. The Company expects to contribute ₹15.75 Lakhs (31.03.2017: ₹ 21.43 Lakhs) to the funded gratuity plans during the next financial year.

11. The weighted average duration of the defined benefit obligation as at 31st March, 2018 is 12 years (31.03.2017 - 13 years).

(iii) Leave Obligations

The Company provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Company's policy. The Company records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement. The total provision recorded by the Company towards this obligation was ₹ 164.69 Lakhs and ₹ 189.11 Lakhs as at 31st March, 2018 and 31st March, 2017 respectively. Some portion of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.



TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

36. Fair Value Measurements

(a) Financial Instruments by Category

The following table presents carrying amount and fair value of each category of financial assets and liabilities as at the year end:

		₹ in Lakhs	
	Note No.	31st March 2018	31st March 2017
Financial Assets			
Assets Carried at Fair Value through Profit or Loss			
Investments Mutual Fund	10	0.50	2.43
Assets Carried at Amortised Cost			
Loans	6, 11	100.41	40.49
Trade Receivables	12	1,450.05	1,724.66
Other Financial Assets	7, 15	2.29	0.84
Cash and Cash Equivalents	13	80.16	318.78
Other Balances with Banks	14	13.36	13.91
Total Financial Assets		1,646.77	2,101.11
Financial Liabilities			
Liabilities Carried at Amortised Cost			
Borrowings (excluding Current Maturities)	19	136.00	184.00
Trade Payables	21	911.67	1,078.92
Other Financial Liabilities	22	147.71	75.45
		1,195.38	1,338.36

(b) Fair Value Measurement

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2017.

The following methods and assumptions were used to estimate the fair values:

- In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.
- The management assessed that fair values of loans taken, trade receivables, cash and cash equivalents, other bank balances, other financial assets (current), trade payables and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments.

(c) Fair Value Hierarchy

TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds. The mutual funds are valued using the closing Net Asset Value.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise 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.

	31st March, 2018	31st March, 2017
	Level 1	Level 1
Recognised and Measured at Fair Value - Recurring Measurements		
Financial Assets		
Investments		
Mutual Funds - Daily Dividend	0.50	2.43
	0.50	2.43

37. Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of above risks. The senior executives working to manage the financial risks are accountable to the Audit Committee and the Board of Directors. This process provides assurance to the Company's senior management that the Company's financial risks-taking 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 the Company's risk appetite.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(a) Credit Risk:

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks and Investments in Mutual Funds)

Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed centrally and is subject to the Company's policy and procedures which involve credit approvals, establishing credit limits and continually monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. The Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience with customers. Total revenue during the year from Tata Steel Limited is ₹ 570.18 Lakhs (31.03.2017 : ₹ 1,767.74 Lakhs) which comprise more than 10% of total revenue of the Company.



TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

Other Financial Assets

Credit risk from balances with banks, term deposits, loans and investments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements. The Company's maximum exposure to credit risk for the components of the Balance Sheet as of 31st March, 2018 and 31st March, 2017 is the carrying amounts as disclosed in Note 34.

Financial Assets that are Neither Past Due Nor Impaired

None of the Company's cash equivalents with banks, loans and investments were past due or impaired as at 31st March, 2018 and 31st March, 2017. Of the total trade receivables, ₹ 938.00 Lakhs as at 31st March, 2018 and ₹ 932.00 Lakhs as at 31st March, 2017 consisted of customer balances that were neither past due nor impaired.

Financial Assets that are Past Due but Not Impaired

The Company's credit period for customers generally ranges from 0 - 60 days. The ageing of trade receivables that are past due but not impaired (net of provisions/allowances) is given below:

Period (in days)	31st March, 2018	31st March, 2017
1-90	355.05	570.43
91-180	111.23	178.51
More than 180	45.77	43.72
	512.05	792.66

Receivables are deemed to be past due or impaired with reference to the Company's policy on provisioning of receivables. Further, case to case basis are analysed with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

Other than trade receivables, the Company has no significant class of financial assets that is past due but not impaired.

Reconciliation of Provision for Doubtful Debts - Trade receivables	As at 31st March, 2018	As at 31st March, 2017
Opening Balance	57.27	83.09
Provision made during the Year	0.58	16.54
Provision Written-back/Reversed during the Year	(7.16)	(31.79)
Bad Debts during the Year Adjusted with Provisions	(12.33)	(10.57)
Closing Balance	38.36	57.27

(b) Liquidity Risk:

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and maintains adequate sources of financing.

Maturities of Financial Liabilities

The table below analyse Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amount disclosed in the table are the contractual undiscounted cash flows.

TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

Contractual Maturities of Financial Liabilities	As at March 31, 2018				
	Upto 1 Year	1 Year to 3 Years	3 Years to 5 Years	More than 5 Years	Total
Borrowings (including Current Maturities)	48.00	96.00	40.00	-	184.00
Trade Payables	911.67	-	-	-	911.67
Other Financial Liabilities	99.71	-	-	-	99.71
	1,059.38	96.00	40.00	-	1,195.38

Contractual Maturities of Financial Liabilities	As at March 31, 2017				
	Upto 1 Year	1 Year to 3 Years	3 Years to 5 Years	More than 5 Years	Total
Borrowings (including Current Maturities)	48.00	96.00	88.00	-	232.00
Trade Payables	1,078.92	-	-	-	1,078.92
Other Financial Liabilities	27.45	-	-	-	27.45
	1,154.37	96.00	88.00	-	1,338.37

(c) Market Risk

a) Foreign Currency Exchange Rate Risk:

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currencies. The Company has foreign currency trade receivables and trade payables and is therefore exposed to foreign currency risk. The Company strives to achieve asset-liability offset of foreign currency exposures.

(i) Foreign Currency Risk Exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Receivables:

Receivables in Foreign Currency	As at 31st March 2018		As at 31st March 2017	
	Amount in Foreign Currency	Amount in ₹ Lakhs	Amount in Foreign Currency	Amount in ₹ Lakhs
EUR	0.04	3.30	0.06	4.08
GBP	0.02	1.69	0.01	0.54
JPY	0.14	0.09	0.04	0.02
CHF	0.02	1.40	0.00	0.19
SGD	0.01	0.37	0.03	1.14
USD	0.49	31.01	1.56	98.39



TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

Payable in Foreign Currency	As at 31st March 2018		As at 31st March 2017	
	Amount in Foreign Currency	Amount in ₹ Lakhs	Amount in Foreign Currency	Amount in ₹ Lakhs
CHF	0.07	5.17	0.12	8.08
EUR	1.95	162.22	0.36	25.75
GBP	0.02	2.29	0.04	3.21
HKD	-	-	0.02	0.21
JPY	0.47	0.30	3.60	2.15
SEK	0.01	0.09	0.49	3.68
SGD	0.07	3.54	0.03	1.53
USD	3.38	226.35	0.57	38.13

(ii) Sensitivity

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments.

Foreign Currency	Impact on Profit before Tax			
	Receivables		Payables	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
CHF Sensitivity				
INR/CHF -Increase by 10%*	0.14	0.02	(0.52)	(0.81)
INR/CHF -Decrease by 10%*	(0.14)	(0.02)	0.52	0.81
EUR Sensitivity				
INR/EUR -Increase by 10%*	0.33	0.41	(16.22)	(2.58)
INR/EUR -Decrease by 10%*	(0.33)	(0.41)	16.22	2.58
GBP Sensitivity				
INR/GBP -Increase by 10%*	0.17	0.05	(0.23)	(0.32)
INR/GBP -Decrease by 10%*	(0.17)	(0.05)	0.23	0.32
HKD Sensitivity				
INR/HKD -Increase by 10%*	-	-	-	(0.02)
INR/HKD -Decrease by 10%*	-	-	-	0.02
JPY Sensitivity				
INR/JPY -Increase by 10%*	0.01	0.00	(0.03)	(0.21)
INR/JPY -Decrease by 10%*	(0.01)	(0.00)	0.03	0.21
SEK Sensitivity				
INR/SEK -Increase by 10%*	-	-	(0.01)	(0.37)
INR/SEK -Decrease by 10%*	-	-	0.01	0.37
SGD Sensitivity				
INR/SGD -Increase by 10%*	0.04	0.11	(0.35)	(0.15)
INR/SGD -Decrease by 10%*	(0.04)	(0.11)	0.35	0.15

TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

USD Sensitivity				
INR/USD -Increase by 10%*	3.10	9.84	(22.63)	(3.81)
INR/USD -Decrease by 10%*	(3.10)	(9.84)	22.63	3.81

* Holding all other variables constant

(b) 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. However, the Company has only fixed rate borrowings. The Company's fixed rate borrowings and investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

(c) Securities Price Risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Company invests its surplus funds in various debt instruments, which mainly comprises liquid schemes of mutual funds. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

Securities Price Risk Exposure

The Company's exposure to securities price risk arises from investments in mutual funds held by the Company and classified in the Balance Sheet as fair value through profit or loss, as disclosed in Note 36.

38. Capital Management

Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the net debt to equity ratio. Net debt are long-term and short-term debts as reduced by cash and cash equivalents. The Company is not subject to any externally imposed capital requirements.



TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

The following table summarises the capital of the Company:

	31st March,2018	31st March,2017
Total Debt	184.00	232.00
Less : Cash and Cash Equivalents	80.16	318.78
Net Debt/(Surplus)	103.84	(86.78)
Equity	360.00	360.00
Total Capital (Equity +Net Debt)	463.84	273.22
Net Debt to Equity Ratio	28.84%	NA

39. List of Related Parties and Relationship

a) Entities with Significant influence over the Company:

Name	Type	Place of Incorporation	31st March 2018	31st March 2017
Tata Steel Limited	Entity with Joint Control of Holding Company	India	100.00%	100.00%
TM International Logistics Limited	Holding Company	India	100.00%	100.00%

b) The Company has following Subsidiaries and Step-down Subsidiary Companies:

Name	Type	Place of Incorporation	31st March 2018	31st March 2017
TKM Global GmbH	Wholly Owned Subsidiary	Germany	100.00%	100.00%
TKM Global China Limited	Wholly Owned Subsidiary	China	100.00%	100.00%
TM Harbour Services Private Limited (till 6th December, 2016)"	Step-down Subsidiary	India	-	74.18%

c) The Company has the following Fellow Subsidiaries with which Transactions have taken place during the Current/ Previous Year

- (1) Indian Steel & Wire Products Limited
- (2) Tata Steel Asia HK Limited
- (3) Tata Steel UK Limited
- (4) International Shipping and Logistics FZE
- (5) Tata Steel Processing and Distribution Company Limited
- (6) Tata Metaliks Limited
- (7) The Tinplate Company of India Limited
- (8) Tata BlueScope Steel Limited

TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

(d) Key Managerial Personnel of the Company

Name	Relationship
Mr. Ashish Kumar Gupta	Non-Executive Director
Mr. R. N. Murthy	Non-Executive Director
Mr. Dipak Kumar Banerjee	Non-Executive Independent Director
Mr. Virendra Sinha	Non-Executive Independent Director
Mr. Anand Chand	Non-Executive Director
Mr. Amar Patnaik	Non-Executive Director

e) Transactions with Related Parties during the year and Balances Outstanding at the Year-end.

₹ in Lakhs

Particulars	Entity with Joint Control of Holding Company	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Total
Transactions					
Rendering of Services	570.18 (1,767.74)	202.33 (3.87)	86.61 (150.80)	537.60 (182.92)	1,396.72 (2,105.33)
Receiving of Services	-	127.07 (137.69)	459.37 (336.21)	-	586.44 (473.90)
Loan Repaid	-	48.00 (48.00)	-	-	48.00 (348.00)
Interest Paid	-	22.48 (27.52)	-	-	22.48 (32.78)
Reimbursement Received	1,158.85 (813.47)	13.84 (139.22)	22.54	1,702.21 (1,118.10)	2,897.44 (2,070.79)
Reimbursement Paid	-	39.02 (54.48)	-	-	39.02 (59.03)
Bad Debt Written-off	-	-	-	-	-
	(1.33)	-	-	(0.00)	(1.33)
Provision for Doubtful Debts	9.50 (3.58)	-	-	0.05	9.55 (3.58)
Rental Income	-	-	-	9.44 (9.60)	9.44 (9.60)
Security Deposit Received	-	-	-	-	-
	-	-	-	(2.00)	(2.00)
Balances Outstanding at the Year-end					
Borrowings		184.00 (232.00)	-	-	184.00 (232.00)
Trade Receivables	351.71 (656.61)	33.29 (18.70)	34.59 (55.97)	88.19 (259.07)	507.78 (990.35)
Trade Payables Current	-	99.79 (71.90)	162.83 (28.05)	-	262.62 (101.95)
Other Current Liabilities	-	68.86	-	-	68.86
	(2.83)	-	-	(1.00)	(3.83)
Provision for Doubtful Debts	5.14 (9.07)	-	-	0.05	5.19 (10.63)
Other Current Assets	-	-	-	-	-
	-	(0.75)	-	-	(0.75)

Figures in bracket represents transactions with related parties during last year and balances as at the end of last year.

TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

f) Transactions with Key Management Personnel during the Year

₹ in Lakhs

Particulars	Year ended March 31, 2018"	Year ended March 31, 2017
Remuneration to Key Management personnel		
Short-term Benefits	3.24	4.00

40. Contingencies

- 40.1. Outstanding Bank Guarantees - ₹ 5.00 Lakhs (31.03.2017: ₹ 0.75 Lakhs)

Claim against the Company not Acknowledged as Debt

- 40.2. Service Tax - ₹ 6677.63 Lakhs (including Interest ₹ 2225.88 Lakhs & Penalty ₹ 2225.88 Lakhs) (31.03.2017: ₹ 6677.63 Lakhs).

The Service Tax Department has raised the demand on applicability of service tax on remittances made to Overseas Logistics Service Providers by the company from Financial Year 2005-2006 to Financial Year 2009-2010. Company has filed an appeal against the demand and has obtained stay from Kolkata High Court against the pre-deposit demanded by the CESTAT Eastern Zone. The matter is pending with CESTAT Eastern Zone.

- 40.3. Other Matters - ₹ **66.61 Lakhs** (31.03.2017: ₹ 66.61 Lakhs)

i) A case has been filed against the company by New India Assurance Company for ₹ **49.87 Lakhs** (31.03.2017: ₹ 49.87 Lakhs) for the cargo damage handled by the Company in year 2008. Insurance company has paid the claim for damages to the consignee and has filed a claim for re-imbursement with the Company. The matter is pending before Civil Court, Secunderabad.

ii) A case has been filed against the company by New India Assurance Company for ₹ **16.74 Lakhs** (31.03.2017: ₹ 16.74 Lakhs) for the cargo damage handled by the Company in year 2006. Insurance company has paid the claim for damages to the consignee and has filed a claim for re-imbursement with the Company. The matter is pending before Civil Court, Hyderabad.

- 40.4. The Deputy Commissioner of Income Tax has passed an order under Section 143(3) relating to FY 2010-11 dated 5th May 2015 demanding ₹ **142.01 Lakhs** (31.03.17: ₹ 142.01 Lakhs). Company has filed an appeal on 3rd June 2015 against the order. On 28th March 2016, the Company has deposited ₹ 21.40 Lakhs which is 15% of the disputed amount.

- 40.5. The Assistant Commissioner of Income Tax has passed an order relating to FY 2011-12 dated 14th July 2017 demanding ₹ **125.88 Lakhs** (31.03.17: Nil). Company has filed an appeal before ITAT on 13th September 2017 against the order. On 9th February 2018, the Company has deposited ₹ 25.18 Lakhs which is 20% of the disputed amount.

- 40.6. The Assistant Commissioner of Income Tax has passed an order relating to FY 2012-13 dated 31st October 2017 disallowing ₹ **13.90 Lakhs** (31.03.17: Nil) under Section 14A and making an upward adjustment of ₹ 220.62 Lakhs under Transfer Pricing. Company has filed an appeal before ITAT on 15th January 2018 against the order.

- 40.7. The Assistant Commissioner of Income Tax has passed an order relating to FY 2013-14 dated 19th January 2018 disallowing ₹ **5.43 Lakhs** (31.03.17: Nil) under Section 14A, disallowing various expenses of ₹ 128.45 Lakhs and making an upward adjustment of ₹ 59.41 Lakhs under Transfer Pricing. Company has filed an appeal before CIT(A) on 22nd February 2018 against the order.

- 40.8. Other Claims - ₹ **35.52 Lakhs** (31.03.17: ₹ 35.52 Lakhs).

41. The Company has cancellable operating lease arrangements for certain warehouse and office space. Terms of such lease include option for renewal on mutually agreed terms. There are no restrictions imposed by lease arrangements and there are no purchase options or contingent rents. Operating lease rentals (including sub-lease) for the year recognised in profit or loss amounts to ₹ **91.12 Lakhs** (31.03.2017 - ₹ 113.46 Lakhs).

TKM Global Logistics Ltd.
Notes Forming part of Financial Statements of the year ended 31st March, 2018
42. Segment Reporting

Based on the synergies, risks and returns associated with business operations and in terms of Ind AS - 108, the Company is predominantly engaged in the business of a single reportable segment of Logistics during the year.

Entity-wise Disclosures :

₹ in Lakhs

(i)	Service-wise Revenues from External Customers	For the year ended 31st March 2018	For the year ended 31st March 2017
	Income from Freight, Agency and Other Charges	4,400.68	4,250.36
	Income from Warehousing	260.52	884.86
	Income from Service Charges	211.88	202.18

(ii)	The Company is Domiciled in India. The Amount of its Revenue from External Customers Broken Down by Location of the Customers is shown below:	For the year ended 31st March 2018	For the year ended 31st March 2017
	India	4,623.71	5,019.45
	Rest of the World	249.37	317.94

(iii) All non-current assets of the Company (excluding Financial Assets) are located in India.

(iv)	Details of Major Customers accounting for more than 10% of Revenue from External Customers:	For the year ended 31st March 2018	For the year ended 31st March 2017
	Tata Steel Limited	570.18	1,767.74
	Tata Bluescope Steel Limited	488.97	428.51

43. Based on and to the extent of information obtained from suppliers regarding their status as Micro, Small or Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 there are no amounts due to them as at the end of the year. The Company has not paid any interest during the year in terms of Sec 16 of The Micro, Small and Medium Enterprise Development Act, 2006.

44. Disclosure on Specified Bank Notes (SBNs) :

During last year, the Company had specified bank notes or other denominations as defined in the MCA notifications G.S.R. 308(E) dated 31.03.2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from 08.11.2016 to 30.12.2016, the denomination wise SBNs and other notes as per the notification is given below:



TKM Global Logistics Ltd.

Notes Forming part of Financial Statements of the year ended 31st March, 2018

₹ in Lakhs

Particulars	SBNs *		Other Denomination Notes		Total	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Closing Cash in Hand as on 08.11.2016	-	0.80	-	0.76	-	1.56
(+) Non-Permitted Receipts	-	0.52	-	-	-	0.52
(+) Permitted Receipts	-	-	-	8.45	-	8.45
(-) Permitted Payments	-	-	-	7.58	-	7.58
(-) Amount Deposited in Banks	-	1.32	-	-	-	1.32
Closing Cash in Hand as on 30.12.2016	-	-	-	1.63	-	1.63

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of finance, Department of Economic Affairs number S.O. 3047('E) dated 08.11.2016.

This is the Balance Sheet referred to in our report of even date.
In terms of our report attached
For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No. 304026E / E300009
Chartered Accountants
Sd/-

Pinaki Chowdhury
Partner, Membership Number 057572
Kolkata, 16th April, 2018

For and on behalf of the Board of Directors
Sd/-

Ashish Kumar Gupta
Chairman
Anand Chand
Director



International Shipping and Logistics FZE

CORPORATE INFORMATION

INTERNATIONAL SHIPPING AND LOGISTICS FZE, DUBAI

(As on 11th April, 2018)

Board of Directors

Chairman

Mr. Ashish Kumar Gupta

Directors

Mr. Guenther Hahn

Mr. Sandeep Bhattacharya

Director & Chief Executive Officer

Capt. S. R. Patnaik

Management Team

Capt. S. R. Patnaik -- Director & CEO

Capt. Sudhir Kunnath - Head Operations

Mr. Dipak Kumar Panda – Sr Mgr F&A

Mr. Partha Sarthi Pal – Head - Commercial & New Projects

Auditors

M/s. Pannell Kerr Forster

Chartered Accountants

Dubai

Registered Office

Office No. TPOFCA 0140

Techno Park, Jebel Ali

P.O. Box: 18490

Dubai, UAE

Bankers

Citi Bank N.A

State Bank of India, Bahrain

ICICI Bahrain

HDFC Bahrain

Branch Office

Jumeirah Business Centre 5

Cluster W

Office No. 1604 to 1606

Jumeirah Lakes Towers

P.O Box: 18490

Dubai, U.A.E

Tel: 00971-4-4508953

Fax: 00971-4-4508941



INTERNATIONAL SHIPPING AND LOGISTICS FZE

Directors' Report

To the Members,

The Directors hereby present their thirteenth report on the business and operations of the Company and the audited financial account for the year ended 31st March, 2018.

The Company was formed on 1st February, 2004 as a Free Zone Establishment with limited liability pursuant to Law No. 9 of 1992 of H.H. Sheikh Maktoum Bin Rashid Al Maktoum, Ruler of Dubai and implementing Regulations issued thereunder by the Jebel Ali Free Zone Authority.

The Company is a wholly owned subsidiary of TM International Logistics Ltd., which is incorporated in India.

FINANCIAL RESULTS

	31.3.2018 Amount in ₹	31.3.2018 Amount in USD	31.3.2017 Amount in ₹	31.3.2017 Amount in USD
(a) Revenue	2,495,621,989	38,709,986	2,303,043,345	34,330,228
(b) Less: Direct Costs	2,391,083,038	37,088,466	2,214,949,738	33,017,064
(c) Gross Profit	104,538,951	1,621,520	88,093,607	1,313,164
(d) Less: Administrative & Other expenses	148,140,007	2,297,823	112,026,248	1,669,915
(e) Profit from Operating Activities	(43,601,056)	(676,303)	(23,932,641)	(356,751)
(f) Add: Interest on Fixed Deposit & Other operating Income	119,865,135	1,859,247	170,049,272	2,534,833
(g) Net Profit Before Tax for the year	76,264,079	1,182,944	146,116,631	2,178,082
(h) Current Tax Expense	14,350,376	222,591	24,095,792	359,183
(i) Profit After Tax for the year	61,913,703	960,353	122,020,839	1,818,899

During the year under review, total revenue of the Company was USD 38.71 million (₹ 2,495.62 million) as against USD 34.33 million (₹ 2303.04 million) for the previous year. The Company made a profit of USD 0.96 million (₹ 61.91 million) as against net profit of USD 1.81 million (₹ 122.02 million) in the previous year.

DIVIDEND

The Board of Director have approved a dividend payment of USD 1.50 million to its shareholder for the year ended 31st March, 2018.

MARKET REPORT:

After a poor 2016, the dry cargo market improved in 2017. Global macroeconomic improvements and strong Chinese imports created demand growth of around 4.8%, which was sufficient to outpace supply growth of 3%. Compared to 2016, the BDI and charter rates across all vessel classes in 2017 saw a significant improvement. Average BDI for 2017-18 was 1,207.61 as compared to an average of 818.58 in the same period in FY 16-17.

Fleet growth in 2017 amounted to 3% after a total of 38 million dwt. of vessel capacity was delivered from the yards. Scrapping levels were lower than in 2016 as markets continued to improve, and full-year scrapping amounted to 14 million dwt. equivalent to 1.8% of the fleet.

Ordering activity has been low during 2017 despite improving market conditions. At the end of the year, the order book represented around 9% of the total fleet, which is considered low in a historical context. Ordering could be expected to pick up during 2018 if the improvements in rates and asset values continue.

Going into 2018, the global conditions are expected to continue and drive further growth in seaborne commodity trade on dry cargo vessels. The dry-bulk seaborne trade in 2018 is expected to grow steadily at about 3.3% and experience a slight rebound. Based on very low order books, supply growth is expected to be around 1-2%, which would be the lowest level since 1999. Scrapping levels are expected to continue at the levels seen in 2017 as the effects of extra costs from IMO's Ballast Water Management Convention (BWMC) and the 2020 low sulphur regulation.

OPERATIONAL REVIEW

The following are the operational highlights of the Company during FY 17-18:

ISL reported a cargo volume of 3.27 Mn MT in FY 17-18 as against 3.38 Mn MT in the previous year. The top line during FY 17-18 stood at \$38.71 Mn as against \$34.33 Mn in FY 16-17. The PAT level stood at \$0.96 Mn vis-a-vis against a profit of \$1.83 Mn in FY 16-17. In FY 17-18, ISL has recovered \$1.06 Mn from Bramco which was provided in the books in the earlier years.

In Q4- FY 18, ISL acquired MV ISL Star, a 1999-built 74,461 dwt gearless Panamax bulk carrier. The purchase was concluded in Norway on the 19th Mar 2018 with a capex cost of \$8.16 Mn.

New Initiatives / Achievements

- All time high no. of Indian coastal shipments.
- Booked 3 shipments of sand



- Successfully executed 5 shipments of Steel for Tata Steel through e-bidding in collaboration with TATA-NYK.
- ISL has been granted the port to port shipping contract by Sagarmala Coastal Ltd. to move bagged NPK fertilizer. This is the first of its kind initiative by IFFCO-the venture is an end-to-end based logistics from their plant in Gandhidham to various destinations on West Coast of India.

OPPORTUNITIES & CHALLENGES

a. Opportunities

- Make greater inroads into Indian Coastal shipping by partnering with end to end logistics service providers.
- To participate in movement of coal on E.C. India.
- Explore shipping opportunities in S.E. Asia- Vietnam, Cambodia and Myanmar.
- Provide Commercial Management services to other customers.
- Identify investment opportunities.

b. Challenges

- Small operators with lesser fixed cost acting as our competitors
- Retention of well-trained human resources

BOARD OF DIRECTORS

During the financial year 2017-18, 4 (Four) meetings of the Board of Directors of the Company were held.

Mr. R N Murthy resigned from the Board w.e.f 30th June, 2017 and Mr. Ashish Kumar Gupta was appointed as the Director & Chairman in his place w.e.f 1st July 2017.

Mr. Sabyasachi Hajara resigned from the Board w.e.f 12th April, 2018.

As on date, Mr. Ashish Kumar Gupta, Mr. Guenther Hahn, Mr. Sandeep Bhattacharya and Capt. S. R Patnaik continues as Directors on the Board of the Company.

AUDITORS

The Auditors of the Company, M/s. Pannell Kerr Forster, Chartered Accountants, have offered themselves for re-appointment.

ACKNOWLEDGEMENT

The Directors wish to take the opportunity to place on record their sincere appreciation and gratitude for the continued assistance, support and co-operation extended by all the customers, vendors, business partners, Government Authorities, Bankers, TM International Logistics Ltd., the holding company and other business associates for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels.

For and on behalf of the Board

Sd/-

Mr. Ashish Kumar Gupta
(Chairman)

Sd/-

Capt. S. R. Patnaik
Director & CEO

Place: Dubai

Date: 12th April, 2018



INDEPENDENT AUDITOR'S REPORT

The Shareholder

INTERNATIONAL SHIPPING AND LOGISTICS FZE

Report on the Financial Statements

Report on the Ind AS Financial Statements We have audited the accompanying Ind AS financial statements of **INTERNATIONAL SHIPPING AND LOGISTICS FZE** (the 'Establishment'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Establishment's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these 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 Establishment in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Establishment and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the

audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Establishment as at 31 March 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the 'Annexure A', statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, based on our audit we report, to the extent applicable that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Establishment so far as it appears from our examination of those books;
 - c. the Balance Sheet, and the Statement of Profit and Loss (including 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;



- e. on the basis of the written representations received from the directors as on 31 March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of Section 164(2) of the Act;
- f. with respect to the 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 Establishment did not have any pending litigations;
 - ii. the Establishment did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Establishment.

PKF
Dubai
United Arab Emirates
12th April 2018

Annexure - A to the Independent Auditor's Report

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section
of our report of even date)**

- (i) (a) The Establishment has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the management in accordance with a regular program of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the sale deed/completion and possession certificate provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Establishment as at the balance sheet date.
- (ii) As explained to us, inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the books and records maintained by the Establishment and the information and explanations given to us, the Establishment has neither granted nor taken any loans, secured or unsecured to/from companies, firms, limited liability partnership or other parties listed under Section 189 of the Act.
- (iv) The Establishment has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Establishment has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act, for the services of the Establishment.
- (vii) (a) The Establishment has generally been regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the records of the Establishment, the dues outstanding of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (US\$)	Period to which the amount relate	Forum where dispute is pending
The Income Tax Act, 1961	Additional tax demand	2,564	2009-10	Income Tax Officer (Kolkata)
The Income Tax Act, 1961	Additional tax demand	1,370	2010-11	Income Tax Officer (Kolkata)



- (viii) The Establishment does not have any dues towards financial institution, bank or debenture holders.
- (ix) According to the information and explanations given to us, the Establishment has not raised any money by way of initial public offer and term loans during the course of our audit.
- (x) According to the information and explanations given to us, no fraud on Establishment has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Establishment, the Establishment has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Establishment is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Establishment, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Establishment, the Establishment has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Establishment, the Establishment has not entered into non-cash transactions with its directors, or directors of its holding company or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Establishment is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

PKF

Dubai

United Arab Emirates

12th April 2018

**International Shipping and Logistics FZE
Balance Sheet as at 31st March 2018**

	Notes	2018 ₹	2018 USD	2017 ₹	2017 USD
I. EQUITY AND LIABILITIES					
(1) Shareholder's funds					
(a) Share capital	3	1,23,82,249	2,73,748	1,23,82,249	2,73,748
(b) Reserves and surplus		2,20,52,87,299	3,38,22,482	2,13,61,01,625	3,28,62,129
		2,21,76,69,548	3,40,96,230	2,14,84,83,874	3,31,35,877
(2) Non-current liabilities					
Long Term Provisions	4	2,24,60,573	3,45,313	2,27,37,146	3,50,673
(3) Current liabilities					
(a) Trade payables	6	7,64,72,804	11,75,707	9,09,76,725	14,03,126
(b) Other current liabilities	7	4,14,24,896	6,36,874	20,76,38,549	32,02,391
(c) Short-term provisions	8	3,49,677	5,376	3,51,944	5,428
		11,82,47,377	18,17,957	29,89,67,218	46,10,945
TOTAL EQUITY AND LIABILITIES		2,35,83,77,498	3,62,59,500	2,47,01,88,239	3,80,97,495
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets					
Tangible assets	9	57,73,59,921	88,76,438	5,41,24,205	8,27,536
Intangible assets	10	1,33,243	2,055	11,23,894	16,943
(b) Investment in associate	11	-	-	-	-
(c) Other non-current assets	12	47,66,30,741	73,27,809	78,56,06,199	1,21,16,335
		1,05,41,23,906	1,62,06,302	84,08,54,298	1,29,60,814
(2) Current assets					
(a) Inventories		70,43,885.77	1,08,294.00	-	-
(b) Trade receivables	13	23,88,30,487	36,71,824	31,28,98,310	48,25,803
(c) Cash and cash equivalents	14	88,14,52,666	1,35,51,616	1,13,18,92,757	1,74,57,082
(d) Short-term loans and advances	16	16,23,81,230	24,96,479	4,54,33,120	7,00,711
(e) Other current assets	17	1,45,87,712	2,24,985	13,96,03,017	21,53,085
		1,30,42,95,982	2,00,53,198	1,62,98,27,205	2,51,36,681
TOTAL ASSETS		2,35,84,19,887	3,62,59,500	2,47,06,81,503	3,80,97,495

The accompanying notes form an integral part of these financial statements.

The report of the independent auditor is set forth on pages 1 to 5.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Authorised for issue by the Board of Directors on 11th April 2017

For **INTERNATIONAL SHIPPING AND LOGISTICS FZE**

Sd/-

SOUMYA RANJAN PATNAIK

CEO



International Shipping and Logistics FZE

Statement of Profit and Loss for the year ended 31st March 2018

	Notes	2018	2018	2017	2017
		₹	USD	₹	USD
REVENUE					
Revenue	18	2,49,56,21,991	3,87,09,986	2,30,30,43,345	3,43,30,228
Other income	19	11,97,76,876	18,57,878	17,00,49,272	25,34,833
TOTAL REVENUE		2,61,53,98,867	4,05,67,864	2,47,30,92,617	3,68,65,061
EXPENSES					
Direct costs	20	2,39,10,83,049	3,70,88,466	2,21,49,49,738	3,30,17,064
Employee benefit expenses	21	8,28,92,911	12,84,396	7,26,69,692	10,83,248
Depreciation expenses	22	86,33,721	1,33,919	77,86,221	1,16,065
Other expenses	23	5,66,13,441	8,78,140	3,15,70,336	4,70,602
TOTAL EXPENSES		2,53,92,23,121	3,93,84,921	2,32,69,75,987	3,46,86,979
Profit before tax		7,61,75,746	11,82,943	14,61,16,630	21,78,082
Tax expenses		1,43,50,315	2,22,590	2,40,95,792	3,59,183
Profit for the year		6,18,25,431	9,60,353	12,20,20,839	18,18,899
Earning per equity share:		6,18,25,431	9,60,353	12,20,20,839	18,18,899

The accompanying notes form an integral part of these financial statements.

International Shipping and Logistics FZE
Statement of Changes in Equity for the year ended at 31st March 2018

	Share capital ₹	Retained earnings ₹	Total ₹	Share capital USD	Retained earnings USD	Total USD
As at 1.4.2016	1,23,82,249	2,01,39,97,083	2,00,26,57,138	2,73,748	3,10,43,230	3,13,16,978
Effect of foreign Exchange	-	83,704	83,704	-	-	-
Net Profit for the year	-	12,20,20,839	12,20,20,839	-	18,18,899	18,18,899
As at 31.03.2017	1,23,82,249	2,13,61,01,625	2,14,84,83,874	2,73,748	3,28,62,129	3,31,35,877
Effect of foreign Exchange	-	73,60,243	73,60,243			-
Net Profit for the year	-	6,18,25,431	6,18,25,431	-	9,60,353	9,60,353
As at 31.03.2018	1,23,82,249	2,20,52,87,299	2,21,76,69,548	2,73,748	3,38,22,482	3,40,96,230

The accompanying notes form an integral part of these financial statements.



International Shipping and Logistics FZE

Cash Flow Statement for the year ended at 31st March 2018

	Notes	2018 ₹	2018 USD	2017 ₹	2017 USD
Cash flows from operating activities					
Profit for the year		7,61,75,746	11,81,574	14,66,49,219	21,86,021
Adjustments for:					
Depreciation on Tangible assets		76,73,895	1,19,031	59,66,204	88,935
Amortisation on Intangible assets		9,59,825	14,888	18,20,016	27,130
Provision for Bad and doubtful Debts		59,95,684	93,000	-	-
Dividend income from associate		-	-	(8,48,71,716)	(12,65,137)
Provision for doubtful debts written back		-	(12,05,354)	-	-
Profit on sale of investment		-	-	(3,87,45,948)	(5,77,565)
Unrealised exchange Loss		-	-	-	-
Credit Balances written back		-	-	-	-
Excess Provision no longer required written back		(46,95,394)	(72,831)	(41,94,355)	(62,523)
Loss on disposal of assets (net)		-	-	-	-
Interest income		(3,53,02,265)	(5,47,579)	(3,68,73,740)	(5,49,657)
Operating profit before changes in operating assets and liabilities		5,08,07,491	(4,17,271)	(1,02,50,320)	(1,52,796)
Increase in Inventory		(70,43,885.77)	(1,08,294)	-	-
Decrease in Trade Receivables		14,74,11,590.29	22,66,333	(24,35,35,532)	(37,56,027)
(Increase)/Decrease in Short-Term Loans & Advances		(11,68,04,113.37)	(17,95,768)	(1,61,82,612)	(2,49,583)
(Increase)/ decrease in other Non Current Assets		(4,58,951)	(7,056)	-	-
(Increase)/ decrease in other Current Assets		12,47,05,995.86	19,17,253	(2,21,04,451)	(3,40,915)
(Decrease)/Increase in Trade Payables		(1,46,82,664.87)	(2,25,734)	4,08,86,832	6,30,594
Increase in other Long-Term Liabilities		(2,59,591.00)	(3,991)	(83,642)	(1,290)
(Decrease)/ increase in other Current Liabilities		(16,22,44,116.76)	(24,94,371)	8,41,07,724	12,97,186
Increase in Short Term Provisions (net)		(3,382.29)	(52)	71,841	1,108
Cash(used in)/ from operations		2,14,28,372	(8,68,951)	(16,70,90,160)	(25,71,723)
Taxes paid		1,44,78,166.22	2,22,590	2,32,88,923	3,59,183
Net cash(used in)/ from operating activities		3,59,06,538	(10,91,541)	(14,38,01,237)	(29,30,906)
Cash flows from investing activities					
Payment for Tangible Assets		(53,13,05,315.82)	(81,68,386)	(5,76,610)	(8,893)
Proceeds on Disposal of Tangible Assets		29,205	453	-	-
Proceeds from sale of investment		-	-	27,10,36,884	40,40,201
Dividend income from associate		-	-	8,48,71,716	12,65,137
Payment for additional investments in associate		-	-	-	-
Proceeds from disposal of assets		-	-	-	-
Decrease in Fixed deposits (net)		50,97,98,679.29	78,37,739	(22,68,86,795)	(34,99,255)
Interest received		2,80,91,245.91	4,31,880	6,19,13,471	9,54,886
Net cash used in investing activities		66,13,814	1,01,686	19,03,58,666	27,52,076
Net increase in cash and cash equivalents		4,25,20,352	(9,89,855)	4,65,57,429	(1,78,830)
Cash and cash equivalents at beginning of year		11,71,75,008	18,54,030	13,18,07,796	20,32,860
Effect of foreign Exchange		-	-	(6,11,90,218)	-
Cash and cash equivalents at end of year	13	15,96,95,360	8,64,175	11,71,75,008	18,54,030

Note:

The above Cash Flow statement has been prepared under the indirect method as set out in Accounting Standard 3 (AS 3) 'Cash Flow Statements' as specified in Companies (Accounting Standards) Rules, 2006

The accompanying notes form an integral part of these interim financial statements.

International Shipping and Logistics FZE

Notes to the Financial Statements for the year ended at 31st March 2018

1. LEGAL STATUS AND BUSINESS ACTIVITY

- a) INTERNATIONAL SHIPPING AND LOGISTICS FZE (the 'Establishment') was incorporated on 1 February 2004 in the Jebel Ali Free Zone pursuant to Law No. 9 of 1992 of late H.H. Sheikh Maktoum Bin Rashid Al Maktoum, the former Ruler of Dubai. The Establishment is a wholly owned subsidiary of T.M. International Logistics Limited, India (the 'parent'), which is a joint venture between Tata Steel Limited, India, IQ Martrade Holding and Management GmbH, Dusseldorf, Germany and NYK Holding (Europe) B.V. Netherland. Prior to this, the parent company was a joint venture between Tata Steel Limited, India and IQ Martrade Holding and Management GmbH, Dusseldorf, Germany. The registered office is located at P.O. Box 18490, Dubai, UAE.
- b) The Establishment's principal activity is chartering of vessels and transporting marine cargo on behalf of its customers.
- c) In the year 2011, the Establishment has registered a branch in Dubai Multi Commodities Centre Authority (DMCC), which operates under the name 'International Shipping and Logistics FZE'. These Ind AS financial statements include the assets, liabilities and operating results of the branch.

2. SIGNIFICANT ACCOUNTING POLICIES

The Ind AS financial statements are prepared under the historical cost convention on accrual basis and are in compliance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India.

The significant accounting policies adopted are as follows:

a) Presentation currency

Although the currency of country of domicile is UAE Dirham, these Ind AS financial statements are presented in US Dollars (US\$), which is considered to be the functional currency of the Establishment.

b) Vessel and other tangible assets

Tangible assets are stated at cost less accumulated depreciation and impairment losses. For vessels purchased, these costs include capitalisable expenditures that are directly attributable to the acquisition of the vessel.

The cost is depreciated over their estimated useful lives using the straight-line method applying the rates, which are specified in the Act or based on estimated useful life whichever is higher. Residual values of the vessels are estimated as the lightweight tonnage of each vessel multiplied by scrap value per ton. Future depreciations are based on depreciation schedules including residual values. Expected useful lives of assets, and residual values, are reviewed at each balance sheet date and, where they differ significantly from previous estimates, depreciation calculations are altered accordingly. The details of estimated life for each category of assets are as under:

Type of asset	Estimated life
Freehold buildings	30 years
Furniture and fixtures	5 years
Office equipment	5 years
Computers	4 years
Vehicles	5 years
Vessel	6 to 7 years



International Shipping and Logistics FZE

Notes to the Financial Statements for the year ended at 31st March 2018

The useful life of the vessel has been derived based on technical advice after taking into account its nature, its estimated uses, its operating condition, its past history of replacement, its anticipated technological changes, etc.

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 expenditure will flow to the Establishment and such cost can be measured reliably. Such cost includes the cost of replacing part of the tangible assets. When significant parts of tangible assets are required to be replaced at intervals, the Establishment recognises such parts as individual assets with specific useful lives and depreciates them accordingly. The carrying amount of replaced parts is derecognised.

All other repairs and maintenance costs are charged to statement of profit and loss during the financial period in which they are incurred.

Costs related to dry-docking or other major overhauls are recognised in the carrying amount of the vessel. The recognition is made when the dry-docking has been performed and is depreciated based on estimated time to the next class renewal. The remaining costs that do not meet the recognition criteria are expensed as repairs and maintenance.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Vessels and other tangible assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is derecognised.

c) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. The amount in respect of software is amortised over a period of 4 years.

An assessment of amortisation method and useful lives is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the amortisation charge.

d) Inventories

Cost of bunkers are stated at Weighted Average Cost (WAC) method and comprise invoice value plus applicable landing charges.

e) Staff end-of-service benefits

The Establishment provides gratuity and leave encashment benefits to its employees. Gratuity and leave encashment liabilities are not funded. The present value of these defined benefit obligations is ascertained by an independent actuarial valuation as per the requirement of Ind-AS 19 'Employee Benefits'. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date, together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in the other comprehensive income in full in the period in which they occur, if significant.

f) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Establishment and the revenues can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other similar allowances.

Revenue from rendering of services is recognised over the period when the outcome of the transaction can be estimated reliably, in proportion to the level of service performed at the reporting date.

International Shipping and Logistics FZE

Notes to the Financial Statements for the year ended at 31st March 2018

Voyage charter

Contract with a customer in case of voyage charter is accounted for when all the following criteria are met:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Establishment;
- The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- The cost incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Losses on voyages are recognised during the period in which the loss first becomes probable and can be reasonably estimated.

Time charter

Revenue under time charter is recognised based on the terms of the time charter agreement.

Commercial management fee

Commercial management fee charged for managing and monitoring the performance of vessels of a related party is recognised as per terms agreed.

Demurrage income

Demurrage income, which is included in time/voyage chartering, represents payments by the customers to the Establishment when loading or discharging time exceeds the stipulated time in the time/voyage charter, and is recognised when services have been performed and there exists no significant uncertainty as to its measurability and collectability.

g) Foreign currency transactions

Transactions in foreign currencies are translated into US\$ at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into US\$ at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to the statement of profit and loss.

h) Provision

Provision is recognised when the Establishment has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle, a provision is expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

i) Taxes on income

Income tax is calculated on the taxable income for the period as applicable in respect of income from jointly controlled operations determined in accordance with the provision of the Indian Income Tax Act, 1961.



International Shipping and Logistics FZE

Notes to the Financial Statements for the year ended at 31st March 2018

j) Financial instruments

Financial assets and financial liabilities are recognised when, and only when, the Establishment becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognised when, and only when, they are extinguished, cancelled or expired.

Financial assets

Loans and receivables

Trade and other receivables

Trade and other receivables are classified as loans and receivables and stated at cost, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material. These are reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash, bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Other current and non-current financial assets

Other current and non-current financial assets which comprise mainly deposits under encumbrance and deposits with a maturity date of more than three months from the date of deposit are classified as loans and receivables and stated at amortised cost using the effective interest method.

Financial liabilities

At amortised cost

Trade and other payables

Trade and other payables are stated at cost, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

Equity

Equity instruments issued by the Establishment are recorded at the value of proceeds received towards interest in share capital of the Establishment.

Impairment of financial assets

All financial assets are assessed for indicators of impairment at each reporting date. Impairment losses and reversals thereof are recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

International Shipping and Logistics FZE

Notes to the Financial Statements for the year ended at 31st March 2018

k) Significant judgments and key assumptions

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Impairment

At each reporting date, management conducts an assessment of tangible assets, intangible assets and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made. In the case of loans and receivables, if an amount is deemed irrecoverable, it is written off to the statement of profit and loss or, if previously a provision was made, it is written off against the provision. Reversals of provisions against loans and receivables are made to the extent of the related amount being recovered.

l) Key sources of estimation uncertainty

Key assumptions made 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 as follows:

Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives. Depreciation is based on estimates of the vessel's useful life, residual value less scrapping costs and the depreciation method, which are reviewed by management at each balance sheet date. Any changes in estimated useful life and/or residual value impact the depreciation of the vessel prospectively.

Impairment of trade receivables

Management regularly undertakes a review of the amounts of receivables owed to the Establishment from third parties (refer note 7) and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Recognition of profits on voyages in progress

Profit on voyages in progress is recognised only when, in the opinion of management, sufficient progress has been made on the voyage that the final outcome can be reliably estimated. Otherwise no profits are recognised on such contracts.

Impairment

Assessments of net recoverable amounts of tangible assets, intangible assets and all financial assets other than receivables (see above) are based on assumptions regarding future cash flows expected to be received from the related assets.

Post-retirement benefits

The Establishment computes the provision for the liability to staff end-of-service benefits stated at US\$ 339,173 (previous year US\$ 341,363) assuming that all employees were to leave as of the reporting date. The amount of provision is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actuarial developments in the future. These include determination of discount rate; future salary increases and mortality rate. Due to the complexity of valuation, the underlying assumptions 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.

International Shipping and Logistics FZE
Notes to the Financial Statements for the year ended at 31st March 2018

	2018 ₹	2018 USD	2017 ₹	2017 USD
3 SHARE CAPITAL				
Issued and paid up:				
1 share of AED 1,000,000	1,23,82,249	2,73,748	1,23,82,249	2,73,748
(translated to US Dollars at the fixed exchange rate of AED 3.653 = US Dollar 1.00)	1,23,82,249	2,73,748	1,23,82,249	2,73,748
4 LONG-TERM PROVISIONS				
Provision for employee benefits				
Post Retirement Benefits	2,17,22,908	3,33,972	2,17,96,273	3,36,162
Other Long Term Employee Benefits	7,37,665	11,341	9,40,873	14,511
	2,24,60,573	3,45,313	2,27,37,146	3,50,673
5. POST RETIREMENT BENEFITS				
6 TRADE PAYABLES				
Creditors for services	2,71,76,791	4,17,821	2,42,92,819	3,74,666
Creditors for Expenses	-	-	81,29,204	1,25,376
Provision for operating expenses	4,92,96,013	7,57,886	5,85,54,702	9,03,084
	7,64,72,804	11,75,707	9,09,76,725	14,03,126
7 OTHER CURRENT LIABILITIES				
Income received in advance	3,65,62,264	5,62,115	20,53,58,824	31,67,231
Accruals	18,21,820	28,009	22,79,725	35,160
Advance received from customer	30,40,812	46,750	-	-
	4,14,24,896	6,36,874	20,76,38,549	32,02,391
8 SHORT-TERM PROVISIONS				
Provison for Employee Benefits:	3,38,294	5,201	3,37,225.56	5,201
Post retirement benefits	11,383	175	14,718.36	227
Other Long-term employee benefits	3,49,677	5,376	3,51,944	5,428
Provision for Tax	-	-	-	-
	3,49,677	5,376	3,51,944	5,428

International Shipping and Logistics FZE

Notes to the Financial Statements for the year ended at 31st March 2018

9 TANGIBLE ASSETS

	Freehold building USD	Furniture and Fixtures USD	Vessel USD	Office Equipments USD	Computers USD	Vehicles USD	Total USD
Cost							
As at 1 April 2016	9,57,239	2,05,273	-	75,162	78,451	1,15,232	14,31,357
Additions	-	-	-	1,898	6,995	-	8,893
Disposals	-	-	-	-	-	-	-
As at 31 March 2017	9,57,239	2,05,273	-	77,060	85,446	1,15,232	14,40,250
Additions	-	-	81,63,118	1,729	3,539	-	81,68,386
Disposals	-	-	81,63,118	(534)	-	-	(534)
As at 31 March 2018	9,57,239	2,05,273		78,255	88,985	1,15,232	96,08,102
Accumulated depreciation							
As at 1 April 2016	1,49,009	1,64,214	-	56,893	74,661	79,002	5,23,779
Depreciation	31,876	33,864	-	8,528	3,764	10,903	88,935
Adjustment for disposals	-	-	-	-	-	-	-
As at 31 March 2017	1,80,885	1,98,078	-	65,421	78,425	89,905	6,12,714
Depreciation	31,876	4,875	63,068	5,101	3,208	10,903	1,19,031
Adjustment for disposals	-	-	-	(81)	-	-	(81)
As at 31 March 2018	2,12,761	2,02,953	63,068	70,441	81,633	1,00,808	7,31,664
Net Book values							
As at 1 April 2016	8,08,230	41,059	-	18,269	3,790	36,230	9,07,578
As at 31 March 2017	7,76,354	7,195	-	11,639	7,021	25,327	8,27,536
As at 31 March 2018	7,44,478	2,320	81,00,050	7,814	7,352	14,424	88,76,438

9 TANGIBLE ASSETS

	Freehold building ₹	Furniture and Fixtures ₹		Office Equipments ₹	Computers ₹	Vehicles ₹	Total ₹
Cost							
As at 1 April 2016	6,34,96,439	1,36,16,353	-	49,85,713	52,03,882	76,43,673	9,49,46,061
Additions	-	54,526	-	1,23,064	4,63,999	-	6,41,588
Disposals	-	-	-	-	-	-	-
Effect of Foreign Exchange	14,30,403	3,61,265	-	1,12,314	1,27,682	1,72,191	22,03,856
As at 31 March 2017	6,20,66,036	1,33,09,614	-	49,96,463	55,40,199	74,71,482	9,33,83,794
Additions	-	-	53,09,62,664	1,12,461	2,30,191	-	53,13,05,316
Disposals	-	-	-	(34,733.55)	-	-	(34,734)
Effect of Foreign Exchange	(1,96,713)	(42,184)	-	(15,836)	(17,559)	(23,680)	(2,95,972)
As at 31 March 2018	6,22,62,749	1,33,51,798	53,09,62,664	50,90,026	57,87,949	74,95,162	62,49,50,347
Accumulated depreciation and impairment losses							
As at 1 April 2016	98,84,199	1,08,92,791	-	37,73,878	49,52,481	52,40,432	3,47,43,780
Depreciation	20,92,884	22,71,762	-	5,72,101	2,45,229	7,31,434	59,13,410
Adjustment for disposals	-	2	-	-	-	-	2
Effect of Foreign Exchange	2,48,753	3,21,455	-	5,72,102	1,12,742	1,42,551	13,97,603
As at 31 March 2017	1,17,28,330	1,28,43,100	-	37,73,878	50,84,968	58,29,314	3,92,59,589
Depreciation	20,55,037	3,14,290	40,65,976	3,28,860	2,06,819	7,02,913	76,73,895
Adjustment for disposals	-	-	-	(5,269)	-	-	(5,269)
Effect of Foreign Exchange	(55,481)	(43,505)	(36,225)	(4,84,302)	(17,959)	(24,738)	(6,62,210)
As at 31 March 2018	1,38,38,848	1,32,00,895	41,02,201	45,81,771	53,09,745	65,56,966	4,75,90,426
Net Book values							
As at 1 April 2016	5,36,12,240	27,23,563	-	12,11,836	2,51,402	24,03,241	6,02,02,281
As at 31 March 2017	5,03,37,706	4,66,514	-	12,22,586	4,55,231	16,42,167	5,41,24,205
As at 31 March 2018	4,84,23,901	1,50,902	52,68,60,462	5,08,255	4,78,204	9,38,196	57,73,59,921



International Shipping and Logistics FZE

Notes to the Financial Statements for the year ended at 31st March 2018

10 INTANGIBLE ASSETS			
	Capital work in progress USD	Software USD	Total USD
Cost			
As at 31 March 2016	-	108,522	108,522
Additions	-	-	-
Written off	-	-	-
As at 31 March 2017	-	108,522	108,522
Additions	-	-	-
Transfers	-	-	-
As at 31 March 201*	-	108,522	108,522
Accumulated Amortisation			
As at 31 March 2016	-	64,449	64,449
Amortisation	-	27,130	27,130
Adjustment related to write off	-	-	-
As at 31 March 2017	-	91,579	91,579
Amortisation	-	14,888	14,888
As at 31 March 2018	-	1,06,467	1,06,467
Net Book values			
As at 31 March 2016	-	44,073	44,073
As at 31 March 2017	-	16,943	16,943
As at 31 March 2018	-	2,055	2,055

10 INTANGIBLE ASSETS			
	Capital work in progress ₹	Software ₹	Total ₹
Cost			
As at 31 March 2016	-	71,98,579	71,98,579
Additions	-	-	-
Transfers	-	-	-
Effect of Foreign Exchange	-	438,972	438,972
As at 31 March 2017	-	71,98,579	71,98,579
Additions	-	-	-
Assets written off	-	-	-
Effect of Foreign Exchange	-	438,972	438,972
As at 31 March 2018	-	7,036,415	7,036,415
Accumulated impairment losses			
As at 31 March 2016	-	23,19,851	23,19,851
Amortisation	-	17,81,301	17,81,301
Effect of Foreign Exchange	-	(19,73,533)	(19,73,533)
As at 31 March 2017	-	60,74,685	60,74,665
Amortisation	-	9,65,317	9,65,317
Adjustment for assets written off	-	-	-
Effect of Foreign Exchange	-	(59,37,854)	(59,37,854)
As at 31 March 2018	-	69,93,171	69,93,171
Net Book values			
As at 31 March 2016	-	48,78,728	48,78,728
As at 31 March 2017	-	11,23,894	11,23,894
As at 31 March 2018	-	1,33,243	1,33,243

International Shipping and Logistics FZE
Notes to the Financial Statements for the year ended at 31st March 2018

11. INVESTMENT IN ASSOCIATE	2018 ₹	2018 USD	2017 ₹	2017 USD
Investment in 14,893,334 unquoted shares of TM Harbour Services Private Limited (a company registered in the State of West Bengal, India) representing 25.82% in the share capital.	-	-	-	-
The investee was incorporated on 2 September 2009. The establishment became an associate of the investee company on 18 June 2010. Investment in associate is accounted at cost less provision, if any, for permanent diminution in the value of such investments in the separate financial statements of the investor as per Accounting Standard (AS) 13, 'Accounting for Investments'.				

12. OTHER NON-CURRENT ASSETS	2018 ₹	2018 USD	2017 ₹	2017 USD
Employee Security Deposits*	28,33,711	43,566	23,31,725.73	35,962
Other Deposits	6,58,116	10,118	6,91,569	10,666
Bank Deposits more than 12 months maturity	45,82,49,019	70,45,205	77,59,45,117	1,19,67,333
Interest accrued on fixed deposits	1,48,89,895	2,28,920	66,37,787	1,02,374
	47,66,30,741	73,27,809	78,56,06,199	1,21,16,335
*These deposits are held with Jebel Ali Free Zone Authority				

13. TRADE RECEIVABLES 13. 2018	2018 ₹	2018 USD	2017 ₹	2017 USD
Current trade receivables				
Less than six months	23,88,30,487	36,71,824	30,58,95,742	47,17,803
More than six months	17,19,47,623	26,51,933	29,94,49,877	46,18,389
Trade receivables	41,07,78,110	63,23,757	60,53,45,619	93,36,192
Less: provision for doubtful accounts	(17,19,47,623)	(26,51,933)	(29,24,47,308)	(45,10,389)
	23,88,30,487	36,71,824	31,28,98,310	48,25,803
Amount due from a co-venturer	-	-	-	-
	23,88,30,487	36,71,824	31,28,98,310	48,25,803
Classification of current trade receivables:				
Unsecured, considered good	23,88,30,487	36,71,824	31,28,98,310	48,25,803
Doubtful	17,24,92,595	26,51,933	29,24,47,308	45,10,389
Total Current trade receivables	41,13,23,083	63,23,757	60,53,45,619	93,36,192

14. CASH AND CASH EQUIVALENTS	2018 ₹	2018 USD	2017 ₹	2017 USD
Cash on hand	4,21,486	6,480	75,991	1,172
Balances with banks: In current Accounts	70,04,924	1,07,695	12,01,36,719	18,52,858
Bank deposit less than 3 months maturity	4,87,83,075	7,50,000	-	-
Cash and cash equivalents as per cash flow statement	5,62,09,485	8,64,175	12,02,12,710	18,54,030
bank deposits (with 3-12 months maturity)	82,52,43,181	1,26,87,441	1,01,16,80,047	1,56,03,052
	88,14,52,666	1,35,51,616	1,13,18,92,757	1,74,57,082



International Shipping and Logistics FZE

Notes to the Financial Statements for the year ended at 31st March 2018

15. RELATED PARTIES

The establishment enters into transactions with entities that fall within the definition of a related party as contained in Indian Accounting Standard 18. The management considers such transactions to be in the normal course of business.

Related parties with whom transactions were entered and balances appeared comprise the parent company, the ultimate parent company, joint ventures of the parent company, directors, companies under common ownership/management control, associate, fellow subsidiaries and key management personnel.

Parent company	TM International Logistics Limited
Ultimate parent company	Tata Steel Limited, India
Directors	Mr. R.N. Murthy (Chairman) Mr. Guenther Hahn Mr. Sandeep Bhattacharya Mr. Sabyasachi Hajara Capt. S.R. Patnaik
Companies under common ownership/management control	Martrade Gulf Logistics FZC, Dubai Martrade Shipping & Logistics GmbH Tata Steel Asia (Hongkong) Limited
Associate	T.M Harbour Services Pvt. Ltd.
Fellow subsidiaries	TKM Global GmbH, Germany TKM Global Logistic Ltd. TKM Global China Limited, China

16. SHORT-TERM LOANS AND ADVANCES	2018 ₹	2018 USD	2017 ₹	2017 USD
Advance to suppliers	-	-	-	-
Staff loans and advances	9,17,577	14,107	11,90,891	18,367
Prepaid expenses	31,36,231	48,217	35,13,539	54,189
Deposits (other than employee security deposits)	4,59,537	7,065	3,64,782	5,626
Advances against hire charges/container leases	-	-	1,96,88,824	3,03,659
Advance Tax	59,70,203	91,787	57,59,159	88,823
Other receivables	15,18,97,682	23,35,303	1,49,15,925	2,30,047
	16,23,81,230	24,96,479	4,54,33,120	7,00,711

17. OTHER CURRENT ASSETS	2018 ₹	2018 USD	2017 ₹	2017 USD
Voyages-in-progress	-	-	12,43,12,000	19,17,253
Interest receivables	1,45,87,712	2,24,985	1,52,91,016	2,35,832
	1,45,87,712	2,24,985	13,96,03,017	21,53,085

International Shipping and Logistics FZE
Notes to the Financial Statements for the year ended at 31st March 2018

Significant transactions with related parties during the year were as follows:

	Parent Company	Ultimate Parent Company	Fellow Subsidiaries and associates	Directors/ Key management personnel	Total	Total
	US\$	US\$	US\$	US\$	2018 US\$	2017 US\$
Revenue (services rendered)	-	-	115,544	-	115,544	-
	-	910,972	-	-	-	910,972
Direct Costs (services received)	-	-	-	-	-	-
	18,742	-	105,592	-	-	124,334
Reimbursement of expenses	146,591	-	6,830	-	153,421	-
	39,863	-	-	-	-	39,863
Reimbursement of services received	-	-	-	-	-	-
	663,929	-	1,833	-	-	655,762



International Shipping and Logistics FZE

Notes to the Financial Statements for the year ended at 31st March 2018

Significant transactions with related parties during the year were as follows:

	Parent Company	Ultimate Parent Company	Fellow Subsidiaries and associates	Directors/ Key management personnel	Total	Total
	US\$	US\$	US\$	US\$	2018 US\$	2017 US\$
Reimbursement of services rendered	-	-	422	-	422	-
	-	-	-	-	-	-
Director's fees, remuneration and benefits	-	-	-	268,297	268,297	-
	-	-	-	240,472	-	240,472
Dividend income	-	-	-	-	1,265,137	-
	-	-	1,265,137	-	-	-

The establishment has entered into transaction and contracts with related parties on an arm's length price basis.

International Shipping and Logistics FZE

Notes to the Financial Statements for the year ended at 31st March 2018

18. REVENUE	2018 ₹	2018 USD	2017 ₹	2017 USD
Time chartering	31,85,04,662	49,40,376	1,81,35,71,597	2,70,33,936
Voyage chartering	2,16,77,69,220	3,36,24,610	48,94,71,749	72,96,292
Income from jointly controlled operations	-	-	-	-
Commercial Management fees	93,48,109.52	1,45,000	-	-
	2,49,56,21,991	3,87,09,986	2,30,30,43,345	3,43,30,228

19. OTHER INCOME	2018 ₹	2018 USD	2017 ₹	2017 USD
Interest income on fixed deposits	3,53,02,265	5,47,579	3,68,73,740	5,49,657
Dividend Income	-	-	8,48,71,716	12,65,137
Profit on sale of Investments	-	-	3,87,45,948	5,77,565
Credit balances written back	-	-	-	-
Excess Provision no Longer Required Written Back	46,95,394	72,831	41,94,355	62,523
Profit on sale of Assets	-	-	-	-
Foreign Exchange gain	-	-	9,86,753	14,709
Provision for bad and doubtful debts written back	7,77,08,836	12,05,354	28,80,965	42,945
Rental Income	20,42,788	31,686	14,72,918	21,956
Miscellaneous income	27,593	428	22,876	341
	11,97,76,876	18,57,878	17,00,49,272	25,34,833

20. DIRECT COSTS	2018 ₹	2018 USD	2017 ₹	2017 USD
Vessel hire charges	1,25,00,19,341	1,93,89,247	88,91,00,180	1,32,53,338
Bunkering costs	40,64,12,801	63,03,933	33,91,57,140	50,55,633
Expenses of Jointly controlled operations*	-	-	-	-
Other direct costs	73,46,50,907	1,13,95,286	98,66,92,419	1,47,08,093
	2,39,10,83,049	3,70,88,466	2,21,49,49,738	3,30,17,064

21. EMPLOYEE BENEFIT EXPENSES	2018 ₹	2018 USD	2017 ₹	2017 USD
Directors' fees	1,72,54,354	2,67,635	1,69,23,801	2,52,274
Commission on non Executive Directors	-	-	1,13,038	1,685
Staff salaries and benefits	6,17,02,938	9,57,084	5,13,53,970	7,65,506
Staff end-of-service gratuity	39,35,619	61,046	42,78,883	63,783
	8,28,92,911	12,85,765	7,26,69,692	10,83,248

22. DEPRECIATION EXPENSES	2018 ₹	2018 USD	2017 ₹	2017 USD
Depreciation on tangible assets	76,73,895	1,19,031	59,66,204	88,935
Amortisation on intangible assets	9,59,825	14,888	18,20,016	27,130
	86,33,721	1,33,919	77,86,221	1,16,065

23. OTHER EXPENSES	2018 ₹	2018 USD	2017 ₹	2017 USD
Rent	12,19,122	18,910	12,81,793.10	19,107
Legal charges	94,25,473	1,46,200	-	-
Loss on assets written off	-	-	-	-
Provision for bad and doubtful debts	59,95,684	93,000	-	-
Other expenses	3,99,73,161	6,20,030	3,02,88,543	4,51,495
	5,66,13,441	8,78,140	3,15,70,336	4,70,602

International Shipping and Logistics FZE

Notes to the Financial Statements for the year ended at 31st March 2018

24. FINANCIAL INSTRUMENTS

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, currency, liquidity risks and market risks (including currency risks, cash flow interest rate risks and fair value interest rate risks).

Credit risk is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Management continuously monitors its cash flows to determine its cash requirements in order to manage exposure to liquidity risk.

The establishment avails and renders services in local and foreign currencies. Exposure to foreign currency transaction is minimised where possible by denominating such transactions in UAE Dirhams, which has a fixed parity with US Dollars.

Exposures to the aforementioned risks are detailed below:

Credit risk

Financial assets that potentially expose the establishment to concentrations of credit risk comprise principally bank accounts and trade and other receivables.

The establishment's bank accounts are placed with high credit quality financial institutions.

Trade and other receivables are stated net of allowances of doubtful recoveries. At the reporting date, the establishment's maximum exposure to credit risk from such receivables outside UAE is as follows:

	Bank balance (fixed deposits)		Trade and other receivables	
	2018 ₹	2018 USD	2017 ₹	2017 USD
India sub-continent	-	-	148,879,667	2,390,186
Middle East countries	-	20,936,551	1,809,553,968	27,908,591
Other Asian Countries	-	-	-	-
Europe	-	-	169,111,972	2,608,199
	-	20,936,551	1,882,913	29,040

At the balance sheet date 74% of trade receivables comprise receivable from three customers (previous year 75% of trade receivables was due from four customers).

Significant concentration of credit risk by industry are as follows:

	2018 ₹	2018 USD	2017 ₹	2017 USD
Fertilisers	-	-	-	-
Minerals	37,02,07,536	56,91,639	47,92,07,634	73,90,777
Construction	4,11,15,546	6,32,118	12,61,37,985	19,45,415
Agriculture	-	-	-	-
Others	-	-	-	-

International Shipping and Logistics FZE
Notes to the Financial Statements for the year ended at 31st March 2018
Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in US Dollars or UAE Dirham which has fixed parity with the US Dollars.

Interest rate risk

Fixed deposit accounts are subject to fixed interest rates at levels generally obtained in the UAE and are therefore exposed to fair value interest rate risk.

Fair values

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair values of the establishment's financial assets and financial liabilities which are required to be stated at cost or at amortised cost approximate to their carrying values.

25. AUDITOR'S REMUNERATION	2018 ₹	2018 USD	2017 ₹	2017 USD
Audit Fees	1,744,613	26,006	1,702,808	26,006
	1,744,613	26,006	1,702,805	26,006

26. CONTINGENT LIABILITIES	2018 ₹	2018 USD	2017 ₹	2017 USD
Income tax Demand	255,075	3,934	260,954	3,934.00
	255,075	3,934	260,954	3,934.00

Represents demand from the Indian Income Tax authorities for payment of additional tax of US\$ 3,934 pertaining to financial years 2009-10 and 2010-11.

27. CONTRACTED CAPITAL COMMITMENTS	2018 ₹	2018 USD	2017 ₹	2017 USD
	-	-	-	-
	-	-	-	-

28. VESSEL HIRE COMMITMENTS	2018 ₹	2018 USD	2017 ₹	2017 USD
The establishment has entered into non-cancellable vessel charter agreement for which the future minimum hire payments are as follows:				
Not later than one year	7,57,78,558	11,68,726	1,68,05,042	2,53,344

29. VESSEL HIRE INCOME	2018 ₹	2018 USD	2017 ₹	2017 USD
The establishment has entered into non-cancellable operating hire agreements for chartering vessels. The total minimum hire income to be received is as follows:				
Not later than one year	108,045,289	1,610,573	33,057,001	498,350



International Shipping and Logistics FZE
Notes to the Financial Statements for the year ended at 31st March 2018

30. EARNINGS PER SHARE (BASIC)	2018 ₹	2018 USD	2017 ₹	2017 USD
	122,020,840	1,818,899	(112,995,336)	(1,725,712)

For INTERNATIONAL SHIPPING AND LOGISTICS LIMITED

sd/-

SOUMYA RANJAN PATNAIK

CEO & DIRECTOR



TKM Global GmbH

CORPORATE INFORMATION

TKM Global GmbH (As on date 1st June, 2018)

Board of Directors

Mr. Amar Patnaik – Managing Director
(Geschaeftsfuehrer)

Registered Office

Spaldingstrasse 210
20097 Hamburg
Germany

Tel: +49 40 238802 15
Fax: +49 40 238802 79

Management Team

Mr. Gerhard Schiefer – General Manager
(Prokurist)

Auditors

M/s. A2C Treuhand GmbH
Chartered Accountants
Germany

Bankers

Commerzbank
State Bank of India



TKM GLOBAL GmbH DIRECTORS' REPORT

To the Members,

I have pleasure in presenting the business and operations of the Company along with the Audited Statement of Accounts for the year ended 31st March, 2018.

FINANCIAL RESULTS:

	31.3.2018 Amount in ₹	31.3.2018 Amount in EUR	31.3.2017 Amount in ₹	31.3.2017 Amount in EUR
(a) Total Income	391,283,508	4,875,649	904,481,991	12,299,184
(b) Less: Operating and Administrative Expenses	247,613,940	3,085,432	293,047,854	3,984,977
(c) Profit before taxes (PBT)	-39,419,836	-491,197	611,434,137	8,314,307
(d) Less: taxes (including deferred taxes)	-15,527,192	-193,479	59,029,991	1,102,540
(e) Profit after taxes (PAT)	-23,892,542	-297,718	552,404,146	7,211,767

DIVIDEND

The Management had approved the payment of dividend of Euro 6,25,000 to its shareholders for the year ended 31.03.2018.

OPERATIONAL REVIEW

During the year under review, the Company has achieved a total income of Euro 4,875,649 (₹ 391,283,508Mn) as compared to Euro 12.299,184 Mn (₹ 904,481,991 Mn) during the previous year.

During FY 17-18, the plan for break bulk cargo was 12,000 freight tons. However, the actual for the year stood at 8,591 freight tons. The less than planned cargo volume on break bulk basis was due to very low capital import shipments account Tata Steel during the year. Furthermore, depressed container freight rate made shipping of oversized cargo using special equipment more cost optimal than using the break bulk option.

The airfreight volume stood at 214 metric tons which are slightly higher than planned. Total of 833 air shipments have been handled during the year under review. This is a steep increase of over 45% as compared to the figure of the previous year. We were able to regain 80% of the total volumes of TSL air imports fighting of tough competition of industry giants like DB Schenker, DSV and Kuehne + Nagel.

The operating contribution percentage for the year stood at 35.16% which is a 1.4% increase over the contribution percentage of the previous year. In a falling freight market, an increased contribution percentage has been possible since more than 75% of the container volume has been shipped under the trading model

resulting in increased percentage over previous year.

The weakening USD against the EUR has resulted in a decrease in quantum of contribution, 40% of our business being traded in USD denominated freight.

With a large percentage of revenue in USD, the drop-in value of the USD has contributed to 12% (approx.) decrease EUR denominated contribution against plan as per forecasted exchange rate.

The EBIT for the year 17-18 was EUR -0,491 Mn (₹-39,419,836 Mn). The EBIT from operations stood at EUR 0,435 Mn (₹ 34,909,881 Mn).

The turnover (operating) per employee was EUR 0,813 Mn (₹ 62.219Mn) for the year with an operating productivity of 253 shipments per employee per annum. This compares to EUR 0,205 Mn (₹ 16,452 Mn) per employee per annum for an industry leader like Kuehne & Nagel (Rev. of EUR 15,5 Mn with an EBIT of EUR 0,784 Mn in FY 17).

The Company forecasts the next financial year to be a challenging one. We are happy to communicate that during the year we have successfully managed to regain the lost air freight of Tata Steel, the LCL contract and 100% of the FCL business for the year '18-'19.

However, current depressed container markets which are further expected to fall during FY'19 will push margins down to near zero. A large part of the FCL contract which we have bid basis a competitive price will result in several lanes being serviced at below cost. This was a strategic decision to keep competition out.

OPPORTUNITIES AND THREATS

- i. Scope for supply chain services, specifically in the e-commerce industry will show a high growth.
- ii. TKM will continue to aggressively pursue its plan of guaranteed space contracting and offering the same on a carrier based model.
- iii. Integrated service offering combining shore side services with ocean and air freight.
- iv. India's booming defence spend and opening of the sector to private participation provides an opportunity for defence specific logistics.
- v. Point to point movement is currently just a transaction with a very limited scope of earning.
- vi. Due to depressed markets, even the biggest players are today competing for retail business driving prices down.

EMPLOYEE RELATIONS

The Company continued to maintain excellent and cordial Industrial Relations and concerted efforts were put in to maintain Industrial Harmony and Peace. The Company expresses its appreciation for the dedication, commitment and sincere services rendered by the employees throughout the year.



DIRECTORS

As on 31st March 2018, Mr. Amar Patnaik continued to be the 'Geschaeftsfuehrer' (Managing Director) and Mr. Gerhard Schiefer as the 'Prokurist' (General Manager) of the Company.

AUDITORS

M/s. A2C Treuhand GmbH are the Statutory Auditors of the Company. **For FY'18-'19, we have appointed M/s. BRL Treuhand GmbH as the Statutory Auditors.**

AUDIT OBSERVATIONS & EXPLANATIONS/COMMENTS BY THE BOARD

No qualification, reservation or adverse remark or disclaimer have been made by the Auditor's in their report.

ACKNOWLEDGEMENT

I wish to take the opportunity to place on record my sincere appreciation and gratitude for the continued assistance, support and co-operations extended by all Government Authorities, Banks, Overseas Associates, Clearing Agents, Shipping Lines, Air Lines and other business associates and last but not the least the Members of the Company.

For **TKM Global GmbH**

Sd/-

Amar Patnaik
Geschaeftsfuehrer
(Managing Director)
DIN: 02730170

Date: 23rd April, 2018
Place: Hamburg, Germany

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF TKM GLOBAL GmbH

1. We have audited the attached Balance Sheet of TKM Global GmbH (the "establishment") as at 31st March 2018, the Profit and Loss Account of the establishment for the period ended 31st March 2018 and the Cash Flow Statement for the period ended on that date, both annexed thereto.
2. Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position and financial performance of the establishment in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("the Act") which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th March 2013 of the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our Information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (INDAS):
 - I. in the case of the Balance Sheet, of the state of affairs of the establishment as at 31st March 2018;
 - II. in the case of the Profit and Loss Account, of the profit for the fiscal period ended on that date;

- III. in the case of the Cash Flow Statement, of the cash flows for the fiscal period ended on that date.
5. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by the Central Government of India in terms of Section 227 (4A) of the Act, we give in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the Order.
6. As required by section 227(3) of the Act, we report that:
- I. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- II. In our opinion, proper books of accounts as required by law have been kept by the establishment so far as appears from the examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
- III. The Balance Sheet, and the Profit and Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- IV. In our opinion, the Balance Sheet, the Profit and Loss account and the Cash Flow Statement, with the Accounting Standards referred to in Section 211(3C) of the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th March 2013 of the Ministry of Corporate Affairs).
- V. On the basis of the written representations received from the directors as on 31st March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018, from being appointed as a director in terms of Section 274(1) (g) of the Act.

Hamburg
6th April 2018

A2C Treuhand GmbH
Wirtschaftsprüfungsgesellschaft

Mirco Schroeter
Wirtschaftsprüfer
Steuerberater

Sabine Zinke
Dipl.-Ing.- Ökonom
Certificate in International Accounting

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

- I. The establishment has maintained proper records showing full particulars, including quantitative details and location of fixed assets. There is a regular program of physical verification which, in our opinion, is reasonable having regard to the size of the establishment and the nature of its assets. No material discrepancies were noticed on verification. There was no substantial disposal of fixed assets during the period.
- II. The establishment has no inventory. Accordingly, clauses 4(ii) (a), (b) and (c) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the establishment.
- III. According to the books and records maintained by the establishment and the Information and explanations given to us, the establishment has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties listed under Section 301 of the Companies Act. 1956.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the establishment and the nature of its business with regard to purchase of fixed assets.
- V. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements under Section 301 of the Companies Act. 1956 have been made at prevailing market rates.
- VI. In our opinion and according to the information and explanations given to us, the establishment has not accepted any deposits from the public.
- VII. In our opinion the establishment has an internal audit system commensurate with the size and nature of the business.
- VIII. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the Services of the establishment.
- IX. The establishment does not have any accumulated losses at the end of the financial period and it has not incurred cash losses during the current period or in the immediately preceding financial period.
- X. The establishment does not have any dues towards financial institution, bank or debenture holders.
- XI. The establishment has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- XII. In our opinion, the establishment is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the establishment.



- XIII. In our opinion, the establishment is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the establishment.
- XIV. The establishment has not given any guarantees for loans taken by others from bank and financial institutions.
- XV. According to the information and explanations given to us, the establishment has not availed any term loans during the period under audit.
- XVI. According to the Cash Flow Statement and other records examined by us and the information and the explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the period for long-term investment (fixed assets. etc.).
- XVII. The establishment has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- XVIII. The establishment does not have any outstanding debentures during the period.
- XIX. The establishment has not received any money through a public issue during the period.
- XX. Based upon the audit procedure Performance for the purpose of reporting the true and fair view of the Financial Statements and as per the information and explanations given by the management, we report that no fraud on or by the establishment has been noticed or reported during the course of our audit.

Hamburg
6th April 2018

A2C Treuhand GmbH
Wirtschaftsprüfungsgesellschaft

Mirco Schroeter
Wirtschaftsprüfer
Steuerberater

Sabine Zinke
Dipl.-Ing.- Ökonom
Certificate in International Accounting

TKM Global GmbH Balance Sheet as at 31st March 2018

		For the year ended 31st March '18	For the year ended 31st March '18	For the year ended 31st March '17	For the year ended 31st March '17
	Notes	₹	EURO	₹	EURO
I. ASSETS					
(1) Non Current Assets					
(a) Property Plant & Equipment	1	80,52,997	99,886	46,03,414	66,478
(b) Intangible assets	1	2,34,014	2,903	3,03,900	4,389
(c) Financial assets					
(i) Other financial assets	2	23,90,368	29,649	20,53,122	29,649
(d) Other Non current assets	3	50,72,10,143	62,91,197	76,60,32,740	1,10,62,228
(2) Current Assets					
(a) Financial Assets					
(i) Trade receivables	4	9,11,10,261	11,30,089	6,84,22,446	9,88,084
(ii) cash and cash equivalents	5	1,44,62,12,472	1,79,38,142	1,08,21,49,003	1,56,27,242
(ii) Other financial assets	6	1,00,06,505	1,24,116	28,81,531	41,612
(b) Other current assets	7	5,67,07,076	7,03,368	22,53,248	32,539
TOTAL		2,12,19,23,835	2,63,19,350	1,92,86,99,404	2,78,52,220
I. EQUITY AND LIABILITY					
(1) Shareholders funds					
(a) Equity Share capital	8	41,22,132	51,129	35,40,561	51,129
(b) Other Equity	9	1,91,15,74,578	2,37,10,276	1,65,90,33,585	2,39,57,994
(2) Non current liabilities					
(b) Provision	10	48,37,332	60,000	41,54,856	60,000
(a) Deferred tax liabilities (Net)	11	4,76,074	5,905	79,25,942	1,14,458
(3) Current liabilities					
(a) Financial Liabilities					
(i) Trade Payables	12	11,50,53,916	14,27,075	13,77,48,240	19,89,213
(i) Other Financial Liabilities	13	6,76,60,390	8,39,228	5,68,36,353	8,20,770
(b) Short Term Provisions	14	34,96,262	43,366	22,41,268	32,366
(b) Other Non-Financial liabilities	15	1,46,18,417	1,81,320	2,35,38,644	3,39,920
(b) Current Tax Liabilities	16	84,734	1,051	3,36,79,955	4,86,370
TOTAL		2,12,19,23,836	2,63,19,350	1,92,86,99,404	2,78,52,220

The accompanying notes form an integral part of these financial statements.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgements underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Approved by the Directors on 6th April 2018

For TKM Globam GmbH
Amar Patnaik
Global Head Logistics and Managing Director

A2C Treuhand GmbH
Wirtschaftsprüfungsgesellschaft

Mirco Schroeter
Wirtschaftsprüfer
Steuerberater

Sabine Zinke
Dipl.-Ing.- Ökonom
CINA, CVA



TKM Global GmbH **Profit and Loss Account for the year ended 31st March 2018**

		For the year ended 31st March 18	For the year ended 31st March 18	For the year ended 31st March 17	For the year ended 31st March 17
	Notes	INR	EURO	INR	EURO
Revenue from operations	17	36,00,87,160	47,67,472	33,77,11,123	45,92,210
Other income	18	81,70,609	1,08,177	56,67,70,868	77,06,974
Total revenues(I+II)		36,82,57,769	48,75,649	90,44,81,991	1,22,99,184
Expenses					
Employee Benefit Expenses	19	(7,93,77,951)	(10,50,946)	(6,57,09,020)	(8,93,514)
Finance Cost	20	(5,80,03,868)	(7,67,958)	2,22,65,779	3,02,771
Operational expenses	21	(23,30,42,679)	(30,85,432)	(22,63,71,269)	(30,78,206)
Depreciation and amortization expenses	22	(32,35,932)	(42,843)	(18,42,177)	(25,050)
Other expenses	23	(2,79,20,949)	(3,69,667)	(2,13,91,168)	(2,90,878)
Profit before tax(III-V)		(3,33,23,609)	(4,41,197)	61,14,34,137	83,14,307
Tax expenses		1,46,13,469	1,93,479	(8,10,80,792)	(11,02,540)
(1) current tax	24	64,14,461	84,926	(8,90,52,160)	(12,10,935)
(2) Deferred tax	25	81,99,008	1,08,553	79,71,368	1,08,395
Profit for the period from Continuing Operations		(1,87,10,141)	(2,47,718)	53,03,53,345	72,11,767
Profit for the period from Discontinuing Operations		-	-	-	-
Tax expenses of discontinued operations		-	-	-	-
Other comprehensive income		-	-	-	-
Total Comprehensive Income		(1,87,10,141)	(2,47,718)	53,03,53,345	72,11,767
Earnings Per Share					
(1) Basic	27	(187.10)	(2.477)	5,303.53	72.118

The accompanying notes form an integral part of these financial statements.

Approved by the Directors on 6th April 2018.

For TKM Global GmbH

Amar Patnaik

Global Head Logistics and Managing Director

A2C Treuhand GmbH Wirtschaftsprüfungsgesellschaft
ppa.

Mirco Schroeter
Wirtschaftsprüfer
Steuerberater

Sabine Zinke
Dipl.-Ing.- Ökonom
CINA, CVA

TKM Global GmbH

Cash Flow Statement for the year ended 31st March 2018

		For the year ended 31st March' 18	For the year ended 31st March' 18	For the year ended 31st March' 17	For the year ended 31st March' 17
	Notes	₹	EURO	₹	EURO
Cash flows from operating activities					
Profit before Tax & Extraordinary items		(3,33,23,609)	(4,41,197)	59,46,46,426	80,86,027
Adjustments for:					
Extraordinary items		-	-	-	-
Gain on disposal of financial assets		-	-	-	-
loss on disposal of fixed assets		-	-	-	-
Depreciation		32,35,932	42,843	18,42,177	25,050
Other non Cash Items		-	-	-	-
Interest Income		(76,07,231)	(1,00,718)	(1,28,36,113)	(1,74,546)
Operating profit before Working Capital changes		(3,76,94,908)	(4,99,072)	58,36,52,490	79,36,531
Adjustments for:					
Trade and other receivables		(33,40,239)	(44,224)	26,50,382	36,040
Trade Payable and Other Liabilities		(5,21,32,996)	(6,90,229)	(12,88,63,333)	(17,52,289)
Cash generated from Operations		(9,31,68,143)	(12,33,525)	45,74,39,538	62,20,282
Taxes received for Prior Period		-	-	-	-
Taxes Paid for Prior Period		(5,40,37,410)	(7,15,443)	65,17,115	88,620
Taxes Paid for Actual Periods		(2,34,11,581)	(3,09,964)	(3,64,89,445)	(4,96,185)
Net cash from operating activities (A)		(17,06,17,134)	(22,58,932)	42,74,67,208	58,12,717
Cash flows from investing activities					
Paid in disposal of fixed assets		-	-	-	-
Purchase of Fixed assets		-	-	-	-
Purchase of Financial assets		(36,03,55,971)	(47,71,031)	(31,62,66,786)	(43,00,609)
Movement of fixed deposits more than 3 and less 12 months		37,15,97,177	49,19,862	(65,87,43,963)	(89,57,628)
Dividends Received		-	-	54,30,12,741	73,83,910
Interest received		76,07,231	1,00,718	1,28,36,113	1,74,546
Net cash used in investing activities (B)		1,88,48,436	2,49,549	(41,91,61,895)	(56,99,781)
Cash flows from financing activities					
Interest paid on long term liabilities		-	-	-	-
Net cash introduced from financing activities (C)		-	-	-	1,13,575
Net Cash- Non Cash Items ('C)					
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(15,17,68,698)	(20,09,383)	83,05,313	2,26,511
Cash and cash equivalents at the beginning of year		20,72,63,953	29,93,085	19,15,78,610	27,66,574
Effects of foreign Exchange		2,38,12,965	-	73,80,030	-
Cash and cash equivalents at the end of year	5	7,93,08,219	9,83,702	20,72,63,953	29,93,085

The accompanying notes form an integral part of these financial statements.

Approved by the Directors on 6th April 2018.

For **TKM Global GmbH**

Amar Patnaik

Global Head Logistics and Managing Director

A2C Treuhand GmbH Wirtschaftsprüfungsgesellschaft
ppa.

Mirco Schroeter
Wirtschaftsprüfer
Steuerberater

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CINA, CVA



TKM Global GmbH

Statement of Change in Equity for the year ended 31st March 2018

		For the year ended 31st March' 18	For the year ended 31st March' 18	For the year ended 31st March' 17	For the year ended 31st March' 17
	Note	INR	EURO	INR	EURO
Share Capital					
Issued, Subscribed and Paid up					
Share Capital	8	41,22,132	51,129	35,40,561	51,129
Reserves and Surplus					
Net profit at the beginning of the Year	9	1,59,33,26,546	2,30,09,123	1,18,63,10,347	1,57,97,356
Effect of Foreign Exchange		26,04,58,141	-	(12,33,37,147)	-
Net profit after tax for the period	9	(1,87,10,141)	(2,47,718)	53,03,53,345	72,11,767
Adjustment					
Net Profit as at the end of reporting period	9	1,83,50,74,546	2,27,61,405	1,59,33,26,546	2,30,09,123
Surplus reserve as at beginning of the reporting period	9	7,16,68,227	9,48,871	6,97,79,973	9,48,871
Effect of Foreign Exchange		48,31,805		(40,72,934)	
Change in Surplus reserves during the reporting period		-	-	-	-
Surplus reserve as at end of the reporting period	9	7,65,00,032	9,48,871	6,57,07,039	9,48,871
Total Reserves and Surplus	9	1,91,15,74,578	2,37,10,276	1,65,90,33,585	2,39,57,994

The accompanying notes form an integral part of these financial statements.

Approved by the Directors on 6th April, 2018.

For TKM Global GmbH

Amar Patnaik
Global Head Logistics and
Managing Director

A2C Treuhand GmbH Wirtschaftsprüfungsgesellschaft

ppa.

Mirco Schroeter
Wirtschaftsprüfer
Steuerberater

Sabine Zinke
Dipl.-Ing. - ökonom
CINA, CVA

TKM GLOBAL GmbH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st March 2018

1. LEGAL STATUS AND BUSINESS ACTIVITY

- a) TKM Global GmbH was incorporated on 8th November 1994 in the Local Court of Frankfurt under HRB 48316. With date of 22nd October 2004 the company changed the registered address from Frankfurt (Main) to Hamburg. Now the company is registered in the Local court of Hamburg (HRB 90039). The establishment became a wholly owned subsidiary of TKM Global Logistics Ltd., a Company incorporated in India, with effect from 1st March 2005. With date of 13th of March 2007 TKM Overseas Transport (Europe) GmbH changed its company name into TKM Global GmbH. With date of 1st October 2011 the company opened a branch office in Frankfurt (Main) especially for air freight business.
- b) The establishment's principal activity is the brokerage of transports and performing national and international transports of all kinds, by air and ocean and road. The company is entitled to execute all appropriate activities. The company is also entitled to represent other companies, to hold interest in other companies and to establish subsidiaries.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the Indian Accounting Standards. The significant accounting policies adopted are as follows:

a) Fixed Assets and Depreciation

All the fixed assets are stated at cost. Cost comprises of purchase price and its attributable costs of bringing the assets to its working conditions for the intended use.

Depreciation on assets is provided on the straight-line method over the useful lives of assets. During the current period, the Company has revised its estimates of useful life of its fixed assets as prescribed in Part C of Schedule II of the Companies Act, 2013, except for certain fixed assets for which different useful life have been considered.

The details of estimated life for each category of assets are as under:

<u>Type of Asset</u>	<u>Estimated life</u>
Furniture and Fixtures Vehicles	10 years
Four-Wheeler	8 years
Office Equipment	5 years
Computers	3 years

b) Leave salary

Provision is made for value of unutilized leave due to employees at the period ended on actual basis.

c) Revenue

Revenue represents freight invoiced to customers for services rendered during the period.

d) Revenue recognition

Income from freight I service charges etc. and related liabilities are recognized when the relevant consignments is shipped out. Freight /Service charges etc. earned and related freight I service charges are stated at gross values.

e) Foreign currency transactions

Transactions in foreign currencies are translated into Euro at the rate of exchange ruling on the date of the transactions. Monetary assets and liabilities expressed in foreign currencies are translated into Euro at the rate of exchange ruling at the balance sheet date. Gains or losses resulting from foreign currency transactions are taken to the income statement.

f) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balance in bank current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

g) Bank deposits

Bank deposits are carried at cost.

h) Financial instruments

Financial instruments of the establishment comprise trade and other receivables and accruals, cash and cash equivalents and other current financial assets.

Financial assets that do not have an active market and whose fair value cannot be estimated reliably are measured at amortized cost less any write-down for impairment if they have a fixed maturity date, and at cost less any write-down for impairment if there is no fixed maturity date.

Financial liabilities with no fixed maturity date are measured at cost and at amortized cost if they have a fixed maturity date.

Changes in values of such financial assets and financial liabilities are recognized in the income statement.

i) Taxes on Income

Current Tax is calculated under the tax payable method on the taxable income for the period as determined in accordance with the provisions of the German Corporate Income Tax Code. Deferred Tax is recognized on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one of more subsequent periods.

TKM Global GmbH
Notes to the Financial Statements for the year ended 31st March 2018

1. Fixed Assets										EURO	
Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.17	Additions	Deductions/ Adjustments	Effect of Foreign Exchange	As at 31.03.18	As at 01.04.17	For the Year	Deductions/ Adjustments	As at 31.03.18	As at 31.03.18	As at 31.03.17
Software	26,014	-	-	-	26,014	21,625	1,486	-	23,111	2,903	4,389
Equipments	29,650	11,433	-	-	41,083	18,342	10,370	-	28,712	12,371	11,308
Furniture & Fixtures	89,495	8,461	8,149	-	89,807	56,789	4,663	8,147	53,305	36,502	32,706
Vehicles	58,791	54,873	-	-	1,13,664	36,327	26,324	-	62,651	51,013	22,464
Total	2,03,949	74,767	8,149		2,70,567	1,33,083	42,843	8,147	1,67,779	1,02,788	70,866

INR										NET BLOCK	
Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.17	Additions	Deductions/ Adjustments	Effect of Foreign Exchange	As at 31.03.18	As at 01.04.17	For the Year	Deductions/ Adjustments	As at 31.03.18	As at 31.03.18	As at 31.03.17
Software	18,01,379	-	-	(2,95,894)	20,97,274	14,97,479	1,12,238	-	18,63,260	2,34,014	3,03,900
Equipments	20,53,191	8,63,534	-	(3,95,476)	33,12,202	12,70,139	7,83,246	-	23,14,825	9,97,377	7,83,052
Furniture & Fixtures	61,97,286	6,39,059	6,15,494	(10,19,554)	72,40,406	39,32,502	3,52,196	6,15,343	42,97,566	29,42,839	22,64,784
Vehicles	40,71,136	41,44,558	-	(9,48,148)	91,63,842	25,15,558	19,88,252	-	50,51,061	41,12,780	15,55,578
Total	1,41,22,993	56,47,152	6,15,494	(26,59,073)	2,18,13,723	92,15,678	32,35,932	6,15,343	1,35,26,712	82,87,011	49,07,314



TKM Global GmbH

Notes to the Financial Statements for the year ended 31st March 2018

		For the year ended 31st March' 18	For the year ended 31st March' 18	For the year ended 31st March' 17	For the year ended 31st March' 17
	Notes	₹	EURO	₹	EURO
NON CURRENT ASSETS	2	-	-	-	-
OTHER NON CURRENT ASSETS	2				
Personnel advances: loan to director		20,15,555	25,000	17,31,190	25,000
Security deposit (reclass from current assets)		3,74,813	4,649	3,21,932	4,649
		23,90,368	29,649	20,53,122	29,649
OTHER NON CURRENT ASSETS	3				
Fixed deposits more than 12 months		50,72,10,143	62,91,197	76,60,32,740	1,10,62,228
CURRENT ASSETS					
TRADE AND OTHER RECEIVABLES	4				
Trade receivables to third parties, unsecured		9,67,76,067	12,00,365	7,31,93,951	10,56,989
therof exceeding more than 6 months		1,58,99,585	1,97,211	1,72,88,425	2,49,661
Trade Receivables to consolidated entities, unsecured		-	-	-	-
Less: Allowance for doubtful debts		(47,13,658)	(58,466)	(40,48,561)	(58,465)
Less: Lumpsum allowance		(9,52,148)	(11,810)	(7,22,945)	(10,440)
		9,11,10,261	11,30,089	6,84,22,446	9,88,084
CASH AND CASH BALANCES	5				
Balances with banks		7,90,75,302	9,80,813	20,70,45,477	29,89,930
Fixed deposits less than three months		-	-	-	-
Cah on Hand		2,32,918	2,889	2,18,476	3,155
Cash & Bank Balances		7,93,08,219	9,83,702	20,72,63,953	29,93,085
Other Bank Balance		1,36,69,04,253	1,69,54,440	87,48,85,050	1,26,34,157
(FD more than 3 months less than 12 months)		1,44,62,12,472	1,79,38,142	1,08,21,49,003	1,56,27,242
OTHER FINANCIAL ASSETS	6				
In accured on loans and advances		50,74,523	62,942	24,11,755	34,828
Overpaid creditors		-	-	1,85,237	2,675
Personnel advances: interest on loan to director		1,77,691	2,204	1,11,350	1,608
Prepayments to Supplier		40,31,110	50,000	59,276	856
Personnel advances: other receivables from director		3,37,888	4,191	20,497	296
Others		3,85,293	4,779	93,415	1,349
		1,00,06,505	1,24,116	28,81,531	41,612
OTHER CURRENT ASSETS	7				
Tax corporation tax		2,53,99,540	3,15,044	-	-
Tax city tax		2,49,05,810	3,08,920	-	-
Tax Refunds VAT, netted		23,06,601	28,610	12,35,100	17,836
Prepayment and deferred charges		40,95,124	50,794	10,18,147	14,703
		5,67,07,076	7,03,368	22,53,248	32,539

TKM Global GmbH

Notes to the Financial Statements for the year ended 31st March 2018

		For the year ended 31st March' 18	For the year ended 31st March' 18	For the year ended 31st March' 17	For the year ended 31st March' 17
	Notes	₹	EURO	₹	EURO
SHAREHOLDERS FUND'S					
SHARE CAPITAL					
Authorised	8				
Issued and paid up		41,22,132	51,129	35,40,561	51,129
Reserves and surplus	9				
Profit brought forward		1,83,50,74,528	2,27,61,405	1,59,33,26,546	2,30,09,123
Surplus Reserve		7,65,00,050	9,48,871	6,57,07,039	9,48,871
		1,91,15,74,578	2,37,10,276	1,65,90,33,585	2,39,57,994
NON CURENT LIABILITIES					
LONG TERM PROVISIONS	10				
For storage		48,37,332	60,000	41,54,856	60,000
DEFERED TAX LIABILITIES	11				
Difference between foreign exchange accounting of fixed deposits		70,544	875	75,69,940	1,09,317
Difference between book and tax depreciation		4,05,530	5,030	3,56,002	5,141
		4,76,074	5,905	79,25,942	1,14,458
CURRENT LIABILITIES					
TRADE PAYBLES	12				
For operations		9,66,19,892	11,98,428	12,56,74,360	18,14,855
For accrued wages & salaries		1,84,34,024	2,28,647	1,20,73,880	1,74,358
		11,50,53,916	14,27,075	13,77,48,240	19,89,213
OTHER FINANCIAL LIABILITIES	13				
Overdue debtors		-	-	3,393	49
Others		6,76,60,390	8,39,228	5,68,32,960	8,20,721
		6,76,60,390	8,39,228	5,68,36,353	8,20,770
SHORT TERM PROVISIONS	14				
Accounting & auditing		34,96,262	43,366	22,41,268	32,366
		34,96,262	43,366	22,41,268	32,366
OTHER NON FINANCIAL LIABILITIES	15				
Advance received from customer		1,46,18,417	1,81,320	2,35,38,644	3,39,920
		1,46,18,417	1,81,320	2,35,38,644	3,39,920
CURRENT TAX LIABILITIES	16				
For Import Sales Tax		84,734	1,051	-	-
For City Tax		-	-	1,76,44,288	2,54,800
For Corporation tax		-	-	1,60,35,667	2,31,570
		84,734	1,051	3,36,79,955	4,86,370



TKM Global GmbH

Notes to the Financial Statements for the year ended 31st March 2018

		For the year ended 31st March' 18	For the year ended 31st March' 18	For the year ended 31st March' 17	For the year ended 31st March' 17
	Notes	₹	EURO	₹	EURO
REVENUE FROM OPERATION	17				
Freight		36,00,87,160	47,67,472	33,77,11,123	45,92,210
		36,00,87,160	47,67,472	33,77,11,123	45,92,210
OTHER INCOME	18				
Dividend Income		-	-	23,74,28,376	32,28,561
Interest		76,07,231	1,00,718	1,28,36,113	1,74,546
Forward cover cancellation charge		-	-	(4,59,42,350)	(6,24,726)
Income on disposal of TM Harbour Ltd.		-	-	25,22,07,930	34,29,534
Other income		5,63,378	7,459	11,02,40,799	14,99,059
TOTAL		81,70,609	1,08,177	56,67,70,868	77,06,974
EMPLOYEE EBENFIT EXPENSES	19				
Salaries and Social welfare expenses		7,93,77,951	10,50,946	6,57,09,020	8,93,514
		7,93,77,951	10,50,946	6,57,09,020	8,93,514
FINANCE COSTS	20				
Applicable net gain/losses on foreign currency transaction and translation		5,00,06,978	6,62,081	(2,22,65,779)	(3,02,771)
Interest on tax payments recent years		79,96,890	1,05,877	-	-
		5,80,03,868	7,67,958	(2,22,65,779)	(3,02,771)
OPERATIONAL COSTS	21				
Freight		23,30,42,679	30,85,432	22,63,71,269	30,78,206
		23,30,42,679	30,85,432	22,63,71,269	30,78,206
DEPRECIATION AND AMORTIZATION	22				
Depriciation on tangible and intangible assets		32,35,932	42,843	18,42,177	25,050
		32,35,932	42,843	18,42,177	25,050
OTHER EXPENSES	23				
Office		1,02,21,777	1,35,334	97,25,297	1,32,245
General Sales and administration		72,60,699	96,130	52,20,605	70,990
Business development of promotion		61,51,088	81,439	22,82,608	31,039
Legal,accounting and secretarial		38,20,534	50,583	30,29,113	41,190
Loss on debtors		4,66,851	6,181	11,33,546	15,414
TOTAL		2,79,20,949	3,69,667	2,13,91,168	2,90,878

TKM Global GmbH
Notes to the Financial Statements for the year ended 31st March 2018

		For the year ended 31st March' 18	For the year ended 31st March' 18	For the year ended 31st March' 17	For the year ended 31st March' 17
	Notes	₹	EURO	₹	EURO
TAXES	24				
Current taxes					
Corporation tax		-	-	2,75,59,115	3,74,750
Solidarity surcharge		-	-	15,15,586	20,609
City tax		-	-	2,99,08,130	4,06,692
Withholding taxes		5,22,441	6,917	2,99,70,271	4,07,537
		5,22,441	6,917	8,89,53,102	12,09,588
Taxes for Prior Period	25				
Corporation tax		(27,04,729)	(35,810)	3,77,628	5,135
Solidarity surcharge		(1,48,568)	(1,967)	(17,282)	(235)
City tax		(40,83,605)	(54,066)	(2,61,288)	(3,553)
		(69,36,902)	(91,843)	99,058	1,347
Total Tax Expenses		(64,14,461)	(84,926)	8,90,52,160	12,10,935
Deferred taxes	26				
Different accounting of fixed deposits in foreign currency		(81,90,700)	(1,08,443)	(79,89,091)	(1,08,636)
Measurement differences trade receivables		71,905	952	-	-
Different depreciation on fixed and intangible assets		(80,213)	(1,062)	17,723	241
		(81,99,008)	(1,08,553)	(79,71,368)	(1,08,395)
TAX EXPENSES FOR CONTINUING OPERATIONS		(1,46,13,469)	(1,93,479)	8,10,80,792	11,02,540
The effect on disposal of sale of TM Harbour Services Pvt Ltd of the earning before tax		17,18,03,408	22,74,638	61,14,34,137	83,14,307
Profit before tax, provisional		-	-	-	-
Add: Tax on Capital gain		17,18,03,408	22,74,638	61,14,34,137	83,14,307
Revised profit before tax					
TAX EXPENSES FOR DISCONTINUED OPERATIONS	27	-	-	-	-
Earnings per share	27				
Profit after tax for continuing operation		(2,24,86,641)	(2,97,718)	53,03,53,345	72,11,767
Profit attributable to shareholders		(2,24,86,641)	(2,97,718)	53,03,53,345	72,11,767
weight average no. of shares for Basic EPS		100	100	100	100
Nominal Value of ordinary shares(Euro)		511	511	511	511
Basic Earnings per share		(2,24,866)	(2,977)	53,03,533	72,118



TKM Global GmbH

Notes to the Financial Statements for the year ended 31st March 2018

	For the year ended 31st March '18	For the year ended 31st March '18	For the year ended 31st March '17	For the year ended 31st March '17
	₹	EURO	₹	EURO
Revenue (services rendered)				
Revenue (services rendered)				
TKM INDIA	2,67,99,630	3,54,821	1,82,02,547	2,47,519
TKM China	69,37,355	91,849	13,38,354	18,199
TATA TACO Nanjing	14,36,66,670	19,02,114	-	-
Tata Sons	10,82,949	14,338	-	-
TATA Limited, London	8,10,15,668	10,72,629	-	-
TATA Steel, India	11,09,21,168	14,68,571	-	-
Direct Costs (services availed)				
TKM INDIA	90,19,188	1,19,412	89,30,845	1,21,442
TKM China	7,62,89,983	10,10,062	7,44,15,126	10,11,900
TMILL	7,06,508	9,354	1,17,958	1,604
TATA Limited	62,086	822	-	-
Dividend Income				
TM Harbour Services Private Limited	-	-	23,74,28,376	32,28,561

At the balance sheet date balances with related parties were as follows:

	For the year ended 31st March '18	For the year ended 31st March '18	For the year ended 31st March '17	For the year ended 31st March '17
	₹	EURO	₹	EURO
Disclosed under trade receivables				
TKM India	1,22,47,802	1,51,916	1,22,62,296	1,77,079
TKM China	75,704	939	4,15,624	6,002
TATA India	6,30,68,490	7,82,272	-	-
TATA London	68,80,540	85,343	-	-
Disclosed under other assets				
TKM China	-	-	-	-
ISL Dubai	-	-	-	-
Disclosed under trade payables				
TKM India	19,45,172	24,127	30,02,784	43,363
TKM China	36,63,231	45,437	46,88,270	67,703
TMILL	7,55,753	9,374	-	-
TLL	17,73,527	21,998	-	-

TKM Global GmbH

Notes to the Financial Statements for the year ended 31st March 2018

	For the year ended 31st March '18	For the year ended 31st March '18	For the year ended 31st March '17	For the year ended 31st March '17
	₹	EURO	₹	EURO
33. CONTINGENT LIABILITIES				
Banker's letter of guarantee	44,34,221	55,000	16,55,018	23,900
	44,34,221	55,000	16,55,018	23,900

	For the year ended 31st March '18	For the year ended 31st March '18	For the year ended 31st March '17	For the year ended 31st March '17
	₹	EURO	₹	EURO
34. Earnings and expenditure in foreign Exchange				
Freight income	11,02,36,639	14,59,508	1,41,00,633	1,91,741
Freight Expenditure	12,91,69,442	17,10,174	1,09,69,668	1,49,166
Spot Transaction income	-	-	-	-
Spot Transaction expenses	3,22,77,746	4,27,350	2,50,036	3,400
Other income	-	-	-	-
Bank charges	29,532	391	6,251	85
Other expenditure	25,831	342	1,39,800	1,901
	27,17,39,190	35,97,765	2,54,66,387	3,46,293

	For the year ended 31st March '18	For the year ended 31st March '18	For the year ended 31st March '17	For the year ended 31st March '17
	₹	EURO	₹	EURO
35. PAYMENTS TO THE AUDITOR				
Auditing	4,41,240	6,000	4,41,240	6000
Taxation matters	-	-	-	-
Company law matters	-	-	-	-
Management services	-	-	-	-
Other services	-	-	-	-
Reimbursement of expenses	7,72,170	10,500	7,72,170	10,500
	12,13,410	16,500	12,13,410	16,500

Approved by the Directors on 6th April, 2018.

For **TKM Global GmbH**

Amar Patnaik
Global Head Logistics and
Managing Director

A2C Treuhand GmbH Wirtschaftsprüfungsgesellschaft

Mirco Schroeter
Wirtschaftsprüfer
Steuerberater

ppa.

Sabine Zinke
Dipl.-Ing. - ökonom
CINA, CVA



TKM Global China Limited

CORPORATE INFORMATION

TKM Global China Limited (As on 1st, June 2018)

Board of Directors

Mr. Ashish Kumar Gupta
Mr. Amar Patnaik
Mr. Anand Chand

Registered Office

Unit G, Floor 11, HengJi Mansion
99 Huai Hai East Road, Huangpu District
Shanghai - 200 021, P. R. China

Tel: +8621 64155365
Fax: +8621 64156378

Management Team

Mr. Chirag Bijlani - General Manager

Auditors

M/s. Shanghai Jia Liang
CPAs
China

Bankers

HSBC Bank



TKM Global China Limited

Directors' Report

To the Members,

The Directors hereby present their seventh report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2018.

The Company was formed on 25th June, 2008 with limited liability based on the Foreign-Invested Enterprise law of the People's Republic of China. The business license was issued by Shanghai Administration for Industry and Commerce of the PRC.

The Company is a wholly owned subsidiary of TKM Global Logistics Limited, which is incorporated in India.

FINANCIAL RESULTS:

	31.03.2018 Amount in INR	31.03.2018 Amount in RMB	31.03.2017 Amount in INR	31.03.2017 Amount in RMB
Revenue	24,71,28,159	2,39,46,063	18,76,08,833	1,99,76,663
Less: Direct Costs	21,65,47,518	2,09,82,880	16,71,30,660	1,77,96,139
Gross Profit	3,05,80,641	29,63,183	2,04,78,173	21,80,524
Less: Administrative Expenses	2,91,45,752	28,24,146	2,23,13,948	23,75,998
Profit/(Loss) from Operating Activities	14,34,890	1,39,037	-18,35,775	-1,95,474
Add: Other Income	19,020	1,843	24,070	2,563
Net profit/(Loss) for the year	14,53,910	1,40,880	-18,11,705	-1,92,911

OPERATIONAL REVIEW

During the year under review, the Company earned a total income of RMB 23,946,063 (₹ 24, 71,28,159/-) vis-à-vis RMB 19,976,663 (₹187,608,833/-) during the previous financial year. The Net Profit for the FY'17-18 was RMB 140,880 (₹ 14,53,910/-) against a Net Loss of RMB 192,911 (₹ 1,811,704/-) in FY'16-17.

During this period, while Sea Freight both FCL & LCL volumes were similar with a little increase at 1988 CBM & 2272 TEUS, in-spite of the drop in the nominated TSL Cargo from China, while the earnings were much better as landside services were sold aggressively.

Air Exports remained similar to last year at 551 MT, while Air Imports volumes were 37 MT which were lower

than the planned as some switched to sea mode (150 W/M), which were possible due to increase in the volumes of present customers.

Break Bulk Exports: During FY'17-18, the Company did not handle any BB cargo as compared to PY 2,300 Freight Ton on account of TKM GmbH.

Train Freights grew from China-Germany, both in FCL & LCL modes, mainly outbound, which were successfully delivered providing Door-to-Door services with very decent yield as sold towards solutions to Sea Exports handled for the same customers.

With a large percentage of revenue in USD (based on Sea Freights Exports which accounts to 70% of Total Sales) company incurred an ex. loss of about USD 45K which had pulled down the net contribution.

During the period, the operating contribution percentage stood at 12.3% as compared to 10.7% of the last year.

During the year, a positive operating cash flow was maintained while outstanding were kept under control.

OPPORTUNITIES AND CHALLENGES

In 2017, China's total global trade increased 11.18% year-on-year to reach US\$ 4.07 trillion. Chinese imports increased by 17.40% to reach a total of US\$ 1.79 trillion, while Chinese exports increased by 6.74% to reach US\$ 2.28 trillion

- ✓ India-China bilateral trade which increased last year by 18.63% to reach US\$ 84.44 billion, ensures a good potential of volumes in this sector.
- ✓ The Company needs to continue to offer Door to Door Solutions, which is the key for growth in volumes mainly for Sea Freights.
- ✓ The focus will continue to expand on our local services both on Exports as well as Imports, Buyers Consolidations, Special Equipment's Exports, DDP/DDU service offers, which have proven to yield better.
- ✓ Freight Rates are expected to be better in 2018-19, whereas the carriers would try to better it considering the Supply-Demand gap being pushed.

DIRECTORS

The Board of the Company comprises of 3 (Three) Non-Independent Non-Executive Directors.

As on 31st March, 2018, Mr. Ashish Kr. Gupta, Mr. Amar Patnaik and Mr. Anand Chand continued to be the Directors on the Board of your Company.

AUDITORS

M/s. Shanghai Jia Liang CPAs are the Statutory Auditors of the Company and being eligible, have offered themselves for re-appointment.



AUDIT OBSERVATIONS & EXPLANATIONS

No qualification, reservation or adverse remark or disclaimer have been made by the Auditor's in their report.

ACKNOWLEDGEMENT

I wish to take the opportunity to place on record my sincere appreciation and gratitude for the continued assistance, support and co-operations extended by all Government Authorities, Banks, Overseas Associates, Clearing Agents, Shipping Lines, Air Lines and other business associates and last but not the least the Members of the Company.

For TKM Global China Limited

Sd/-

Amar Patnaik

Director

DIN: 02730170.

Date: 16th April, 2018

Place: China

INDEPENDENT AUDITORS' REPORT

To the Shareholders of TKM Global China Limited

(established in the People's Republic of China with limited liability)

Opinion

We have audited the financial statements of TKM Global China Limited ("the Company"), which comprise the statement of financial position as at 31 March 2018, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 the 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 and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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



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

- Identify and assess the risks of material misstatement of the 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 financial statements, including the disclosures, and whether the 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 Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For TKM Global China Limited

Sd/-

Amar Patnaik

Director

DIN: 02730170

Date: 20th April, 2018

Place: Shanghai, China

TKM Global China Limited

Statement of Financial Position as at 31st March 2018

	Note	31-03-2018	31-03-2018	31-03-2017	31-03-2017
		INR	RMB	INR	RMB
Assets					
Non current assets					
Property, plant and equipments	8	7,43,777	72,070	6,47,734	68,971
Other intangible assets	9	1,76,341	17,087	2,27,338	24,207
Deferred tax assets	10	1,49,086	14,446	1,25,225	13,334
Total non current assests		10,69,204	1,03,603	10,00,297	1,06,512
Current assets					
Trade and other receivables	11	1,59,10,178	15,41,654	1,62,49,789	17,30,284
Amount due from related companies	16	1,51,78,300	14,70,737	1,69,08,324	18,00,405
Cash and bank balance		2,13,36,405	20,67,441	1,78,27,967	18,98,329
Total current assests		5,24,24,882	50,79,832	5,09,86,080	54,29,018
Total assets		5,34,94,086	51,83,435	5,19,86,376	55,35,530

See accompanying notes to financial statements



TKM Global China Limited
Statement of Financial Position as at 31st March 2018

	Notes	31-03-2018	31-03-2018	31-03-2017	31-03-2017
		INR	RMB	INR	RMB
Equity and liabilities					
Equity					
Paid in capital	12	7,05,33,407	68,34,500	6,41,85,523	68,34,500
Accumulated losses		(3,49,01,967)	(33,81,908)	(3,30,83,911)	(35,22,788)
Total Equity		3,56,31,440	34,52,592	3,11,01,612	33,11,712
Non current liabilities					
Deferred tax liabilities	10	1,49,086	14,446	1,25,225	13,334
		1,49,086	14,446	1,25,225	13,334
Current liabilities					
Trade and other payables	14	1,75,55,073	17,01,040	2,02,03,315	21,51,257
Amount due to related companies	16	1,58,487	15,357	5,56,224	59,227
		1,77,13,560	17,16,397	2,07,59,539	22,10,484
Total liabilities		1,78,62,646	17,30,843	2,08,84,764	22,23,818
Total equity and liabilities		5,34,94,086	51,83,435	5,19,86,376	55,35,530

Amar Patnaik

Legal representative

See accompanying notes to financial statements

Chirag Bijlani

Principal in charge of accounting

TKM Global China Limited

Statement of Comprehensive Income for the year ended 31st March, 2018

	Note	2018	2018	2017	2017
		INR	RMB	INR	RMB
Revenue	5	23,31,48,448	2,39,46,063	19,88,77,668	1,99,76,663
Cost of Sales		(20,42,97,713)	(2,09,82,880)	(17,71,69,462)	(1,77,96,139)
Gross profit		2,88,50,735	29,63,183	2,17,08,207	21,80,524
Other gains and losses		17,944	1,843	25,516	2,563
Administration Expenses		(2,74,97,015)	(28,24,146)	(2,36,54,248)	(23,75,998)
Profit/(Loss) before tax	6	13,71,664	1,40,880	(19,20,525)	(1,92,911)
Income tax expenses	7	-	-	-	-
Profit/(Loss) for the year		13,71,664	1,40,880	(19,20,525)	(1,92,911)
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		13,71,664	1,40,880	(19,20,525)	(1,92,911)

See accompanying notes to financial statements



TKM Global China Limited
Statement of Changes in Equity for the year ended 31st March 2018

	Paid-in-capital	Accumulated loss	Total	Paid-in-capital	Accumulated loss	Total
	INR	INR	INR	RMB	RMB	RMB
Balance at 1st April 2016	6,96,92,080	(3,12,72,207)	3,84,19,873	68,34,500	(33,29,877)	35,04,623
Effect of foreign Exchange	(55,06,557)	1,08,821	(53,97,736)			
Loss for the year		(19,20,525)	(19,20,525)	-	(1,92,911)	(1,92,911)
Balance at 1st April 2017	6,41,85,523	(3,30,83,911)	3,11,01,612	68,34,500	(35,22,788)	33,11,712
Effect of foreign Exchange	63,47,884	(31,89,720)	31,58,164			
Profit for the year		13,71,664	13,71,664		1,40,880	1,40,880
Balance at 31st March 2018	7,05,33,407	(3,49,01,967)	3,56,31,440	68,34,500	(33,81,908)	34,52,592

See accompanying notes to financial statements

TKM Global China Limited

Statement of Cash Flows for the year ended 31st March 2018

	Note	2018	2018	2017	2017
		INR	RMB	INR	RMB
Cash flows from/(used in) operating activities		13,71,664	1,40,880	(19,20,525)	(1,92,911)
Profit/(loss) before income tax		-	-	-	-
Adjustments for:					
Depreciation on property, plant and equipment	6	94,998	9,757	1,07,271	10,775
Amortisation of intangible assets	6	69,323.17	7,120	70,883.16	7,120
Loss on disposal of property, plant and equipment	6	-	-	39,862	4,004
Exchange Loss	6	23,08,072	2,37,056	(15,15,327)	(1,52,210)
Interest income	6	(17,944)	(1,843)	(25,516)	(2,563)
Operating profit before movements in working capital		38,26,113	3,92,970	(32,43,353)	(3,25,785)
Decrease/(increase) in trade and other receivables		18,36,577	1,88,630	(11,44,982)	(1,15,010)
Decrease in amount due from related companies		32,09,780	3,29,668	(74,01,695)	(7,43,478)
Decrease/(increase) in trade and other payables		(43,83,493)	(4,50,217)	57,70,865	5,79,666
Increase/ (Decrease) in amount due from related companies		(4,27,136)	(43,870)	3,74,825	37,650
Cash generated from/(used in) operations		40,61,841	4,17,181	(56,44,340)	(5,66,957)
Income taxes paid		-	-	-	-
Net cash generated from/(used in) operating activity		40,61,841	4,17,181	(56,44,340)	(5,66,957)
Cash flows from/(used in) investing activities					
Interest received		17,944	1,843	25,516	2,563
Purchase of property, plant and equipment		(1,25,171)	(12,856)	-	-
Net cash generated from/(used in) investing activities		(1,07,227)	(11,013)	25,516	2,563
Cash flows from financing activities		-	-	-	-
Net increase/(decrease) in cash and cash equivalents		39,54,614	4,06,168	(56,18,824)	(5,64,394)
cash and cash equivalents at 1 April		1,78,27,967	18,98,329	2,36,74,903	23,10,513
Effect of foreign exchange rate changes		(4,46,176)	(2,37,056)	15,15,327	1,52,210
cash and cash equivalents at 31 March		2,13,36,405	20,67,441	1,78,27,967	18,98,329



TKM Global China Limited

Notes to the Financial Statements for the year ended 31st March 2018

1. General information

TKM Global China Limited (the "Company") is a limited company incorporated in Shanghai, China. Its parent Company is TKM Global Logistics Limited. Its ultimate controlling party is TATA Steel Ltd. The principal activities of the Company include undertaking ocean shipping, land transportation and air-express for import and export product, int'l transportation agent of international display.

2. Basis of preparation of the financial statements

The financial statements on pages 3 to 28 have been prepared in accordance with International Financial Reporting Standards ("IFRSs") which collective term includes all applicable International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board.

3. Significant accounting policies

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards.

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

3.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

TKM Global China Limited

Notes to the Financial Statements for the year ended 31st March 2018

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- installation fees are recognised by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;
- servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold; and
- revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.4 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.5 Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period,



TKM Global China Limited

Notes to the Financial Statements for the year ended 31st March 2018

monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

3.6 Employee benefits

The Company's PRC employees are enrolled in the mandatory central pension plan operated by the local municipal government. The Company is required to make a contribution of the basic and other salaries of the employees or that specified by the local municipal government, to the central pension plan to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired PRC employees. The only obligation of the Company in respect to the central pension plan is to meet the required contribution under the plan. The contributions are charged to the "statement of profit or loss" as they become payable in accordance with the rules of the central pension plan.

3.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

TKM Global China Limited

Notes to the Financial Statements for the year ended 31st March 2018

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors of the Company reviewed the Company's investment property portfolios and concluded that none of the Company's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to IAS 12 is not rebutted. As a result, the Company has not recognised any deferred taxes on changes in fair value of the investment properties as the Company is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.8 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously



TKM Global China Limited

Notes to the Financial Statements for the year ended 31st March 2018

recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.9 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

TKM Global China Limited

Notes to the Financial Statements for the year ended 31st March 2018

3.10 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is a revaluation increase.

3.11 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.12 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way



TKM Global China Limited

Notes to the Financial Statements for the year ended 31st March 2018

purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3.12 Financial assets

A financial asset other than a financial asset held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

TKM Global China Limited

Notes to the Financial Statements for the year ended 31st March 2018

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Listed redeemable notes held by the Company that are traded in an active market are classified as AFS and are stated at fair value at the end of each reporting period. The Company also has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at fair value at the end of each reporting period (because the directors consider that fair value can be reliably measured). Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates (see below), interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Available-for-sale financial assets (AFS financial assets)

Dividends on AFS equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established.

The fair value of AFS monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:



TKM Global China Limited

Notes to the Financial Statements for the year ended 31st March 2018

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Impairment of financial assets

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the

TKM Global China Limited

Notes to the Financial Statements for the year ended 31st March 2018

transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and



TKM Global China Limited

Notes to the Financial Statements for the year ended 31st March 2018

its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

The Company's management determines the estimated useful lives for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles.

The Company's management will increase the depreciation charge where useful lives are less than previously estimated lives, or will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

Impairment of receivables

The Company's management reviews receivables on a regular basis to determine if any provision for impairment is necessary. This estimate is based on the credit history of customer, past settlement and industry practice and current market conditions. Management reassess the impairment of receivables at the balance sheet date.

TKM Global China Limited

Notes to the Financial Statements for the year ended 31st March 2018

5. Revenue

Revenue represents the invoiced value of services rendered net of discount.

	2018	2018	2017	2017
	₹	RMB	₹	RMB
Rendering of services	23,31,48,448	2,39,46,063	19,88,77,668	1,99,76,663

6. Profit Before Income Tax

Profit before income tax is arrived after charging/(crediting)

	2018	2018	2017	2017
	₹	RMB	₹	RMB
Staff costs				
-Salaries and wages	1,06,21,286	10,90,884	1,14,19,237	11,47,028
-Staff benefits	31,93,432	3,27,989	30,13,032	3,02,650
	1,38,14,715	14,18,873	1,44,32,269	14,49,678
Depreciation on property, plant and equipments (Note 6.1)	94,998	9,757	1,07,270	10,775
Amortisation of intangible assets (Note 6.2)	69,323	7,120	70,883	7,120
Loss on disposal of property, plant and equipments	-	-	39,862	4,004
Exchange Loss, net	-	-	-	-
Operating lease charges on rented premises	13,20,255	1,35,600	13,49,966	1,35,600
Bank interest income	(24,954)	(2,563)	(25,516)	(2,563)
Exchange (gain)/loss, net	(14,81,977)	(1,52,210)	(15,15,327)	(1,52,210)

7. Income Tax Expenses

	2018	2018	2017	2017
	₹	RMB	₹	RMB
Current tax expenses	-	-	-	-
Deferred tax expenses	-	-	-	-

Pursuant to the Income Tax Laws of the PRC Concerning Foreign Investment and Foreign Enterprises and various local income tax laws (the "Income Tax Laws"), foreign investment enterprises are subject to a statutory income tax rate of 25% unless the enterprise is located in specially designated regions or cities for which more favorable effective tax rates apply.

Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates is as follows:

	2018	2018	2018	2017	2017	2017
	₹	RMB	%	₹	RMB	%
Profit/(Loss) before income tax	14,02,531	140,880		(19,20,525)	(1,92,911)	
Tax calculated at rates applicable to the jurisdictions concerned 25%	342,916	35,220	25%	(4,80,134)	(48,228)	25%
Tax effect of tax losses not recognised	-	-	-	(4,80,134)	(48,228)	25%
Actual income tax expenses and effective tax rate for the year	-	-	-	-	-	-



TKM Global China Limited
Notes to the Financial Statements for the year ended 31st March 2018

8. Property Plant And Equipment

	Equipment	Computers	Furniture & Fixtures	Total
	RMB	RMB	RMB	RMB
Year ended 31 March 2018				
Opening net book amount	5,274	-	63,697	68,971
Depreciation	(3,085)	(148)	(6,524)	(9,757)
Disposal	-	7,600	5,256	12,856
Closing Net book amount	2,189	7,452	62,429	72,070
At 31 March 2018				
Cost	125,780	13,200	103,318	247,298
Accumulated depreciation	(123,591)	(5,748)	(45,889)	(175,228)
Net book amount	2,189	7,452	62,429	72,070

8. Property Plant And Equipment

	Equipment	Computers	Furniture & Fixtures	Total
	INR	INR	INR	INR
Year ended 31 March 2017				
Opening net book amount	54,429	-	657,366	711,795
Depreciation	(31,838)	(1,441)	(63,520)	(96,799)
Disposal	-	73,997	51,175	(125,171)
Exchange rate difference	-	4,350	(740)	3,610
Closing Net book amount	22,591	76,906	6,44,280	7,43,777
At 31 March 2017				
Cost	1,298,075	136,227	1,117,863	2,552,165
Accumulated depreciation	(1,275,484)	(59,321)	(473,584)	(1,808,388)
Net book amount	22,591	76,906	6,44,280	7,43,777

TKM Global China Limited

Notes to the Financial Statements for the year ended 31st March 2018

9. Other intangible assets

	2018 INR	2018 RMB	2017 INR	2017 RMB
At 1 April				
Gross carrying amount	668,668	71,200	729,558	71,200
Accumulated amortisation	(441,330)	(46,993)	(408,563)	(39,873)
Net carrying amount	2,27,338	24,207	3,20,995	31,327
Year ended 31 March				
Opening net book amount	227,338	24,207	320,995	31,327
Amortisation	(69,323)	(7,120)	(70,883)	(7,120)
Effect of Foreign Exchange	18,327	-	(22,774)	-
closing carrying amount	1,76,341	17,087	2,27,338	24,207
At 1 March				
Gross carrying amount	734,798	71,200	668,668	71,200
Accumulated Amortisation	(558,457)	(54,113)	(441,330)	(46,993)
Net book amount	1,76,341	17,087	2,27,338	24,207

Intangible assets represent software which is amortised on a straight-line method over 10 years.



TKM Global China Limited

Notes to the Financial Statements for the year ended 31st March 2018

10. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the company and the movements there on during the current and prior reporting years.

	Depreciation ₹	Depreciation RMB	Tax losses ₹	Tax losses RMB	Total ₹	Total RMB
At April 2016	(132,314)	(12,913)	132,314	12,913	-	-
Charge/(credit) to profit or loss	(4,191)	(421)	4,191	421	-	-
	11,281	-	(11,281)	-	-	-
At April 2017	(125,225)	(13,334)	125,225	13,334	-	-
Charge/(credit) to profit or loss	(10,827)	(1,112)	10,827	1,112	-	-
Effect of Foreign Exchange	(13,034)	-	((384)		(13,417)-	-
At 31 March 2018	(1,49,086)	(14,446)	1,35,668	14,446	(13,417)	-

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows :

	3/31/2018	3/31/2018	3/31/2017	3/31/2017
	₹	RMB	₹	RMB
Deferred tax liabilities	1,49,086	14,446	1,25,225	13,334
Deferred tax assets	(149,086)	(14,446)	(125,225)	(13,334)
	-	-	-	-

11. Trade and other receivables

	31/03/2018 INR	31/03/2018 RMB	31/03/2017 INR	31/03/2017 RMB
Trade receivables-Debt exceeding 6 months	-	-	-	-
Trade receivables- Other Debt	52,57,956	5,09,482	66,85,052	7,11,827
Deposits	85,86,489	8,32,008	78,13,720	8,32,008
Prepayment & other receivables	20,59,334	1,99,544	16,75,369	1,78,394
VAT and other taxes	6,399	620	75,648	8,055
	1,59,10,178	15,41,654	1,62,49,789	17,30,284
Less: Impairment of trade receivables	-	-	-	-
	1,59,10,178	15,41,654	1,62,49,789	17,30,284

TKM Global China Limited

Notes to the Financial Statements for the year ended 31st March 2018

12. Paid-in - capital

	2018	2017
	US\$	US\$
At 1 April	1,000,000	1,000,000
Increase during the year	-	-
At 31 March	1,000,000	1,000,000

	3/31/2018	3/31/2018	3/31/2017	3/31/2017
	INR	RMB	INR	RMB
Registered capital	7,05,33,407	68,34,500	6,41,85,523	68,34,500

13. Accumulated losses

	31-03-2018	31-03-2018	31-03-2017	31-03-2017
	INR	RMB	INR	RMB
Accumulated losses	(3,49,01,967)	(33,81,908)	(3,30,83,911)	(35,22,788)
	For the year ended			
	2018	2018	2017	2017
	INR	RMB	INR	RMB
Balance at the beginning	(3,30,83,911)	(35,22,788)	(3,12,72,207)	(33,29,877)
Effect of Foreign exchange	(31,89,720)	-	1,08,821	-
Profit/(Loss) attributable to owners of the Company	13,71,664	1,40,880	(19,20,525)	(1,92,911)
	(3,49,01,967)	(33,81,908)	(3,30,83,911)	(35,22,788)

14. Trade and other payables

	3/31/2018	3/31/2018	3/31/2017	3/31/2017
	₹	RMB	₹	RMB
Trade payables	1,57,87,532	15,29,770	1,91,08,916	20,34,725
Other payables	16,96,228	1,64,360	10,29,852	1,09,659
VAT and other taxes	71,313	6,910	64,547	6,873
	1,75,55,073	17,01,040	2,02,03,315	21,51,257



TKM Global China Limited **Notes to the Financial Statements for the year ended 31st March 2018**

15. Related Party transactions

During the year, Company entities entered into the following trading transactions with related parties :

	Rendering of Services			
	For the year ended			
	2018 ₹	2018 RMB	2017 ₹	2017 RMB
TKM India	1,71,57,912	17,62,244	1,51,97,320	15,26,525
TKM German	6,51,05,360	66,86,800	7,87,41,872	79,09,384
TRL China	1,04,08,328	10,69,012	1,14,41,906	11,49,305
YORK Qingdao	50,67,397	5,20,459	53,212	5,345
Nanjing TATA	4,67,47,835	48,01,347	1,43,48,792	14,41,293
TATA Steel UK Limited	13,50,916	1,38,749	-	-
	14,58,37,748	1,49,78,611	11,97,83,103	1,20,31,852

	Purchase of Services			
	For the year ended			
	2018 ₹	2018 RMB	2017 ₹	2017 RMB
TKM India	33,62,816	3,45,386	65,26,895	6,55,607
TKM German	68,52,108	7,03,762	20,15,740	2,02,475
	1,02,14,925	10,49,148	85,42,635	8,58,082

The following balances were outstanding at the end of the reporting period

	Amount due from by related parties			
	31-03-2018 ₹	31-03-2018 RMB	31-03-2017 ₹	31-03-2017 RMB
TKM India	59,90,783	5,80,491	18,39,860	1,95,909
TKM German	36,86,318	3,78,612	1,00,99,984	10,14,513
TRL China	14,13,647	1,45,192	4,36,081	43,803
YORK Qingdao	6,20,588	63,739	-	-
Nanjing TATA	29,47,237	3,02,703	54,37,495	5,46,180
	1,46,58,574	14,70,737	1,78,13,420	18,00,405

	Amount due to related parties			
	31-03-2018 ₹	31-03-2018 RMB	31-03-2017 ₹	31-03-2017 RMB
TKM India	1,58,487	15,357	4,42,128	47,078
TKM German	-	-	1,20,949	12,149
	1,58,487	15,357	5,63,078	59,227

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts due from related parties.

TKM Global China Limited

Notes to the Financial Statements for the year ended 31st March 2018

16. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	31-03-2018 ₹	31-03-2018 RMB	31-03-2017 ₹	31-03-2017 RMB
Cash and bank balances	2,13,36,405	20,67,441	1,78,27,967	18,98,329
	2,13,36,405	20,67,441	1,78,27,967	18,98,329

17. Operating lease arrangements

Lease arrangements

Operating leases relating to leases of office with lease term of 2 years

Payments recognised as an expenses

	3/31/2018 ₹	3/31/2018 RMB	3/31/2017 ₹	3/31/2017 RMB
Lease payments	17,03,958	1,75,009	16,10,889	1,61,809
	17,03,958	1,75,009	16,10,889	1,61,809

Non-cancellable operating lease commitments

	31-03-2018 INR	31-03-2018 RMB	31-03-2017 INR	31-03-2017 RMB
Within one year	15,05,108	1,45,841	16,28,553	1,73,409
In the second to fifth years	-	-	13,69,651	1,45,841
	15,05,108	1,45,841	29,98,204	3,19,250

18. Financial risk management

18.1 Financial risk factors

The Company's activities are exposed to credit risks, foreign exchange risk and interest rate risk.

Credit risks

Credit risk or the risk of counterparties defaulting, is managed through the application of credit approvals, credit limits and monitoring procedures. The Company minimises its exposure to credit risk by dealing with counter parties with acceptable credit rating.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful debts, if any, estimated by the Company's directors based on prior experience and their assessment of the current economic environment.

Foreign exchange risk

RMB is not freely convertible into other foreign currencies and conversion of RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government.

The Company's cash and cash equivalents are deposited with banks in the PRC. The remittance of these funds out of the PRC is subject to the exchange control restrictions imposed by the PRC government.

The Company has not used any forward contracts or currency borrowings to hedge its exposure to foreign currency risk.

18.2 Fair values

The fair values of the Company's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short term maturity.

19. Events after the reporting period

There are no events after the reporting period to be disclosed.

20. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 3 April 2018.



TM International Logistics Limited – CFS

INDEPENDENT AUDITORS' REPORT**To the Members of TM International Logistics Limited****Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements**

1. We have audited the accompanying consolidated Ind AS financial statements of TM International Logistics Limited ('hereinafter referred to as the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') (refer Note 38 to the attached Ind AS consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as 'the Consolidated Ind AS Financial Statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made there under including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.



6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated profit/ loss and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

8. We did not audit the financial statements/financial information of three subsidiaries whose financial statements/financial information reflect total assets of ₹ 45,338.85 lakhs and net assets of ₹ 41,689.98 lakhs as at March 31, 2018, total revenue of ₹ 32,162.72 lakhs, total comprehensive income (comprising of profit/ loss and other comprehensive income) of ₹ 3,268.38 lakhs and net cash flows amounting to ₹ (12,163.45) lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements and our report on Other legal and Regulatory Requirements below, are not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

9. The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated April 27, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group incorporated in India including relevant records relating to the 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.
 - (e) On the basis of the written representations received from the directors of the Holding Company and the subsidiary company, incorporated in India as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group. Refer Note 33 to the consolidated Ind AS financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2018.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary company incorporated in India during the year ended March 31, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018.

For Price Waterhouse & Co Chartered Accountant LLP

Firm Registration Number: 304026E/E300009

Chartered Accountants

Pinaki Chowdhury

Partner

Membership Number 057572

Place : Kolkata

Date : April 19, 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph [10(f)] of the Independent Auditors' Report of even date to the members of TM International Logistics Limited on the consolidated Ind AS financial statements for the year ended March 31, 2018

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

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of TM International Logistics Limited (hereinafter referred to as 'the Holding Company') and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary company, to whom reporting under clause (i) of sub-section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/E300009

Chartered Accountants

Pinaki Chowdhury

Partner

Membership Number 057572

Place : Kolkata

Date : April 19, 2018



TM International Logistics Limited
Consolidated Balance Sheet as at 31st March 2018

	Note No.	As at	
		31st March 2018 ₹ in lakhs	31st March 2017 ₹ in lakhs
I. ASSETS			
(1) Non-current Assets			
(a) Property, Plant and Equipment	4	8,709.24	3,119.89
(b) Intangible Assets	5	4,036.60	3,287.95
(c) Intangible Assets under Development		240.73	1,000.00
(d) Financial Assets			
(i) Loans	6	539.52	367.07
(ii) Other Financial Assets	7	9,814.14	15,540.46
(e) Non Current Tax Asset (Net)	8	1,769.40	2,080.73
(f) Deferred Tax Assets (Net)	42.1	1,355.89	1,356.45
(g) Other Non-Current Assets	9	5.15	9.30
Total Non-current Assets		26,470.67	26,761.85
(2) Current Assets			
(a) Inventories	10	214.33	100.21
(b) Financial Assets			
(i) Investments	11	627.14	1,159.41
(ii) Trade Receivables	12	12,926.99	15,530.15
(iii) Cash and Cash Equivalents	13	3,403.33	14,817.89
(iv) Other Bank Balances	14	31,168.54	20,219.80
(v) Loans	15	77.54	96.06
(vi) Other Financial Assets	16	362.82	408.81
(c) Other Current Assets	17	6,113.15	6,611.05
Total Current Assets		54,893.84	58,943.38
Total Assets		81,364.51	85,705.23
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	18	1,800.00	1,800.00
(b) Other Equity	19	57,904.12	54,953.42
Total Equity		59,704.12	56,753.42
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
Other Financial Liabilities	20	29.37	33.99
(b) Provisions	21	2,901.48	2,106.52
(c) Deferred Tax Liabilities (Net)	42.2	6.25	79.26
Total Non-current Liabilities		2,937.10	2,219.77
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	22	8,085.24	10,715.59
(ii) Other Financial Liabilities	23	65.75	62.35
(b) Provisions	24	595.74	3,388.05
(c) Current Tax Liabilities (Net)	25	9.27	1,236.62
(d) Other Current Liabilities	26	9,967.29	11,329.43
Total Current Liabilities		18,723.29	26,732.04
Total Liabilities		21,660.39	28,951.81
Total Equity and Liabilities		81,364.51	85,705.23

The accompanying Notes form an integral part of Consolidated Balance Sheet.

This is the Consolidated Balance Sheet referred to in our report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration No. 304026E / E300009

Chartered Accountants

Sd/-

Pinaki Chowdhury

Partner

Membership Number 057572

Kolkata, April 19, 2018

Sd/-

Jyoti Purohit
Company Secretary

Sd/-

Anand Chand
Chief Financial Officer

For and on behalf of the Board of Directors
Sd/-

Sandipan Chakravorty
Chairman

Sd/-
Ashish Kr Gupta
Managing Director

TM International Logistics Limited
Consolidated Statement of Profit and Loss for the Year Ended 31st March 2018

		For the year ended 31st March 2018	For the year ended 31st March 2017
	Note No.	₹ in lakhs	₹ in lakhs
I. Revenue from Operations	27	57,301.50	53,033.84
II. Other Income	28	2,451.08	4,323.71
III. Total Income (I +II)		59,752.58	57,357.55
IV. Expenses			
Operational Expenses	29	43,260.56	37,837.83
Employee Benefits Expense	30	5,796.03	5,367.18
Finances Costs	31	53.62	221.89
Depreciation and Amortization Expense	4 and 5	666.89	1,154.99
Other Expenses	32	6,045.15	4,119.60
Total Expenses		55,822.25	48,701.49
V. Profit before Exceptional Items and Tax (III - IV)		3,930.33	8,656.06
VI. Exceptional Items	35	1,135.66	-
VII. Profit Before Tax (V-VI)		2,794.67	8,656.06
VIII. Income Tax Expense	41	1,085.71	2,798.64
(1) Current Tax		1,235.02	2,696.20
(2) Tax Relating to Earlier Years		(69.37)	23.05
(3) Deferred Tax		(79.94)	79.39
IX. Profit for the Year (VII-VIII)		1,708.96	5,857.42
X. Other Comprehensive Income			
Items that will not be Reclassified to Profit or Loss			
(1) Remeasurements of the Post Employment Defined Benefit Obligations		49.18	128.03
(2) Income Tax on Above		(6.12)	(46.47)
Items that will be Reclassified to Profit or Loss			
(1) Exchange Differences on Translation of Foreign Operations		2,823.51	(1,185.17)
XI. Total Comprehensive Income for the Year (IX+X)		4,575.53	4,753.81
XII. Earning per Equity Share	37		
(1) Basic		9.49	32.54
(2) Diluted		9.49	32.54

The accompanying Notes form an integral part of Consolidated Statement of Profit and Loss

See accompanying notes forming part of Consolidated Financial Statements

In terms of our report attached

For Price Waterhouse & Co.

Chartered Accountants LLP

Firm Registration No. 304026E/E300009

Sd/-

Pinaki Chowdhury

Partner

Membership Number 057572

Place : Kolkata

Date : April 19, 2018

Sd/-

Anand Chand

Chief Financial Officer

Sd/-

Jyoti Purohit

Company Secretary

For and on behalf of the Board of Directors

Sd/-

Sandipan Chakravorty

Chairman

Sd/-

Ashish Kr. Gupta

Managing Director



TM International Logistics Limited
Consolidated Statement of Cash Flow for the Year Ended 31st March 2018

	Note	For the year ended 31st March 2018	For the year ended 31st March 2017
		₹ in lakhs	₹ in lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit Before Tax		2,794.67	8,656.06
Adjustments for:			
Depreciation / Amortisation Expenses		666.89	1,154.99
Loss/(Gain) on Disposal of Property, Plant & Equipment (Net)	32	1.17	11.23
Profit on Sale of Investments	28	(46.29)	(49.05)
Finance Costs	31	53.62	221.89
Profit on Sale of Subsidiary-TM Harbour Services Private Limited		-	(1,245.93)
Interest Income	28	(1,080.43)	(1,362.42)
Dividend Income	28	(32.48)	(33.32)
Bad Debts Written off	32	14.74	0.15
Provision for Doubtful Debts	32	67.03	(2.55)
Provision For Doubtful Debt Written Back	28	(784.24)	(60.60)
Operating Profit before Changes in Operating Assets and Liabilities		1,654.68	7,290.45
Changes in Operating Assets and Liabilities			
(Increase)/ Decrease in Trade Receivables		3,518.63	(9,032.40)
Increase in Financial Assets		(233.26)	(49.42)
(Increase)/ Decrease in Other Assets		505.43	(2,880.36)
Increase in Inventories		(114.13)	(6.41)
Increase/ (Decrease) in Trade Payables		(1,812.09)	2,776.21
Decrease in Financial Liabilities		(4.62)	(3.17)
Increase/ (Decrease) in Other Liabilities		(1,362.14)	5,260.71
Decrease in Provisions		(3,171.57)	(805.68)
Cash Generated from Operations		(1,019.07)	2,549.93
Direct Taxes Paid (Net of Refund)		(2,113.38)	(1,915.76)
Net Cash from/ (used in) Operating Activities		(3,132.45)	634.17
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payment for Acquisitions/ Construction of Property, Plant & Equipment		(6,188.35)	(1,504.72)
Proceeds from Disposal of Property, Plant and Equipment		4.51	8.57
Proceeds from Sale of Subsidiary-TM Harbour Services Private Limited		-	10,626.68
Fixed Deposits (Placed)/ Realised (Net)		(5,183.32)	(9,398.74)

TM International Logistics Limited
Consolidated Statement of Cash Flow for the Year Ended 31st March 2018

	Note	For the year ended 31st March 2018	For the year ended 31st March 2017
		₹ in lakhs	₹ in lakhs
Sale of Investment in Mutual Funds		43,426.94	36,107.19
Purchase of Investment in Mutual Funds		(42,848.39)	(35,149.05)
Interest Received		1,163.27	2,128.90
Dividend Received on Investment in Mutual Funds		32.48	33.32
Net Cash Generated from Investing Activities		(9,592.86)	2,852.15
C. CASH FLOW FROM FINANCING ACTIVITIES			
Dividend Paid		(1,350.00)	(900.00)
Dividend Distribution Tax Paid		(274.83)	(852.75)
Net Cash Used in Financing Activities		(1,624.83)	(1,752.75)
D. Effect of Exchange Rate on Translation of Foreign Currency			
Cash and Cash Equivalents		2,935.58	(1,275.73)
Net Increase in Cash & Cash Equivalents(A+B+C+D)		(11,414.56)	457.84
Cash and Cash Equivalents at the Beginning of the Year	13	14,817.89	18,288.57
Cash and Cash Equivalents at the Beginning of the Year - TM Harbour Services Pvt. Ltd.		-	(3,928.53)
Cash and Cash Equivalents at the End of the Year	13	3,403.33	14,817.89

Note

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS-7 'Statement of Cash Flows.

The accompanying Notes form an integral part of the Consolidated Statement of Cash Flows.

This is the Consolidated Statement of Cash Flows referred to in our report of even date

In terms of our report attached
For Price Waterhouse & Co.
Chartered Accountants LLP
Firm Registration No. 304026E/E300009

Sd/-

Pinaki Chowdhury
Partner

Membership Number 057572

Place : Kolkata

Date : April 19, 2018

Sd/-

Anand Chand
Chief Financial Officer

Sd/-

Jyoti Purohit
Company Secretary

For and on behalf of the Board of Directors

Sd/-

Sandipan Chakravorty
Chairman

Sd/-

Ashish Kr. Gupta
Managing Director



A. Equity Share Capital (Refer Note 18)

	₹ in Lakhs
Balance at April 1, 2016	1,800.00
Changes in equity share capital during the year	-
Balance at March 31, 2017	1,800.00
Changes in equity share capital during the year	-
Balance at March 31, 2018	1,800.00

₹ in Lakhs

B. Other Equity (Refer Note 19)	Other Equity					
	General Reserves	Retained Earnings	Capital Reserve	Tonnage Tax Reserve	Foreign Currency Translation Reserve	Total
Balance as at April 1, 2016	7,716.76	35,034.67	630.36	845.81	7,289.51	51,517.11
Profit for the Year	-	5,857.42	-	-	-	5,857.42
Other Comprehensive Income for the Year	-	81.56	-	-	(1,185.17)	(1,103.61)
Adjustment on Account of Sale of Subsidiary	-	-	-	-	435.25	435.25
Final Dividend on Equity Shares for FY 2015-16	-	(450.00)	-	-	-	(450.00)
Interim Dividend on Equity Shares for FY 2016-17	-	(450.00)	-	-	-	(450.00)
Dividend Distribution Tax	-	(852.75)	-	-	-	(852.75)
Transfer within Equity	845.81	-	-	(845.81)	-	-
Balance as at March 31, 2017	8,562.57	39,220.90	630.36	-	6,539.59	54,953.42
Balance as at April 1, 2017	8,562.57	39,220.90	630.36	-	6,539.59	54,953.42
Profit for the Year	-	1,708.96	-	-	-	1,708.96
Other Comprehensive Income for the Year	-	43.06	-	-	2,823.51	2,866.57
Final Dividend on Equity Shares for FY 2016-17	-	(1,350.00)	-	-	-	(1,350.00)
Dividend Distribution Tax on Above	-	(274.83)	-	-	-	(274.83)
Balance as at March 31, 2018	8,562.57	39,348.09	630.36	-	9,363.10	57,904.12

The accompanying Notes form an integral part of Consolidated Statement of Changes in Equity.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

In terms of our report attached
For Price Waterhouse & Co.
Chartered Accountants LLP
Firm Registration No. 304026E/E300009

Sd/-

Pinaki Chowdhury

Partner

Membership Number 057572

Place : Kolkata

Date : April 19, 2018

Sd/-

Anand Chand

Chief Financial Officer

Sd/-

Jyoti Purohit

Company Secretary

For and on behalf of the Board of Directors

Sd/-

Sandipan Chakravorty

Chairman

Sd/-

Ashish Kr. Gupta

Managing Director

TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

1. General Information

TM International Logistics Limited ('the Parent Company') is a public limited Company incorporated in India with its registered office in Kolkata, West Bengal, India. The Parent Company is a Joint Venture between Tata Steel Limited (51%), IQ Martrade of Germany (23%), and Nippon Yusen Kaisha- NYK (26%). The Parent Company and its subsidiaries (collectively referred to as 'the Group') are mainly engaged in the business of providing logistic services including port operations, freight and forwarding, material transportation through railways, ships and others, warehousing services, etc.

The Consolidated financial statements were approved and authorised for issue with the resolution of the Parent Company's Board of Directors on April 19, 2018.

2 Significant Accounting Policies

This Note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

(i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical Cost Convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- a) certain financial assets and liabilities which are measured at fair value;
- b) defined benefit plans - plan assets measured at fair value.

(iii) Current versus Non-current Classification

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

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalents 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 classified as current when:

- it is expected to be settled in the 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.

All other liabilities are classified as non-current.

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



TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

2.2 Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(ii) Manner of Consolidation

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

2.3 Property, Plant and Equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognized.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in the statement of profit and loss.

Depreciation Method and Estimated Useful lives

Depreciation is calculated on a pro-rata basis using the straight-line method to allocate their cost, over their estimated useful values in accordance with Schedule II to the Act, except in respect of Buildings constructed on the Leased Land, Vessels and certain Non-Factory Buildings, Plant and Equipments, Vehicles and Computers, after taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.

The estimated useful lives for the main categories of property, plant and equipment are:

Type of Asset	Estimated Useful life
Buildings Constructed on the Leased Land	Upto 30 years
Non-Factory Buildings	30/60 years
Plant and Equipments	7 -15 years
Vehicles	5 - 10 years
Vessels	6 - 7 years
Office Equipment	5 years
Furniture and Fixtures	10 years
Computers-Desktop, Laptops, etc.	3/4 years
Computers-Servers	6 years

TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss within 'Other Income'/'Other Expenses'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances'.

2.3 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

The estimated useful lives for the main categories of intangible assets are:

Type of Asset	Estimated Useful life
Operational Rights under Service Concession Agreement Berth#12- Haldia Port	30 years
Special Freight Train Operator License	20 years

2.4 Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

2.5 Leases

As A Lessee

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 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.

As A Lessor

Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the

TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight-line basis over the lease term.

2.6 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A. Investments and Other Financial Assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses is either recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this depends on the business model in which the investment is held. For investments in equity instruments, this depends on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies the debt investments when and only when the business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group 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 that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instrument as amortised cost measurement categories. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments

TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.

Equity Instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Income' in the Statement of Profit and Loss.

(iii) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of Financial Assets

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

(vi) Off-setting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.



TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

2.7 Trade Receivables

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.8 Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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.

2.9 Trade Payables

Trade Payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Employee Benefits

A. Short-term Employee Benefits

Liabilities for short-term employee 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. The liabilities are presented under Trade Payables -Current in the Balance Sheet.

B. Post-Employment Benefits

i) Defined Benefit Plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss. Remeasurement 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. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

ii) Defined Contribution Plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

C. Other Long 'term Employee Benefits

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at year end annually by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented under 'Provisions' in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

D. Termination Benefits

Termination benefits obligation arise from either Group's decision to terminate the employment or an employee's decision to accept Group's offer of benefits in exchange for termination of employment. The net present value of the obligation for amount payable to employees, who have opted for retirement under the Employees' Early Separation Scheme of the Group, is charged to the Statement of Profit and Loss.

2.11 Income Tax

The income tax expense 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, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of 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 on the basis of amounts expected to be paid to the tax authorities.

Deferred 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 standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

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 impacts 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 tax asset is realised or the deferred tax liability is settled.

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

D eferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments

TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

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

2.12 Provisions and Contingencies

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 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.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.13 Revenue Recognition

Revenue is recognized for amounts the Group expects to be entitled to in exchange for rendering services to a customer. Amount disclosed as revenue are net of discounts, rebates, goods and service taxes, amounts collected on behalf of third parties, as applicable.

Contract with a customer is accounted for when all the following criteria are met:

- the parties to the contract have approved the contract and are committed to perform their respective obligations;
- each party's rights regarding the goods or services to be transferred are identifiable;
- payment terms for the goods or services to be transferred are identifiable;
- the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- it is probable that the entity will collect the consideration to which it is entitled in exchange for the goods or services that will be transferred to the customer.

TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

Voyage Charter

Contract with a customer in case of voyage charter is accounted for when all the following criteria's are met:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Establishment;
- The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- The cost incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable. Losses on voyages are recognised during the period in which the loss first becomes probable and can be reasonably estimated.

Time Charter

Revenue under time charter is recognised based on the terms of the time charter agreement.

Demurrage Income

Demurrage income, which is included in time/voyage chartering, represents payments by the customers to the Establishment when loading or discharging time exceeds the stipulated time in the time/voyage charter, and is recognised when services have been performed and there exists no significant uncertainty as to its measurability and collectability.

Interest Income

Interest income on loans and deposit with banks is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Dividend Income

Dividend is 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.

2.14 Foreign Currency Transactions and Translation

Functional and Presentation Currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is the Group's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

Exchange differences arising from settlement of foreign currency transactions and from year-end restatement are recognised in profit or loss. Foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within 'Other Income'/'Other Expenses'. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Group Companies

The results and financial position of foreign operations (none of which has a currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates
- all resulting exchange differences are recognised in other comprehensive income

2.15 Earnings per Share

Basic Earnings per Share

Basic earnings per equity share is computed by dividing profit or loss attributable to owners of the Group by the weighted average number of equity shares outstanding during the financial year.

Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.16 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors is collectively the Group's CODM. Based on the synergies, risks and returns associated with business operations and in terms of Ind AS 108, CODM of the Group has assessed that the Group is predominantly engaged in the operating segments as disclosed in the segment information presented in Note 37.

3 Use of Estimates and Critical Accounting Judgments

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that impact the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these standalone financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods impacted.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each impacted line item in the standalone financial statements.

TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

A. Employee Benefits (Estimation of Defined Benefit Obligation)

Post-employment benefits represent obligation that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit cost over the employee's approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting requires the Group to make assumptions regarding variables such as discount rate, rate of compensation increase and future mortality rates. Changes in these key assumptions can have a significant impact on the defined benefit obligations funding requirements and benefit costs incurred.

B. Estimation of Expected Useful Lives and Residual Values of Property, Plants and Equipment

Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

C. Impairment of Trade Receivables

Impairment of trade receivables is primarily estimated based on prior experience with and the past due status of receivables based on factors that include ability to pay and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

D. Recognition of Profits on Voyages in Progress

Profit on voyages in progress is recognised only when, in the opinion of management, sufficient progress has been made on the voyage that the final outcome can be reliably estimated. Otherwise no profits are recognised on such contracts.

E. Contingencies

Legal proceedings covering a range of matters are pending against the Group. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. The cases and claims against the Group often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law, in the normal course of business. The Group consults with legal counsel and certain other experts on matters related to litigations. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

F. Deferred Taxes

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.



TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

Note 4 and 5: Property, Plant and Equipment and Other Intangible Assets

₹ in Lakhs

	As at March 2018	As at March 2017
Net Carrying Amount of :		
Note 4- Property Plant and Equipment		
Buildings	2,072.59	2,031.67
Plant and Equipments	6,151.26	585.91
Furniture and Fixtures	191.94	214.21
Vehicles	175.18	159.64
Office Equipments	118.27	128.46
Total Property Plant and Equipment	8,709.24	3,119.89
Note 5- Intangible Assets		
Softwares	82.13	66.27
Special Freight Train Operator Licence	952.47	-
Operational Rights under Service Concession Agreement Berth#12- Haldia Port	3,002.00	3,221.68
Total Intangible Assets	4,036.60	3,287.95

TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

	Note 4						Note 5			
	Buildings	Plant and Equip-ments	Furniture and Fixtures	Vehicles	Office Equipments	Total Property, Plant and Equipment	Softwares	Special Freight Train Operator Licence	Operational Rights under Service Concession Agreement Berth#12-Haldia Port	Total Intangible Assets
Gross Carrying Amount as at 1st April, 2017	2,128.34	748.26	342.99	239.93	228.68	3,688.20	157.83	-	3,649.26	3,807.09
Additions	88.88	5,695.67	8.83	103.52	49.89	5,946.79	54.58	1,000.00	-	1,054.58
Disposals	-	-	7.78	-	24.45	32.23	-	-	-	-
Exchange Differences on Consolidation	1.97	-	11.56	(0.95)	9.24	21.82	3.84	-	-	3.84
Gross Carrying Amount as at 31st March, 2018	2,219.19	6,443.93	355.60	342.50	263.36	9,624.58	216.25	1,000.00	3,649.26	4,865.51
Accumulated Depreciation/Amorisation as at 1st April, 2017	96.67	162.35	128.78	80.29	100.22	568.31	91.56	-	427.58	519.14
Charge for the Year	49.38	129.96	34.31	86.32	60.44	360.41	39.27	47.53	219.68	306.48
Disposals	-	-	6.55	-	21.17	27.72	-	-	-	-
Exchange Differences on Consolidation	0.55	0.36	7.12	0.71	5.60	14.34	3.29	-	-	3.29
Accumulated Depreciation/Amortisation as at 31st March, 2018	146.60	292.67	163.66	167.32	145.09	915.34	134.12	47.53	647.26	828.91
Net Carrying Amount at the Beginning of the Year	2,031.67	585.91	214.21	159.64	128.46	3,119.89	66.27	-	3,221.68	3,287.95
Net Carrying Amount at the End of the Year	2,072.59	6,151.26	191.94	175.18	118.27	8,709.24	82.13	952.47	3,002.00	4,036.60



TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2017

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	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total Property, Plant and Equipment	Softwares	Special Freight Train Operator Licence	Operational Rights under Service Concession Agreement Berth#12-Haldia Port	Total Intangible Assets
Gross Carrying Amount as at 1st April, 2016	2,071.81	8,567.21	331.69	208.43	232.84	11,411.98	146.24	-	3,553.89	3,700.13
Additions	70.83	163.75	9.03	44.98	37.39	325.98	15.31	-	95.37	110.68
Disposals	-	#	10.33	13.79	4.55	28.67	-	-	-	-
Transfers*	-	593.28	-	-	-	593.28	-	-	-	-
Adjustment on Account of Sale of Subsidiary	-	7,389.42	0.86	0.21	3.76	7,394.25	-	-	-	-
Exchange Differences on Consolidation	(14.30)	-	13.46	0.52	(33.24)	(33.56)	(3.72)	-	-	(3.72)
Gross Carrying Amount as at 31st March, 2017	2,128.34	748.26	342.99	239.93	228.68	3,688.20	157.83	-	3,649.26	3,807.09
Accumulated Depreciation/Amortisation as at 1st April, 2016	51.55	1,009.15	63.10	42.97	70.44	1,237.21	50.28	-	209.88	260.16
Charge for the Year	48.06	686.89	55.31	40.06	62.50	892.82	44.47	-	217.70	262.17
Disposals	-	#	2.78	3.63	2.46	8.87	-	-	-	-
Transfers*	-	75.60	-	-	-	75.60	-	-	-	-
Adjustment on Account of Sale of Subsidiary	-	1,458.09	0.17	0.06	1.22	1,459.54	-	-	-	-

TM International Logistics Limited
Notes forming part of the Consolidated Financial Statements for the year ended 2017

iv

	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total Property, Plant and Equipment	Softwares	Special Freight Train Operator Licence	Operational Rights under Service Concession Agreement Berth#12-Haldia Port	Total Intangible Assets
Exchange Differences on Consolidation	(2.94)	-	13.32	0.95	(29.04)	(17.71)	(3.19)	-	-	(3.19)
Accumulated Depreciation/Amortisation as at 31st March, 2017	96.67	162.35	128.78	80.29	100.22	568.31	91.56	-	427.58	519.14
Net Carrying Amount at the Beginning of the Year	2,020.26	7,558.06	268.59	165.46	162.40	10,174.77	95.96	-	3,344.01	3,439.97
Net Carrying Amount at the End of the Year	2,031.67	585.91	214.21	159.64	128.46	3,119.89	66.27	-	3,221.68	3,287.95

* As per the Service Concession agreement (SCA) of Berth#12 - Haldia port, four loaders and two hoppers which were part of the project facility was replaced as on 30th June, 2016 by eight Loaders which were earlier used at LL-6 Railway Siding Operation and classified under tangible assets as on 31st March, 2016. During the FY 2016-17, the Parent Company has intimated to Kolkata Port Trust about the replacement of loaders and hoppers and requested to include the eight loaders as a part of the project facility of SCA of Berth#12 - Haldia port. The written down value of eight loaders as on 30th June, 2016 was ₹ 517.68 Lakhs (Gross Block- ₹ 593.28 Lakhs, less Accumulated Depreciation- ₹ 75.60 Lakhs).

Amount is below the rounding-off norm adopted by the Group.

Note : Aggregate amount of depreciation and amortisation expense has been included under "Depreciation and Amortisation Expenses" in the Statement of Profit and Loss.



TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
6. LOANS - NON CURRENT		
Unsecured, Considered Good		
Security Deposits	437.66	284.68
Loan to Employees	101.86	82.39
	539.52	367.07

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
7. OTHER FINANCIAL - ASSETS NON CURRENT		
Unsecured, Considered Good		
Deposits with Banks (with Maturity of More than 12 Months) #	9,664.15	15,429.58
Interest Accrued on Deposits.	149.99	110.88
	9,814.14	15,540.46
# Financial Assets carried at Amortised Cost		

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
8. NON CURRENT TAX ASSETS (NET)		
Advance Payment of Taxes (Net of Provisions)	1,769.40	2,080.73
[Net of Provision for tax ₹ 13,405.15 Lakhs (31.03.2017 : ₹ 9,482.41 Lakhs)]	1,769.40	2,080.73

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
9. OTHER NON CURRENT TAX ASSETS		
Prepaid Expenses	5.15	9.30
	5.15	9.30

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
10. INVENTORIES - CURRENT		
At Lower of Cost and Net Realisable Valuer	214.33	100,21
	214.33	100,21

TM International Logistics Limited
Notes forming part of the Consolidated Financial Statements for the year ended 2018

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
11. INVESTMENTS- CURRENT		
Investments Carried at Fair Value through Profit or Loss		
Investments in Mutual Funds (Unquoted)		
HDFC Liquid Fund-Direct Plan- Daily Dividend Reinvestment	-	501.55
Nil (31.03.2017: 49,180) Units		
Tata Money Market Fund-Direct Plan-Daily Dividend Reinvestment	627.14	657.86
62,613 (31.03.2017: 65,660) Units		
	627.14	1,159.41
Aggregate Value of Unquoted Investments	627.14	1,159.41

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
12. TRADE RECEIVABLES		
Unsecured, Considered Good #	12,926.99	15,530.15
Unsecured, Considered Doubtful #	1,821.78	3,029.46
	14,748.77	18,559.61
Less : Provision for Doubtful Debts	1,821.78	3,029.46
	12,926.99	15,530.15
# Includes Dues from Related Parties (Refer Note 48)	8,424.79	10,531.83

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
13. CASH AND CASH EQUIVALENTS		
Cash on Hand	9.39	5.97
Cheques, Drafts on Hand	31.28	14.73
Balances with Banks		
In Current Account	1,674.83	4,383.24
In Deposit Account	1,687.83	10,413.95
	3,403.33	14,817.89

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
14. OTHER BANK BALANCES		
Fixed Deposits with Banks	31,168.54	20,219.80
	31,168.54	20,219.80
* Earmarked Amount	1,426.85	1,354.14



TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
15. LOANS CURRENT		
Unsecured, Considered Good		
Security Deposits	40.86	50.14
Loan to Employees	36.68	47.19
	77.54	97.33
Less:-Provision for Doubtful Loans	-	1.27
	77.54	96.06

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
16. OTHER FINANCIAL ASSETS - CURRENT		
Unsecured, Considered Good		
Interest Accrued on Deposits and Loans	362.82	408.81
	362.82	408.81

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
17. OTHER CURRENT ASSETS		
Balance with Government Authorities @	948.24	641.72
Prepaid Expenses	334.60	268.22
Advance to Employees	7.47	3.39
Advance to Supplier/Service Providers	4,819.46	5,386.24
Other Advances	3.38	311.48
	6,113.15	6,611.05

@ Balances with Government Authorities primarily include unutilised goods and service tax on purchase of services, city tax input credits etc. These are regularly utilised to offset the goods and service tax, city tax liability etc on services rendered by the Group. Accordingly, these balances have been classified as current assets.

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
18. EQUITY SHARE CAPITAL		
i Authorised		
19,000,000 Equity Shares of ₹ 10 each	1,900.00	1,900.00
[31.03.2017: 19,000,000 shares of ₹ 10 each]		
ii Issued, Subscribed and Paid-up	1,800.00	1,800.00
18,000,000 Equity Shares of ₹ 10 each, fully paid up		
[31.03.2017: 18,000,000 shares of ₹ 10 each, fully paid up]	1,800.00	1,800.00

TM International Logistics Limited
Notes forming part of the Consolidated Financial Statements for the year ended 2018
i Reconciliation of Shares

Reconciliation of Shares	As at		As at	
	31st March 2018		31st March 2017	
Equity Share of ₹10 each	No. of Shares (in lakhs)	Amount (₹ in Lakhs)	No. of Shares (₹ in lakhs)	Amount (₹ in Lakhs)
Balance at the Beginning of the Year	180	1,800	180	1,800
Balance at the End of the Year	180	1,800	180	1,800

ii Terms and Rights attached to Equity Shares

The Parent Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Parent Company, after distribution of all preferential amounts, in proportion to their shareholding.

iii Details of Equity Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Shareholders	As at		As at	
	31st March 2018		31st March 2017	
	No. of Shares (in lakhs)	% age	No. of Shares (in lakhs)	% age
Tata Steel Limited	92	51	92	51
NYK Holding (Europe) B.V.	47	26	47	26
IQ Mantrade Holding Und Management GmbH	41	23	41	23
	180	100	180	100

	As at	
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
19. OTHER EQUITY		
General Reserves		
Balance at the Beginning of the Year	8,562.57	7,716.76
Add; Transfer within Equity	-	845.81
Balance at the End of the Year	8,562.57	8,562.57
Retained Earnings		
Balance at the Beginning of the Year	39,220.90	35,034.67
Profit for the Year	1,708.96	5,857.42
Other Comprehensive Income		
-Remeasurement of Post Employment Defined Benefit Obligations (Net of Tax)	43.06	81.56
Final Dividend on Equity Shares	(1,350.00)	(450.00)
Interim Dividend on Equity Shares	-	(450.00)
Dividend Distribution Tax	(274.83)	(852.75)
Balance at the End of the Year	39,348.09	39,220.90
Tonnage Tax Reserve u/s 115VT of the Income-tax Act, 1961		
Balance at the Beginning of the Year	-	845.81
Less: Transfer within Equity	-	(845.81)
Balance at the End of the Year	-	-
Capital Reserve		
Foreign Currency Translation Reserve	630.36	630.36
Balance at the Beginning of the Year	6,539.59	7,289.51
Add/(Less): Exchange Differences on Translation of Foreign Operations during the year	2,823.51	(1,185.17)
Adjustment on Account of Sale of Subsidiary	-	435.25
Balance at the End of the Year	9,363.10	6,539.59
	57,904.12	54,953.42



TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
20. OTHER FINANCIAL LIABILITIES - NON CURRENT		
Liability for Employee's Family Benefit Scheme	29.37	33.99
	29.37	33.99
As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
21. PROVISIONS - NON CURRENT		
Provision for Employee Benefits		
-Provision for Gratuity	218.12	217.96
-Post Retirement Medical Benefit Payable	32.49	35.02
-Director Pension Scheme Payable	178.52	194.32
-Employee Separation Scheme	923.65	-
-Provision for Compensated Absences	744.13	887.42
Replacement Obligation for Berth#12 at Haldia Port	804.57	771.80
	2,901.48	2,106.52
As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
22. TRADE PAYABLES - CURRENT		
Creditors for Supplies and Services #	7,230.09	9,856.40
Creditors for Accrued Wages and Salaries	855.15	859.19
	8,085.24	10,715.59
# Include dues to Related Parties (Refer Note No 48)	0.65	93.02
As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
23. OTHER FINANCIAL LIABILITIES - CURRENT		
Capital Liabilities	28.85	25.45
Security Deposit	2.00	2.00
Liability for Employee's Family Benefit Scheme	34.90	34.90
	65.75	62.35
As at		
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
24. PROVISIONS CURRENT		
Provision for Employee Benefits		
-Provision for Gratuity	111.31	30.26
-Post Retirement Medical Benefit Payable	2.82	3.10
-Director Pension Scheme Payable	15.87	17.23
-Employee Separation Scheme	189.34	-
-Provision for Compensated Absences	26.67	50.47
Replacement Obligation for Berth#12 at Haldia Port	249.73	3,286.99
	595.74	3,388.05

TM International Logistics Limited
Notes forming part of the Consolidated Financial Statements for the year ended 2018

	As at	
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
25. CURRENT TAX LIABILITIES (NET)		
Provision for Taxes (Net of Advance Tax)	9.27	1,236.62
[Net of Advance ₹ 85.72 Lakhs (31.03.2017 : ₹ 1,609.34 Lakhs)]	9.27	1,236.62

	As at	
	31st March 2018 ₹ in Lakhs	31st March 2017 ₹ in Lakhs
26. OTHER CURRENT LIABILITIES		
Advances received from Customers #	9,692.05	10,696.79
Other Payables		
- Other Payables	16.96	30.48
-Dues Payable to Government Authorities @	258.28	602.16
	9,967.29	11,329.43
# Include Dues to Related Parties (Refer Note 48)	8,703.79	6,862.14
@ Dues Payable to Government Authorities mainly comprise Goods and Service Tax, Value Added Tax, Withholding taxes, payroll taxes, City Tax and other taxes payable.		

	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
27. REVENUE FROM OPERATIONS		
Income from Port Related Services	16,722.91	18,745.65
Income from Special Train Freight Operation (SFTO)	6,131.96	-
Income from Shipping Freight	24,956.22	23,030.43
Income from Other Freight, Agency and Related Services	9,115.18	8,152.00
Income From Tugging and Towage service	-	2,018.72
Income From Warehousing Services	260.52	884.86
Other Services	114.71	202.18
	57,301.50	53,033.84

	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
28. OTHER INCOME		
Dividend from Financial Assets carried at Fair Value through Profit or Loss	32.48	33.32
Interest Income from Financial Assets carried at Amortised Cost	1,080.43	1,362.42
Profit on Sale of Investments	46.29	49.05
Profit on Sale of Subsidiary-TM Harbour Services Private Limited	-	1,245.93
Other Non Operating Income	70.69	79.25
Income from Insurance Claim	4.06	-
Provision For Doubtful Debt Written Back	784.24	60.60
Income from Rental Services	30.89	24.33
Liabilities no Longer Required Written Back	402.00	1,468.81
	2,451.08	4,323.71



TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
29. OPERATIONAL EXPENSES		
Inraport Transportation including On Shore Handling	682.18	918.52
Stevedoring & Other Related Expenses	5,564.11	6,548.89
Equipment Assistance Charges	265.66	571.88
Royalty to Kolkata Port Trust - Haldia Dock Complex	884.60	790.92
Vessel Hire Charges	12,500.19	8,891.00
Bunkering Charges	4,064.13	3,391.57
Ocean Freight Charges	6,966.54	4,563.44
Railway Freight Charges	4,956.71	-
Other Charges	7,376.44	12,161.61
	43,260.56	37,837.83

	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
30. EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages, including Bonus	5,131.15	4,771.98
Contribution to Provident and other Funds	383.36	382.75
Staff Welfare Expenses	281.52	212.45
	5,796.03	5,367.18

	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
31. FINANCE COST		
Unwinding of Discount on Replacement Obligation for Berth#12, etc.	53.62	221.89
	53.62	221.89

TM International Logistics Limited
Notes forming part of the Consolidated Financial Statements for the year ended 2018

	For the Year ended 31st March 2018 ₹ in Lakhs	For the Year ended 31st March 2017 ₹ in Lakhs
32. OTHER EXPENSES		
Consumption of Stores and Spare Parts	399.66	427.44
Power & Fuel	125.41	131.37
Rent (including Plot Rent)	895.46	1,004.47
Repairs to Buildings	128.51	167.01
Repairs to Machinery	512.90	335.55
Repairs- Others	168.89	141.32
Insurance Charges	129.13	98.12
Rates and Taxes	39.03	35.80
Travelling Expenses	412.63	198.60
Lease Rent of Rakes-SFTO	621.75	-
Loss on Foreign Currency Transactions (Net)	495.32	403.04
Corporate Social Responsibility Expenditure (Refer Note Below)	86.39	63.14
Replacement Obligation under SCA at Berth#12, Haldia	113.07	(612.92)
Security Charges	199.80	224.85
Loss on Sale of Fixed Assets (Net)	1.17	11.23
Provision for Bad and Doubtful Debts	67.03	(2.55)
Bad Debts Written off [Net of Adjustment of Provision for Doubtful Debts ₹ 12.33 Lakhs (31.03.2017: ₹ 10.57 Lakhs)	14.74	0.15
Professional & Consultancy charges	305.48	209.70
Payment to Auditors (Refer Note Below)	60.60	94.88
Miscellaneous Expenses	1,268.18	1,188.40
	6,045.15	4,119.60
Payment to Auditors		
As Auditors		
- Audit Fees	38.47	81.57
- Tax Audit	2.84	3.00
- Other Matters (including Certification)	17.26	9.20
- Out of Pocket Expenses	2.03	1.11
Corporate Social Responsibility Expenditure		
a) Gross Amount Required to be Spent by the Group during the Year	82.03	53.19
b) Amount Spent during the Year		
(i) Construction/Acquisition of an Asset	53.34	52.87
(ii) On Purposes other than (i) Above	33.05	10.27



TM International Logistics Limited
Notes forming part of the Consolidated Financial Statements for the year ended 2018

33. Contingencies:

₹ in Lakhs

	Particulars	As on 31st March, 2018	As on 31st March, 2017
A	Bank Guarantees	308.76	64.03
B	Claims against the Group not acknowledged as debts		
	Service Tax	7,766.58	7,590.70
	Income Tax	483.38	311.09
	Tariff Authority of Major Ports	9,720.09	8,753.35
	Kolkata Port Trust (KoPT)	1,694.99	1,684.46
	Others	103.44	66.61
		19,768.48	18,406.21

- 34 a** In terms of the Licence Agreement dated 29.01.2002 with Board of Trustees for the Port of Kolkata, the Parent Company is required to invest in equipments and infrastructure in Berth #12 (Haldia Dock Complex) as follows:

Sl. No	Purpose of Investment	Phasing of Investment from Licence Agreement dated 29.01.2002 (in ₹ in Lakhs)			
		Within 18 months (Lapsed on 28.07.2003)	Within 24 months (Lapsed on 28.01.2004)	Within 36 months (Lapsed on 28.01.2005)	Total
1	For Procurement of Equipment for Ship to Shore Handling & Vice versa and Horizontal Transfer of Cargo	2,306.00	285.00	-	2,591.00
2	Storage of Cargo	-	174.00	120.00	294.00
3	Office Building, Workshop etc.	-	75.00	25.00	100.00
4	Utility Services	-	22.00	-	22.00
	Total	2,306.00	556.00	145.00	3,007.00

As at 31.03.2018, Parent Company's investments in equipments and infrastructure aggregate to ₹ **2,580.00 Lakhs** (31.03.2017: ₹ 2,580.00 Lakhs).

The Management has requested the Port Trust Authorities for suitable modification to the investment obligation in view of the changes in the business and economic scenario. The Port Trust Authorities have, subject to sanction of the Government of India, approved the changes proposed by the Parent Company in the specifications of the equipments and other required infrastructure.

- 34 b** Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ **162.09 Lakhs** (31.03.2017: ₹ 2,795.03 Lakhs).
- 34 c** The Group has cancellable operating lease arrangements for certain warehouse and office space. Terms of such lease include option for renewal on mutually agreed terms. There are no restrictions imposed by lease arrangements and there are no purchase options or sub leases or contingent rents. Operating lease rentals (including sub-lease) for the year recognised in profit or loss amounts to ₹ **694.45 Lakhs** (31.03.2017 - ₹ 800.84 Lakhs).

TM International Logistics Limited
Notes forming part of the Consolidated Financial Statements for the year ended 2018

Commitments for Minimum Lease Payments in Relation to Non-cancellable Operating Leases are Payable as follows:

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
	₹ in Lakhs	₹ in Lakhs
Within One Year	1,235.21	986.07
Later than One Year but not Later than Five Years	2,987.59	995.30
Later than Five Years	1,780.43	1,988.51
	6,003.23	3,969.88

The lease expenses recognised during the year in this regard amount to ₹ 822.76 Lakhs (31.03.2017: ₹ 203.63 Lakhs).

35. The Parent Company had rolled out Early Separation Scheme effective 1st June 2017 for its unionised employees of port operations at Haldia & Paradip. The said scheme was rolled out to all unionised employees with some pre condition with regard to age, number of years in service, etc. Accordingly, management has accepted the admission of 20 employees into the scheme. The present value of total outflow of the scheme is ₹ 1,135.66 Lakhs (31.03.2017: NIL) and is shown under 'Exceptional Items' in the Statement of Profit and Loss. The corresponding liability of ₹ 923.65 Lakhs (31.03.2017: NIL) is appearing as Provision-Non Current and ₹ 189.34 Lakhs (31.03.2017: NIL) is appearing as Provision-Current in Balance sheet.

36 Segment Reporting
A. Segment Information

The Group's CODM has identified three reportable segments of its business viz. Port Operations & Other, Shipping and Freight Forwarding.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's income taxes and investments are managed at head office and are not allocated to operating segments.

Sales between segments are carried out on cost plus appropriate margin and are eliminated on consolidation. The segment revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the assets.



TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

B. Segment Revenue:

Particulars	For the year ended 31 March, 2018 Business segments			Eliminations	Total
	Port Operations & Others	Shipping	Freight Forwarding		
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Revenue from External Customers	23,115.39	24,956.22	9,229.89	-	57,301.50
	(19,630.51)	(25,049.15)	(8,354.18)	-	(53,033.84)
Inter-Segment Revenue	285.73	-	69.15	(354.88)	-
	(34.31)	-	(1.25)	35.56	-
Total Segment Revenue	23,401.12	24,956.22	9,299.04	(354.88)	57,301.50
	(19,664.82)	(25,049.15)	(8,355.43)	(35.56)	(53,033.84)

Segment Results:

Particulars	For the year ended 31 March, 2018 Business segments			Eliminations	Total
	Port Operations & Others	Shipping	Freight Forwarding		
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Segment Profit before Finance Cost and Tax	1,967.13	363.08	(497.74)	-	1,832.47
	(4,657.99)	(902.00)	(657.51)	-	(6,217.50)
Reconciliation to Profit before Tax					
Unallocable Income/(Expenses) (Net)					1,015.82
					(2,660.46)
Finance Cost					53.62
					(221.89)
Profit Before Tax					2,794.67
					(8,656.06)
Other Information					
Depreciation and Amortisation (Allocable)	520.66	86.34	59.89		666.89
	(434.44)	(672.76)	(47.79)		(1,154.99)
Material Non-Cash Expenses other than Depreciation	2.72	59.96	5.53		68.21
	(5.56)	-	2.55		(3.01)

TM International Logistics Limited
Notes forming part of the Consolidated Financial Statements for the year ended 2018
Segment Assets:

Particulars	As at Year ended 31 March, 2018 Business segments			Total ₹ in Lakhs
	Port Operations & Others	Shipping	Freight Forwarding	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	
Segment Assets	19,711.17	10,127.96	3,536.94	33,376.07
	(21,389.05)	(5,565.93)	(3,686.40)	(30,641.38)
Unallocable Assets				47,988.44
				(55,063.85)
Total Assets				81,364.51
				(85,705.23)

Segment Liabilities:

Particulars	As at Year ended 31 March, 2018 Business segments			Total ₹ in Lakhs
	Port Operations & Others	Shipping	Freight Forwarding	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	
Total Segment Liabilities	17,116.01	1,382.69	3,152.43	21,651.13
	(20,719.42)	(3,175.47)	(3,820.30)	(27,715.19)
Unallocable Liabilities				9.26
				(1,236.62)
Total Liabilities				21,660.40
				(28,951.81)

* Figures in brackets represents comparative figures of previous year.

C. Entity-wise Disclosures:

- i) The Company is Domiciled in India. The Amount of its Revenue from External Customers Broken Down by Location of the Customers is shown below:

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
India	27,033.73	25,128.89
Rest of the World	30,267.77	27,904.95

- ii) Non-current Assets (other than Financial Assets and Deferred Tax Assets) by Location of the Assets is shown below:

	As at 31 March, 2018	As at 31 March, 2017
India	8,580.44	7,935.21
Rest of the World	6,180.71	1,562.66

- iii) Details of Major Customers Accounting for more than 10% of Revenue from External Customers:

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Tata Steel Limited	21,727.10	17,219.84



TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

37 Earnings Per Share (EPS) :

	For the year ended 31st March 2018	For the year ended 31st March 2017
(A) Basic	180.00	180.00
(i) Number of Equity Shares at the Beginning of the Year	180.00	180.00
(ii) Number of Equity Shares at the End of the Year		
(iii) Weighted Average Number of Equity Shares Outstanding during the Year	180.00	180.00
(iv) Face Value of Each Equity Share (₹)	10.00	10.00
(v) Profit after Tax Available for Equity Shareholders Profit for the Year (₹ in Lakhs)	1,708.96	5,857.42
(vi) Basic Earnings per Equity Share (₹) [(v)/(iii)]	9.49	32.54
(B) Diluted		
(i) Dilutive Potential Equity Shares	-	-
(ii) Earnings per Equity Share (₹) [Same as (A)(vi) above]	9.49	32.54

38. Interest in Subsidiaries

The Group's subsidiaries at 31 March 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. Place of incorporation or registration is also their principal place of business.

Name of the Subsidiary	Principal Activity	Place of Incorporation and Operation	Proportion of Ownership Interest and Voting Power held by the Parent Company	
			31st March 2018	31st March 2017
International Shipping & Logistics FZE	Shipping	UAE	100%	100%
TKM Global Logistics Limited	Freight Forwarding	India	100%	100%
TKM Global GMBH	Freight Forwarding	Germany	100%	100%
TKM Global China Limited	Freight Forwarding	China	100%	100%

39 Employee Benefits

(a) Defined Contribution Plans

The Group provides Superannuation Benefit to its employees. The contribution towards Superannuation is paid to a separate trust administered by the Group. The Group has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay employee benefits. The contributions are recognised as expenses in the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employees.

The Group has recognised expenses under defined contribution plan in Statement of Profit and Loss, as below:

Benefit (Contribution to)	For the Year ended 31st March 2018	For the Year ended 31st March 2017
	₹ in Lakhs	₹ in Lakhs
Superannuation Fund	62.25	57.82
Tata Employees' Pension Scheme	9.00	9.03
Provident Fund (with Regional Provident Fund Commissioner)	31.60	35.52
Total	102.85	102.37

TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

(b) Defined Benefits Plans

i. Funded

a. Provident Fund

b. Post Retirement Gratuity

ii. Unfunded:

a. Director Pension Scheme

b. Post Retirement Medical Benefit Scheme

Provident Fund (Funded)

The Group provides Provident Fund benefit to its employees. The contributions towards Provident fund upto May, 2009 were paid to the trust administered by the Government. The Group has got exemption under Section 17 of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 from the Central Govt., Ministry of Labour and Employment for setting up of an exempted Provident Fund Trust w.e.f. 30th March, 2009. Accordingly, the Group has been contributing PF dues from June, 2009 onwards to the Trust fund created under the name and style as 'TM International Logistics Limited Employees' Provident Fund'. Both the employees and the Group make monthly contributions to the Funds at specified percentage of the employee's salary and aggregate contributions along with interest thereon are paid to the employees/nominees at retirement, death or cessation of employment. The Trusts invest funds following a pattern of investments prescribed by the Government. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Group. In view of the Group's obligation to meet shortfall, if any, on account of interest, Provident Fund Trusts set up by the Group are treated as defined benefit plans. The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, an amount of ₹ 431,212 (31.03.2017 - ₹ 828,625) has been provided towards future anticipated shortfall with regard to interest rate obligation of the Group as at the Balance Sheet date.

Principal Actuarial Assumptions	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Discount Rate	7.50%	5% to 7.0%
Expected Return on Exempted Fund	8.55 % - 8.75%	7.00%
Expected Guaranteed Interest Rate	5% to 9%	5% to 9%

The Parent Company has recognised expenses in Statement of Profit and Loss, as below:

Nature of Benefits	For the Year ended 31st March 2018	For the Year ended 31st March 2017
	₹ in Lakhs	₹ in Lakhs
Contribution to Provident Fund Trust	138.93	159.73

Post Retirement Gratuity

The Group provides Gratuity Benefits to its employees. Gratuity liabilities are funded through a separate trust managed by Tata Steel Limited. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per the requirement of Indian Accounting Standards 19 - Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in



TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

Statement of Profit and Loss in full in the year in which they occur.

These plans typically expose the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

Discount Rate Risk	The Group is exposed to the risk of falling discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of liability.
Demographic Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality and attrition rates of plan participants. An increase in life expectancy or service term of the plan participants will increase the plan's liability.
Salary Growth Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets forth the particulars in respect of the Gratuity Plan (Funded) of the Group:

₹ in Lakhs

Description	For the Year ended 31st March 2018	For the Year ended 31st March 2017
1. Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation:		
a. Present Value of Obligation at the Beginning of the Year	1,478.64	1,282.83
b. Current Service Cost	111.53	99.08
c. Interest Expenses	86.72	92.94
d. Curtailment (Credit)/ Cost	(21.30)	-
e. Remeasurement Losses	-	-
Actuarial Gain arising from Changes in Experience Adjustments	(35.21)	77.98
Actuarial (Gain)/Loss arising from Changes in Financial Assumptions	(49.66)	(24.32)
f. Benefits Paid	(364.31)	(63.10)
g. Acquisitions	38.57	7.58
h. Plan Amendments	27.04	-
i. Exchange Rate Variation	1.58	5.65
h. Present Value of Obligation at the End of the Year	1,273.59	1,478.64
2. Reconciliation of Opening and Closing balances of the Fair Value of Plan Assets:		
a. Fair Value of Plan Assets at the Beginning of the Year	1,230.41	1,015.21
b. Acquisition Adjustments	-	6.02
c. Interest Income	75.30	80.00
d. Contributions from Employer	54.85	97.11
e. Return on Plan Assets, excluding Amounts included in Interest Income Above	(52.07)	95.17
f. Benefits Paid	(364.31)	(63.10)
g. Actuarial Gain/(Loss)	-	-
h. Fair Value of Plan Assets at the End of the Year	944.18	1,230.41
3. Reconciliation of Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets:		

TM International Logistics Limited
Notes forming part of the Consolidated Financial Statements for the year ended 2018

Description	For the Year ended 31st March 2018	For the Year ended 31st March 2017
a. Present Value of Obligation at the End of the Year	1,273.59	1,478.64
b. Fair Value of Plan Assets at the End of the Year	944.18	1,230.41
c. Liabilities Recognized in the Balance Sheet	329.43	248.22
Provision for Employee Benefit - Current (Refer Note 24)	111.31	30.26
Provision for Employee Benefit - Non current (Refer Note 21)	218.12	217.97
4. Expense Recognized in the Statement of Profit and Loss during the Year		
a. Service Cost		
- Current Service Cost	111.53	99.08
- Past Service Cost	27.04	99.08
b. Curtailment Cost / (Credit)	(21.30)	-
c. Net Interest Cost	11.42	12.94
Total Expense Recognized during the Year in the Statement of Profit and Loss	128.69	211.10
5. Expense Recognised in the Statement of Other Comprehensive Income		
a. Actuarial (Gain)/Loss due to DBO Experience	(35.21)	(28.34)
b. Actuarial (Gain)/Loss due to DBO Assumption Changes	(49.66)	82.00
c. Actuarial (Gain)/Loss arising during the Year (a + b)	(84.87)	53.66
d. Return on Plan Assets, excluding Amounts included in Interest Income Above	52.07	(95.17)
Total (Income)/Expense Recognised in Other Comprehensive Income (c + d)	(32.80)	(41.51)
6. Category of Plan Assets:		
Fund Managed by Tata Steel Limited (in %)	793.26	1,082.28
Funded with LIC (in %)	150.92	148.13
7. Maturity Profile of Defined Benefit Obligation		
a. Within 1 year	69.74	83.76
b. 2-5 years	215.37	233.59
c. More than 5 Years	5,190.01	1,007.31
8. Assumptions		
a. Discount Rate (per annum)	5.00% to 7.50%	5.00% to 7.00%
b. Rate of Escalation in Salary (per annum)	5.00% to 9.00%	5.00% to 9.00%

Assumption regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2006-2008) published



TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

by the Institute of Actuaries of India

9. Investment Details of Fund Managed by Tata Steel Limited for Parent Company	Amount invested in %	Amount invested in %
Investment Details		
a. Government of India Securities	8.41%	8.54%
b. Public Sector unit Bonds	2.34%	3.80%
c. State / Central Government Guaranteed Securities	6.66%	8.42%
d. Private Sector unit Bonds	6.36%	6.75%
e. Others (including bank balances)	76.20%	72.49%

10. Actuarial assumptions for the determination of the defined obligation are discount rate and expected salary escalation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

				Amount
Effect of Change in	Discount Rate	Salary Escalation	Discount Rate	Salary Escalation
Increase by 1%				
(i) Aggregate Service and Interest Cost	113.63	128.30	133.18	142.17
(ii) Closing Balance of Obligation	1,159.96	1,401.89	1,345.46	1,620.81
Decrease by 1%				
(i) Aggregate Service and Interest Cost	130.93	113.62	153.79	128.00
(ii) Closing Balance of Obligation	1,404.52	1,159.97	1,632.43	1,350.64

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

11. The Group expects to contribute ₹ 70.55 Lakhs (Previous Year - ₹ 91.99 Lakhs) to the funded gratuity plans during the next financial year.

12. The weighted average duration of the defined benefit obligation as at 31.03.2018 is 9-12 years (31.03.2017: 9-13 years).

TM International Logistics Limited
Notes forming part of the Consolidated Financial Statements for the year ended 2018

Details of Post Retirement Defined Benefit Obligations (Other than Provident Fund and Gratuity) are as follows:

	For the Year Ended 31st March 2018		For the Year Ended 31st March 2017	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
	Medical	Ex- MD Pension	Medical	Ex- MD Pension
1. Reconciliation of Opening and Closing Balances of Obligation				
a. Opening Defined Benefit Obligation	38.12	211.55	40.57	296.26
b. Interest Cost	2.57	14.22	2.79	22.31
c. Remeasurement (Gain)/Loss:				
(i) Actuarial (Gain)/ Loss Arising from Changes in Financial Assumptions	(1.34)	(7.38)	2.18	12.12
(ii) Actuarial (Gain)/ Loss Arising from Experience Adjustments	(1.35)	(7.20)	1.41	(102.33)
d. Benefits Paid	(2.69)	(16.81)	(8.84)	(16.81)
Closing Defined Benefit Obligation	35.31	194.38	38.12	211.55
2. Present Value of Obligations				
a. Present Value of Obligation as at the End of the Year	35.31	194.38	38.12	211.55
b. Amount Recognised in the Balance Sheet				
(i) Retirement Benefit Liability - Current	2.82	15.87	3.10	17.23
(ii) Retirement Benefit Liability - Non Current	32.49	178.51	35.02	194.32
3. Amounts Recognised in the Statement of Profit and Loss during the Year:				
a. Net Interest Expenses	2.57	14.22	2.80	22.31
Components of Defined Benefit Costs Recognised in Profit or Loss	2.57	14.22	2.80	22.31
b. Remeasurement on the Net Defined Benefit Liability:				
(i) Actuarial (Gain)/ Loss Arising from Changes in Financial Assumptions	(1.34)	(7.38)	2.18	12.12
(ii) Actuarial (Gain)/ Loss Arising from Experience Adjustments	(1.35)	(7.20)	1.41	(102.33)
Components of Defined Benefit Costs recorded in Other Comprehensive Income	(2.69)	(14.58)	3.59	(90.21)
Total	(0.12)	(0.36)	6.39	(67.90)
4. The Principal Assumptions used for the Purpose of the Acturial Valuations were as follows:				
a. Discount Rate (Per Annum)	7.50%	7.50%	7.00%	7.00%
b. Medical Cost - % of Annual Entitlement Utilised (Per Annum)	6.00%	NA	6.00%	NA
5. Experience (Gain)/ Loss for Defined Benefit Obligations:				
Present Value of Defined Benefit Obligations	35.31	194.38	38.12	211.55
Experience Gain / (Loss) Adjustments	(1.35)	(7.20)	1.41	(102.33)

TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

6. Actuarial assumptions for the determination of the defined benefit obligation (post retirement medical benefit scheme) are discount rate and medical inflation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Effect of Change in	FY 2017-18		FY 2016-17	
	Discount Rate	Medical Inflation	Discount Rate	Medical Inflation
Increase by 1%				
(i) Aggregate Service and Interest Cost	2.46	2.82	2.87	3.28
(ii) Closing Balance of Obligation	32.85	38.13	35.25	41.40
Decrease by 1%				
(i) Aggregate Service and Interest Cost	2.80	2.53	3.28	2.92
(ii) Closing Balance of Obligation	38.11	32.78	41.40	35.20

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(c) Leave Obligations

The Group provides for accumulation of leave by certain categories of its employees. These employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash (only in case of earned leave) in lieu thereof as per the Group's policy. The Group records a provision for leave obligations in the period in which the employee renders the services that increases this entitlement. The total provision recorded by the Group towards this obligation at year end is ₹ 770.80 Lakhs (31.03.2017: ₹ 937.89 Lakhs). Some portion of the provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

- 40 (a) TM International Logistics Limited (TMILL / Licensee) signed a service concession agreement with Kolkata Port Trust (KoPT/ Licenser) on 29th January - 2002 for allotment of multipurpose berth along with its back up area at Haldia Dock Complex. TMILL has taken a berth (Berth #12) at Haldia Port on lease from the Kolkata Port Trust - Haldia Dock Complex (KoPT-HDC) for a period of 30 years ending on 28th January, 2032. Further in Dec' 2006 and Sep' 2006, TMILL took a plot from KoPT on lease, measuring 54,000 square meters and 9,000 square meters respectively, for the purpose of storing Cargos and to develop a railway siding for cargo handled at Berth #12. Said plots have been taken on lease for a period ending on 28th January, 2032 (i.e. end date of lease period of the original Service Concession Agreement).

- (b) (i) The rates for TMILL is governed by Tariff Authority for Major Ports (TAMP) and is as per the 'Guidelines for Regulation of Tariff at Major Ports, 2004'.

The actual physical and financial performance will be reviewed at the end of the prescribed tariff validity period with reference to the projections relied upon at time of fixing the prevailing tariff. If performance variation of more than + or - 20% is observed as compared to the projections, tariff will be adjusted prospectively. While doing so, 50 % of the benefit / loss already accrued will be set off while revising the tariff.

TAMP will prescribe a timetable specifying when each port should submit tariff proposal for review/revision. Till such a

TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

timetable is prescribed, proposals for revision of existing tariff shall be forwarded at least 3 months before these are due for revision. Major Port Trusts, including Private Terminal Operators will be duty bound to send proposal for fixation of tariff within the prescribed time frame. In case of failure on their part to do so, TAMP may for good and sufficient reasons to believe that interests of users are to be protected and / or to rationalise tariff arrangements commonly at ports, suo motu, initiate proceedings in any tariff matter, review and, if necessary, revise the tariffs. In such proceedings, opportunity of hearing will be given to the concerned ports.

The Major Port Trusts, including Private Terminal Operators at such ports shall initiate tariff proposal and forward the same to TAMP at least three months before these are due for revision. The Private Operators can submit their tariff proposals directly to TAMP with a copy to the landlord port trust for information.

Tariff once fixed shall be in force for three years unless a different period is explicitly prescribed in any individual case by TAMP or in the past concession agreement. For good and sufficient reasons, ports may propose revision ahead-of-schedule. After the specified validity period is over, the approval accorded will lapse automatically unless specifically extended by TAMP.

- (ii) The Licensee shall pay to the Licensor royalty per month at the percentage level set out in the License Agreement.
- (c) (i) KoPT has granted to TMILL the exclusive right to enter upon, occupy and use the KoPT's assets for the purpose of providing the services at Berth#12 as per the terms and conditions of service concession agreement.
- (ii) TMILL shall provide the cargo handling services at Berth#12 and during the operation phase shall manage, operate, maintain, repair and replace the Project facilities and Services, entirely at its cost, charges, expenses, risk in accordance with the provision of the License agreement. TMILL has to provide Services on a common user basis and may offer preferential or priority berthing to the customers to optimise the use of Berth#12 in accordance with License Agreement.
- (iii) TMILL shall at its own cost make development and improvements in the Licensor's Assets and shall install/provide cargo handling equipment's as may be necessary or appropriate as per the License Agreement.
- (iv) At the end of the concession period, TMILL shall handover Licensor's Assets to the Licensor free of cost and also transfer all its rights, titles and interest in or over the tangible assets at Berth#12. On the transfer date, the Licensor shall pay to the license the compensation/terminal value, as the case may be, in accordance with the license agreement.
- (v) The licensor may extend the license period beyond 30 years as per the provision of the concession agreement. As per the provision of agreement, the Licensor and Licensee are entitled to terminate the license agreement either on account of force major event or on account of event of default.
- (d) There had been no changes in the arrangement during the year.
- (e) The service concession agreement have been classified as Intangibles Assets.
- (f) Intangible Assets include Upfront Fees paid to Kolkata Port Trust - Haldia Dock Complex towards securing the right to operate Berth No. 12 (situated at Haldia) for a period of 30 years and which is being amortised on straight line basis over the lease period.



TM International Logistics Limited
Notes forming part of the Consolidated Financial Statements for the year ended 2018

41. Income Tax Reconciliation

INCOME TAX EXPENSE	For the Year ended 31st March 2018	For the Year ended 31st March 2017
	₹ in Lakhs	₹ in Lakhs
A. Tax Expense Recognised in Profit or Loss		
Current Tax		
Current Tax on Profits for the Year	1,235.02	2,696.20
Adjustment for Current Tax of Earlier Years	(69.37)	23.05
	1,165.65	2,719.25
Deferred Tax		
Origination and Reversal of Temporary Differences	(79.94)	79.39
Income Tax Expense	1,085.71	2,798.64
B. Tax on Other Comprehensive Income		
Current Tax		
-Remeasurements on Post-employment Defined Benefit Plans	6.12	46.47
	6.12	46.47

The Income Tax Expense for the Year can be Reconciled to the Accounting Profit/ (Loss) as follows:

	For the Year ended 31st March 2018	For the Year ended 31st March 2017
	₹ in Lakhs	₹ in Lakhs
Profit Before Tax for the Year	2,794.67	8,656.06
Income Tax Expense	829.80	3,742.95
Effect of Income Exempt from Income Taxes	(11.08)	(141.37)
Effect of Expenses that are not Deductible in Determining Taxable Profit	45.79	19.91
Effect of Tax Losses for which no Deferred Tax has been Recognised	(81.99)	21.89
Effect on Deferred Tax Balances Due to Change in Income Tax Rate	245.33	(0.47)
Effect of Income for which Tonnage Tax is Applicable	-	(349.70)
Effect of Difference in Tax Rates applicable for Subsidiaries operating in other Jurisdiction	148.73	(497.40)
Effect of Subsidiaries under Tax Holidays	-	(20.22)
Effect of Other Items	(21.50)	-
	1,155.08	2,775.59
Adjustment for Current Tax of Earlier Years	(69.37)	23.05
Income Tax Expense for the Year	1,085.71	2,798.64

The tax rate used for the year 2016-17 and 2015-16 in the reconciliations above is the corporate tax rate of 30% plus cess and surcharge payable by corporate entities in India on taxable profits under the Indian tax law.

TM International Logistics Limited
Notes forming part of the Consolidated Financial Statements for the year ended 2018

42.1.

₹ in Lakhs

Deferred Tax (Liability)/ Asset (Net)	As at 1st April 2016	Charge/ (credit) for the Year	Exchange Difference	As at 1st April 2017	Charge/ (credit) for the Year	Exchange Difference	As at 31st March 2018
Deferred Tax Liabilities							
Property Plant & Equipment and Other Intangible Assets	545.25	(134.07)	-	411.18	(822.82)	(1.25)	(412.89)
Other Comprehensive Income					8.19		8.19
	545.25	(134.07)	-	411.18	(814.63)	(1.25)	(404.70)
Deferred Tax Assets							
Items Allowable for Tax Purpose on Payment/ Adjustment	(280.86)	(33.41)	-	(314.27)	97.13	-	(217.14)
MAT Credit Entitlement	(30.88)	(3.87)	-	(34.75)	-	-	(34.75)
Replacement Obligation for Berth#12 at Haldia Port	(1,706.01)	315.72	-	(1,390.29)	1,083.27	-	(307.02)
Employees' Early Separation Scheme (ESS)	-	-	-	-	(324.10)	-	(324.10)
Provision for Doubtful Debts & Advances	(27.64)	9.55	-	(18.09)	7.58	-	(10.51)
Others	(11.54)	1.31	-	(10.23)	(47.44)	-	(57.67)
	2,056.93	289.30	-	(1,767.63)	816.44	-	(951.19)
Net Deferred Tax Liability/ (Asset)	1511.68			1,356.45			1,355.89

42.2.

₹ in Lakhs

Deferred Tax (Liability)/ Asset (Net)	As at 1st April 2016	Charge/ (credit) for the Year	Exchange Difference	As at 1st April 2017	Charge/ (credit) for the Year	Exchange Difference	As at 31st March 2018
Deferred Tax Liabilities							
Property Plant & Equipment and Other Intangible Assets	167.61	(79.91)	(8.64)	79.26	(81.75)	8.74	6.25
	167.61	(79.91)	(8.64)	79.26	(81.75)	8.74	6.25
Net Deferred Tax Liability/ (Asset)	167.61			79.26			6.25



TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

43 Disclosure on Specified Bank Notes (SBNs) :

₹ in Lakhs

Particulars	SBNs *		Other Denomination Notes		Total	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Closing Cash in Hand as on 08.11.2016	-	1.84	-	1.03	-	2.87
(+) Non-Permitted Receipts	-	-	-	-	-	-
(+) Permitted Receipts	-	-	-	17.45	-	17.45
(-) Permitted Payments	-	-	-	16.05	-	16.05
(-) Amount Deposited in Banks	-	1.84	-	0.01	-	1.85
Closing Cash in Hand as on 30.12.2016	-	-	-	2.42	-	2.42

* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of finance, Department of Economic Affairs number S.O. 3047('E) dated 08.11.2016.

44 Fair Value Measurements

(a) Instruments by Category

The following table presents carrying amount and fair value of each category of financial assets and liabilities as at the year end:

₹ in Lakhs

	Note No.	31st March 2018	31st March 2017
Financial Assets			
Assets Carried at Fair Value through Profit or Loss			
Investments in Mutual Fund	11	627.14	1,159.41
Assets Carried at Amortised Cost			
Loans	6, 15	617.06	463.13
Trade Receivables	12	12,926.99	15,530.15
Other Financial Assets	7, 16	10,176.96	15,949.27
Cash and Cash Equivalents	13	3,403.33	14,817.89
Other Bank Balances	14	31,168.54	20,219.80
Total Financial Assets		58,920.02	68,139.65
Financial Liabilities			
Liabilities Carried at Amortised Cost			
Trade Payables	22	8,085.24	10,715.59
Other Financial Liabilities	20, 23	95.12	96.34
		8,180.36	10,811.93

TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

(b) Fair Value Measurement

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31st March, 2017.

The following methods and assumptions were used to estimate the fair values:

- (i) In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.
- (ii) The management assessed that fair values of loans given (Current), trade receivables, cash and cash equivalents, other bank balances, other financial assets (current), trade payables and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments.

Further Management also assessed the carrying amount of Other Financial Instruments which are redeemable approximation of their Fair Values and the difference between the Carrying Amounts and the Fair Value is not expected to be significant.

(c) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds. The mutual funds are valued using the closing Net Asset Value.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise 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.

₹ in Lakhs

	31st March, 2018	31st March, 2017
	Level 1	Level 1
Recognised and Measured at Fair Value - Recurring Measurements		
Financial Assets		
Investments		
Mutual Funds - Daily Dividend	627.14	1,159.41
	627.14	1,159.41

45 Financial Risk Management

The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's senior management oversees the management of above risks. The senior executives working to manage the financial risks are accountable to the Audit Committee and the Board of Directors. This process provides assurance to the Group's senior management that the Group's financial risks-taking 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 the Group's risk appetite.



TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(a) Credit Risk:

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Group is exposed to credit risk from its operating activities (primarily Trade Receivables) and from its investing activities (primarily Deposits with Banks and Investments in Mutual Funds)

Trade Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Customer credit risk is managed centrally and is subject to the Group's policy and procedures which involve credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored. The Group uses expected credit loss model to assess the impairment loss. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience with customers.

Other Financial Assets

Credit risk from balances with banks, term deposits, loans and investments is managed by Group's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements. The Group's maximum exposure to credit risk for the components of the Balance Sheet as of 31st March 2018 and 31st March 2017 is the carrying amounts as disclosed in Note 44.

Financial Assets that are Neither Past Due Nor Impaired

None of the Group's cash equivalents with banks, loans and investments were past due or impaired as at 31st March 2018 and 31st March 2017. Of the total trade receivables, ₹ 9,838.85 Lakhs as at 31st March 2018 and ₹ 13,102.19 Lakhs as at 31st March 2017 consisted of customer balances that were neither past due nor impaired

Financial Assets that are Past Due but Not Impaired

The Group's credit period for customers generally ranges from 0 - 45 days. The ageing of trade receivables that are past due but not impaired (net of provisions/allowances) is given below:

₹ in Lakhs

Period (in days)	31st March, 2018	31st March, 2017
1-90	2,188.57	1,815.25
91-180	539.71	246.75
More than 180	359.86	365.96
	3,088.14	2,427.96

Receivables are deemed to be past due or impaired with reference to the Group's policy on provisioning of receivables. Further, case to case basis are analysed with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

Other than trade receivables, the Group has no significant class of financial assets that is past due but not impaired.

TM International Logistics Limited
Notes forming part of the Consolidated Financial Statements for the year ended 2018

₹ in Lakhs

Reconciliation of Provision for Doubtful Debts - Trade receivables	As at 31st March 2018	As at 31st March 2017
Opening Balance	3,029.46	2,944.25
Provision made during the Year	67.03	(2.55)
Provision written back/reversed during the Year	(784.24)	60.60
Bad Debts during the year adjusted with Provisions	(493.34)	(10.57)
Exchange Difference on Consolidation	2.87	37.73
Closing Balance	1,821.78	3,029.46

(b) Liquidity Risk:

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and maintains adequate sources of financing.

Maturities of Financial Liabilities

The table below analyse Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amount disclosed in the table are the contractual undiscounted cash flows.

₹ in Lakhs

	As at March 31, 2018				
	Upto 1 Year	1 Year to 3 Years	3 Years to 5 Years	More than 5 Years	Total
Trade Payables	8,085.24	-	-	-	8,085.24
Other Financial Liabilities	8.75	17.32	7.78	61.27	95.12
	8,093.99	17.32	7.78	61.27	8,180.36

	As at March 31, 2017				
	Upto 1 Year	1 Year to 3 Years	3 Years to 5 Years	More than 5 Years	Total
Trade Payables	10,715.59	-	-	-	10,715.59
Other Financial Liabilities	8.75	17.49	17.32	52.78	96.34
	10,724.33	17.49	17.32	52.78	10,811.93

(c) Market Risk
a) Foreign Currency Exchange Rate Risk:

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currencies. The Group has foreign currency trade receivables and trade payables and is therefore exposed to foreign currency risk. The Group strives to achieve asset-liability offset of foreign currency exposures.



TM International Logistics Limited
Notes forming part of the Consolidated Financial Statements for the year ended 2018

(i) Foreign Currency Risk Exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Receivables:

₹ in Lakhs				
	As at 31st March 2018		As at 31st March 2017	
Receivables in Foreign Currency	Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	Amount in ₹
EUR	0.04	3.30	0.06	4.08
GBP	0.04	3.48	0.53	48.07
JPY	0.14	0.09	0.04	0.02
CHF	0.02	1.40	0.00	0.19
SGD	0.01	0.37	0.03	1.14
USD	8.76	566.81	6.41	413.15

₹ in Lakhs				
	As at 31st March 2018		As at 31st March 2017	
Payable in Foreign Currency	Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	Amount in ₹
CHF	0.08	5.61	0.12	8.08
EUR	1.95	162.22	0.36	25.75
GBP	0.03	2.90	0.15	13.38
HKD			0.02	0.21
JPY	1.89	1.16	3.60	2.15
SEK	0.01	0.09	0.49	3.68
SGD	0.07	3.54	0.03	1.53
USD	4.13	274.46	0.85	56.24
NZD	-	-	0.01	0.25
AUD	-	-	0.01	0.73

TM International Logistics Limited
Notes forming part of the Consolidated Financial Statements for the year ended 2018
(ii) Sensitivity

The sensitivity of profit or loss to changes in the foreign exchange rates arises mainly from foreign currency denominated financial instruments.

₹ in Lakhs				
Impact on Profit before Tax	Receivables		Payables	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
Foreign Currency				
CHF Sensitivity				
INR/CHF -Increase by 10%*	0.14	0.02	(0.56)	(0.81)
INR/CHF -Decrease by 10%*	(0.14)	(0.02)	0.56	0.81
EUR Sensitivity				
INR/EUR -Increase by 10%*	0.33	0.41	(16.22)	(2.58)
INR/EUR -Decrease by 10%*	(0.33)	(0.41)	16.22	2.58
GBP Sensitivity				
INR/GBP -Increase by 10%*	0.35	4.81	(0.29)	(1.34)
INR/GBP -Decrease by 10%*	(0.35)	(4.81)	0.29	1.34
HKD Sensitivity				
INR/HKD -Increase by 10%*	-	-	-	(0.02)
INR/HKD -Decrease by 10%*	-	-	-	0.02
JPY Sensitivity				
INR/JPY -Increase by 10%*	0.01	0.00	(0.12)	(0.21)
INR/JPY -Decrease by 10%*	(0.01)	(0.00)	0.12	0.21
SEK Sensitivity				
INR/SEK -Increase by 10%*	-	-	(0.01)	(0.37)
INR/SEK -Decrease by 10%*	-	-	0.01	0.37
SGD Sensitivity				
INR/SGD -Increase by 10%*	0.04	0.11	(0.35)	(0.15)
INR/SGD -Decrease by 10%*	(0.04)	(0.11)	0.35	0.15
USD Sensitivity				
INR/USD -Increase by 10%*	56.68	41.31	(27.45)	(5.62)
INR/USD -Decrease by 10%*	(56.68)	(41.31)	27.45	5.62
NZD Sensitivity				
INR/NZD -Increase by 10%*	-	-	-	(0.03)
INR/NZD -Decrease by 10%*	-	-	-	0.03
AUD Sensitivity				
INR/AUD -Increase by 10%*	-	-	-	(0.07)
INR/AUD -Decrease by 10%*	-	-	-	0.07

* Holding all other variables constant



TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

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 do not have any interest bearing financial liabilities. The Group's interest earning financial assets are term deposits with banks, which are fixed rate interest bearing investments and accordingly, the Group is not significantly exposed to interest rate risk.

(d) Securities Price Risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices. The Group invests its surplus funds in various debt instruments, which mainly comprises liquid schemes of mutual funds. Mutual fund investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

Securities Price Risk Exposure

The Group's exposure to securities price risk arises from investments in mutual funds held by the Group and classified in the Balance Sheet as fair value through profit or loss, as disclosed in Note 44.

46 Capital Management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The Group determines the amount of capital required on the basis of annual business plan also taking into consideration any long term strategic investment and expansion plans. The funding needs are met through equity and cash generated from operations.

47 LIST OF RELATED PARTIES AND RELATIONSHIP

(a) Entities with Joint Control of or Significant influence over the Parent Company:

Name	Type	Place of Incorporation	31st March 2018	31st March 2017
Tata Steel Limited	Joint Venturer	India	51%	51%
IQ Martrade Holding and Management GmbH	Joint Venturer	Germany	23%	23%
NYK Holding (Europe) B.V.	Joint Venturer	Netherland	26%	26%

(b) Joint Venture of Entities with Joint Control of or Significant influence over the Parent Company:

Tata NYK Shipping Pte Limited

(c) The Group has the following Fellow Subsidiaries with which Transactions have taken place during the Current/ Previous Year

The Indian Steel and Wire Products Limited

Tata Metaliks Limited

Tayo Rolls Limited

Jamshedpur Continuous Annealing & Processing Company Private Limited

TM International Logistics Limited
Notes forming part of the Consolidated Financial Statements for the year ended 2018

Tata Sponge Iron Limited

Tinplate Company of India Limited

Tata Bluescope Steel Limited

Tata Steel Processing and Distribution Company Limited

Jamshedpur Utilities & Services Company Limited

Tata Steel Asia HK Limited

(d) Key Managerial Personnel of the Parent Company

Name	Relationship
Mr. R N Murthy (till 30th June, 2017)	Managing Director
Mr. Ashish Kumar Gupta (till 1st May, 2017)	Executive Director
Mr. Ashish Kumar Gupta (w.e.f 1st July, 2017)	Managing Director
Mr. Dipak Kumar Banerjee	Independent Director
Mr. Sabyasachi Hajara (till 10th April, 2018)	Independent Director
Mr. Dinesh Shastri (w.e.f 2nd February, 2018)	Non-Executive Director
Captain Vivek Singh Anand (w.e.f 19th February, 2018)	Non-Executive Director
Mr. Shinichi Yanagisawa (w.e.f 15th March, 2018)	Non-Executive Director
Mr. Shingo Mizoguchi (till 13th March, 2018)	Non-Executive Director
Mr. Koichi Uragami (till 12th February, 2018)	Non-Executive Director
Mr. Sandipan Chakravorty	Non-Executive Director
Mr. Peeyush Gupta	Non-Executive Director
Mr. Sandeep Bhattacharya	Non-Executive Director
Mr. Guenther Hahn	Non-Executive Director

(f) Others with which Transactions have taken place during the Current/ Previous Year

Name	Relationship
TM International Logistics Limited Employees Provident Fund.	Post Employment Benefit Plan of the Parent Company



TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

48. Particulars of Transactions with Related Parties during the Year and Balances Outstanding at Year-end

₹ in Lakhs

Particulars	Entities with Joint Control of or Significant Influence over the Parent Company	Fellow Subsidiaries	Joint Venture of Tata Steel Limited	Total
Rendering of Services	32,160.89	2,086.02	72.89	34,319.80
	(18,354.60)	(1,152.73)	(120.05)	(19,627.38)
Receiving of Services	424.70	-	-	424.70
	(363.01)	(15.92)	-	(378.93)
Re-imbursement Paid	-	-	-	-
	-	(175.01)	-	(175.01)
Re-imbursement Received	20,681.96	2,695.51	4,570.66	27,948.13
	(20,370.90)	(3,010.19)	(6,422.04)	(29,803.13)
Dividend paid / Payable	688.50	-	-	688.50
	(459.00)	-	-	(459.00)
Bad Debt Written-off	-	-	-	-
	(1.33)	#	-	(1.33)
Provision for Doubtful debts	9.50	-	-	9.50
	(3.58)	-	-	(3.58)
Balance Outstanding at Year-end				
Trade Receivables	8,025.95	327.78	71.06	8,424.79
	(10,203.27)	(307.53)	(21.03)	(10,531.83)
Trade Payables	0.65	-	-	0.65
	(30.80)	(62.22)	-	(93.02)
Advance from Customers	8,138.00	319.87	245.92	8,703.79
	(6,635.44)	(78.79)	(147.91)	(6,862.14)
Provision for Doubtful Debts	5.14	4,500.00	-	4,505.14
	(9.07)	(1.56)	-	(10.63)

Figures in bracket represents transactions with related parties during last year and balances as at the end of last year.

Amount is below the rounding-off norm adopted by the Group.

TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

Post Employment Benefit Plans

Particulars	Year Ended 31st March 2018	Year Ended 31st March 2017
Contribution towards Provident Fund	125.27	124.24

Transactions with Key Management Personnel during the Year and Balances Outstanding at Year-end

	Year Ended 31st March 2018	Year Ended 31st March 2017
Remuneration to Key Management Personnel		
Short-term Benefits	129.85	165.48
Post-employment Benefits	18.47	2.72
Other long- term Benefits	7.53	3.47
Balance Outstanding at Year-end		
Commission Payable to Key Management Personnel	17.08	27.71



TM International Logistics Limited

Notes forming part of the Consolidated Financial Statements for the year ended 2018

49	Additional information as required by Schedule III to the Act									
	Net Assets, i.e., Total Assets Minus Total Liabilities		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income			
	As % of Consolidated Net Assets	Amount (₹ in Lakhs)	As % of Consolidated Profit/(Loss)	Amount (₹ in Lakhs)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Lakhs)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Lakhs)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Lakhs)
Parent	26.77%	15,994.19	79.60%	1,360.34	0.40%	11.55	29.98%	1,371.89	71.63%	3,405.32
TM International Logistics Limited	28.37%	16,102.26	56.53%	3,311.24	(8.52%)	94.08				
Subsidiaries										
Indian										
1. TKM Global Logistics Limited	4.42%	2,640.24	(6.34%)	(108.41)	1.10%	31.51	(1.68%)	(76.90)		
	4.82%	2,734.41	0.47%	27.61	0.65%	(7.20)	0.43%	20.41		
2. TM Harbour Services Private Limited	-	-	-	-	-	-	-	-		
	-	-	18.68%	1,094.46	-	-	23.02%	1,094.46		
Foreign										
1. International Shipping & Logistics FZE	37.08%	22,151.42	36.89%	630.41	2.57%	73.60	15.39%	704.01		
	37.93%	21,526.42	(0.19%)	(10.85)	40.72%	(449.44)	(9.68%)	(460.29)		
2. TKM Global GmbH	31.84%	19,025.37	(10.95%)	(187.10)	94.83%	2,718.33	55.32%	2,531.23		
	29.14%	(16,535.75)	24.84%	1,454.17	64.54%	(712.24)	15.61%	741.93		
3. TKM Global China Limited	(0.11%)	(66.33)	0.80%	13.72	1.10%	31.58	0.99%	45.30		
	(0.26%)	(145.42)	(0.33%)	(19.21)	2.61%	(28.81)	(1.01%)	(48.02)		
Total		59,744.89		1,708.96		2,866.57		4,575.53		
		23,681.92		5,857.42		(1,103.61)		4,753.81		

* Figures in Italics represents comparative figures of previous year.

This is the Consolidated Balance Sheet referred to in our report of even date
For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No. 304026E / E300009
Chartered Accountants

Pinaki Chowdhury
Sd/-
Partner
Membership Number 057572
Kolkata, April 19, 2018

For and on behalf of the Board of Directors
Sd/-

Sandipan Chakravorty
Sd/-
Anand Chand
Chief Financial Officer

Chairman
Sd/-
Ashish Kr Gupta
Managing Director

NOTES

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NOTES

A series of horizontal lines for writing notes, spanning the width of the page.

NOTES

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CSR Activities undertaken in FY 2017-18





TM International Logistics Group of Companies

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