TMILL Group of Companies

TM International Logistics Limited

(A JV of Tata Steel NYK and Martrade)

RIDING THE VALUE WAVE

18th Annual Report 2019-20

The logistics industry is a significant contributor to economic growth through employment generation, investments, exports and growth in national income. To an organisation it brings value through cost competitiveness and service excellence.

In the past year, notwithstanding the challenges posed by a slowing economy, TMILL rode the wave of value created by it through changes and initiatives effected in recent years. The outcome was that the Company rode atop a rough year for global business steadied by the many value creating initiatives over the past years, to close it with growth, earnings and profitability in line with targets set out at the beginning of the year.

RIDING THE VALUE WAVE

Contents

What we do in simple terms?

TMILL has the capability to provide end-to-end services to its customers.

Among the most diversified logistics companies in India with a global footprint, our services integrate road, rail, sea and air transport, air and sea freight forwarding as well as contract logistics.

Our core competencies of operational excellence, diversified logistics portfolio and industry knowledge ensure we remain customer-focused and contribute to value creation for our customers.

We are India's largest commercial freight train operator in Steel, after Indian Railways, currently operating 12 SFTO and 10 GPWIS rakes.

Our primary role is to be the strategic logistics partner of Tata Steel Limited and as one of our promoters it will continue to be our key customer.

Logistics and Transport Trends in 2019-20

To support a USD 5 trillion economy by 2024, the growth target set by India for itself, requires commensurate growth in its logistics industry for the movement of good and services. This makes the country one of the most attractive investment destinations for experienced global players.

Global Logistics Business

8-12
Trillion USD

~10%
As % of Global GDP

Domestic Logistics Business

90-125
Billion USD

>10%
of GDP
(Source: Ministry of Commerce & Industry)

The spotlight was brighter this year on B2B players

Source: yourstory.com/2019/11/top-2019-logistics-trends-india

The opportunity for TMILL

TMILL accounts for less than 10% share of business of its principal customer, Tata Steel's logistics business. Hence the headroom for business growth by securing a larger share of business across the Tata Steel Group alone is immense.

The domestic logistics sector will grow at the 8-10% over the medium term

Source: ICRA forecast/ India Infrastructure Report

The opportunity for TMILL

The growing volume of freight traffic in India and demand for logistics partners to provide solutions to support growth in all categories of the business has accelerated growth opportunities for experienced players such as TMILL.

The need of the hour is to have an integrated logistics value chain

The opportunity for TMILL

The cost of undertaking logistics activities in India is very high due to its complexities and local challenges. TMILL with its substantial presence and breadth of operations can ensure the smooth, timely flow of materials and products through an integrated logistics value chain.

Intelligent use of technology is a must

The opportunity for TMILL

While the entry of international players has put the focus on smart logistics and efficiency in supply chain management, the Indian logistics sector has a low rate of technology absorption. A technologically agile TMILL can contribute to the operational excellence of its customers.

Our numbers in 2019-20

TMILL Standalone (INR in Lakhs)

51,213
Turnover

9,002
EBITDA

3,606
Profit Before Tax

2,848
Profit After Tax

17.48%
Return On Capital Employed

21,400
Total Net Worth

15.82
Earnings Per Share (Rs)

TMILL Group (INR in Lakhs)

105,181
Turnover

10,981
EBITDA

4,779
Profit Before Tax

3,381
Profit After Tax

7.23%
Return on Capital Employed

68,820
Total Net Worth

18.78
Earnings Per Share (Rs)

Operations

REVENUE (In Rs crores)	FY 19	FY 20	Growth in Business (Revenue)
Ports & MLS	238.06	192.05	-19%
CHA-IL	20.80	20.07	-4%
Railways	102.24	238.79	134%
Warehouse	12.76	32.48	155%
FF	123.92	143.16	16%
ISL	343.09	404.22	18%
	840.87	**1,030.77**	

VOLUME	UoM	FY 19	FY 20	Growth in Business (Volume)
MLS	Vessel Calls	625	595	-5%
Railways	Rake movements	135	719	433%
Warehouse	MT	97,474	1,07,044	10%
ISL	MT	37,28,129	57,01,101	53%

About TMILL

TMILL is a logistics solution integrator, with operations spanning eight of 16 key business categories in the Logistics industry.

Its unique business model, which runs contrary to the rest of the Logistics industry, is based on adopting an asset heavy and capex light structure customised to the needs of the mining and metal sector.

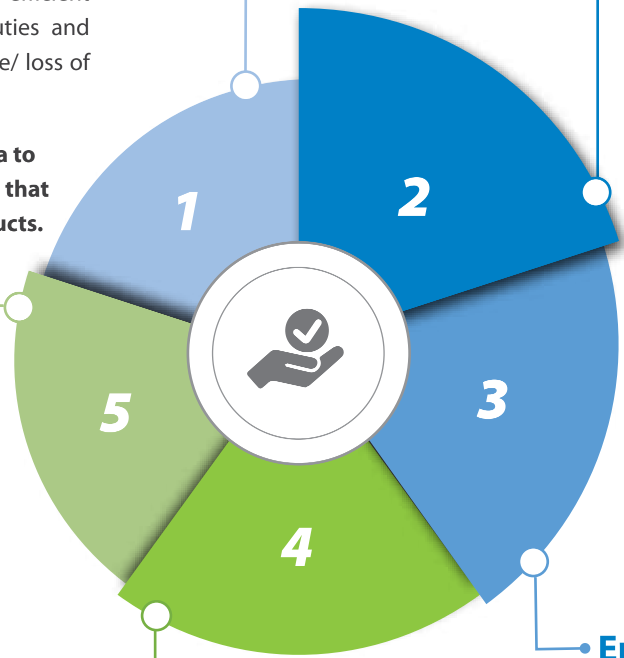
The business model is based on its belief that long-term reliability and best-in-class capabilities in logistics services, for the segment it serves, requires investments that match the growth expectations of its principal clients and is derived from long-term contracts with them.

TMILL offers logistics solutions for Dry Bulk, Containerised and Project Cargo and a wide range of logistics services including Port Operations, Warehousing and Supply Chain Management to the Tata Steel Group companies.

In 2019, the Tata Group had set all Tata Group companies on the course to **'Simplify, Synergise and Scale'** their operations based on its strategy of 'OneTata'. These goals have been embedded in TMILL's business objectives to drive peak performance and improve the potential for value creation.

The Company operates as a set of independent but aligned business divisions supported by corporate functions.

How does TMILL create value?



Customers

As a logistics integrator TMILL handles both raw materials and finished goods for its customers and contributes to value creation by offering a 'one-stop-shop' for logistics services, cost savings, value in plant operations and plant productivity. It's focus on prevention of leakages, efficient documentation and advise on duties and levies to be paid minimises wastage/ loss of resources for them.

TMILL is the first company in India to operate new design BFNSM rakes that can carry ~4000 MT of steel products.

Investors

TMILL has been a 'no loss' company since inception, assuring investors of continuous dividend payments. The focus on sustained revenue growth and profitability has led to the Company's Net Worth soaring to Rs 700 crores in 2019-20 against an invested capital of Rs 18 crores.

The Company's Total Shareholder Return stood at 25.39% in 2019-20.

Employees

TMILL's growth-focus ensures that employees have a gamut of opportunities to enhance capabilities through job rotation and knowledge-based learning.

Community

With operations in remote locations, TMILL's promotes education and skill development among local children and youth so that they may benefit from the opportunities created not just by TMILL but all other organisations and logistics providers in the local area.

Environment

TMILL is driving a shift towards the green segments of logistics, from road to rail, efficient rake design, efficient space utilisation through modern warehousing, and reducing the cost of construction and growth in coastal shipping. It's emphasis on rail is assisting customers to reduce their carbon footprint.

Our Story

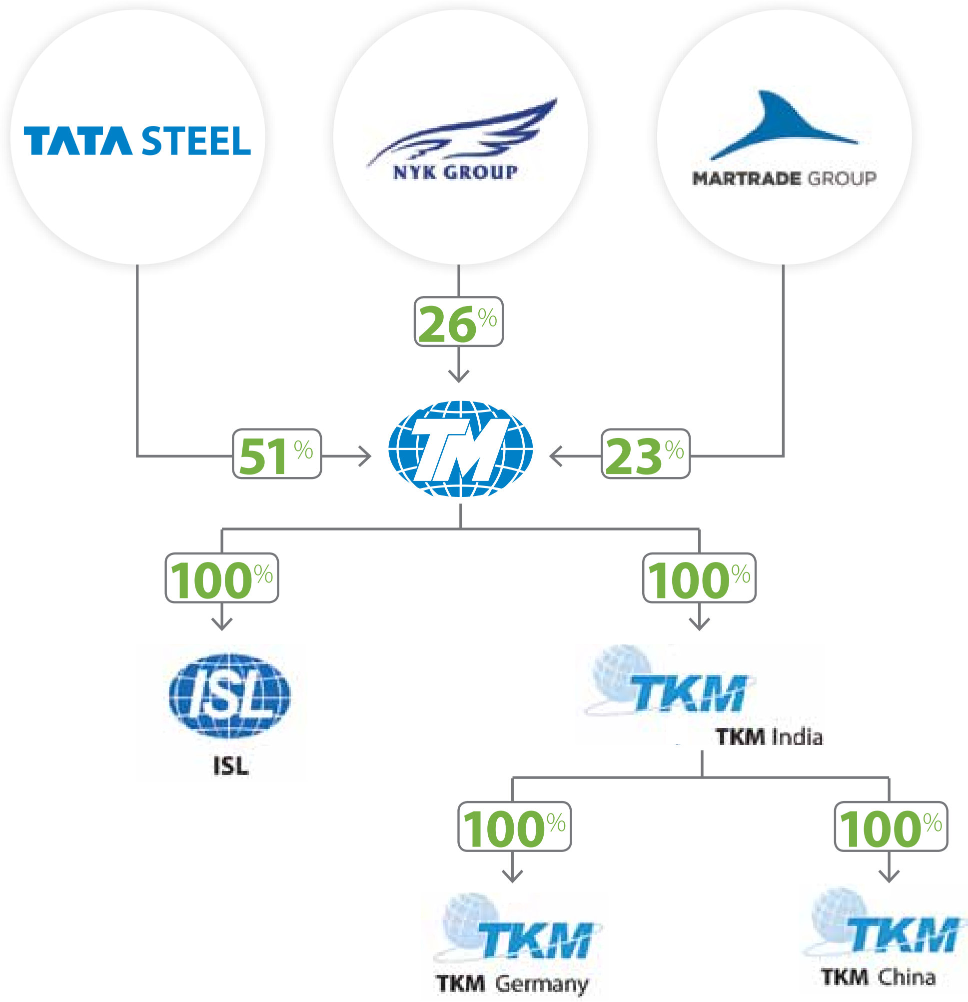
TM International Logistics Limited (TMILL), a joint venture between Tata Steel (51%) and IQ Martrade GMBH of Germany (49%) was formed in 2002.

Tata Steel's growth and modernisation plans in the early 2000s required reliable, world-class logistics and cargo handling services, which included a captive port /terminal near Jamshedpur for its steel exports as well as raw material imports. An opportunity to create such a service provider presented itself to the Company in 2002, when the Government of India issued comprehensive guidelines for private sector participation in the area of port development, allowing for much-needed flow of private investments in development/ expansion of major port projects.

In the same year, it successfully bid to privatise a multipurpose berth at Haldia Dock Complex by **"investing, equipping, operating and managing"** the berth, the first project of its kind on the east coast. Berth #13 (previously Berth #12) was developed and is now managed by TMILL under a 30-year concession agreement. Subsequently in 2009, IQ Martrade diluted part of its equity in favour of an international player, NYK Holding (Europe) BV.

TMILL now has a strong presence both in Haldia and Paradip Ports, and has grown to be a single-stop Logistics Service Provider [LSP] to Tata Steel Limited.

Shareholding Pattern



Our services

Logistics Services

- **Port Operations & Maritime Logistics Services**
  - Stevedoring
  - On-shore handling
  - Plot Management
  - Container Handling
- **Railways**
  - Non Container Cargo Movement
  - Special Freight Train Operator (SFTO)
  - Bulk Movement of raw materials
- **Warehousing & Supply Chain Management**
  - State-of-the-art Warehousing
  - Integrated end-to-end supply chain management services
- **Custom House Agent & Inland Transportation**

Shipping

- **International Shipping & Logistics FZE**
  - Dry Bulk Cargo Shipping
  - Vessel under ownership

Freight Forwarding

- **TKM Global Logistics**
  - Ocean Freight
  - Air Freight
  - Project Shipment

Our global presence

India

- **Kolkata – Head Office**
- Haldia
- Paradip
- Vishakhapatnam
- Jamshedpur
- Kalinganagar
- Chennai
- Bengaluru
- Mumbai
- Gandhidham
- Angul
- Pune
- Delhi

Germany

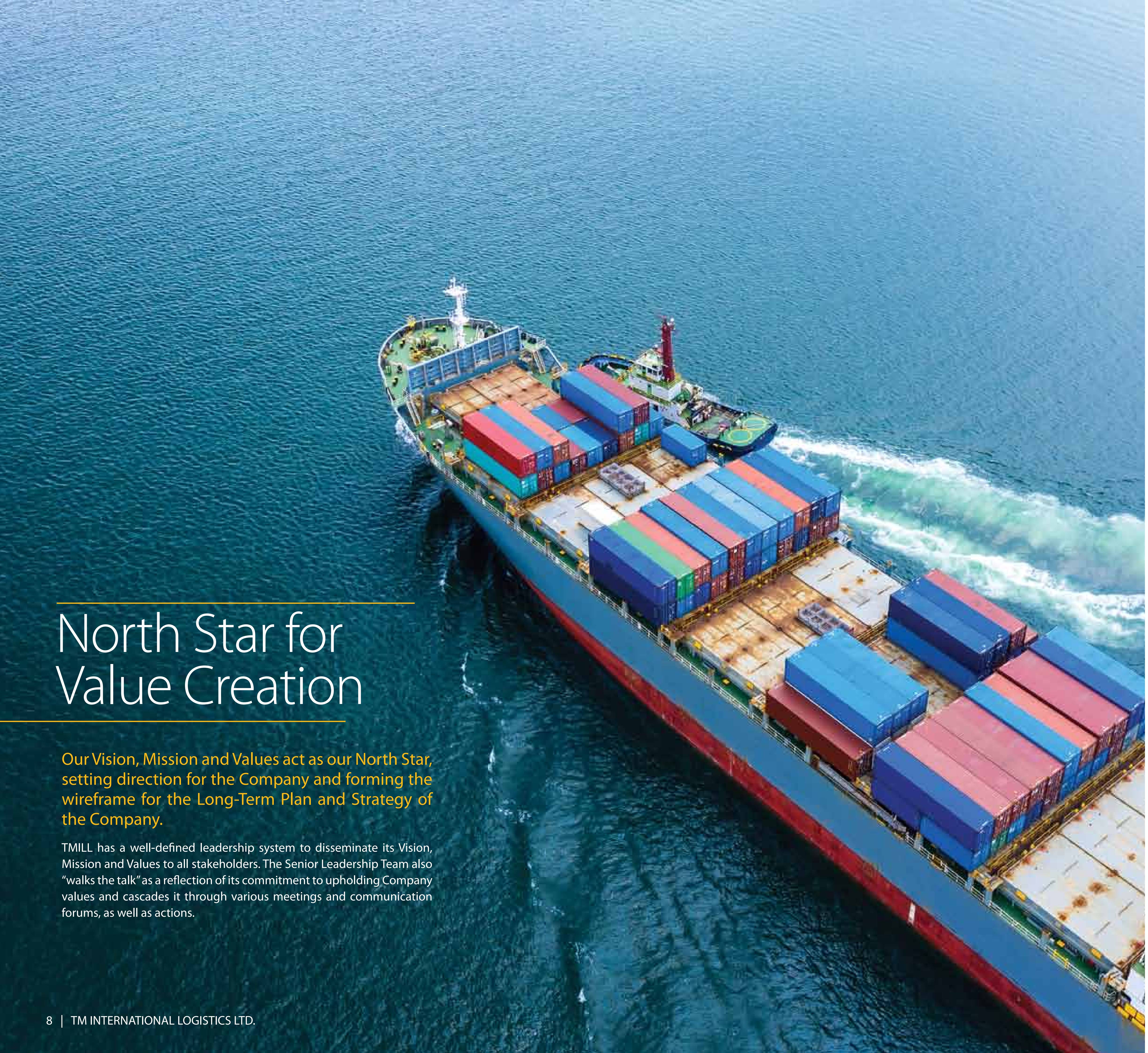
- Hamburg
- Frankfurt
- Dusseldorf

China

- Shanghai

Dubai

TKM TM ISL
TMILL Group of Companies



North Star for Value Creation

Our Vision, Mission and Values act as our North Star, setting direction for the Company and forming the wireframe for the Long-Term Plan and Strategy of the Company.

TMILL has a well-defined leadership system to disseminate its Vision, Mission and Values to all stakeholders. The Senior Leadership Team also "walks the talk" as a reflection of its commitment to upholding Company values and cascades it through various meetings and communication forums, as well as actions.

OUR VISION

To be a **reliable logistics service provider primarily** to the Tata Steel Group Companies characterised by **operational excellence,** and grow in **alignment with the future needs of the group and other stakeholders.**

MISSION

To be a customer-oriented learning organisation based on robust systems and processes with people being our core and most valuable asset.

VALUES

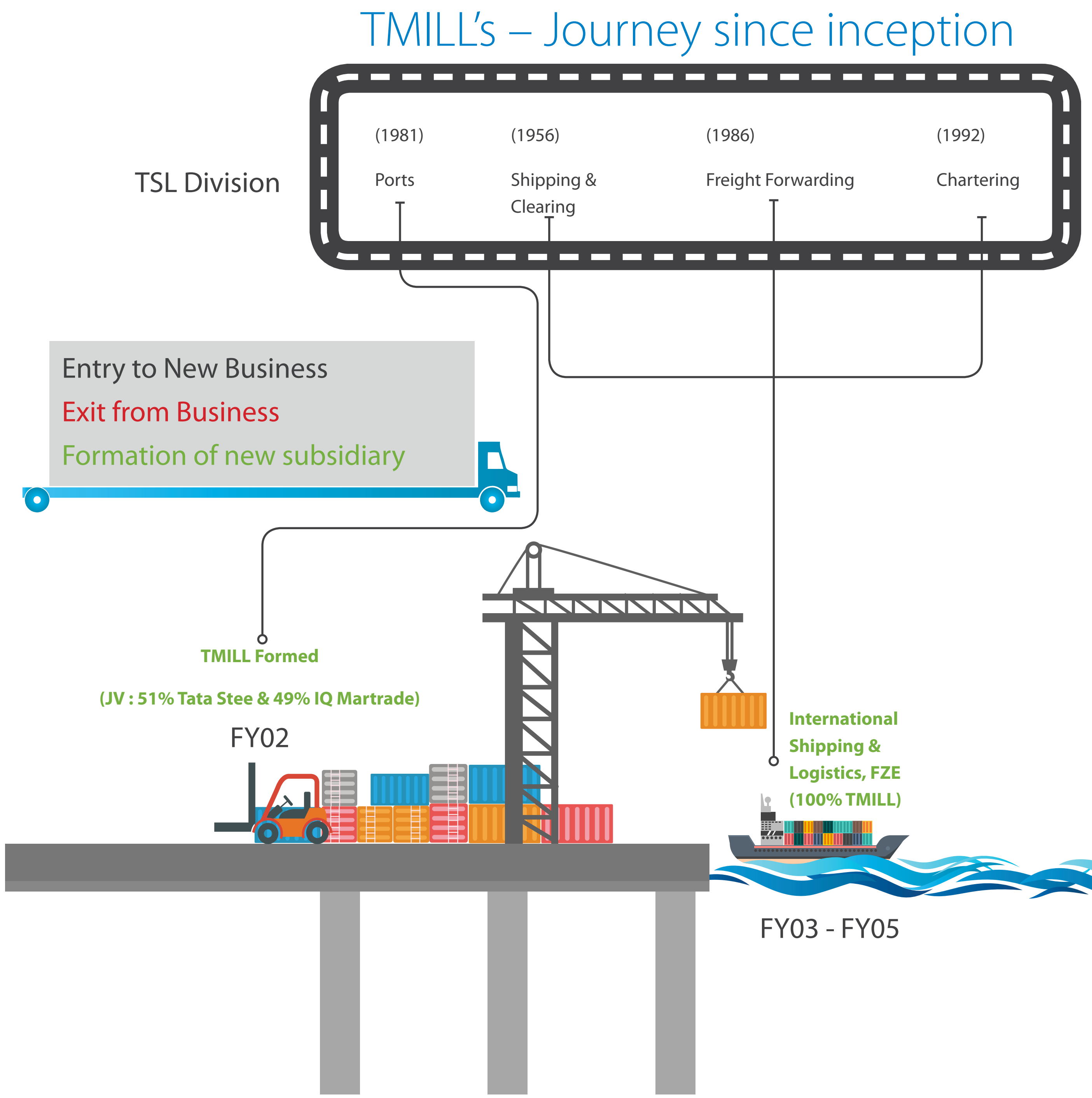
Ethical Practices	Complying with Tata Code of Conduct
Empowerment	Frontline employees and managers empowered for operational excellence
Create Wealth	Shareholder value maximisation through growth and risk management
Customer Care	Deep understanding of customer requirements
Operational	Focus on efficiency and productivity through digital
Excellence:	Effectiveness

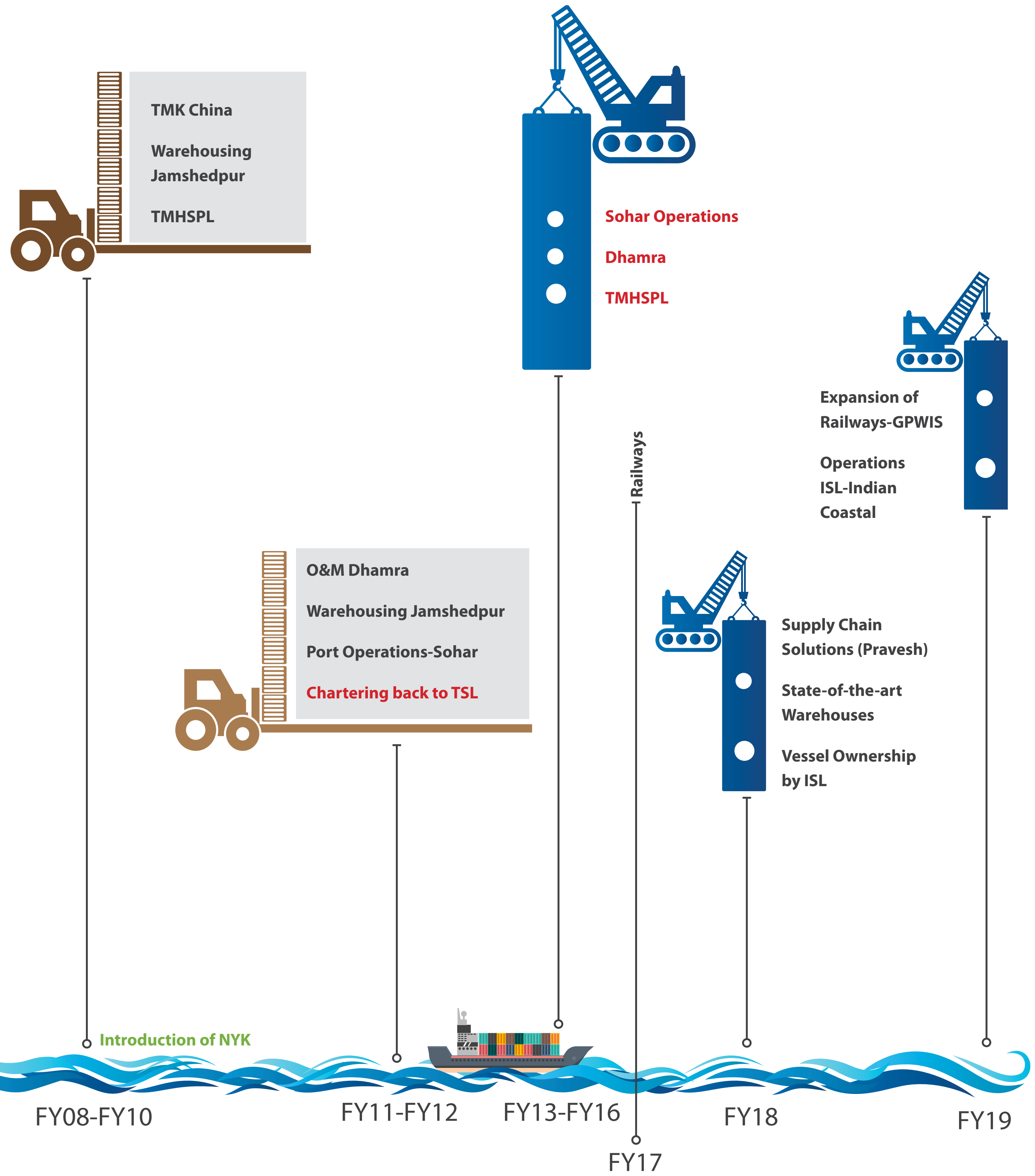
Three core competencies

Operational Excellence through digital effectiveness, Diversified Logistics Portfolio and Industry knowledge

Journey this far

TMILL was established in 2002. The next year, Tata Steel's in-house logistics operations, ports, shipping & clearing, freight forwarding and chartering, were spun off and vested in TKM Global Logistics Ltd, a 100% subsidiary of TMILL and then in 2005 International Shipping & Logistics, another 100% subsidiary, was created.





TMHSPL: TM Harbour Services Pvt. Ltd.

O&M: Operations & Maintenance

JV: Joint Venture

Stakeholder engagement

Various communication mechanisms have been established to communicate with key stakeholders. TMILL follows an open-door policy and encourages free discussions with all stakeholders, especially its workforce.

Key Stakeholders	Why are they important?	Engagement Mechanisms	Material Issues/ Concerns
Investors	Ensure sustainable, profitable business	Inputs into strategy development, quarterly and annual meets	▸ Provide reliable and economical services and solutions at International benchmarks ▸ Digital solutions for Logistics
Employees	People are an asset who are integral to the organisation. They possess business knowledge and intellectual capital critical to business growth, customer orientation and creation of value at TMILL	Defined Joint Councils. Empowerment to perform designated roles, continuous qualitative feedback for communication platforms – townhalls, skip level, meetings, celebrations etc.	▸ Capacity and capability development ▸ Career progress ▸ Structuring and reskilling as per business requirements and organisational need
Partners	Support TMILL's business growth plans	Vendor/ Partner Meets	▸ To grow along with TMILL on the basis of long-term, stable and fair commercial terms ▸ Follow safety standards and best practices of TMILL
Customers	To create trust through joint initiatives, greater domain expertise and improvements in cost, quality and delivery to become a strategic partner and earning a greater share of business.	SLAs, Improvement Projects, Customer Complaint Management Mechanisms, Customer Visits, Joint Reviews and other Customer Engagement Mechanisms	▸ Value creation through third party business ▸ Alignment with Growth plans ▸ High level of service excellence
Government	The rapidly evolving industry requires policy impetus and investments in state-owned infrastructure to address key challenges	Advocacy groups	▸ Compliance to regulations as well as setting new standards for environment management ▸ Support partnerships to build logistics infrastructure
Community	Support stable operations and provide a readily available talent pool	Need assessment and continuous interactions between local CSR units and members of the community.	▸ Inclusive growth

Business Model

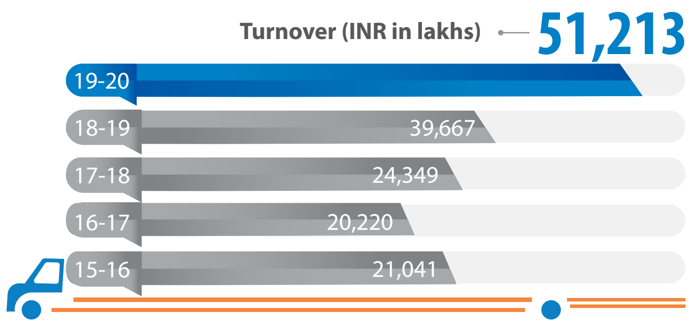
Strategic considerations to maximise value for its stakeholders prompted TMILL to review its business model and initiate the shift towards an asset-heavy model, placing greater emphasis on rail logistics, end-to-end logistics, scrap handling and (Transport and Logistics Centre) TALC handling.

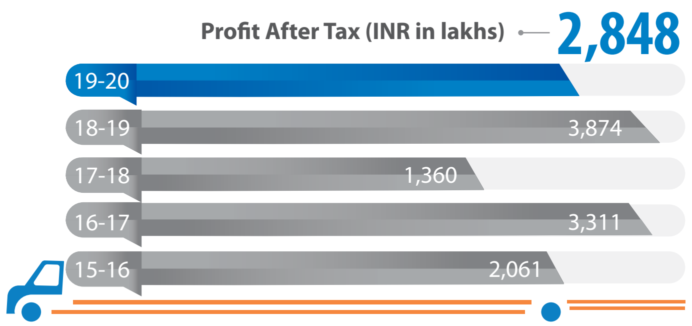
The Company has multiple models for its strategic business units, appropriate to the nature of the business.

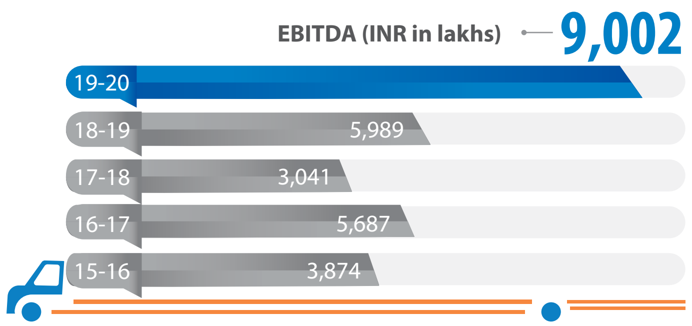
Capital	Strategic Objectives	Key Performance Measure	FY20 Actuals
Financial Capital	Shareholders' financial expectations	ROIC	**134%** Growth in Railways Business
		Total Shareholder Return	
	Ensure sustainable profitable growth	Group Revenue	
		Group PBT	**29%** Growth in SCM Business (including FF, Pravesh & Warehousing)
		Growth in Railway Business	
		Growth in SCM Business (incl. FF, Pravesh & Warehousing)	
	Improved utilisation of surplus funds	% Return from financial investment	**356.61** (Rs in Lakhs) Revenue from asset based business
	Risk Mitigation	Strategic Risk (Revenue from asset based business)	
Relationship Capital	Enhance customer Satisfaction/ Engagement/ Orientation	New service offerings (solutions)/ New product development	**New initiatives launched in all divisions covering rail, shipping and warehousing.**
		% Revenue from long term contract (>=3 years)	
Human Capital	Improved productivity	Employee Productivity (Contribution per employee)	**81** Employee Productivity (Rs in Lakhs)
		Process re-engineering & Digitisation	
	Process Benchmarking	Exposure to digital technologies	
	Building Organisational Capability to leverage future growth plans	Job Rotation	**15%** Employees were covered by Job Rotation
		Succession Planning of SLTs	**100%** Succession planning of all SLTs
Intellectual Capital	Rethinking innovative processes to create a better future where digitization is the normal, leading to service integration and enhanced experience for internal and external stakeholders.	Processes redesigned/ products developed Investments in technology (Rs Cr)	**40%** Capacity increase from new rake design
Social Capital	Societal Responsibilities	Ensure Involvement of Employees (On-roll)	**80%** Employees participated in volunteering activities

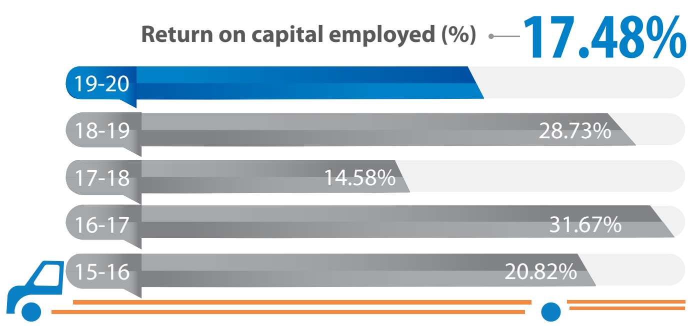
Financial Performance

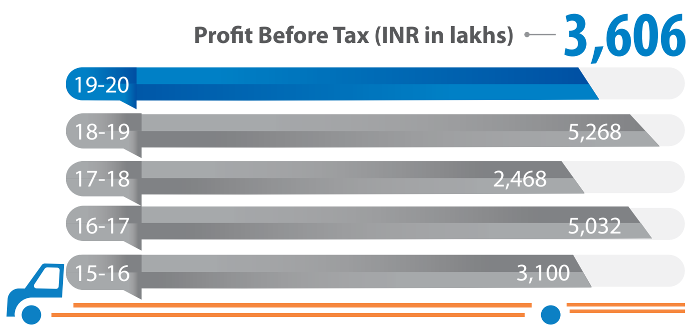
TMILL Standalone

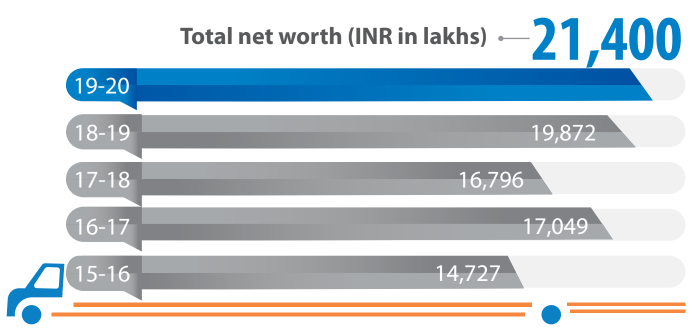


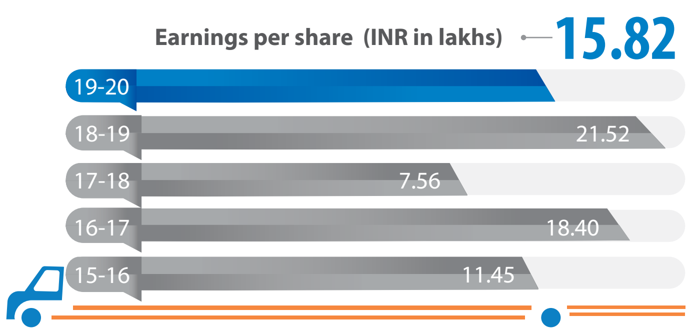




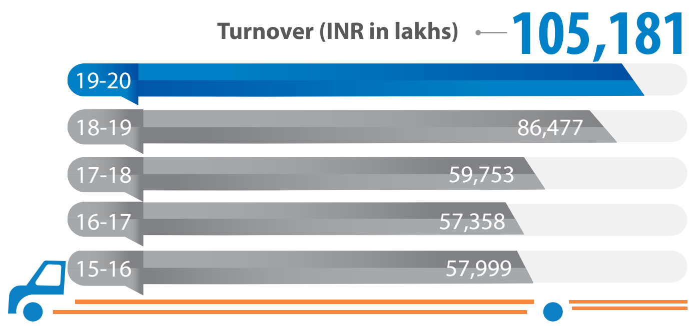


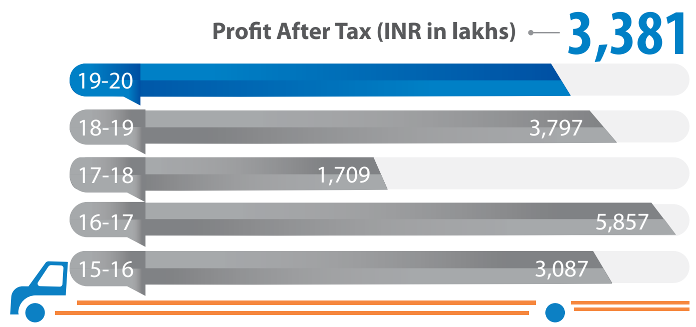


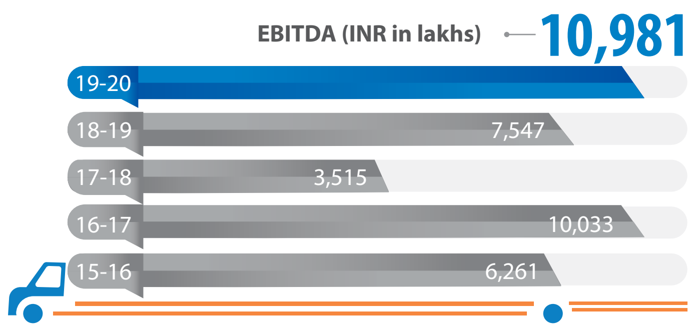


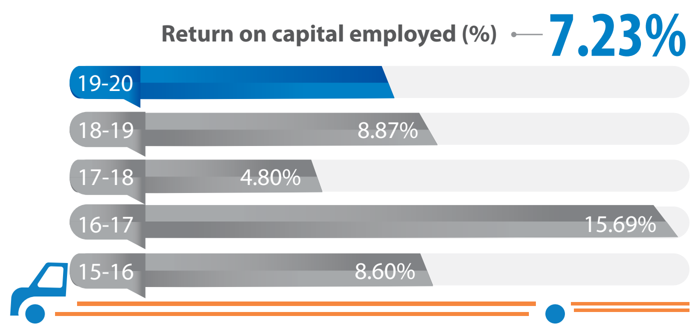


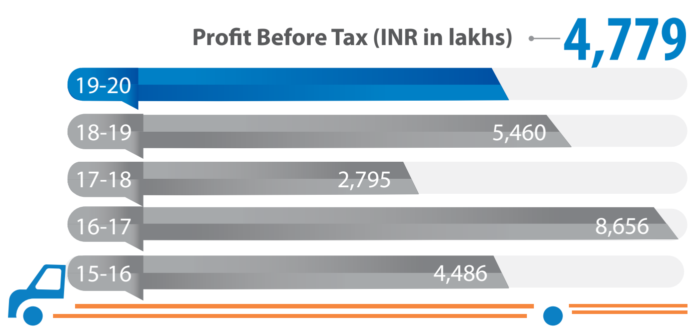
TMILL Group

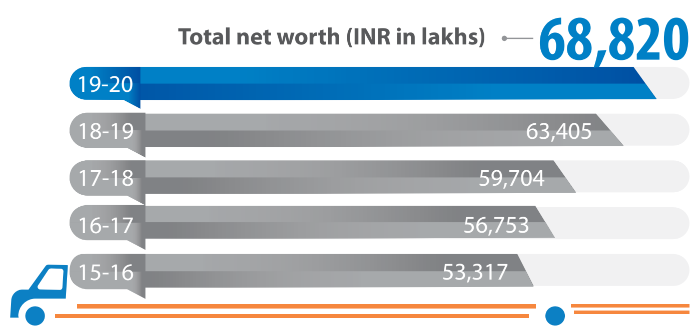


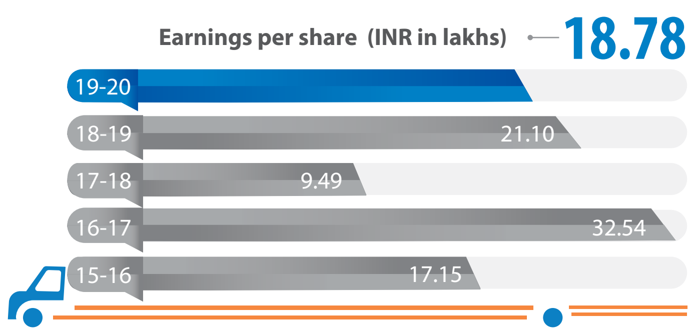












Chairman's Statement

I take pleasure in presenting the 18th Annual Accounts of the Company for the fiscal year ended 31st March 2020.

TMILL Group Performance

I am happy to share that, TMILL continued its journey of growth and delivered robust performance in FY20. TMILL achieved a turnover of over INR 10,000 million, a result which was last achieved in FY14. The FY20 growth was primarily driven by growth in Railways and Shipping business. TMILL also achieved a PBT of Rs 5100 million, which was 2% lower than the ABP, primarily impacted by the lockdown in the last two weeks of March.

One of the major milestones achieved by TMILL team in FY20 was the award for "Active Promotion of TBEM". TMILL crossed the milestone of 500 points and achieved a score of 521. TMILL also won the National Safety Award for Port Operations and Best Supplier Award from Tata Steel in FY20.

The Company has executed various CSR projects pertaining to multiple areas of social welfare, namely: sanitation, skilling, education, infrastructure as well as community development.

SBU highlights

Railways

The Railway business achieved a turnover of approximately INR 2,388 million fuelled by a network of rakes connecting the mines and ports to all three plant sites of Tata Steel. The cargo portfolio has now diversified to include iron ore, coal, flux and slag; with steel being actively despatched to 19 destinations across India under the SFTO (Special Freight Train Operator) scheme. There has been a seven-fold surge in the volume handled, courtesy an increased induction of rakes with 15 rakes inducted between FY19 & FY20, bringing the current total to 22. Another eight rakes are expected to be inducted in FY21. TMILL is now one of the largest rail operators in the private sector in India.

Port Operations

Port operations continued its journey of operational excellence and achieved new milestones. Berth #13 achieved its highest ever volumes of 2.08 million tons. The berth operations were also awarded the national safety award for the second consecutive year by the Ministry of Labour, GOI.

Warehousing

TMILL has set up a modern warehousing facility at Jamshedpur- equipped with vertical storage, improved security systems, barcoding facility and an active WMS system. A tea warehousing project has also been piloted by the warehousing team in partnership with mjuntion - in Jorhat, Assam.

Freight Forwarding

TKM, the freight forwarding subsidiary of TMILL, has successfully handled twelve Project consignments amounting to 20,000 freight tons (approx.) for Tata Steel Kalinganagar. The Freight Forwarding division has also effectively executed all containerised export shipments for Tata Steel Bhushan Steel Limited and Tata Steel Long Products.

Shipping

ISL, the shipping subsidiary of TMILL successfully surpassed USD 50 million in revenues. These revenue levels were last achieved in FY15. ISL has made rapid strides in the East Coast India coastal business and developed a strong presence in shipping of coal, emerging as one of the largest players in this category.

The world we all live in today, is emerging to be more volatile and uncertain, than we have ever experienced or imagined. The spread of COVID-19 has created a public health issue unprecedented in our lifetimes, triggering an unexpected shock for societies and economies. TMILL, moved swiftly at the initial stages of the nation-wide lockdown and was thus able to operate and serve its customers consistently and reliably. The gravity of the pandemic, its pace and level of disruption to business and society is truly humbling and adopting digitalisation as a tool to improve efficiency, gains higher significance. TMILL is in the process of implementing multiple digitised solutions in freight management and port operations functions to be a more agile and resilient service provider.

I would like to take this opportunity to express my sincere gratitude to all our promoters, customers, suppliers and other stakeholders for their support and confidence in the Company and the management. I would also like to thank the Union, all employees of the Company in India and overseas, Managing Director and my colleagues in the Board of Directors for their significant contribution to the Company.

Dibyendu Bose
Chairman

Managing Director's Foreword

TMILL is one of the most diversified and unique logistics companies globally. Our strategy of asset heavy, capex light growth has ensured steady growth for the Company, even in these uncertain times.

The last few years have been very challenging with uncertainty and changes in the business environment, customer requirements and the industry. The Company has displayed agility, innovation and resilience to emerge stronger and fitter. While FY18 revenues were Rs 573 crores, we finished FY20 with Rs 1030 crores earned as Revenue. The Company had set a target of crossing Rs 2000 crores in Revenue earnings in the next five years, the recent events require us to reassess our ambitions and to re-calibrate our growth plans in the next few months. There will be renewed focus on improving profitability and cash flows going forward, in line with guidelines from the group.

In FY20, the only under performer has been the Railways business, primarily impacted by the market conditions, however, there is no change in our strategic view about the rail business and we shall continue to add capacity and grow the business going forward.

Our agility and ability to create innovative integrated solutions for customers, enabled us to manage the supply chain requirements for customers during the lockdown period. Our investments in IT and the various IT interventions, enabled a seamless WFH capability to support our customers and remain profitable even during the lockdown months. The diverse portfolio of TMILL has enabled it to remain profitable even in difficult market conditions. This year has seen remarkable performance from our Shipping business (ISL, Dubai), Freight Forwarding business (TKM) and Port Operations.

All of FY20 and early FY21, has been a test of our strategic plans and the shift in strategy we executed two years ago. The growth in asset-based business has ensured continuous growth for TMILL Group. We continue to build upon our unique capability in the industry across all segments of the logistics space, which we leverage to create one-stop solutions for business requirements of customers. Currently we are the only company in India to offer services in the areas of shipping, coastal shipping, freight forwarding, CHA, stockyard management, in-plant handling, road transport and railways for bulk and project cargo. This unique capability set differentiates us from competition and creates preferred vendor status with our customers.

We have rapidly scaled up new businesses and have achieved dominant market positions in a very short span of time. Starting in FY17, in three years, our Railway business has grown manifold in three years. Currently TMILL is India's largest rail operator in the private sector for bulk and break-bulk cargos. Also, in shipping, we are one of the largest for Indian coastal movement of coal, again backed by our own asset and a unique business solution for our customers.

We believe that TMILL has laid a strong foundation for future growth. For a sustainable, profitable future we are investing in a smarter tomorrow through our ongoing IT initiatives, which we intend to complete in FY21.

The future periods will witness new challenges as most of our customers and vendors unlock. The supply chains may look completely different with new focus on cost, reliability and resilience. We have already started to work with our key customers on new supply chain solutions.

Predicting the future in today's business environment, will be hazardous, however, as a service provider, we need to continue with our efforts to improve agility and customer focus. We would also need to manage the wellbeing of our employees, as sanitisation and mental health emerge as workplace issues to be managed. As new methods of working emerge and digitisation gets accelerated, we would need renewed focus on skill upgradation at all levels of the organisation and strengthening the culture of continuous improvement and agility.

As the world and India grapple with unlocking of economies, we will continue to look for new opportunities for growth and profitability. With our domain expertise and experience in every segment of the Logistics sector, we continue our quest to achieve leadership position in the chosen segments.

Fiscal 2019-20 was a year of many achievements and FY21 promises to be a test of our resilience and agility. Our culture of operational excellence and agility gives us the confidence to move forward into a sustained period of profitable growth.

Ashish Kumar Gupta,
Managing Director, TMILL

Outlook for Logistics Sector

One of the most difficult tasks today is to forecast, especially when industries in the core sector struggle to survive daily. The ability to forecast is severely dented by the prevailing atmosphere of doom and gloom. However, we need to remain cautiously optimistic and continue to plan for the future, the horizon may change from few years to a few months though. As we gradually unlock, the most common pair of words heard is "logistics bottlenecks" as the logistics sector struggles to overcome the pain created by the prolonged lockdown in the country. Overcoming bottlenecks does not necessarily translate into an increased spend on logistics as the demand is likely to be subdued for most of the year. The Logistics industry needs to grow at least 125% of the GDP growth rate to support the growth, however when the GDP is shrinking, the de-growth may be much higher than the 125% number.

The maximum pain will be witnessed by the road sector, especially with Indian Railways becoming more market-friendly and aggressive. The pain in the road sector is likely to continue for a few more months. Even Railways has witnessed higher demand in short haul traffic, which is not very profitable to operate. Also, the increase in rail traffic has been mostly in the congested rail networks, fueled by export of iron ore and steel. Rail traffic will witness moderate growth this year, however, significant changes in trade flows should be expected after reduction in import of coal or reduction in iron ore exports. This may alter the traffic profile, creating a shortage of rolling stock in eastern India, especially ports. This is likely to create congestion at port and increase waiting time for vessels in the next 1-2 years. Companies that have invested in their own rolling stock will be insulated from this change in traffic, to a large extent. Going forward, most steel plants may need to plan 25-30% of raw material movement through their own rolling stock due to the expected change in traffic profile.

Reduction in coal imports and iron ore exports, may also release significant port capacity on the east coast of India and any plans to expand capacity in the region, should be carefully evaluated. There will however be increased scope for coastal shipping within India, with a renewed focus on east to west coast movement, especially for thermal coal. This will also throw up exciting triangulation opportunities in shipping in this region.

The Shipping industry will continue to remain difficult to predict. Right from shutdown of iron mines in South America, to US-China relations and many other geo-political events and growing volatility and uncertainty in the world, shipping markets will remain chaotic and difficult to predict. If manufacturing starts to shift out of China, there may a significant impact on trade flows for containerised traffic.

The other expected trends in India would be investments in multi-modal transportation, more containerisation of traffic and modern and shared warehousing hubs. The recent pandemic exposed the bottlenecks which the various state governments can create in movement of goods traffic. There should be a move by the organised manufacturers to opt for more container traffic through trains to overcome state border bottlenecks, if such lockdowns happen in the future. The change in warehousing, stock levels and transportation modes, should actively figure in business continuity plans of organisations.

Awards & Recognitions

- TMILL received an award for 'Active Promotion of TBEM' from Mr. N Chandrasekaran, Group Chairman, Tata Sons, at Business Excellence Convention 2019, for crossing 500 points in the TBEM Assessment (Score 521)
- TMILL bagged 'CII Scale Award' in categories of 3PL and Ports Operations in December 2019
- TMILL has been awarded by Tata Steel as the "BEST SUPPLIER IN THE SERVICE CATEGORY" at the Strategic Supplier Meet 2019 of TSL
- TMILL was awarded as the "Best Participating Company" during the Ethics Month Celebration by CEO & Managing Director, Tata Steel

Board of Directors

of TMILL Group of Companies (As on 1st April, 2020)

Mr. Dibyendu Bose
Chairman - TMILL

Mr. Guenther Hahn
Director – TMILL & ISL

Ms. Stephanie Sabrina Hahn
Director – TMILL

Mr. Shinichi Yanagisawa
Director – TMILL

Captain Vivek Singh Anand
Director – TMILL

Mr. Virendra Sinha
Director –TMILL

ABBREVIATIONS

TMILL – TM INTERNATIONAL LOGISTICS LIMITED
TKM INDIA – TKM GLOBAL LOGISTICS LIMITED
ISL – INTERNATIONAL SHIPPING & LOGISTICS FZE, DUBAI
TKM GmbH – TKM GLOBAL GmbH
TKM CHINA – TKM GLOBAL CHINA LIMITED

Mr. Sandeep Bhattacharya
Director – TMILL & ISL

Mr. Rajiv Mukerji
Director – TMILL

Mr. Amitabh Panda
Director – TMILL

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

Mr. Anand Chand
Director –TKM India & TKM China

Mr. Amar Patnaik
Managing Director – TKM Germany
Director TKM China & TKM India

Captain Soumya Ranjan Patnaik
Director & CEO - ISL

External Environment

The Value In Logistics

India is among the fastest growing economies in the world. As per the Economic Survey of India 2017-18, in the last five years the Logistics sector in India has grown at a CAGR of 7.8% and is worth about USD 90-125 billion. The sector employs 22 million people.

Global Logistics industry

Experts estimate that 86% of Fortune 500 companies now outsource to Third Party Logistics (3PL) providers because of rising challenges and the capital intensive nature of the business model in managing logistics in-house. As supply chains evolved, Third Party Logistics providers (3PL) emerged who provide customised, end-to-end solutions. Different technologies will be embraced by 3PLs to compete successfully in an ever-changing environment. The technology adopted must not only provide visibility but also the agility and adaptability necessary in today's environment.

Therefore, investments in technology have become necessary to remain relevant in this business *(Source: Global Logistics Report 2019)*

Domestic Logistics industry

An improved and organised Logistics sector has huge implications for the cost competitiveness of Indian industry. The Logistics industry in India is highly fragmented and unorganised. While there are organised players with operations across all segments, small businesses to whom basic logistics is outsourced still account for a significant share of business. Hence, the sector is seeing a strategic transformation with large companies like Tata Steel sharpening their focus on core activities and outsourcing non-core activities.

India's ranking in World Bank's Logistics Performance Index (LPI-India), based on weighted average scores on six dimensions, improved substantially between 2014 and 2016, taking the country to the 44th position in 2018 *(Source: World Bank)*.

In 2017, the Government of India accorded industry status to the sector.

Modal Mix

The Indian Logistics industry is dominated by transportation, with a 85% share in terms of value, followed by warehousing contributing the remaining 15%. Within the transportation segment, the modal mix is skewed towards road transportation, which accounts for about 60% of the modal share, Railways garners ~30% of the volume, while waterways and airways comprise only 6% and 1%, respectively.

Government Expectations

India's logistics sector is pegged at between USD 90 to 125 billion, as per a study by the IBEF, and is expected to attract investments worth USD 500 Billion by 2025. The 3PL market can touch ~USD 17 from about ~USD 8 billion now. The sector has also been a massive employment generator, and will provide an estimated 40 million jobs by the end of 2020 *(Source: Budget 2020 India)*.

Despite these encouraging numbers, Logistics still continues to be marred with challenges, the biggest among them being the cost of transportation. Currently, the Indian Logistics sector costs come to about 10% of GDP, which is considerably higher than Logistics costs in developed countries.

Customer Expectations

Aside from providing end-to-end solutions, competitive pricing, reliability, digitally enabled operations, resilience and e-platforms, customers expect greater cost competitiveness and smooth flow of materials and products. The high logistics costs in India lead to a higher cost of exports or domestic prices, which directly impacts the competitiveness of Indian goods.

Strategic reforms in the transportation segment can help bring down overall logistics costs considerably.

Third Party Logistics

Tata Steel was a pioneer in introducing Third Party Logistics in India by creating an independent organisation to cater to its needs. Shifts in procurement and logistics strategies of India's large corporations will lead to new market trends and digitisation in the industry.

Initiatives required for growth in the Logistics Industry

- Effective execution of a well-defined National Logistics Policy (NLP)
- Rationalisation and relaxation of taxes for warehousing
- Digitisation in the sector
- Incentivising green supply chain initiatives
- Creating a skilled workforce for logistics and supply chain

A shift in our business model

For sustainable profitable growth, TMILL has decided to assetise and develop competitive advantage to remain relevant to key stakeholders. The Company has developed a unique business proposition for the industry by rediscovering and reinventing its business model in line with its stated Vision, Mission and Values.

Parameterisation of the vision

In line with the shift to an asset heavy business model, **TMILL has parameterised its vision into three key elements: Reliable Logistics Service Provider, Operational Excellence and Growth** so as to align with the future needs of the Tata Steel Group and other stakeholders. TMILL has revisited its business model to refocus on fewer customers with consistent business and higher volumes, letting go of small customers with sporadic business.

A 2x2 matrix, adopted to prioritise strategic opportunities on the basis of their importance to customers and their financial relevance, is guiding its business emphasis on Freight Forwarding (Project Cargo Movement), Railways and Port Operations at Haldia Berth #13.

Internal and external changes have been initiated through various projects to meet the demands of the new business model and attributes.

The Strategy Planning Process, being forward looking is geared to identify attributes that would define its approach: potential need for transformation change, prioritisation of change initiatives, organisational agility and organisational flexibility.

Organisational Attributes	Projects/ Initiatives
Potential need for transformation change Prioritisation of change initiatives	• Project Manthan • Project Neev • Project Roopantaran
Organisational agility	• Process re-design • Work–flow-based organisation structure • Mobility solutions • State-of-the-art IT architecture and systems • Entry into Rail Business
Organisational flexibility	• Project Cargo management • Building scalable systems • Managing force majeure conditions • Handling infrastructure bottlenecks in India • Emerging Customer Requirement

Strategy

TMILL identifies the growth opportunities during the Strategy Planning Process (SPP). SPP considers all relevant internal and external issues and outcomes of the PESTLE analysis (Political, Economic, Sociological, Technological, Legal and Environmental) to arrive at strategic opportunities, which are then pursued through a robust action planning process. Growth strategies are being focused on synergy with Tata Steel and other group companies. Improvement of the digital backbone of the Company is considered a major opportunity to improve service levels for the customer and garner more business with existing resources leading to higher efficiency and minimising cost of error and re-work. Creation of strategic assets and utilisation of cash reserves for growth projects is also under consideration.

Strategic Opportunities Identified	Impact
Achieve growth through identification of key opportunities arising due to growth/ expansion of Tata Steel	CHA/MLS/FF business for Bhushan Steel exports/ coastal movement of FG
	Raw material movement through GPWIS rakes
	Warehousing opportunities at Kalinganagar
To run privately owned trains for transport of Steel FG / Raw Material for Tata Steel Group	22 rakes in operation including SFTO and GPWIS
Warehousing Business development	Pilkhuwa Stockyard Bhushan, Jorhat Tea warehouse, custom bonded warehouse
Increased mix of Asset based business	Group company ISL purchased a vessel ISL Star and operates the same profitably and shifted the business model from pure chartering to an asset mixed model
	Additional rakes inducted based on long-leased contracts
Process Re-engineering & Digitisation	BPR Implementation
	Cloud Portal
	SAP implementation (Shipping), intranet & Line of business applications
Improved productivity at Berth # 13 to improve cash flows	Improved productivity at Berth # 13 by installing new Mobile Harbour Crane & other equipment. Best Tonnage handling
Rationalisation of FF India business	After turning around the FF business after five years of losses, the business has been refocused on a small base of customers including Tata Steel and Tata Group companies
	Bundled services with CHA
Outsourcing specialised support business processes	In FY18-19, TMILL outsourced insurance to a group company, Tata Motors Insurance Brokers & Advisors ltd (TMIBASL) under a three-year contract. TMIBASL will procure best rates from insurance companies and process the claims. The contract will be reviewed each year

Based on the findings from the Strategy Planning Process, in FY18 TMILL had launched four key actions to achieve its strategic objectives.

Key Action Areas

- Gaining Competitive Advantage
- Right Mix of Assetisation
- Rational Cost Structure
- Capability Building

The Strategic Action Plan is reviewed regularly and mid-course correction implemented.

Key Performance Measures and goals track the Company's Strategic Objectives along with timelines for completion of key organisational transformation projects, with the most relevant now being evaluated through a benchmarking exercise initiated in FY20 to enable to TMILL recalibrate these measures.

Pillars of Future Readiness

TM International Logistics Ltd. (TMILL) has created a diverse portfolio through organic and inorganic growth over the years. This helps to tide over market fluctuations by identifying risks and charting out mitigation strategies through new business opportunities. A dip in sales in one business vertical is thus offset by new orders and growth in other verticals as the Company manages entire supply chains.

Capability Development across the organisation is the foundation on which TMILL is building its pillars of organisational transformation, namely Business Process Re-engineering, Digital Enhancement, a Future Ready organisation and Culture of Continuous Learning. This emerged from considerations considered strategic in nature to maximise value for stakeholders, a SWOT Analysis and external assessments of the Company.

Threats

1. TMILL's Core Competencies
2. Goodwill and strong advocacy capability from Tata brand name
3. Agility with IT-based operations
4. Financial Health

Weaknesses

1. Asset Light business model is losing relevance
2. Low on technology

Strengths

1. Digital platforms and reducing role of intermediaries in the market
2. Transportation through pipelines
3. Emerging modern ports in eastern India

Opportunities

1. Opportunity for asset backed growth in Railways and Warehousing
2. Encouraging Government policy intervention for the growth of the sector
3. TSL's continuous growth and logistics complexity
4. Increasing demand for technology and role of aggregators

Risk Management

Risk Management to ensure sustained value creation is one of five values of TMILL. The Company considers three categories of risks as being critical to the sustainability of its business. These are statutory risks, regulatory risks and business risks. Intelligent Risk Taking based on risk mapping and feasibility studies is being pursued to achieve its shift towards an asset-heavy business model.

Its shift to an asset-heavy business model, in an industry where the norm is an asset-light, capex-heavy model, is based on the premise that TMILL accounts for only 5% of its key promoter, TSL's logistics spend, therefore there exists considerable headroom for growth, even once cognizance has been taken of the current and likely challenges ahead in the COVID and post-COVID business scenario for the steel sector.

Risk Management Framework

TMILL has adopted an Enterprise Risk Management (ERM) framework to manage Risks, and is guided by the ERM manual. A comprehensive Risk Profile for TMILL Group was developed in FY18, which was revisited in H2-FY20 to factor in changes in its profile and external environment. After the Risk profile for TMILL (Standalone) was finalised, 22 Risks were identified for various line of business i.e. Ports, MLS, Railways, CHA&IL and Warehouse & SCM. Of these, four risks were rated as enterprise-level risk and receive greater focus.

Enterprise-level Risks

#	Risk Title	Period	V	L	I	S
1	Diversion of Dry Bulk Flux volume from Berth #13 by Tata Steel due to its commitment to other berths of Haldia as well as to the HMC plant.	ABP	3	4	5	20
2	Policy changes by Government making CHA job non-existent	LTP	2	2	5	10
3	Adverse impact due to revision in policies of Indian Railways	LTP	2	1	5	5
4	Effect on Rail business due to Force Majeure condition i.e. COVID-19 pandemic	ABP / LTP	3	3	5	15

(V- Velocity of Risk, L-Likelihood of Risk, I-Impact of Risk, S-Score which determines the Class of Risk)
(ABP=Annual Business Plan, LTP=Long Term Plan)
(Class A>=15, Class B 4 & <15, Class C <4)

Mitigation strategies have been developed for all Risks, which are reviewed by the top management on a periodical basis and outcomes reported to the Board.

Business-level Risks	Risk Mitigation Strategies
Higher cost structure compared to small/ unorganised competition	Long-term sustainability of business and trust of stakeholders from being a part of the Tata Steel Group
Loss of businesses purely on price	Customer centricity
Reduced buying power for container business due to freight buying	Alignment with TSL's growth plans will allow business growth at TMILL
Attrition of talent due to business uncertainties	People Focus
High fixed cost structure	Ownership of assets
Margin and scalability pressure in asset light business	Early mover advantage in Railways
Capability gap vis-à-vis the requirements of modern logistics	Industry knowledge
Higher customer expectation on digitisation	• Diversified logistics portfolio • Innovation

Governance

TMILL is a joint venture between Tata Steel Limited, IQ Martrade Holding and Management GmbH, Germany, and NYK Holding (Europe) B.V

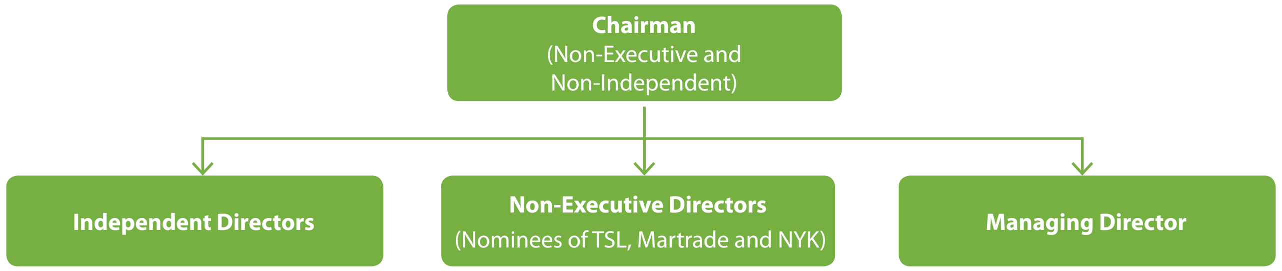
TMILL's Board constitutes nominees of its promoter companies based on proportional representation. The Board includes independent directors, and a woman director, with the necessary expertise and experience relevant to TMILL's business operations. The position of Non-Executive Non-Independent Chairman of the Board, the chair of the highest governance body, is held by a nominee of Tata Steel. Independent directors are selected based on their knowledge, experience and expertise in fields related to TMILL as well as its subsidiaries. The Board includes two (2) Independent directors.

Governance System

Accountability, transparency and sustainability are the three key pillars on the basis of which TMILL's governance policies and practices are deployed. The Board of Directors maintains oversight over management performance and protection of long-term interests of various stakeholders. ISL and TKM, subsidiaries of TMILL, have independent directors with relevant expertise in the industry to add specific values in these business verticals.

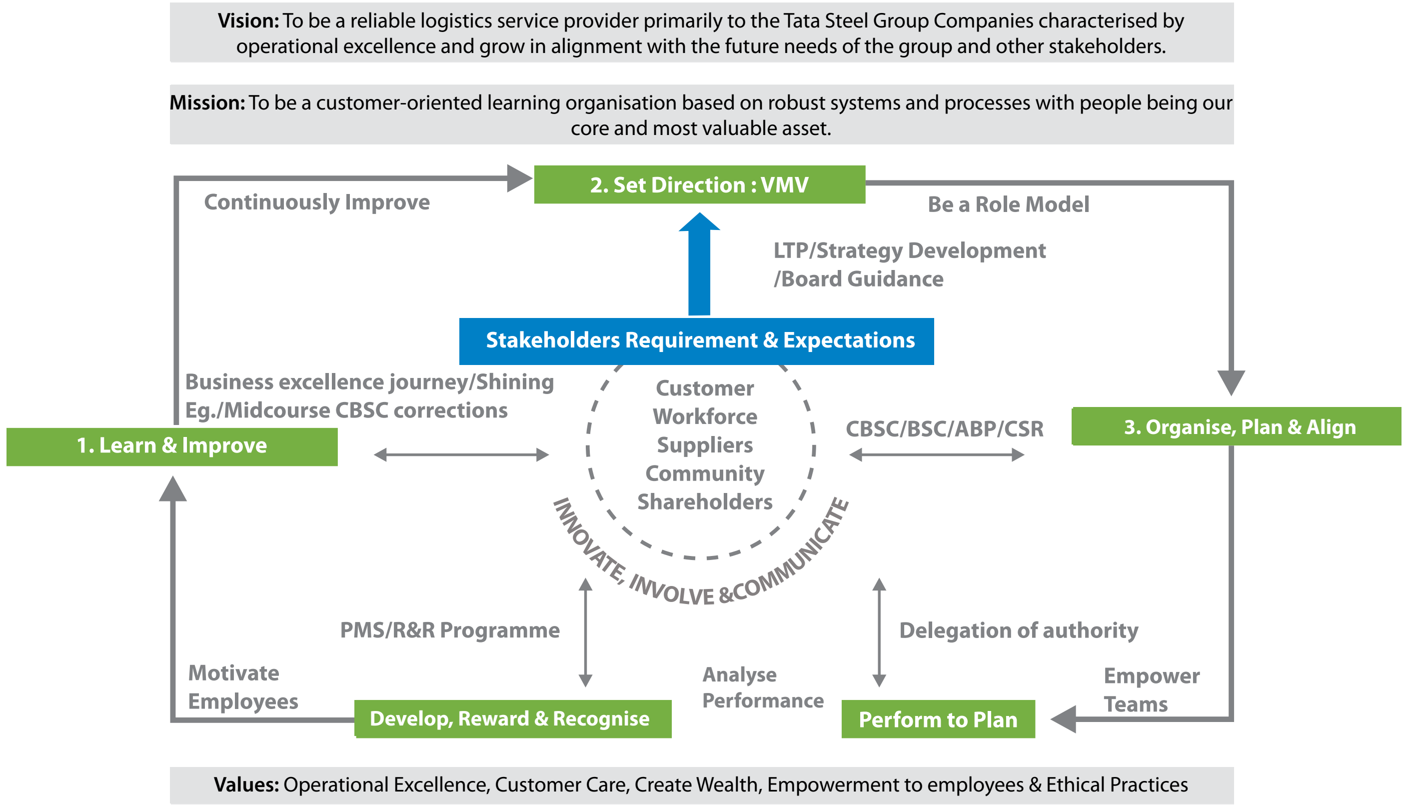
Risk Management, sustainability issues and a judicious balance of various stakeholder interests in all business practices is ensured through processes laid down for them.

Governance Structure



Committees of the Board and Responsibilities

Committee	Purpose	Area of Oversight
Board of Directors	Review Company performance, pursue growth projects, monitor compliances and approve CAPEX in line with growth plans.	Review growth plans, status of project status reports, operational & financial performance, ATRs, HR management and CSR activities
Audit Committee	Monitor and provide effective supervision on the Management's Financial Reporting and Audit processes, related party transaction and accurate & timely disclosures.	Company's financial reporting process and all disclosures, qualifications in audit report, financial statements, performance of statutory and internal auditors and compliance of RPT.
Nomination & Remuneration Committee	Oversees the Nomination process for the Senior Leadership Team, approves and evaluates compensation plans, policies and programmes for the MD and SLTs, annual self-evaluation of performance of the top management and Key Management Personnel.	Review performance and approve compensation of SLT
CSR Committee	Formulate and recommend to the Board, a CSR Policy and detailed CSR plan indicating activities and expenditure to be incurred.	Recommendation of CSR budget and policy, Review of CSR projects.



Leadership System

Executive-level authority for ESG issues

As the highest executive authority, the Managing Director is responsible for TMILL's economic, environmental and social performance. Inputs on environmental and social performance from various stakeholders flow into the Strategic Planning Process and are addressed through its Strategic Objectives. The Company has articulated Environment, Safety & Health and Quality Management policies. (Available on the Company website: *www.tmilltd.com)*

Management Accountability

The Board monitors annual performance of the Company through periodic reviews providing guidance on issues that are strategic in nature. Accountability of senior leaders for actions on strategic action plans and performance is achieved through the adoption of appropriate policies, Board/Board Committee's oversight, checks and balances in the organisation structure and processes. Board members also interact with the SLT teams of SBUs to seek feedback and provide guidance on the performance of individual business verticals, operations and implementation of growth plans of the Company or business vertical.

Deployment of Values

As a Tata Group company, TMILL has adopted and deployed the Tata Code of Conduct and ensures that all business transactions not only meet legal standards but also ethical standards set by the Group. All partners/suppliers of TMILL must also demonstrate their commitment to the Tata Code of Conduct by signing it.

The VMV is further disseminated to the various stakeholders through the leadership system.

Management of Business Ethics

TMILL has adopted the Tata Code of Conduct to ensure that all business transactions adhere to the ethical standards of the Tata group, with a consequence management system to encourage stakeholders to report violations of the Tata Code of Conduct, POSH and other policies.

Four pillars support the deployment of TCOC

- Leadership Engagement
- Compliance Structure
- Communication and Training
- Measurement of Effectiveness

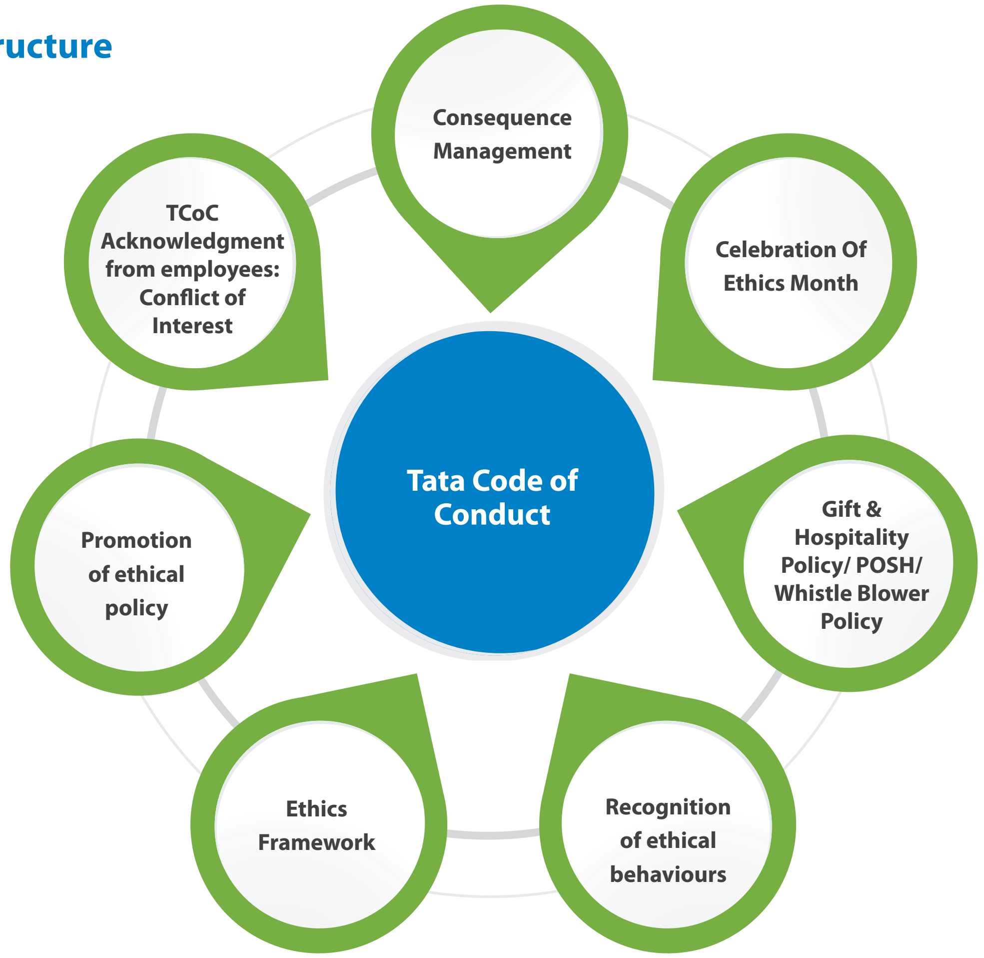
The Chief Ethics Officer is assisted by a team of Ethics Counsellors. Suppliers and vendors are made aware of the Company's legal and ethical commitments and the mechanisms available to them to disclose unethical conduct. An internal team monitors all legal compliances with the support of external consultants on a case-to-case basis. A quarterly Compliance Report is presented to the Board.

Key Performance Indicators

TMILL along with its subsidiaries follow a focussed and consistent approach to reinforce the pledge to abide by Tata Code of Conduct and its related policies like Gift and Hospitality, Conflict of Interest, Whistle Blower and Prevention of Sexual Harassment at Workplace among employees and stakeholders like Contractors, Vendors. An LBE survey is in place to understand overall effectiveness of the ethical framework and creating action plans (if any).

Senior leaders periodically engage with the employees and partners, as per an annual plan, for training and communication, through structured mechanisms as well as work through potential ethical issues that may arise and brainstorm to address them.

Compliance Structure



Promotion of Value System

Measurement of Effectiveness

Performance Measure	Unit	2016-17	2017-18	2018-19	2019-20
Number of Concerns raised	Nos	16	12	4	8
Complaint Resolution Cycle Time	Days	32	32	30	5
Actions taken against employees on ethical grounds	Nos	9	0	2	1
Counselling	Cases in Nos	-	-	-	6
Actions taken against suppliers on ethical grounds	Nos	2	0	1	1

Aligned to our key customers

Approach

To remain relevant to our key customers on the basis of our value proposition, service integration and a superior customer experience. Customers are increasingly showing a preference for a convenient, one-stop Logistics solution that offers digital interfaces for them to have visibility over their freight movement.

Value

Customer Care: Deep understanding of customer requirements

A corollary to this trend is the need to have committed partners who can assist the organisation to expand, both in terms of the depth and scale of business. TMILL believes in building deep, sustained long-term relationships with both key customers and partners to ensure the growth of its business.

TMILL's customer-centric approach is aimed at earning customer loyalty by understanding their priorities, expectations and emerging needs, garnered through Voice of Customer and other structured engagement mechanisms.

This understanding is shared across the organisation by the Senior Leadership Team to create awareness and ensure that TMILL responds with reliable and efficacious supply chain solutions.

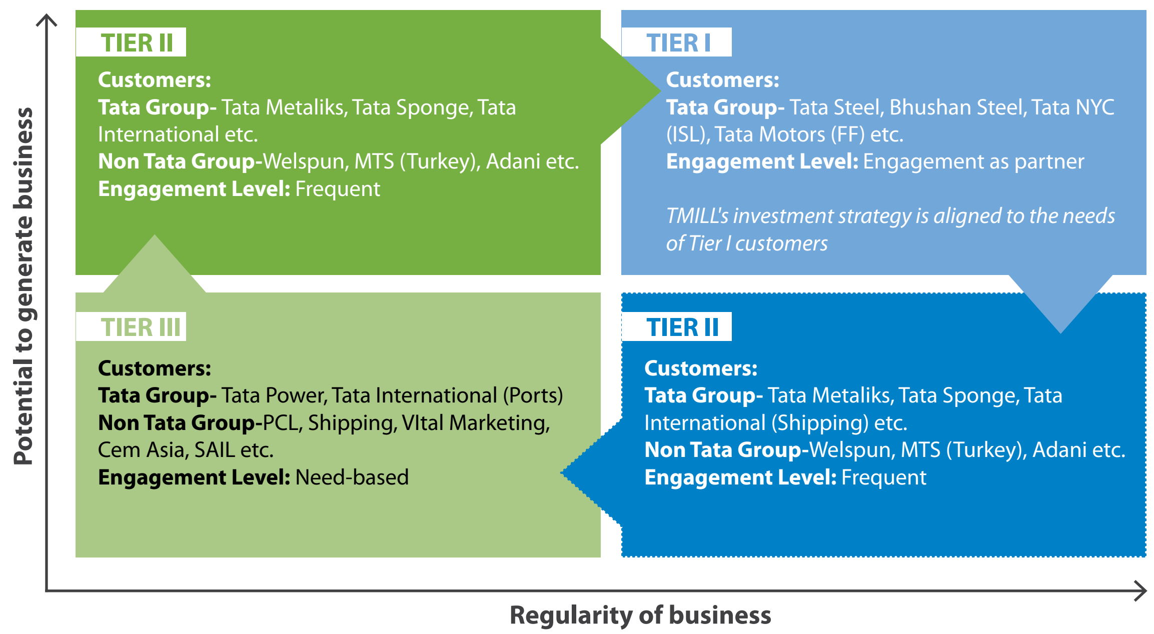
Value creation for customers

TMILL has articulated the relevance of each parameter of its Vision to the value it aspires to create for its customers and has assigned processes and performance indicators to deploy and track these initiatives.

Vision Parameter	Meaning for TMILL	Process/ KPI
Reliable Logistics Service Provider	▸ Consistent delivery on service level agreements	▸ Actively engaging in long-term plans of customers
Operational Excellence	▸ Joint initiatives with customers for cost savings and process improvement – building trust ▸ Continual improvements on Service Level Agreements ▸ Domain expertise ▸ Digitisation of various processes through IT infrastructure	▸ Effecting savings from quality and process improvements ▸ Structured revision of EPM ▸ Tracking Improvement Indicators ▸ Structured capability development of workforce ▸ Reduction in operating costs ▸ Error-free and quicker turnaround in documentation
Grow in alignment with future needs of the TSL Group and other stakeholders	▸ Strategic partnership with key customers ▸ Entering into new geographies and businesses to meet emerging needs	▸ New projects ▸ Enhancing revenue and profits from greater share of business of TSL and group companies

Customer Segmentation

A customer-centric approach has been key to TMILL's ability to retain a high share of business of its core customers. It has prioritised its customers by segmenting them into three tiers, based on a mapping of the regularity of their business with the potential to generate revenue. The focus of the Company's investment strategy and shift to an asset-heavy business model is intended to enhance its engagement and grow with core customers, the Tier I segment. To continuously grow, TMILL identifies prospective business, markets and customers through its Listening & Learning mechanisms.



Aligning Investments to Business Model

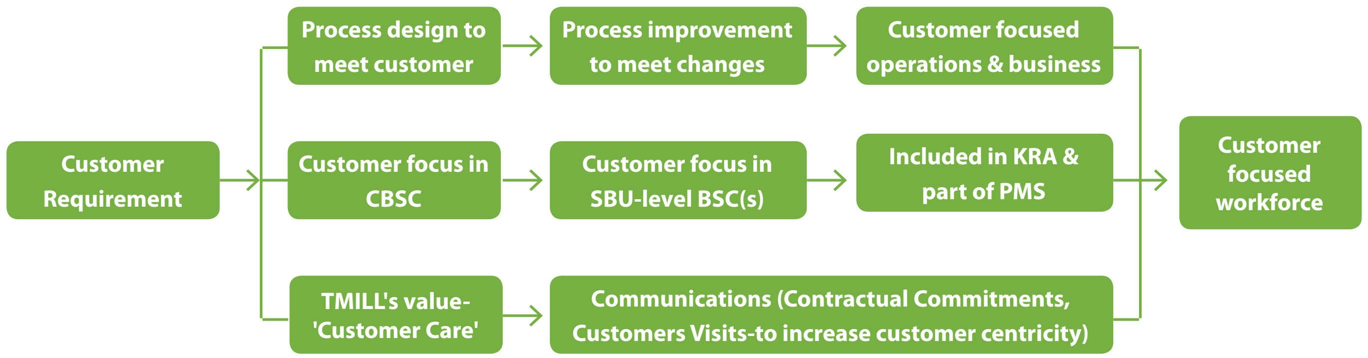
Having chosen to enhance its engagement with its Tier I customers, TMILL revisited its investment strategy and reengineered its business model to align itself with the growth plans of these customers as well as their preferred modal mix. As such, it is shifting emphasis to an asset-heavy, CAPEX light model with investments in shipping, railways and warehousing. For example, a projected gap in availability of wagons from Indian Railways for Tata Steel is being fulfilled via SFTO rakes and GPWIS wagons.

Customer Engagement Process

TMILL has a range of core communication and customer support mechanisms to engage with each customer segment. Members of TMILL's Senior Leadership Team regularly visit customers to discuss its performance and obtain their feedback, besides ensuring that all core customers have easy access to the SLT to seek information/support at any juncture.

SBUs	Business Model	Differentiators
Freight Forwarding	Trading and Service Fee Model	Vast Overseas agent network; high level of customised service
MLS	Service Fee Model	Integrated with TSL supply chain; ethical conduct, liaising with statutory bodies
Railways	CAPEX light & Asset heavy, Fee based	Deep understanding of customers' inbound and outbound supply chain
CHA & IL	Cost plus contract with Tata Steel; any third-party business benefit to be passed on to TSL	Ethical conduct, data integrity; web-driven status update. Domain knowledge for classification & EPCG norms
Warehousing	Resource Based model and / or an output-based model	Modern warehousing in Jamshedpur & Kalinganagar, Safety
SCM	Integration of the services – Output based model	Vendor Management
Ports	Terminal Operations Services on a common user basis; regulated tariff, Output based model.	License Agreement, management of external stakeholders in Haldia Port. Stevedoring License at Paradip, Ethical conduct, Safety
Shipping	Trading Model and Vessel Ownership (ISL Star)	Dominant player in Indian coastal shipping; Commodity Knowledge Specialist in Handy, Supra and Panamax vessels

Customer Groups	Listening Methods	Frequency of Listening
Tier I customers	▸ Customer Meets ▸ Contract/ SLA reviews ▸ Meetings ▸ C-SAT Survey ▸ Business Planning meets ▸ CCMS ▸ e-mails, Telephone, What's App	**1. Periodic** MD-level – Quarterly VP-level – Monthly SBUs heads- Weekly M&S – Need-based Operations team – continuous **2. Need-based**
Tier II customers	▸ TMILL website	**1. Periodic** MD-level – Need-based VP-level – Need-based SBUs Heads- Weekly M&S – Need-based Operations team – continuous **2. Need-based**



Process for Customer Engagement

TMILL's process of managing individual relationships with its customers at each stage of the customer lifecycle - **Reach, Acquire, Delivery, Retention and Advocacy** – is intended to meet and subsequently exceed customer expectations, while also enabling TMILL to enhance its engagement with them, acquire new customers or expand services within market segments or its share of business.

It follows a three-pronged approach, spanning processes, measurement of customer focus and communications, to translate customer requirements into products offering, including standardised and customised solutions. Customer centricity is measured at the corporate and business unit level via the Balanced Score Card, as well as embedded in Annual Business Plans and individual KRAs. This measurement approach covers all facets of business. As an initial step, TMILL has also conducted sessions with Tata Steel Europe under the Best Practices Adoption model of the Tata Business Excellence Group.

Business Unit	Voice of Customer	Market Data / information	Output
Railways	Uninterrupted Flow of Raw Materials	Gap Analysis	A new service through GPWIS was introduced
Warehousing and Supply Chain Management	Cash flow issues	Deferred duty interest calculation	Bonded Warehouse

Measuring Customer Satisfaction

Periodic Customer Satisfaction Surveys, conducted by an independent external agency, to provide TMILL with an understanding of both satisfaction levels as well as gaps in its service levels and position vis-à-vis competition, is supplemented by tracking customer satisfaction of core customers via monthly Service Level Agreements. In 2019-20, TMILL introduced the Net Promoters' Score to measure the engagement level of its customers. Listening & Learning mechanisms are a source of continuous inputs that have led to the design and customisation of service characteristics, and in the longer-term impacted the customer's choice of a partner and loyalty. A formal Customer Complaint Management System (CCMS) was introduced under the Company Business Process Re-engineering plan to give customers a systematic process to report operational, contractual or claim related complaints, backed by a defined management and resolution process.

Customer Satisfaction Survey

	TMILL		Competition	
Customer Satisfaction Survey	**2017**	**2019**	**2017**	**2019**
Satisfaction	5.40	5.39	6.00	5.66
Loyalty	5.86	6.09	5.88	5.74
Advocacy	5.90	6.06	5.89	5.65
Business Value	5.39	6.06	5.42	5.67

	TMILL		Competition	
Voice of Customer	**2017**	**2019**	**2017**	**2019**
Satisfaction	5.42	5.48	5.38	5.29
Loyalty	5.85	5.95	5.83	5.8
Advocacy	5.79	6.00	5.76	5.78
Business Value	5.42	5.37	5.39	5.49

TMILL scores have held on. However, there is an improvement in relative scores as the scores of competition have dropped significantly.

New Customised Services Offerings

Based on the understanding obtained via its Listening and Learning mechanisms, TMILL created new customised offerings for its Tier I and Tier II customers. When required offerings by individual SBUs may evolve into integrated products offerings.

Need identified via L&L mechanisms	Customised Services offered/ New Products developed
Pan India SCM for Pravesh Doors for TSL	Developed and offered integrated SCM with flexibility of delivery Pan India.
Optimisation of warehousing space with flexibility in FIFO movement of TSL's FG	Designed state-of-the-art warehouse in Jamshedpur and FIFO movement ensured through IT interventions.
Need for management of imported coal logistics at various ports with flexibility in despatch and delivery for end buyers	Designed a comprehensive solution for the customers along with real time reporting to ensure timely delivery.
Freight optimisation in rail transportation of coils of TSL, reducing idle freight	Development of new wagon/rake design (BFSN-M) capable of carrying 40% more volume
Maintaining continuity of raw materials at TSJ, with suitable anchorage in eastern India	Port Meadows (Andaman) was notified as a customary anchorage under an agreement with GoI, and transshipments ensured via coastal vessels to provide maximum availability of coal at Haldia.

Value creation for suppliers

TMILL's constant endeavour to enhanced customer experience through uniform service delivery and 24X7 availability of services is supported by its committed partners. TMILL's long-term relationships with them results in business growth for them as well as provides experience and learning that engenders business improvements and progress for them.

Tapping our growth potential

Approach

Maximising value for all our stakeholders through sustainable, long-term profitable growth and enhancing our competitive advantage.

Value

Create Wealth: Shareholder value maximisation through growth and risk management

Business Growth

TMILL's Vision is to be a reliable logistics service provider primarily to the Tata Steel Group Companies, with the goal of enhancing its Share of Business from the Group to, over the next five years, achieve a turnover of Rs 2000 crore from Rs 1030 crore recorded in 2019-2020. The Company has provided Total Shareholder Returns of 25.39 %.

Continuous Growth in Net Worth (Rs in Crores)

	2017-18	2018-19	2019-20
PBT	28	55	52
Revenue	575	840	1030
Net Worth	597	634	688

Value in Assetisation

Approach

For sustainable profitable growth, we need to assetise and develop competitive advantage to remain relevant to key stakeholders.

Value

Operational Focus on efficiency and productivity through digital

TMILL is India's largest commercial freight train operator after Indian Railways in Steel logistics; TMILL's subsidiary, ISL is the biggest coastal operator for coal on the Indian east coast; whereas the Company's port operations are also among the largest in eastern India through a privately owned berth at Haldia.

Assetisation in business verticals

Tata Steel and Tata Steel Group companies use 3PL in principally three areas, ports, railways and warehouses, to move or store raw materials and finished goods. Based on the Strategic Opportunities identified, the Company is investing and augmenting its assets in these three business verticals to garner a larger Share of Business.

The five-year plan drawn up by TMILL builds on its immense potential to generate additional cash flows. TMILL manages all of Tata Steel's port operations through long-term contracts. Diversification of business and customisation of products and services is a core value for TMILL hence, major investment are directed to assets such as smart/modern warehouses to support 100% of TSK and TSJ's warehousing needs.

TMILL's financial requirements are captured through a structured short-term and long-term business planning process at the departmental level, each of which are aggregated to determine and allocate resources to cover major CAPEX, minor CAPEX and working capital requirements.

Focus on Railways: TMILL's strategy for Revenue Enhancement is to focus on the Railway business backed by long-term contracts with TSL. This opportunity it expected to, over a period of time, improve the overall revenue mix of the organisation. Freight movement by railways has the potential to grow manifold, and thus will, going forward, enable this business vertical to become the Company's largest revenue earner. Besides, the shift from road to rail transportation offers TMILL's customers the advantage of lowering their carbon emissions. They also benefit through cost reduction, as well as hassle-free, easy movement of bulk materials.

Gaining Competitive Advantage

Most customers are 'shipper-agnostic' or are not particular about who delivers their goods, as reliable, quick and economical services are considered hygiene today. Hence, a competitive edge is vital for sustained growth and high retention of business. TMILL intends to refocus on fewer customers who offer consistent, long-term and high business volumes. TMILL believes in enriching the value proposition it offers to its customers by customising its services and offering new, end-to-end integrated solutions.This includes holistic services in railways, ports, warehousing, along with integration of its freight forwarding and CHA-IL business.

Product/ Category	Share of Tata Steel's Spend
CHA & IL	100%
Railways (Private)	90%
MLS	100%
Warehousing	Low
SCM	100%
Freight Forwarding	Low
Ports	< 20%
ISL	Low

Rationalisation of Cost Structure

Reliable and economical services and solutions, especially a shift to railway and waterways, can rationalise costs for customers. To pursue its primary purpose of being a strategic logistics partner to Tata Steel, a key objective for TMILL is to facilitate rationalisation of freight costs, which are high in India, for all Tata Steel Group companies and align them with international prices. It intends to achieve this through targeted initiatives key among which are improving operational excellence, minimising wastage, digitisation of processes and rationalisation of manpower deployment.

Investments

TMILL has a combination of centralised and decentralised support processes laid down as per the needs of business. CAPEX planning for investments is decentralised at the business head level and procurement for regular operational expenditure is done by the respective business units to ensure faster decision-making and minimisation of downtime. Under the BPR implementation project, **a new department, Commercial & Shared Service (C&SS)**, has been conceptualised to acts as a repository of all documentation and back office jobs.

Strategic Opportunities	Impact
To operate privately owned trains for transport of Steel Flat Goods for the Tata Steel Group	• Operated 12 SFTO rakes pan-India in 2019-20, shuttling from Tata Steel's plants at Jamshedpur, Kalinganagar and Angul to different destinations in India. • Operated 10 GPWIS rakes in 2019-20, that moved on a defined circuit and were deployed for the movement of export cargo requirements from Tata Steel's plants. • TMILL plans to induct another 10 rakes in FY21.
Warehousing Business Development	• Entered into a five-year lease to develop an IT-enabled warehouse in Jamshedpur to achieve higher throughput and lower costs. • Set up a Bonded Warehouse at Jamshedpur.
Increased mix of asset-based business	• ISL has purchased a vessel and operated it profitably, shifting from pure chartering to asset-mixed model. • Rail rakes being leased for five years.
New equipment to improve productivity	• Installed new Mobile Harbour Crane and other equipment at Berth #13 to improve productivity.

Asset Profile

Business	Asset Model	Capacity in 2019-20	Projected Capacity in 2025
Railways	Assets on lease	• 1,500 MTPA	• 2X growth in capacity by 2025, with Bulk growing by 3X and Non bulk by 0.5X
Shipping	Trading model with limited assets – ISL operated on the TRAMP model and owns one vessel	• ISL Star dry dock completed as per plan • 4X increase in tonnage in cargo movement in 2020 • 11 economically viable waterways identified	• Potential investment opportunity of ~ USD 20 Mn in next three to four years • Initiate Atlantic trade
Maritime Logistics Services	No assets	• Relaxation in sabotage, duty exemptions ~ 40% concession in tariffs	• Increase presence on the Indian west coast
Warehousing & SCM	Assets on lease	• ~55 acres land required for a 8 MTPA warehouse at TSK including ~35 acres of covered storage	• Land allotment has been approved by Odisha Industrial Infrastructural Development Corporation for a warehouse for TSK
Port Operations	Berth #13 – asset based Other berths – no assets	• Total tonnage of 2.08 MnT, the highest ever • New equipment installed at Berth #13	• Investment opportunities in greenfield ports and berths.
CHA - IL	No assets		

Railway Business

TMILL's key customers are the Tata Steel Group of companies, for whom movement of freight by rail is more reliable, cost effective and efficient. Hence TMILL is engineering a shift to the Railway business, which it expects will grow to become its biggest business vertical with the potential to generate the highest volumes.

Outbound Solutions: The Special Freight Train Operator (SFTO) Policy was announced in May 2008; however, it took about three years of policy advocacy with Railways to operationalise and make the scheme financially viable. The Company can create significant operational benefits and opportunities for further cost reduction from SFTO operations

Inbound Solutions: A significant reform undertaken by the Indian Railways on April 24, 2018, was the introduction of the General Purpose Wagon Investment Scheme (GPWIS) issued by Indian Railways. For the first time, it allowed, private investment schemes in Iron ore and Coal transportation. TMILL responded by developing a plan to benefit from this scheme by exploring options to potentially move Iron Ore, Coal, Fluxes and Fly Ash for Tata Steel, Tata Power, Ambuja, ACC, JSW, Tata Metaliks and Tata Sponge.

GPWIS operations by TMILL commenced in July 2019, six months ahead of the planned schedule. These rakes moved iron ore, coal, fluxes, steel and slag, connecting all ports, mines and three steel plants of Tata Steel, and further despatch steel to 19 destinations across India. From seven rakes in FY 19, TMILL operated 22 rakes in FY20 generating a seven-fold increase in volumes handled.

Scheme		2018-19	2019-20
SFTO	Total No. of Rakes	7	12
SFTO	Total tonnage (MT)	3,96,000	8,82,259
GPWIS	Total No. of Rakes	-	10
GPWIS	Total tonnage (MT)	-	18,55,248

Smart Warehousing

Both integrated steel plants of Tata Steel, Jamshedpur and Kalinganagar, operate large warehousing capacities within and outside these plants. About 40% of material by value is stored in the open at TSK and ~20 acres of warehousing space is being utilised outside the plant at Tata Steel Jamshedpur, beside the stores of its various steel rolling departments.

TMILL intends to lead the shift from traditional manpower intensive warehouses to Smart (Modern) warehousing using mechanisation and modernisation to improve storage efficiency, safety and cost through an IT-enabled warehouse management system.

In conjunction with its partners, TMILL successfully set up a modern warehousing facility with improved services such as usage of WMS system, vertical storage, improved security systems and Barcoding facility at Jamshedpur as well as started a tea warehouse in Jorhat, Assam.

Port Operations

Volumes handled at Berth#13 in 2019-20 were the highest ever at 2.08 million owing to a 30% increase in productivity due to new equipment installed at the berth. The commissioning of a new Workshop at LL6, better illumination, upgrade of electrics protection and installation of Static Weighbridge System at LL6 also contributed to greater productivity and safety in operations.

Cargo Volumes	2015-16	2016-17	2017-18	2018-19	2019-20
Haldia – Berth #13 (MT)	1348188	1439171	1664855	2045625	2079032
Other Berths – Haldia (MT)	2513342	2458850	2538178	2673932	2278192
Paradip (MT)	2579311	3490798	3758764	3855311	3149585
Total Revenue (Rs in Lakhs)	**474138**	**134827**	**538860**	**1967114**	**398659**

Maritime Logistics

This business saw tremendous change in 2019-20 with digitisation achieving several breakthroughs. Direct Invoicing on the basis of Online Port Invoices commenced, shrinking the FDA Cycle from 45 days to 30 days. Further, elimination of physical, hard copies of Port Bills reduced the cycle time by seven to 10 days. Yet another breakthrough was the discharge of Coking Coal into lightening vessels at Sandheads, Kolkata Port via floating cranes and being transshipped to barges destined for Haldia.

The Sub-Agency at Kandla Port was also eliminated with a TMILL team now executing all operations/ reporting. The Company also completed its SCMTR registration and online IGM filing for the preparation of the Import and Export Manifest filing as per the new rules of the Government of India.

Shipping

ISL has entered into contracts with Chettinad Logistics Pvt Ltd (India) and Fairway Maritime Pte Ltd (Singapore) for the movement of 2.7 MnT and 0.8 MnT, respectively, of coal on the Indian east coast over a period of two years, which will make ISL the biggest coastal operator of coal along this shore. The company has completed its ISL Star dry dock as per plan and for the first time since 2014-15 recorded a turnover of USD 50 million.

CHA-IL

TMILL has initiated a transformation process in this business to make itself a technology driven solution provider with a focus on value creating processes.

	2015-16	2016-17	2017-18	2018-19	2019-20
No of BOES handled	5546	5741	5572	5969	5809
No of Containers handled	4279	4300	3242	3083	3284
Revenue (Rs crores)	**20.65**	**19.49**	**20.27**	**20.82**	**21.14**

Valued and Empowered

Approach

TMILL's endeavour is to create an engaged, agile and collaborative workforce with a strong focus on digitisation, development and wellbeing of our people. The thrust at TMILL is directed at increasing the capability and skillset of its workforce. TMILL believes, people are "our core and most valuable asset". Frontline employees are empowered to further work on their core competencies to achieve operational excellence.

TMILL believes in promoting a high-performance culture and creating a work environment reflective of the aspirations of the workforce, a consequence of which would be satisfied and engaged employees. TMILL is an Equal Opportunity Employer and does not discriminate in hiring based on race, gender, caste or physical disability.

Workforce Profile

The manpower strength of the TMILL Group of Companies was 1125 in 2019-20, including 228 persons on-roll across ports, warehouses, SFTO and offices in India, in addition to Dubai, Hamburg, Shanghai and Dusseldorf. Its contract work force is primarily engaged in TMILL's Port Operations and Warehouses.

Employees are drawn from diverse age groups, educational qualifications, gender and ethnic origin. TMILL has initiated an effort to create a future ready organisation and future ready employees through various internal initiatives to prepare them for the changing business dynamics in the Logistics sector, besides achieving an improved work-life balance.

Segment	Strength	Diversity Profile	
		Gender Profile	AA Profile
Officers	164	F- 29, M- 135	Not measured
Associates	62	F- 2, M- 62	Not measured
Contract Workforce	897	F- 11, M- 886	Not measured

Boost to Diversity & Inclusion

At 17% TMILL recorded its highest-ever D&I ratio since inception.

Talent acquisition in line with the Tata Group's AA Policy, enhanced TMILL's Diversity & Inclusion ratio from 10% in H1 of FY20 to 17% at the end of of the year. Of the New Hires, female employees accounted for 25% for the first time. The Company also inducted the maximum number of female trainees who were placed under the mentorship of mid and senior-level officers.

Policies to support a future ready organisation

The Tata Code of Conduct, Prevention of Sexual Harassment Policy, Safety Policy and HR Policy guidelines govern TMILL's work environment with the objective of creating a great place to work.

As a proactive move forward to improve employee satisfaction levels, TMILL formulated eight new policies and revisited two existing ones, taking into cognisance feedback received from employees and the requirement of the new organisation structure and a more agile, connected work environment. The Company has instituted Special Leave for employees for 'Celebrating Happy Occasions'. In addition, Employee Referral Scheme and Holiday Plan for Officers have also been formulated.

Workforce Composition Changes

The greatest challenge of the Logistics sector is to meet the customer expectation of a digitally enabled operation, e-platforms and visibility on the flow of material as this requires developing a multi-skilled and technologically adept workforce.

Individual Strategic Business Units of TMILL have distinct requirements because of the unique nature of their operations.

- Freight Forwarding & Shipping are Knowledge-intensive
- Supply Chain and Warehousing are people-oriented operations
- Railways/ PPP models demand relationship-reliant operations

Hence, the Company has structured its workforce composition changes into aspects that impact its core competencies of Operational Excellence, Diverse Logistics Portfolio and Industry Knowledge with the goal of strengthening them as well as capturing opportunities for development of new competencies.

These initiatives are:

Operational Excellence - Communication of EPM

- Skill upgradation of the workforce aligned with business needs
- Improvement projects through Cross Functional Teams
- Organisation re-design, reskilling, re-deployment and re-organisation

Diverse Logistics Portfolio

- Job rotation across levels and business verticals
- Cross Functional Teams
- Job enrichment and empowerment

Industry Knowledge

- Knowledge sharing sessions on process improvements
- Technical training and on-the-job learning

Project Rupantaran for Organisational Restructuring

A rapidly evolving external environment and customer needs have necessitated changes in the organisation structure and work systems including technological upgradation and digitisation of HR processes at TMILL.

During the year, major emphasis was put on creating a future ready organisation through restructuring. Further, with the objective of job enrichment, unique roles were identified and goals set for the identified talent pool.

The Senior Leadership Team periodically communicated the purpose of the changes required to the workforce through various communication forums such as Town Hall meetings, off-sites, communication meetings, emails and internal branding.

Talent Acquisition

The initiative to build a steady talent pipeline for TMILL places emphasis on improving Diversity in the workforce and achieving greater parity in gender, location and ethnicity representation. The selection process is structured such that, candidates recruited fit into the TMILL and Tata culture as well as meet TMILL's business needs.

The shift during the year to leveraging internal hiring sources such as employee referrals, reduced the lead time for talent acquisition from 45 to 23 days and hiring costs by as much as 73%. In addition, process improvements in hiring, redeployment of talent and greater job rotation, from 10% to 15%, enabled TMILL to drive a close-fit to skills required by its businesses, customer focus, interpersonal skills, ethical standards, achievement orientation and initiative-taking ability.

Capability Development

Short-term and long-term workforce capability and capacity needs are derived from TMILL's Vision, Mission and Values, current organisational priorities and Corporate Balanced Score Card through structured processes. These needs are then addressed through capability development initiatives that are flow in a detailed capability calendar.

Capability themes for the year were drawn from skills expected to be in high demand over the next decade: digital skills, agile thinking skills, interpersonal and communication skills, along with global operating skills. These were identified on the basis of their greater strategic value to TMILL, value proposition and financial impact.

In the last year, 88% of all officers were covered through programmes intended to strengthen organisational capabilities with 4.25 training man-days being achieved against a target of 3.25 man-days for officers.

'Big Ticket Training' during the year covered, Professional Coaching for SLTs, Theory of Constraints, Wellness programme, Executive Development Programme and Emerging Leadership Programme.

Say, Stay and Strive for Workforce Engagement

TMILL engages with its workforce to achieve a high-performance work environment through multiple policies and practices related to job content and job context of its employees. TMILL leadership focuses on listening to its employees and ensures that its people practices are aligned to the needs of the workforce.

For the first time, in 2019-20 several new employee engagement programmes were organised and feedback exercises conducted to capture the voice of employees. These included Career Discussions & Suggestion Mela, Thought of the Week and Fun Friday, regular travel to locations, a predictomania, picnic and celebrations of festivals.

Holistic Wellness & Safety

TMILL has adopted the Tata Group OSH-MS policy, Occupational Safety and Health-management standards. Safety improvement initiatives are undertaken to enhance the effectiveness of its Safety practices on the basis of feedback from safety visits, safety committee meetings, communication meetings, and JDCs. PPE is mandatory and a workplace requirement for all employees across its operating facilities.

Safety Training: Regular safety training workshops organised through the year prepared employees for fire safety, safe handling of cargo, evacuation drill and fire extinguisher usage among other safety procedures.

Wellness Plan: TMILL has launched a holistic wellness initiative, a step-wise programme to address mental, emotional, financial and physical wellbeing.

Step 1 is an Assessment of the employee total wellness.

Step 2 comprises resources and programmes to manage wellness and,

Step 3 is intended to expand the coverage of the programme from employees to contractual employees. Physical wellbeing is addressed via FiTMania.

Performance Measure	Unit	2015-16	2016-17	2017-18	2018 - 19	2019 - 20
Recruitment Lead Time	Days	86	33	43	45	23
Gender Diversity (Overall) Rate	% (M/F)	83/17	82/18	85/15	87/13	88/12
Gender Diversity in New Hires	% (M/F)	74/26	57/43	89/11	75/25	67/33
Key Talent Attrition Rate	%	14	11	8	9	2
Employee Attrition Rate	%	5	4	8	6	5
Employee Productivity	In Millions	5.03	5.17	5.39	6.61	8.1

Value in agility and integration

Approach

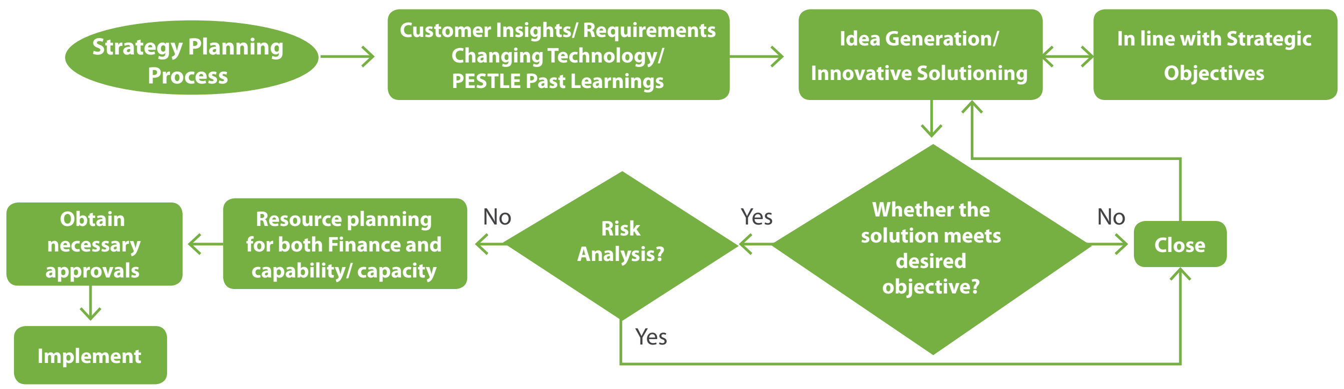
Intellectual capital is a sustained source of value creation for the Company and its stakeholders, enabling them to trigger strategic opportunities that reinforce new knowledge and skills to ensure sustainable growth of the organisation.

TMILL's IT implementation project, Project Neev is aiming at moving to an integrated IT platform across the Company by H1 of FY21, a competence most logistics companies lack. Prior to it, various IT systems of the Company were stand-alone and independent of each other. Under Project Neev, SAP S4 HANA was implemented in TMILL and TKM India. The project is in the implementation stage in ISL, and subsequently will be rolled out in TKM-Germany and China.

The Business Process Reengineering exercise at TMILL, completed in Q4 of FY19, was designed to identify and monitor major Performance Indicators for all verticals in the group and align them, such that, they can be tracked and serve as a source of input to taking informed business decisions.

Innovation Management

Innovation Management at TMILL is driven by customer insights, technology development, past learning gathered during the Strategy Planning (SPP) and deployed via improvement projects. Innovation is targeted towards creating value for customers. Products and services vary for different verticals due to varying business requirements of customers. Key Work Process (KWP) are designed, reviewed periodically and recalibrated to address dynamic customer needs.



Innovation Management Process

Innovation Management Drivers and Outcomes

Innovative Solutions linked to Strategic Opportunity	Driven by	Outcome
TMILL contributed to the design of BFNSM wagons that increased rake capacity by 40%.	**Customer Insights:** Our understanding of TSL's outbound transportation.	Sustainable business model that has helped TMILL to bag long-term contracts for its Rail business.
Actively worked with Tata Inno-Verse team to develop new technology for wagon-load measurement.	**Customer Insights/ Past Learning:** Sub-optimal railway freight and TMILL contractual obligation on loading limits.	Reduction in railway freight loss for customer and a decrease in financial loss for TMILL.
Development of customised GPS devices with three weeks of battery back-up installed on rakes	**Past Learning/ Improvement Projects Business constraint:** Sub-optimal planning of loading/ unloading & TAT due to lack of real time rake update.	The tracking data has enabled TMILL to deploy resources at critical junctions and achieve better turnaround times.

The focused Business Process Re-engineering (BPR) initiative, Project Manthan is enabling the Company to capture the intellectual capital of its employees to create a scalable business model that will allow it to achieve higher levels of productivity without any additional manual intervention. Various inputs on technological changes, customers' environment, strategic objectives, internal integration requirements and the like, helped to realign business processes in sync with new age technologies and will contribute to creating a more agile, integrated, and efficient ecosystem.

A detailed organisational-wide study of business processes of all verticals and support functions, development of a To-Be-State Business Operating Model, with a Target State, Business Architecture with detailed Solutions laid the roadmap for transforming TMILL into a future ready organisation.

Digitisation

Project Neev also enabled TMILL to address three critical customer expectations, to enhance value creation for customer. From the current level of ~13% of the workflow being IT enabled, TMILL is targeting 70% and subsequently 85% of the workflow being IT enabled.

IT initiative Themes

- Capability Development
- Standardised Business Processes – across LoB, companies, countries
- Minimise Manual Intervention, Capture Information at Source
- Real Time Status Monitoring
- Visibility & seamless experience – customer & other stakeholders
- Accurate (Single Source) & Timely Performance Monitoring

Service Integration: TMILL has implemented robust and standardised Business Processes across all business operations, companies and countries, customer-facing activities and support systems to improve service-level and operational efficiency.

Visibility & Enhanced Customer Experience: Minimal manual intervention and capturing of information at Source Real Time Status.

Cost Effectiveness: Monitoring visibility, improved efficiency and cycle times, accurate (Single Source) and timely Performance Monitoring contributed not only to greater cost effectiveness for TMILL but also a seamless experience for customers and other stakeholders.

Business improvements

System generated, paperless processes, with error free documentation and analytics via digitisation improved business decision-making, besides aiding export activity from multiple locations (Haldia, Paradip and Dhamra), reducing delays and loss of time.

Digital solutions for Logistics: Project Neev has effectively consolidated lower value transaction processing activities, created a single integrated view of core and supporting processes, enabled accurate visibility and equipment management, along with significantly optimising costs and integrating processes.

Integrated Operations: An integrated view of operations and services in each line of business, across companies and countries, is leading to standardisation and optimisation of technological investments and operational flexibility with a unified target operating structure. Operations have been integrated on a SAP model for ease and convenience across all business verticals.

IT Automation: Scaling up of IT usage and availability of better information management on core business drivers has opened opportunities for measuring, quantifying and improving customer/ vendor processes to potentially improved customer/vendor experience.

Support Growth Plans: TMILL is leveraging the power of IT as a strategic enabler to support group aspirations, plans to scale growth both organic and inorganic, and support future strategic initiatives.

Adopting an efficient modal mix

Approach

The Logistics sector is responsible for a substantial proportion of the global demand for fuel as well as global CO_2 emissions from fuel combustion. TMILL offers a greener modal mix that benefit its customer and the environment, with a shift to rail and coastal movement, the most energy efficient modes of freight movement.

The Company has adopted an Environment Policy that provides necessary direction and guidance on reducing its impact on the environment and improving its environmental performance through various initiatives such as waste management practices, promoting the conservation of nature and the non-renewable energy resources to limit its carbon footprint.

Railways is the next big opportunity and a need, both as a means of delivering greater cost advantages to customers as well as a result of being a greener, more energy efficient mode of transport with its lower impact on Climate Change. Hence, assetisation in Ports, Railways and Warehousing is a strategic building block for TMILL to provide green, integrated services to its customer and grow in its relevance to them.

Carbon Footprint

Railway companies operating worldwide produce less than 1% of total CO_2 emissions *(IEA, 2011a and UIC, 2011b)*. Due to their low-carbon performance, railways are an important means to reach sustainable mobility *(Source: Global Reporting Initiatives)*.

TMILL is driving the substitution of road transportation to rail by operating Special Freight Train Operations (SFTO) rakes, which provide substantial benefits through a lower carbon footprint to its customers. The analysis below provides a comparison between GHG emissions for road and rail transportation *(Source: Stakeholder Consultation Paper, India GHG program, Mumbai, 2015)*.

Data available for FY20 has been considered. The total tonnage moved (CC basis) is 0.88 million tonnes and the distance considered is 0.4 million kms. The GHG emission for freight movement by rail is significantly lower.

New specially designed wagons that do not require wooden dunnage for securing the coils focus on saving trees and reducing the environment footprint of movement by rail even further.

% Movement		GHG emission (Million Kg Co2)			Savings in GHG emission with switch to rail
Road	Rail	Road	Rail	Total	
100%	0%	0.30	Nil	0.3	NIL
75%	25%	0.22	0.008	0.228	25%
50%	50%	0.15	0.016	0.166	45%
25%	75%	0.075	0.024	0.099	67%

There are also significant operational benefits and opportunities for further cost reduction due to SFTO operations and signing of Long Term Traffic Concession contract (LTTC) agreements with Indian Railways.

Future ready workplace

Project Neev and Project Rupantaran have led to dramatic changes at the workplace with TMILL ushering in a paperless, connected workplace requiring considerable lower physical documentation, having revisited its processes to make digital technology the new normal.

These two initiatives in organisational transformation have made it possible to manage export operations at multiple locations without the need to physically travel to them, reducing TMILL's GHG emissions. At the same time accurate visibility achieved by digitisation is allowing TMILL to focus on reducing the environmental impact, energy and cost efficiency of its equipment.

Valuable Associations

Approach

TMILL's long-term social objective is to improve the quality of life of socially and economically disadvantaged communities, especially those most vulnerable, women, children and unemployed youth.

TMILL is deepening its engagement in education by enhancing access to digital technologies for online education so as to achieve maximum impact for every rupee spent within its limited resources, while meeting the needs of the community.

TMILL's focus areas are preventive health care and sanitation, access to safe drinking water, environmental sustainability, education & employment and vocational skills.

During the year 2019-20, an amount of Rs 9.76 million was spent on these initiatives, higher than the 2% Average Net Profit requirement.

Social initiatives at TMILL are designed to promote sustainable and equitable development of communities in and around the geographies where TMILL operates. Target communities are identified in collaboration with District Magistrates, BDOs in areas where TMILL operates and programmes to meet the needs of the community are designed and implemented by TMILL's CSR team and unit offices.

Need Assessment

The local unit of TMILL's CSR team identifies its target beneficiaries, engages with them and identifies their needs, which are then served. TMILL also focuses on improving participation of employees in employee volunteerism.

Education and vocational skills

Online schooling will enable students in remote locations with little access to quality education or additional educational material to take their examinations and progress to meet their aspirations. Online education allowed TMILL to scale up the number of lives touched and at the same time ensure its CSR outlay is well-spent by maximising the lives touched.

Online schooling: TMILL launched a pilot project in Paradip in FY20, to give children from underprivileged families access to educational material aligned to their school curriculum, in Hindi or English, via mobile apps. If successful, the local language will be added. Also, a library with computers has been created for children to have a safe place to sit and learn at their free will under the guidance of a teacher.

Support to an Early Education Programme run by Ramakrishna Mission in Kolkata has benefitted 210 children after the intervention of TMILL.

School Infrastructure: At Khelaghar (Girls School & Hostel) in Badu district of West Bengal, the second phase of a project to install rooftop solar panels was completed. This phase succesfully connected its library, administrative office, dormitory, vocational training centre and five street lights to solar power.

At Paradip, TMILL has set up an Education Café (instruments and interiors) facility for underprivileged students of AAS Vidyalaya and installed educational equipment for specially abled children at Jagruti School.

Vocational training: 60 underprivileged youth of Don Bosco School, Liluah in West Bengal were given vocational training during the year.

Preventing students from dropping out: Educational and nutritional support is changing the lives of 15 school students afflicted by Cancer, besides helping 10 high school and college students supported by TMILL via Society for Indian Children's Welfare (SICW), in Kolkata.

The urban slums of Chhaya Nagar and Chandi Nagar, located in the heart of Jamshedpur, Jharkhand were targeted during the year, with the assistance of CRY, to prevent 1000 children of its 300 families from dropping out of school. Community-level meetings were held with parents to sensitise them, after which support of adolescent groups was sought to conduct enrolment and motivation camps to encourage the children to re-enrol. Life skill training has also been imparted to adolescent groups including enhancing the creativity of the children.

Health and hygiene

Access to safe drinking water: In FY20, the Company partnered with IIT Kharagpur, West Bengal to provide access to safe drinking water in a village in the vicinity of the institution benefitting 1000 families. A unique aspect of this initiative is the deep involvement of the community at every stage during the installation of the RO plant, including donating the land for it.

The water purifier was fabricated locally with 80-90% locally procured materials. A Self Help Group comprising the villagers is operating the facility on a self-sustaining basis, providing 15 litres of water every morning to the families. The scheme has created employment for local youth.

Skilling

- Training on leather goods making, welding, computers and pisciculture is being provided to youth at Haldia and Kolkata.
- At Haldia, 420 families benefitted from Poultry & Pisciculture and another 100 from Computer training, provided to youth with the help of Ramakrishna Mission. In conjunction with Tamas Society, training was given to 80 persons on Leather Goods making in Kolkata and 20 welding machines installed at Don Bosco, Liluah, to provide job oriented training in the trade to batches of 200 underprivileged youth.

A water purifier was also installed at Durgachak Hospital (Smart Services) in Haldia, West Bengal.

TMILL is working with Child In Need Institute (CINI) to improve the health of less privileged mothers. Under CINI's Adopt a Mother programme, TMILL has adopted 34 mothers and their children. Sanitation & Hygiene facilities were created at CINI's Behala Balika Vidyapeetham, a school that serves 150 girls.

Disaster Relief

Team TMILL rose to the occasion at short notice to assist the victims of Cyclone Fani in Odisha in May 2019, with spirited team members rushing almost overnight to Puri with clean drinking bottled water supplies.

Volunteering by employees

Employees enthusiastically volunteer and are encouraged in their efforts by TMILL, especially to spend a large part of their volunteering time with underprivileged children and elderly people across all locations, key among these being Mumbai, Kolkata and Jamshedpur.

TM International Logistics Limited – Standalone Financial Statement

CORPORATE INFORMATION

(As on 1st April, 2020)

Board of Directors

Mr. Dibyendu Bose **(Chairman)**
Mr. Ashish Kumar Gupta **(Managing Director)**
Mr. Virendra Sinha **(Independent Director)**

Non-Executive Directors

Mr. Guenther Hahn
Ms. Stephanie Sabrina Hahn
Mr. Shinichi Yanagisawa
Capt. Vivek Singh Anand
Mr. Rajiv Mukerji
Mr. Amitabh Panda
Mr. Sandeep Bhattacharya

Committee of Directors

Audit Committee

Mr. Virendra Sinha (Chairman)
Mr. Sandeep Bhattacharya (Member)
Mr. Guenther Hahn (Member)

Nomination and Remuneration Committee

Mr. Virendra Sinha (Chairman)
Mr. Dibyendu Bose (Member)
Mr. Guenther Hahn (Member)

Corporate Social Responsibility Committee

Mr. Virendra Sinha (Chairman)
Mr. Sandeep Bhattacharya (Member)
Mr. Ashish Kumar Gupta (Member)

Management Team

Mr. Ashish Kumar Gupta- Managing Director
Mr. Anand Chand- Chief Financial Officer &
GM- Corporate Services
Mr. Anurag Garg- VP (Logistics)
Ms. Shabana Khan- Chief HR, IR & Administration
Ms. Jyoti Purohit- Company Secretary & Ethics Counsellor

Auditors

Price Waterhouse & Co. Chartered Accountants LLP
Plot No. 56 & 57, Block –DN, Sector V,
Salt Lake, Kolkata- 700091

Bankers

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

Registered Office

Tata Centre
43, Jawaharlal Nehru Road
Kolkata- 700071
Tel: 91-33-22887051 / 22248485

Corporate Identification Number (CIN)

U63090WB2002PLC094134

TM INTERNATIONAL LOGISTICS LIMITED

DIRECTORS' REPORT

CIN – U63090WB2002PLC094134

TO THE MEMBERS,

The Directors present the Eighteenth Annual Report of TM International Logistics Limited on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2020.

A. FINANCIAL HIGHLIGHTS

(Rs. in millions)

Sl. No.	Particulars	2019-20	2018-19
(a)	Total Income	5,121.34	3,966.67
(b)	Less: Operating and Administrative Expenses	4,221.10	3,367.80
(c)	Profit before interest, depreciation and taxes	900.24	598.87
(d)	Less: Depreciation	415.29	58.60
(e)	Less: Interest	124.28	13.44
(f)	Less: Exceptional Items	-	-
(g)	**Profit before taxes (PBT)**	**360.66**	**526.83**
(h)	Less: Taxes (including deferred taxes)	75.84	139.47
(i)	**Profit after taxes (PAT)**	**284.82**	**387.36**
(j)	Other Comprehensive Income	(6.02)	1.19
	Net Profit carried to Balance Sheet	**278.79**	**388.54**

1. **DIVIDEND**

   The Board of Directors in their meeting held on 20th May 2020, had recommended a dividend @ 55.56% i.e. Rs. 5.56/- per equity share on the 1,80,00,000 equity shares of Rs. 10/- each amounting to Rs.10,00,00,000/-(Rupees One Hundred Million only), for the year ended 31st March, 2020.

   The dividend on equity shares is subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company.

2. **TRANSFER TO RESERVES**

   The Company has not transferred any amount to Reserves for the year ended 31st March 2020.

B. OPERATIONS AND PERFORMANCE

1. **Company Performance**

   On a standalone basis, the Total Income for FY 2019-20 was Rs. 5121.34 million, higher by 29.11% over the previous year's Total Income of Rs. 3966.67 million in FY 2018-19. The Profit After Tax (PAT) attributable to shareholders for FY 2019-20 was Rs. 284.82 million registering a decline of 26.47% over the PAT of Rs. 387.36 million for FY 2018-19.

   On a consolidated basis, the Total Income for FY 2019-20 was Rs. 10518.06 million, higher by 21.63% over the previous year's Total Income of Rs. 8647.68 million. The PAT attributable to shareholders for FY 2019-20 was Rs. 338.09 million registering a decline of 10.97% over the PAT of Rs. 379.75 million for FY 2018-19.

2. **Credit Rating**

   The Rating Committee of Investment Information and Credit Rating Agency of India (ICRA), after due consideration of the latest developments in the Company, has reaffirmed the credit rating of the Company at ICRA[AA]. The outlook on the long term rating is stable and instruments with ICRA[AA] rating indicate high degree of safety regarding timely servicing of financial obligations. The aforesaid rating is valid till 31st October 2020.

3. **Operation/ Business Highlights**

a. **Port Operations**

   The Major Ports under Ministry of Shipping handled a volume of 704.822 Million MT of cargo during FY 19-20 as compared to 699.099 MT during 2018-19, that is an increase of 0.82%. The cargo handled would have been higher but second fortnight of March was heavily impacted by COVID 19 PANDEMIC which has assumed far larger proportions in FY 20-21. The cargo handled by Paradip Port Trust, Kolkata Port Trust, including Haldia Dock Complex and Dhamra Port Company Limited are as given below:

Port	2018-19 (Million MT)	2019-20 (Million MT)
Paradip Port Trust	109.275	112.689
Haldia Dock Complex	45.212	46.680
Kolkata Dock System	18.551	17.303
Kolkata Port Trust Total	63.763	63.983
Dhamra Port Company Limited	22.10	29.70

Haldia Dock Complex handled a record volume of 28.27 Million MT of Dry Bulk Cargo during 2019-20 compared to the previous highest of 27.61 Million MT during 2018-19.

The most notable achievement of TMILL was that TMILL Terminal Berth Number 13 (previously known as Berth #12) at Haldia Dock Complex handled its highest ever volume of 2.08 Million MT during 2019-20 compared to the previous highest of 2.045 Million MT during 2018-19.

Other achievements were as follows:

- TMILL Haldia handled a total volume of 4.35 Million MT including 2.08 Million MT at TMILL Terminal Berth #13.
- TMILL Paradip handled a total volume of 3.144 Million MT of which 0.68 Million MT was handled by TMILL Paradip as a stevedore with its own stevedoring license.
- Best ever monthly tonnage of 272,829 MT was handled at Berth #13 during December 2019.
- Highest ever average discharge rate of 21,687 MT/day for import steel cargo was achieved at Berth #13 in vessel MV Occitan Key.
- Highest ever discharge of 26,656 MT on a single day of dry bulk cargo was achieved at Berth #13 in vessel MV Giorgios.
- Highest ever discharge of 30,857 MT on a single day of dry bulk cargo was achieved at Paradip in MV Scorpio.

b. Railways

FY 19-20 was a mixed year for TMILL's Railways division. In Special Freight Train Operator (SFTO), TMILL has inducted five more steel rakes (3 BFNSM & 2 BFNS) till March'20 and reached up to a fleet size of total 12 rakes. In the month of November 2019, SFTO rake movement from TSBSL steel plant located at Angul (Odisha) also kicked off.

In FY 19-20, TMILL opted for another scheme of Indian Railways known as "General Purpose Wagon Investment scheme (GPWIS)". This scheme allows private players to transport commodities like coal, coke, ore and minerals, which till inception of this scheme were completely controlled and regulated by Indian Railways only. TMILL has inducted 10 BOXNHL rakes in FY 19-20 and is operating as a GPWIS operator for coal, raw material and finished goods/by product movements of Tata Steel Ltd and TSBSL. First BOXNHL rake was inducted in the month of July 2019.

In the month of November 2019, TMILL obtained approval for more destinations from Railways in SFTO and brought more flexibility in movement of its SFTO rakes by starting operations in the western sectors also.

Highlights of Railway division

- Achieved handling of total 1 Million Mt cargo in GPWIS since its inception in July 2019.
- Achieved 2 Million Mt cargo handling in Rail Logistics Business during FY19-20 putting SFTO & GPWIS together.
- Achieved highest number of invoicing in SFTO in a single month – 32 in March 2020.

c. CHA & Inland Logistics

During the year under review, the Company has started handling clearance of project import consignments from Paradip, Mumbai, Chennai and Vizag ports and has handled clearance of export consignments from Paradip and Dhamra ports on account of M/s. Tata Steel BS Limited - the newly acquired Company of Tata Steel. Further, has also handled bulk exports for Tata Steel from Dhamra wherein TMILL executed the CHA job.

The Company received a demand order from Commissioner of Customs, Kolkata in view of ongoing DRI Enquiries pertaining to import of Design and Drawing by Tata Steel wherein TMILL was the CHA. The said order has been challenged at the Calcutta High Court.

The Company maintained continuity in operations for all the custom clearance and inland logistic activities and also rendered logistic support for the transportation of medical kits and PPE for Tata Medical Hospital during the COVID 19 pandemic situation.

d. Maritime Logistics Services

Maritime Logistics Services (MLS) division handled 592 ship calls across 17 Indian ports as on 31st March 2020. Majority of the vessels were attended to at Haldia, Paradip, Dhamra & Mumbai Ports. The division has generated an annual revenue of INR 250 million, with a contribution of INR 98.5 million and a PBT (before allocation) of INR 74.7 million.

The division has achieved 98% of ABP profitability inspite of a pronounced effect of COVID-19 on the number of vessel calls during the month of March 2020. Also, during the year TSL had increased chartering of Cape-size vessels thereby reducing double port calls (by 12%) and effecting a fall in usage of Panamax vessels. The stoppage of Sagar transshipment operation & coastal shipments of coal ex-Dhamra/Paradip a/c TSL has also affected the business volume.

The division has compensated the fall in traditional FOB CNA volumes by successfully converting significant number of CFR/CIF Import shipments a/c TSL & TSBSL, handling increased number of export vessel calls, generating new business from customers like M/s Daelim, M/s Essar Shipping, M/s Bainbridge etc. INR 14.5 million of revenue has been generated from non-Tata Steel business in FY 19-20 primarily on a/c of M/s Tata International Ltd & M/s Adani Shipping.

MLS location offices at the Ports of Haldia, Paradip, Dhamra, Kandla and Mumbai have provided continual support to all major customers during the outbreak of COVID-19 pandemic and the subsequent lockdown across all of India. Operations have been executed for all incoming import vessels and outgoing export vessels, without any delay/stoppage. We have processed consolidated documentation of more than 70 IGMs/EGMs/Port & IT clearances during this time.

The Division has also achieved multiple operational milestones in the last financial year:

- As a first, MV Mineral Stonehenge a/c TSL carrying coking coal of approx. 1,58,000 MT was lightened by 50,000 MT at Sandheads onto barges consigned to Haldia by using floating cranes.
- Cargo supervision activity was also initiated as a first at Karaikal Port a/c Tata International Limited.
- The division has also been awarded the contract for handling and transportation of coastal steel coil a/c TSBSL from Mumbai Port to TSBSL, Khopoli plant.
- Coastal steel vessels a/c TSL have also been handled for the first time at Kandla Port, for traded products consigned to different receivers.
- Kandla office has been strengthened by new hiring ensuring improved connectivity at West Coast.

e. Warehouse & Supply chain

During the year under review, three major contracts from Tata Steel, the Operations & Management of Incoming Material Section of Kalinganagar and Warehousing of MRO imports have been re-awarded. The division successfully commissioned and operationalised a modern warehouse measuring 42000 sq.ft. with modern storage & Warehouse Management System in May 2019.

The division also obtained the license from Customs for operating Custom Bonded warehouse for Tata Group of companies at Jamshedpur. This bonded warehouse operation shall render value added services like duty deferment, warehousing services and last mile delivery to Tata Steel & other Tata companies at Jamshedpur.

During the year, division has also developed a Tea Auction Centre warehouse at Jorhat Assam for mjunction. This new facility is likely to be commissioned post COVID-19 lockdown. The Division also successfully shipped / transported 63000 Pravesh Brand Doors & Windows. The division also successfully affected the TALC Mineral Shipment right from quarry at Haldwani through Kandla Port. The customer was M/s IMERYS USA.

Further during the year, the division executed the end-to-end handling of 2310 containers of imported steel scrap for TS BSL via VIZAG Port. The division also participated in a BOOT bid invited by Tata Steel for the development of Central Warehouse at Tata Steel Kalinganagar & Tata Steel West Bokaro Collieries.

The division generated a revenue of Rs. 345 million with a contribution of Rs.30 million. The ABP target for contribution was Rs.19.9 million. The lower contribution was primarily due to drop in Tata Steel MRO import volumes, the non-commencement of Bonded warehouse in want of work order from Tata Steel and cost share of TMILL on account of TSBSL steel scrap import container detention.

C. PROJECT INITIATIVES

Bulk Raw material movement under General Purpose Wagon Investment Scheme [GPWIS]: In FY 19-20, TMILL inducted 10 nos. of BOXHL rakes under GPWIS scheme for transporting of Bulk Raw Material for Tata Steel and Tata Steel Bhushan Steel Limited. These rakes are successfully being operated in approved circuits. The rakes transport coal and limestone from Ports & Mines to Plants and at times transport finished goods and by-products from Plants to ports. Operations have stabilised and another three rakes will be inducted in FY 2021.

D. QUALITY INITIATIVES

TMILL was awarded in the category of "Active Promotion of TBEM" by Mr. N Chandrasekaran, Group Chairman, Tata Sons, at Business Excellence Convention 2019, held at Mumbai on 10th December 2019. The Company crossed 500 points in the TBEM Assessment for the first time. TMILL scored 521 points which is a 31 points jump over the last assessment in the year 2017.

TMILL has applied for ISO certification in three categories i. e. Quality, Safety & Environment. The Company is working through a cloud portal software in order to have standardised and systematic information flow and documentation. ISO workshop was conducted in July 2019 where 36 officers were certified as ISO internal auditors after passing the required test. First ISO external audit was completed in January 2020 and the second audit in March 2020.

In continuation to build talent in quality and improvement, eight TMILL officers were trained on "Theory of Constraint - Holistic Management program" spread over a period of six months. Four officers were sent for Business Excellence Assessors Program conducted by Tata Business Excellence Group.

SCALE Awards 2018 (National award for Supply Chain and Logistics Excellence) was organised by Confederation of Indian Industry (CII) to recognise excellence in Supply Chain and Logistics in India. TMILL won in the category of Exemplary position under Terminal Operator – Seaport Category and Eminent Position under Third Party Logistics (3PL) category. TMILL Berth #13 Haldia won National Safety Winner award from Ministry of Labour & Employment.

E. SUSTAINABILITY

Stemming from the Tata Group belief that, what comes from society should go back to society, sustainability is deep rooted in the culture of the organisation. The belief is embedded in Company's Vision, which balances the aspiration of value creation and commitment to being a Corporate Citizen.

The sustainability approach of the Company is articulated in the Corporate Social Responsibility Policy, Environment Policy, Health & Safety Policy and Human Resource Policy, etc which reinforces the triple bottomline approach in its systems and processes. The Company also has systems in place to capture the voice of stakeholders periodically and review its long-term strategy in line with the stakeholder expectations.

1. Environment, Health and Safety

The Company is committed to responsible use and protection of the natural environment through conservation and sustainable practices. The Company during the year has applied for ISO Certification in Environmental Management Systems that meet the requirements of international standard ISO 14001:2015. These systems provide the Company with a framework for managing compliance and improving environmental performance, making it future ready to address stakeholder requirements.

The Company has in place a Board approved policy on Environment that provides necessary direction and guidance on matters relating to environment, which helps not only in reducing our impact on the environment but also improving its environmental performance through various initiatives such as waste management practices, promoting the conservation of nature and earth's energy resources thereby keeping a check on the carbon footprint.

There has been Zero Fatality while Lost Time Injuries (LTI) went down from 4 (four) in FY 18-19 to 1 (One) in FY 19-20. 1 LTI was recorded at Haldia in January 2020. Constant emphasis has been given on regular Safety training and awareness in the field operations from time to time. A total of 27,884 (28,047 in FY 19-20) man hours of safety training was carried out during the year. Special emphasis was laid down through TSL Group Safety campaigns 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 increase from four (4) in FY 18-19 to nine (9) in Fy 19-20. The cases were investigated, and learnings and preventive measure shared across the locations.

During the year under review, the Company has applied for ISO Certification in Occupational Health and Safety Management System (ISO 45001:2015). The Company also has in place a Board approved Policy on Health and Safety for all the people who work in and with the TMILL Group of Companies.

2. Human Resource Management & Industrial Relations

The Company had a diverse and an inclusive workforce with a total strength of 200+ on roll employees, 160 off roll (Associate) and 650+ contractual employees across various locations and business in the year 2019-20. During the year, the Company continued its focus on building workforce capability through Project Rupantran and inducted a mix of talent from the market as well as through its Graduate Engineer Trainee program. The Company's capability development agenda focused on building of leadership skills and business excellence/ quality related competencies across levels. The Company maintained cordial industrial relations with the representatives of Union of employees at the ports and at Kolkata. Employee engagement activities also saw a significant rise across all locations garnering participation of most active employees. Apart from the above activities, HR department continued to focus on strengthening the Performance Management System for the TMILL Group, working towards a competitive Reward and Compensation structure, as well as activities around comprehensive Employee Wellness. TMILL Group India has been acknowledged by the iim.jobs magazine in its special feature for its rewarding retention percentage, which is lowest across competition.

3. Corporate Social Responsibility

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 where 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. In FY19-20, Company partnered with IIT Kharagpur to provide safe drinking water in a village near IIT, Kharagpur, which will be operated by Villagers on a self-sustaining basis. We also started online education initiative in Paradip for needy children.

The Company has in place a Board approved CSR policy, which provides guidelines to conduct CSR activities of the Company. The CSR policy is available on the website of the Company *www.tmilltd.com*

During the year 2019-20, the annual expenditure on CSR was drawn up as per the guidelines and an amount of Rs. 9.76 million was spent during the year as against the 2% Average Net Profit requirement of Rs. 9.30 million (i.e. Rs. 0.46 million over and above the mandatory spend).

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 2)***

The Corporate Social Responsibility (CSR) Committee constituted by the Board of Directors in accordance with the provisions of Section 135 of the Companies Act, 2013 comprises of 3 (three) Directors of which 2 (two) are Non – Executive, one of whom is an Independent Director. The Independent Director is the Chairman of the Committee. The Committee, inter alia, monitors the CSR activities.

During the year under review, till the preparation of Directors' Report, the following changes in the Committee were made:

- **Mr. Dipak Kumar Banerjee-** Independent Director retired from Board w.e.f 16th April 2019 and consequently from the CSR Committee.
- **Mr. Virendra Sinha-** Independent Director was appointed as the Chairman of the Committee w.e.f 31st January 2020 in place of Mr. Sandipan Chakravortty who resigned from Board and consequently from all its Committee w.e.f 30th September 2019.
- **Mr. Sandeep Bhattacharya-** Non Executive Director was appointed as a Member of the Committee w.e.f 31st January 2020 in place of Mr. Peeyush Gupta who resigned from Board and consequently from all its Committee w.e.f 30th September 2019.

  The names of the members of the CSR Committee along with details of the meeting held during the year under review has been attached as an Annexure to this report. ***(Refer Annexure 3)***

4. Ethics

We, at TMILL, are driven by the Group's core values enshrined in the Tata Code of Conduct (TCoC). It sets out how we behave with our employees, or those who work with us; our customers; the communities and the environment in which we operate; our value- chain partners, including suppliers and service providers, distributors, sales representatives, contractors, consultants, intermediaries and agents; our joint venture partners; our financial stakeholders; the governments of the countries in which we operate; and our group companies.

The TMILL group has in place the following Ethics related policies:

- Policy on Conflict of Interest;
- Policy on Gift and Hospitality;
- Whistle Blower Policy for employees and directors;
- Whistle Blower Policy for vendors.

Like every year, to commemorate the birth anniversary of JRD Tata which is on 29th July, the month of July is celebrated as "Ethics Month" with participation of all employees across all locations, our vendors and contractors. This year's theme was Integrity matters.

Reinforcing the Pledge to abide by the Tata Code of Conduct & its policies like Gift and Hospitality, Conflict of Interest, Whistle Blower and Prevention of Sexual Harassment at Workplace was done in a fun and unique way with the help of events/activities such as Weekly Crossword, Photography Competition, Quiz on TCoC, Fun Friday with Ethics, etc.

Our employees at TMILL Kolkata Office made two short movies without dialogues, which were entirely written, conceptualised and shot in-house. The same were titled as:

- "Ummeed"- A movie on POSH - All Boys are not wrong and All Girls are not right;
- "The Conscience Calling"- A movie on Bribery & Corruption.

TMILL was awarded as the "Best Participating Company" in Ethics Month Celebration by CEO & Managing Director, Tata Steel.

The events not only saw participation of the employees and the community at the large but also helped in reinforcing Tata values and ethics amongst stakeholders.

F. CORPORATE GOVERNANCE

The Company has a rich legacy of ethical governance practices many of which were implemented by the Company, even before they were mandated by law. It is committed to transparency in all its dealings and places high emphasis on business ethics. The Company is committed to maintaining a high standard of corporate governance practices and procedures. It 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, POSH, 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 large emphasis on protection of stakeholders' interest.

1. Board of Directors

As on 31st March, 2020, the Board comprised 10 (ten) Directors, out of which 1 (one) is Independent, 7 (seven) are Non-Executive and 1 (one) is Executive. The Composition of the Board of Directors as on 31st March 2020, along with the details of the meetings held during the year under review has been attached an as 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 preparation of Directors' Report, the following changes in the Board of Directors were made:

(i) Inductions to Board

- On recommendation of Nomination and Remuneration Committee, Mr. Dibyendu Bose (nominee of Tata Steel Ltd.) was appointed as Additional Non-Executive Director and Chairman of the Board w.e.f 1st September, 2019.
- On recommendation of Nomination and Remuneration Committee, Mr. Rajiv Mukerji (nominee of Tata Steel Ltd.) was appointed as Additional Non-Executive Director w.e.f. 1st September, 2019.
- On recommendation of Nomination and Remuneration Committee, Mr. Amitabh Panda (nominee of Tata Steel Ltd.) was appointed as Additional Non-Executive Director w.e.f. 1st September, 2019.

(ii) Reappointments (Directors to retire by rotation)

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Guenther Hahn- Non-Executive Director & Capt. Vivek Singh Anand, Non-Executive Director, retires by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment.

Appropriate resolutions seeking Members' approval to the aforesaid appointments and re appointments are appearing in the Notice convening the 18th Annual General Meeting of the Company.

(iii) Cessations

- Mr. Dipak Kumar Banerjee, Independent Director retired from Board w.e.f.16th May, 2019.
- Mr. Sandipan Chakravortty, Non-Executive Chairman retired from the Board w.e.f. 30th September, 2019.
- Mr. Peeyush Gupta, Non-Executive Director and Mr. Dinesh Shastri, Non-Executive Director also resigned from Board w.e.f. 30th September, 2019.

2. Board Meetings

During the financial year ended 31st March, 2020, 7 (seven) Board Meetings were held on: 16th April 2019, 16th May 2019, 25th July 2019, 30th September 2019, 21st October 2019, 31st January 2020 and 4th March 2020. The maximum gap between any Board Meetings was less than one hundred and twenty days.

3. Independent Director

As per the Amendment to the rules of Companies (Appointment and Qualification of Director) vide notification dated 5th July 2017, issued by Ministry of Corporate Affairs, a joint venture Company is exempted from mandatorily appointing an Independent Director in its Board.

As TMILL is a joint venture of Tata Steel Limited, IQ Martrade Holding and Management GmbH and NYK Holding (Europe) B.V., it is exempted from having an Independent Director as a member of its Board. However, as a good Corporate Governance practice, the Company has 1 (one) Independent Director on its Board.

4. Declaration by Independent Director

The Company has received the necessary declaration from Independent Director in accordance with Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence as laid out in Section 149(6) of the Companies Act, 2013.

5. Selection of new Directors and Board Membership Criteria

The Nomination and Remuneration Committee ('NRC') works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole as well as for its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgement, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner. The Company has in place a Board approved Policy on Appointment & Removal of Directors ('Policy').

The salient features of the Policy are:

- It acts as a guideline for matters relating to appointment and re-appointment of directors.
- It contains guidelines for determining qualifications, positive attributes for directors, and independence of a Director
- It lays down the criteria for Board Membership
- It sets out the approach of the Company on board diversity
- It lays down the criteria for determining independence of a director, in case of appointment of an Independent Director.

6. Board Evaluation

The Board evaluated the effectiveness of its functioning, that of the Audit, Nomination & Remuneration and CSR Committees and of individual Directors. The manner in which the evaluation has been carried out has been explained in the Nomination and Remuneration Policy as adopted by the Company.

The Board sought the feedback of Directors on various parameters including:

- Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning, etc.);
- Structure, composition and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board/Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities.

7. Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2020 are – Mr. Ashish Kumar Gupta, Managing Director, Mr. Anand Chand, Chief Financial Officer & GM, Corporate Services and Ms. Jyoti Purohit, Company Secretary. During the year under review, there has been no change in the Key Managerial Personnel.

8. 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, 2013 are as follows:

i) Audit Committee

The Audit Committee constituted by the Board of Directors in accordance with the provisions of Section 177 of the Companies Act 2013, comprises of 3 (three) Non-Executive Directors. The Chairman of the Committee is an Independent Director.

During the year under review, till the preparation of Director's Report, the following changes in the Committee were made:

- Mr. Virendra Sinha, Independent Director was appointed as Chairman of the Committee w.e.f 8th July 2019 in place of Mr. Dipak Kumar Banerjee who retired from Board and consequently from all its Committees w.e.f. 16th May, 2019.
- Mr. Dinesh Shastri, Non-Executive Director was appointed as a Member of the Committee w.e.f. 8th July 2019, who subsequently resigned with effect from 30th September 2019.
- Mr. Guenther Hahn, Non-Executive Director was appointed as a Member of the Committee w.e.f. 1st October 2019 in place of Mr. Dinesh Shastri.

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 Nomination and 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 accessed at the following link: *www.tmilltd.com*.

During the year under review, till the preparation of Directors' Report, the following changes in the Committee were made:

- Mr. Virendra Sinha- Independent Director was appointed as Chairman of the Committee w.e.f. 12th September 2019 in place of Mr. Dipak Kumar Banerjee who retired from Board and consequently from all its Committees w.e.f. 16th May 2019.
- Mr. Dibyendu Bose- Non Executive Director and Chairman of the Board was appointed as a Member of the Committee w.e.f. 1st October 2019 in place of Mr. Sandipan Chakravortty who resigned from Board and consequently from all its Committee w.e.f. 30th September 2019.

The names of the members of the Nomination & Remuneration Committee along with the meetings held are provided as an Annexure to this Report. ***(Refer Annexure 3)***

iii) Corporate Social Responsibility Committee

The Company has a Corporate Social Responsibility (CSR) Committee as mandated in the provisions of Section 135 of the Companies Act 2013. The details of the current composition of the Committee and the changes that took place during the year under the review have become a part of this Report earlier.

9. Remuneration Policy for the Board and Senior Management

Based on the recommendations of the NRC, the Board has approved the Remuneration Policy for Directors, Key Managerial Personnel ('KMPs') and all other employees of the Company. As part of the policy, the Company strives to ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay, reflecting short, medium and long term performance objectives appropriate to the working of the Company and its goals.

The Remuneration Policy for Directors, KMPs and other Employees was adopted by the Board on March 31, 2015.

The salient features of the Policy are:

- It lays down the parameters based on which payment of remuneration (including sitting fees and commission) should be made to Independent Directors (IDs) and Non-Executive Directors (NEDs).
- It lays down the parameters based on which remuneration (including fixed salary, benefits and perquisites, bonus/ performance linked incentive, commission, retirement benefits) should be given to whole-time directors, KMPs and rest of the employees.
- It lays down the parameters for remuneration payable to a Director for services rendered in other capacity.

During the year under review, there have been no changes to the Policy.

10. Particulars of Employees

The Company declares that apart from Managing Director of the Company, 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.

Details of Managing Director as required to be given are as follows:

(i) Name - **Mr. Ashish Kumar Gupta**

(ii) Designation - **Managing Director**

(iii) Remuneration received - **1,59,60,503/- (Rs. 15.96 million)**

(iv) Nature of employment, whether contractual or otherwise - **Agreement signed for a period from 1st May, 2017 to 30th April, 2020. (Board in its meeting on 23rd April, 2020 approved his re-appointment upto 30th April, 2023)**

(v) Qualifications and experience of the employee – **B.E (Electricals) from University of Roorkee and Diploma in Management from XLRI**

(vi) Date of commencement of employment – **1st May, 2017 (as Executive Director) & 1st July, 2017 (as Managing Director)**

(vii) Age of such employee – **49 years**

(viii) Last employment held by such employee before joining the company – **Tata Steel as Chief (Customer Service Division & Logistics)**

(ix) Percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) – **NIL**

(x) Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager: - **NIL**

11. 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 2019-20.

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 a 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.

12. Auditors

(i) Statutory Auditors & Audit Report

The Auditors of the Company, M/s Price Waterhouse & Co. Chartered Accountants LLP, 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. However Companies Amendment Act, 2017 has omitted the provision relating to annual ratification of appointment of Statutory Auditors by members in Annual General Meeting. Hence only a confirmation letter has been obtained from them confirming that they are eligible to continue as the Statutory Auditors of the Company.

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

(ii) Secretarial Auditors and Secretarial Audit Report

Section 204 of the Companies Act, 2013 provides for mandatory secretarial audit for every company having a turnover of Rs.250 crores or more in any financial year.

Accordingly, pursuant to the provisions of Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has re-appointed M/s. D. Dutt & Co., Practising Company Secretaries to undertake Secretarial Audit for the financial year ended 31st March, 2020. The Secretarial Audit Report as placed for review and noting of the Board, is enclosed as an annexure. ***(Refer Annexure 5)***

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

(iii) Cost Auditors and Cost Audit Report

In terms of Section 148 of the Companies Act 2013, the Company is required to maintain cost records and have the audit of its cost records conducted by a Cost Accountant. Cost records are made and maintained by the Company as required under Section 148(1) of the Act. The Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the appointment of M/s Mani & Co. as the cost auditors of the Company (Firm Registration No. 000004) for the year ending 31st March, 2020.

The cost audit report of the Company for the year ended 31st March 2019 has been filed on 19th August 2019.

13. 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.

14. 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 Rs. 64.55 million on account of freight agency fees and others and the foreign exchange outgo during the year in terms of outflows was Rs.66.14 million on account of freight and foreign travels.

15. Public Deposits

The Company has not accepted any deposits from the public/members under Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 during the financial year. Further, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

16. Related Party Transactions

During the year under review, the Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Companies Act, 2013.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 along with the justification for entering into such contracts or arrangements in Form AOC-2 does not form part of the report, as the same is not applicable.

17. Significant and Material Orders passed by the Regulators or Courts

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations. However, Members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.

18. 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 4)***

19. Vigil Mechanism

The Vigil Mechanism as envisaged in the provisions of Section 177(10) of the Companies Act 2013 is implemented through the Company's Whistle Blower Policy for Directors & Employees and Vendors which enable all the stakeholders to report genuine concerns.

The Whistle Blower Policy of the Company encourages Directors, 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.

20. Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at the 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 HR. Periodic awareness programmes were conducted by the Chief HR for male and female employees to sensitise 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.

21. 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 in Form AOC-1. ***(Refer Annexure 1)***

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

22. Secretarial Standards

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

23. Risk Management Policy

TMILL group has adopted Enterprise Risk Management (ERM) framework based on guidelines provided by Tata Steel. ERM document for the entire group was formulated in 2017-18 with help of KPMG. ERM manual has been also prepared to provide policy guidelines to various business lines. Presently we are in the process of revisiting the existing ERM document based on changes in business scenario. The new ERM document will also capture the changes as suggested by Tata Steel in presenting various risk for the organisation.

In addition to the same, there are processes in place to address risk as given below:

- Enterprise level risks are deliberated by senior management during Strategy formulation, Board meetings and during embarking into any new business.
- 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.

24. Internal Financial Control & Internal Audit

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 are 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.

G. INFORMATION TECHNOLOGY

In TMILL group, different business units manage the operational and customer requirement using the line of business application, which caters to the specific part of the logistic chain. Main ERP chosen for the company is SAP, which is being used in TMILL and TKM India. FY 18-19 SAP was migrated from on-premise infrastructure to Microsoft Cloud (Azure) and was upgraded to S/4HANA. FY 19-20 SAP has been upgraded to its latest 1909 version and rolled out to ISL.

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.

To make the IT infrastructure and application landscape of TMILL sustainable and compatible to the growth plan of the organisation, IT implementation based on IT Technology strategy and recommendation of business process reengineering (BPR) exercise has been initiated to capture all transactional data and integrate across various lines of businesses. This will help achieve one integrated IT system for the group to enhance cross functional synergies and efficiency. Also, modernisation of applications, to make them compatible to the cloud and enhancement of SAP to use the various features of S/4HANA is being implemented. SAP is also being rolled out for TKM Germany and TKM China.

H. 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, the union, the employees of the Company, and other business associates for their continued support.

For and on behalf of the Board of Directors

Dibyendu Bose
Chairman
DIN: 00282821

Kolkata
Date: 20/05/2020

Ashish Kumar Gupta
Managing Director
DIN: 07808012

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted the Tata Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted the Tata Code of Conduct for the Non-Executive Directors and Independent Director. The Code is available on the Company's website *www.tmilltd.com*

I confirm that the Company has in respect of the Financial Year ended March 31, 2020, received from Senior Management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Managing Director as on March 31, 2020.

Ashish Kumar Gupta
Managing Director
DIN: 07808012

Kolkata
20/05/2020

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 Rs.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.	N.A.	1 USD = INR 70.8238	1 EUR = INR 83.0496	1 RMB = INR 10.5786
4	Share capital	36.00	12.38	2.71	43.88
5	Reserves & surplus	253.40	2,661.23	1,853.38	(5.13)
6	Total assets	472.32	3,039.73	2095.40	69.41
7	Total Liabilities(including share capital & reserve)	472.32	3,039.73	2095.40	69.41
8	Investments	54.94	-	-	-
9	Turnover	750.79	4048.09	623.65	188.87
10	(Loss)/Profit before taxation	168.15	148.73	79.63	5.22
11	Provision for taxation	27.55	20.51	15.51	0.35
12	(Loss)/Profit after taxation	140.60	128.22	64.12	4.87
13	Proposed Dividend	-	-	156.39	-
14	% of shareholding	100%	100%	100% Shareholding of TKM Global Logistics Limited.	100% Shareholding of TKM Global Logistics Limited.

PART "B": Associates and Joint Ventures: The Company does not have any associates/Joint Ventures as on 31stMarch, 2020.

Annexure 2 to the Directors' Report

Annual Report on CSR Activities of the Company for the financial year ended 31stMarch, 2020

(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 *www.tmilltd.com*
2. Composition of CSR committee.		The CSR Committee comprises of the Managing Director of the Company along with 2(two) Non-Executive Directors, one of whom is an Independent Director. The Independent Director of the Company is the Chairman of the Committee. The names of the members of the CSR Committee as on 31stMarch, 2020 are as follows: **Mr. Virendra Sinha – Chairman, Mr. Sandeep Bhattacharya – Member and Mr. Ashish Kumar Gupta- Member.**
3. Average net profit of Company for last 3 financial years.		**Rs. 46,51,07,734/-**
4. Prescribed CSR expenditure (2% of the amount as in item 3 above)		**Rs. 93,02,155/-**
5. Details of CSR spent uring the financial year:	a) Total mount to be spent during the financial year	**Rs. 93.02 lakhs- As per Companies Act;** **Rs. 93.13 lakhs - As per budget.**
	a) Amount unspent, if any	**NIL**

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 (Budget) projects or programme wise (Rs. In Lakhs)	Amount spent on the projects of programmes Sub heads: 1. Direct expenditure on projects or 2. programmes Overheads (Rs. In Lakhs)	Cumulative expenditure up to the reporting period (Rs. In Lakhs)	Amount spent: Direct or through implementing agency (Rs. In Lakhs)
	1	Various projects including: - Khelaghar (Girls School & Hostel) -Installation of rooftop solar panels (2nd phase) to provide power to library, admin office, dormitory, vocational training centre and 5 nos. of street lights. - Don Bosco School- Vocational training of 60 under privileged youth. - Society for Indian Children's Welfare (SICW) - Schooling for 15 children fighting cancer including their nutritional support. - Society for Indian Children's Welfare (SICW) -Schooling 10 under privileged children for high school and college including their nutritional support. - Ramakrishna Mission- Early Education Program for 210 Children. - AAS Vidyalaya- Setting up of education café (instruments and interiors) facility for under privileged students. -CRY- support to 1000 children from 300 urban slums families are ensure re-enrolled in school.	Education and enhancing vocational skills	Badu district in West Bengal, Liluah- Howrah in West Bengal Kolkata in West Bengal Kolkata in West Bengal Kolkata in West Bengal Paradip in Odisha Jamshedpur in Jharkhand	33.91	32.68 Direct expenditure on projects	32.68	32.68 Through Implementing agency
	2	Sub Divisional Hospital Haldia (Lotus Industries) - Renovation of Labour Room & Baby Care	Infrastructure	Haldia in West Bengal	9.00	10.65 Direct Expenditure on projects	10.65	10.65 Direct
	3	Maa Kanteswari Sports Club - Promotion of livelihood, education, health and sports. Shree Satyanand Mahapeeth – Sponsorship for preserving national heritage.	Community	Sundergarh in Odisha, Kolkata in West Bengal	1.00	2.00 Direct Expenditure on projects	2.00	2.00 Through Implementing Agency
	4	-Child In Need Institute (CINI)- Adopt a Mother and child(34 nos. of mother and child) -CINI -Sanitation & Hygiene for 150 Girl children at Behala Balika Vidyapeetham, -IIT Kharagpur - Installation of Water purifier in a village. -Jagruti School - Equipment's for specially abled children. - Durgachak Hospital (Smart Services) -Installation of Water Purifier.	Health and Hygiene	Kolkata in West Bengal Kolkata in West Bengal Kharagpur in West Bengal Paradip in Odisha Haldia in West Bengal	25.00	29.50 Direct Expenditure on projects	29.50	29.50 Through Implementing Agency Direct

	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 (Budget) projects or programme wise (Rs. In Lakhs)	Amount spent on the projects of programmes Sub heads: 1. Direct expenditure on projects or 2. programmes Overheads (Rs. In Lakhs)	Cumulative expenditure up to the reporting period (Rs. In Lakhs)	Amount spent: Direct or through implementing agency (Rs. In Lakhs)
	5	Tamas Society –Training to 80 persons for Leather Goods making. Don Bosco - Installation of 20 nos. of Welding machine for training of underprivileged youth. Ramakrishna Mission- Computer training for 100 persons Ramakrishna Mission- Pisiculture training for 420 persons.	Skilling	Kolkata in West Bengal Liluah, Howrah, West Bengal Haldia in West Bengal Haldia in West Bengal	22.22	19.77 Direct Expenditure on projects	19.77	19.77 Through Implementing Agency
	6	-Fani Cyclone-Packaged drinking water bottles distributed in Odisha -SICW- Goody bags containing food articles, toy ball, and drawing materials for children. -Premdan Ashram - Walkers and Wheel Chairs distributed. -Distribution of wheel chairs and other medical equipment's to Haldia Sub-divisional Hospital. -Organised Magic show for children at CINI CSR Travel to different locations.	Contingency	2.00	Puri in Odisha Kolkata in West Bengal Kolkata in West Bengal Haldia in West Bengal Kolkata in West Bengal Kolkata, Haldia, IIT Kharagpur.	2.60 Direct Expenditure on projects 0.42 Programme overhead-CSR Admin Expenditure	2.60 0.42	2.60 Direct 0.42
		Total			**93.13**	**97.62**	**97.62**	**97.62**
6.6. Reasons for not spending the prescribed amount (in case the Company has failed to spend amount specified under item 4)	**Not Applicable.** An amount of Rs 4.49 lakhs has been spent over and above the budget.							

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

Kolkata, 20th May, 2020

Virendra Sinha
Chairman- CSR Committee

Ashish Kumar Gupta
Managing Director

Annexure 3 to the Directors' Report

Annexure 3 to the Directors' Report
Meeting of the Board of Directors FY 2019-20

Name of the Directors	Composition	No. of meetings held	No. of meetings attended
Mr. Dibyendu Bose**	Non Executive (Chairman)	7	3
Mr. Guenther Hahn	Non Executive	7	7
Ms. Stephanie Sabrina Hahn	Non Executive	7	4
Mr. Shinichi Yanagisawa	Non Executive	7	3
Captain Vivek Singh Anand	Non Executive	7	7
Mr. Virendra Sinha	Independent	7	6
Mr. Sandeep Bhattacharya	Non Executive	7	6
Mr. Rajiv Mukerji**	Non Executive	7	2
Mr. Amitabh Panda**	Non Executive	7	3
Mr. Ashish Kumar Gupta	Managing Director	7	7
Mr. Sandipan Chakravortty*	Non Executive (Chairman)	7	4
Mr. Dipak Kumar Banerjee*	Independent	7	2
Mr. Dinesh Shastri*	Non Executive	7	4
Mr. Peeyush Gupta*	Non Executive	7	4

Meeting of the Audit Committee

Name of the Directors	Composition	No. of meetings held	No. of meetings attended
Mr. Virendra Sinha	Independent (Chairman)	5	5
Mr. Guenther Hahn**	Non- Executive	5	2
Mr. Sandeep Bhattacharya	Non- Executive	5	5
Mr. Dipak Kumar Banerjee*	Independent (Chairman)	5	1
Mr. Dinesh Shastri*	Non- Executive	5	0

Meeting of the Nomination and Remuneration Committee

Name of the Directors	Composition	No. of meetings held	No. of meetings attended
Mr. Virendra Sinha**	Independent (Chairman)	2	0
Mr. Dibyendu Bose**	Non- Executive	2	0
Mr. Guenther Hahn	Non- Executive	2	2
Mr. Sandipan Chakravortty*	Non- Executive	2	2
Mr. Dipak Kumar Banerjee*	Independent (Chairman)	2	1

Meeting of the Corporate Social Responsibility Committee

Name of the Directors	Composition	No. of meetings held	No. of meetings attended
Mr. Virendra Sinha**	Independent (Chairman)	3	1
Mr. Ashish Kumar Gupta	Managing Director	3	3
Mr. Sandeep Bhattacharya**	Non Executive	3	1
Mr. Sandipan Chakravortty*	Non Executive (Chairman)	3	2
Mr. Dipak Kumar Banerjee*	Independent	3	1
Mr. Peeyush Gupta*	Non Executive	3	2

** Resigned from directorship during the year.*
*** Appointed in Board and/or Committee during the year.*

Annexure 4 to the Directors' Report

MGT -9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2020
[Pursuant to section 92(3) of the Companies Act, 2013 and rule12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	Corporate Identity Number (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- 700071. Tel: 91-33-22887051/22887102**
vi)	Whether listed company (Y/N)	:	**No**
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	**TSR Darashaw Limited 6-10 Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses road, Mahalaxmi, Mumbai- 400011. Contact Person- Mr. Shehnaz Billimoria Email ID- Sr.Billimoria@tsrdarashaw.com**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl No.	Name & Description of main Services	NIC Code of the Product/ service	% to total turnover of the company
1	Port Operations	5222	50.73%
2.	SFTO	49120	49.27%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. N0	NAME	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 Ltd.	-NA-	Subsidiary 100% Shareholding of TKM Global Logistics Limited.	100	2(87)
5.	TKM Global GMBH, Germany	-NA-	Subsidiary 100% Shareholding of TKM Global Logistics Limited.	100	2(87)

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

i) Category-wise Shareholding

Category of	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% 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) Bodies Corp.	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									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt.									
d) State Govt.(s)									
e) Venture Capital Funds			NIL				NIL		
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-Total(B)(1):			**NIL**				**NIL**		
2.Non- Institutions									
a) BodiesCorp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital uptoRs.1 lakh			**NIL**				**NIL**		
ii)Individual shareholders holding nominal share capital in excess of Rs1 lakh									
c) Others(specify)									
Sub-Total(B)(2):			**NIL**				**NIL**		
Total Public Shareholding(B)=(B)(1)+ (B)(2)			**NIL**				**NIL**		

Category of	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.Non- Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital uptoRs.1 lakh			NIL				NIL		
ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh									
c) Others(specify)									
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			
		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	% change in share holding during the year
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 Ltd.)	1	0.00	NIL	1	0.00	NIL	NIL
5.	Mr. Jayanta Chakraborty (Jointly with Tata Steel Ltd.)	1	0.00	NIL	1	0.00	NIL	NIL
6.	Mr. Chacko Joseph (Jointly with Tata Steel Ltd.)	1	0.00	NIL	1	0.00	NIL	NIL
7.	Mr. Sumit Shubhdarshan (Jointly with Tata Steel Ltd.)	1	0.00	NIL	1	0.00	NIL	NIL
8.	Mr. Dhamrendra Kumar (Jointly with Tata Steel Ltd.)	1	0.00	NIL	1	0.00	NIL	NIL
9.	Mr. R. Ranganath (Jointly with Tata Steel Ltd.)	1	0.00	NIL	1	0.00	NIL	NIL
10.	Mr. N. S. Raghu (Jointly with Tata Steel Ltd.)	1	0.00	NIL	1	0.00	NIL	NIL
11.	Mr. Peeyush Gupta (Jointly with Tata Steel Ltd.)	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

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

Sl. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	**18000000**	**100**	**18000000**	**100**
	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**	**18000000**	**100**

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

Sl. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top10 Shareholders	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	Particulars	Shareholding at the Beginning of the year		Cumulative Shareholding During the year	
	For Each of the Directors and KMP	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 Rs.)	Deposits (In Rs.)	Total Indebtedness (In Rs.)
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not	NIL	NIL	NIL	NIL
Total (i+ii+iii)				
Change in Indebtedness during the financial year • Addition • Reduction	NIL	NIL	NIL	NIL
Net Change				
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in Rs.)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/Manager
		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 (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	93,11,757/- 41,498/-
2.	Stock Option	
3.	Sweat Equity	
4.	Commission - as % of profit - others, specify…	
5.	Others, please specify -PF, SAF, LTA -Performance Bonus (Paid in FY 19-20)	11,16,888/- 54,90,360/-
	Total (A)	1,59,60,503/-

B. Remuneration to other directors: (Amount in Rs.)

Particulars of Remuneration	Mr. Sandipan Chakravortty*	Mr. Dipak Banerjee*	Mr. Virendra Sinha	Ms. Stephanie Hahn	Mr. Guenther Hahn	Mr. Shinichi Yanagisawa	Captain Vivek Singh Anand	Total
1. Independent Directors • Fee for attending board / committee meetings/ Independent Director Meeting		1,00,000	2,40,000					3,40,000
• Commission		1,39,900	2,79,800					4,19,700
Total (1)		**2,39,900**	**5,19,800**					**7,59,700**
2. Other Non-Executive Directors • Fee for attending board / committee meetings	1,60,000			80,000	2,20,000	60,000	1,40,000	6,60,000
• Commission	2,30,500			65,800	2,22,200	49,400	1,15,200	6,83,100
Total (2)	3,90,500			1,45,800	4,42,200	1,09,400	2,55,200	13,43,100
Total (B)=(1+2)	**3,90,500**	**2,39,900**	**5,19,800**	**1,45,800**	**4,42,200**	**1,09,400**	**2,55,200**	**21,02,800**
Total Managerial Remuneration								
Overall Ceiling as per the Act								

Commission for the FY 19-20 to be in FY 20-21.

** Resigned during the year.*

*** In line with the guidelines of the Company, no payment is made towards sitting fees and commission to the Non-Executive Directors of the Company, who are in full time employment with any other Tata Company.*

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Amount in Rs.)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel (Mr. Anand Chand, CFO)	Key Managerial Personnel (Ms. Jyoti Purohit, CS)
		Total	Total
1.	Gross salary (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	43,58,257/- 1,22,722/-	19,59,751/- 11,500/-
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify.		
5.	Others, please specify - PF, SAF, LTA - Performance bonus (Paid in FY 19-20)	6,32,332/- 21,10,000/-	81,936/- 3,55,000/-
	Total	72,23,311/-	24,08,187/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no Penalties/punishments/compounding of offences for the year ended 31st March, 2020.

Annexure 5 to the Directors' Report

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

TM International Logistics Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TM International Logistics Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of TM International Logistics Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made there under;

(ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under relating Foreign Direct Investment. The company did not have any External Commercial Borrowings or Overseas Direct Investment during the financial year.

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

The Laws mentioned at no. (iii) and (iv) above were applicable to the extent of obtaining ISIN for dematerialisation of shares and tripartite agreement by the Company with the Depository and Registrar & Share Transfer Agent for admitting the equity shares for dematerialization only. Other rules, regulations and bye-laws were not applicable.

(v) Following other law, as identified and confirmed by the management, as specifically applicable to the Company:

- The Contract Labour (Regulation & Abolition) Act, 1970;

We have also examined compliance with the applicable clauses of Secretarial Standards issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

The Company complies with statutory Tax Audit requirement under section 44AB of the Income Tax Act, 1961 which is done by Tax Auditors and GST Audit requirement under respective State GST / CGST / IGST Laws by GST Auditors, wherever applicable. So we have not reviewed compliance of applicable Income Tax Laws / respective State GST / CGST / SGST Laws to the Company.

The management has made written representation and we have also checked that the Company being an unlisted Public Limited Company the following Acts, Regulations, Guidelines, Agreements etc. as specified in the prescribed MR-3 Form were not applicable to the Company:

(i) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;

(ii) Listing Agreements with Stock Exchanges read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines etc. mentioned above and has generally adhered to the secretarial standards.

We further report that:

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

With effect from 05th July, 2017 pursuant to the provisions of Rule 4(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 the company being an unlisted public company having joint venture agreement, is not required to have any independent director. However, as on the financial year-end date, the company is having only one Independent Director. Since the Company was not covered by Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 it was not required to constitute an 'Audit Committee' and a 'Nomination and Remuneration Committee' pursuant to the provisions of Sections 177/178 of the Act. *The year-end composition of 'Audit Committee' and a 'Nomination and Remuneration Committee' were not in accordance with Sections 177(1)/178(1) of the Act. Since there was only one Independent Director, separate meeting of Independent Director without the attendance of non-independent directors and members of management was not possible and as such the Company and the independent director did not abide by the provisions specified in Para VII of Schedule IV read with Section 149(8) of the Act.*

(b) Adequate notice was given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance *[except in case of Board Meeting held on 04.03.2020]* and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the financial year the Company has implemented the DESS Digital Meetings Application through which notice, agenda with detailed notes on agenda were also uploaded. Access to such application were provided to all the Directors and invitees for Board Meetings.

(c) Majority decision is carried through while the dissenting members views are captured and recorded as part of the Minutes. There has not been any dissent among the directors on any matter dealt with by the Board during the financial year.

We further report that based on review of compliance mechanism established by the Company and on the basis of the quarterly statutory compliance reports of Managing Director and declarations / certifications by CFO and other operational heads as circulated amongst the Directors and taken on record by the Board of Directors at their meeting(s), *and subject to our observations above,* there are adequate systems and processes in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We have been informed that the Company has appropriately responded to notices for demands, claims, dues, fines, penalties etc. received from various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

We further report that there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Place: Kolkata

Dated: 20.05.2020

For D. DUTT & CO.
Company Secretaries
UNIQUE CODE NUMBER: I2001WB209400

(DEBABRATA DUTT)
Proprietor
FCS-5401
C.P. No.-3824
UDIN No. ....

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

Annexure – A

To
The Members,
TM International Logistics Limited

Our Secretarial Audit Report for the financial year ended 31st March, 2020 of even date is to be read along with this letter.

Management's Responsibility:

1. It is the responsibility of the management of the Company to maintain proper secretarial records, devise proper systems to endure compliance with the provisions of all Corporate and other applicable laws, rules, regulations, standards and also to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances based on our audit.

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.

4. We believe that the audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide us a basis of our opinion.

Disclaimer:

5. We have not verified the correctness and appropriateness of financial records, compliances under applicable tax laws and books of accounts of the company.

6. Wherever required, we have obtained the management representation about the compliance of laws, rules, regulations, guidelines, standards and happening of events etc.

7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Kolkata

For D. DUTT & CO.
Company Secretaries
UNIQUE CODE NUMBER: I2001WB209400

Date: 20.05.2020

(DEBABRATA DUTT)
Proprietor
FCS-5401
C.P. No.-3824
UDIN No. ....

TM INTERNATIONAL LOGISTICS LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of TM International Logistics Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of TM International Logistics Limited CUlhe Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("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, 2020, and total comprehensive income (comprising of profit and other comprehensive income), its changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

4. We draw your attention to Note 40 to the Standalone Financial Statements, which describes the management's assessment of the impact of the outbreak of Corona\;rus (Co\;d 19) on the business operations of the Company. The management believes that no adjustments are required in the Standalone Financial Statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) a nd highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Other Informationr

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

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

7. In connection \o\'ith our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone 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 Standalone Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance \o\ith the accounting principles generally accepted in India, including the Accounting Standards specified 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 Financial Statements that give a true and fair iew and are free from material misstatement, whether due to fraud or error.

9. In preparing the Standalone 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. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that issufficient 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 lo design audit procedures that are appropriate m the circumstances. Under Section t43(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability lo 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 Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions arebased on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the a udit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government oflndia in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. 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 exa mination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement "'ith the books of account.

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting tandards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section t64(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiYeness of such controls, refer to our separate Report in Annexure A.

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

i. The Company has disclosed the impact of pending litigations as on March 31, 2020 on its financial position in its Standalone Financial Statements - Refer Note 34 to the Standalone Financial Statements.

ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Compa ny did not have any derivative contracts as at March 31, 2020.

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, 2020.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

16. 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.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

Dhiraj Kumar
Partner
Membership Number: 060466

Place: Hyderabad
Date: May 20, 2020

TM INTERNATIONAL LOGISTICS LIMITED

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 15(0 of the Independent Auditors' Report of even date to the members of TM International Logistics Limited on the Standalone Financial Statements as of and for the year ended March 31, 2020

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143of the Act

1. We have audited the internal financial controls with reference to Standalone Financial Statements of TM International Logistics Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 includethedesign,implementationandmaintenanceofadequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguardi ng 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 with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit oflnternal 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 TCAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures lo obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls ith reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statemehts, whether due to fraud or error.

5. We believe that the audit e\idence we have obtained is sufficient and appropriate to pro\ide a basis for our audit opinion on the Company's internal fi nancial controls system with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls 1th reference to financial statements is a process designed to pro\ide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles . A company's internal financial controls with reference to financial statements includes those policies and procedures that (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'sassets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 20, 2020, 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. Also refer paragraph 4 of the main audit report. Also refer paragraph 4 of the main audit report.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

Dhiraj Kumar
Partner
Membership Number: 060466

Place: Hyderabad
Date: May 20, 2020

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of TM International Logistics Limited on the Standalone Financial Statements as of and for the year ended March 31, 2020

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 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 granted unsecured loans, to one company covered in the register maintained under Section 189 of the Act.

(a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of i nterest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(c) In respect of the aforesaid loans, 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 Sections 185 and 186. Therefore, the pro\ isions 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 rE!'iewed the same, and are of the opinion that, prima facie, the prescribed accounts and records hav.! been made and maintained. We have not, however, made a detailed exa.nination 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 exami ned by us, in our opinion, the Company is generally regular in depositing the 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, Yalue added tax, cess, goods and sef\ices tax and other material statutory dues, as applicable, "'ith the appropriate authorities. Further, for the period March 1, 2020 to March 31, 2020, the Company has paid Goods and Services Tax and filed Form GSTR-3B after the due date but within the timelines allowed by Central Board of Indirect Taxes and Customs under the Notification No. 31/2020 dated April 3, 2020 on fulfilment of conditions specified therein.

(b) (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues ofsales tax, duty of excise, value added tax and goods andservices tax as at March 31, 2020, 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, 2020 which have not been deposited on account of a dispute,are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	705.96	FY 2001-02 to FY 2005-06	High Court of Odisha
		85.28	FY 2004-05 to FY 2007-08	Customs, Excise & Service Tax Appellate Tribunal
		16.86	FY 2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	21.55	FY 2009-10	Commissioner of Income Tax (Appeals)
		51.88	FY 2010-11	Commissioner of Income Tax (Appeals)
		14.48	FY 2015-16	Commissioner of Income Tax (Appeals)
		35.10	FY2016-17	Commissioner of Income Tax (Appeals)
Customs Act, 1962	Customs Duty	23.13	FY 2005-06	Customs, Excise & Service Tax Appellate Tribunal

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.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of TKM Global Logistics Limited on the Financial Statements for the year ended March 31, 2019

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 accorda rice with the generally accepted auditing practices in f ndia, and according to the information and explanations given to us, we have neither come across any insance 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/ prO\.ided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 16 of our main audit report.

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 188of the Act. The details of such related party transactions have been disclosed in the Standalone 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 direct.ors 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

Dhiraj Kumar
Partner
Membership Number: 060466

Place: Hyderabad
Date: May 20, 2020

Standalone **Balance Sheet** as at 31 March, 2020

₹ in Lakhs

	Particulars	Note	As at 31st March 2020	As at 31st March 2019
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	4	2,172.58	2,872.29
	(b) Intangible Assets	5	3,982.10	3,828.53
	(c) Right-of-use Assets	6	22,263.61	-
	(d) Capital Work-in-Progress		136.40	-
	(e) Intangible Assets under Development		121.50	390.07
	(f) Financial assets			
	(i) Investments	7	639.57	639.57
	(ii) Loans	8	453.38	458.13
	(iii) Other Financial Assets	9	367.70	83.16
	(g) Non-current Tax Asset (Net)	10	1,295.19	556.08
	(h) Deferred Tax Assets (Net)	46	1,144.32	1,181.19
	(i) Other Non-current Assets	11	92.36	272.98
	Total Non-current Assets		**32,668.71**	**10,282.00**
(2)	**Current Assets**			
	(a) Inventories	12	145.37	121.17
	(b) Financial Assets			
	(i) Investments	13	-	100.10
	(ii) Trade Receivables	14	14,413.51	15,817.06
	(iii) Cash and Cash Equivalents	15	933.12	639.75
	(iv) Other Bank Balances	16	8,240.88	8,594.34
	(v) Loans	17	384.09	452.06
	(vi) Other Financial Assets	18	297.96	237.73
	(c) Other Current Assets	19	6,949.95	8,265.97
	Total Current Assets		**31,364.88**	**34,228.18**
	Total Assets		**64,033.59**	**44,510.18**
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	20	1,800.00	1,800.00
	(b) Other Equity	21	19,599.75	18,071.82
	Total Equity		**21,399.75**	**19,871.82**
	LIABILITIES			
	(1) Non-Current Liabilities			
	(a) Financial Liabilities			
	Other Financial Liabilities	22	16,087.52	20.14
	(b) Provisions	**23**	2,933.10	2,550.86
	Total Non-current Liabilities		**19,020.62**	**2,571.00**
	(2) Current Liabilities			
	(a) Financial Liabilities			
	(i) Trade Payables	24		
	(a) Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
	(b) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		7,870.62	7,014.49
	(ii) Other Financial Liabilities	25	6,521.87	34.90
	(b) Provisions	26	555.57	531.87
	(c) Other Current Liabilities	27	8,665.16	14,486.10
	Total Current Liabilities		**23,613.22**	**22,067.36**
	Total Liabilities		**42,633.84**	**24,638.36**
	Total Equity and Liabilities		**64,033.59**	**44,510.18**

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

Dhiraj Kumar
Partner
Membership Number: 060466

Ashish Kr Gupta
Managing Director
DIN: 07808012

Dibyendu Bose
Chairman
DIN: 00282821

Place: Hyderabad
Date: May 20, 2020

Place: Kolkata
Date: May 20, 2020

Jyoti Purohit
Company Secretary

Anand Chand
Chief Financial Officer

Standalone **Statement of Profit and Loss** for the year ended 31 March, 2020

₹ in Lakhs

	Particulars	Note	For the Year ended 31st March 2020	For the Year ended 31st March 2019
I.	**Revenue from Operations**	**28**	**48,463.02**	**37,441.47**
II.	**Other Income**	29	2,750.39	2,225.23
III.	**Total Income (I +II)**		51,213.41	39,666.70
IV.	**Expenses**			
	Operational Expenses	30	34,482.28	25,522.47
	Employee Benefits Expense	31	3,673.93	3,075.04
	Finance Costs	32	1,242.88	134.39
	Depreciation and Amortization Expense	4, 5 & 6	4,152.89	585.97
	Other Expenses	33	4,054.83	5,080.52
	Total Expenses		**47,606.81**	**34,398.39**
V.	**Profit Before Tax (III-IV)**		3,606.60	5,268.31
VI.	**Income Tax Expense**		758.44	1,394.72
	(1) Current Tax		736.75	1,277.84
	(2) Tax Relating to Earlier Years		(15.18)	(12.11)
	(3) Deferred tax	46	36.87	128.99
VII.	**Profit for the Year (V-VI)**		**2,848.16**	**3,873.59**
VIII	**Other Comprehensive Income**			
	Items that will not be Reclassified to Profit or Loss			
	(1) Remeasurements of the Post Employment Defined Benefit Obligations		(80.49)	16.72
	(2) Income Tax on Above		20.26	(4.87)
IX.	**Total Comprehensive Income for the Year (VII+VIII)**		**2,787.93**	**3,885.44**
X.	**Earning per Equity Share**	41		
	(1) Basic		15.82	21.52
	(2) Diluted		15.82	21.52

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

For and on behalf of the Board of Directors

Dhiraj Kumar
Partner
Membership Number: 060466

Ashish Kr Gupta
Managing Director
DIN: 07808012

Dibyendu Bose
Chairman
DIN: 00282821

Place: Hyderabad
Date: May 20, 2020

Place: Kolkata
Date: May 20, 2020

Jyoti Purohit
Company Secretary

Anand Chand
Chief Financial Officer

Standalone **Statement of Changes in Equity** for the year ended 31 March, 2020

₹ in Lakhs

A. Equity Share Capital (Refer Note 20)	₹ in Lakhs
Balance as at 1st April 2018	**1,800.00**
Changes in Equity Share Capital during the Year	-
Balance as at 31st March 2019	1,800.00
Changes in Equity Share Capital during the Year	-
Balance as at 31st March 2020	1,800.00

₹ in Lakhs

B. Other Equity (Refer Note 21)	Other Equity		
	General Reserves	Retained Earnings	Total
Balance as at 1st April 2018	7,716.76	7,279.62	14,996.38
Profit for the Year	-	3,873.59	3,873.59
Other Comprehensive Income for the Year	-	11.85	11.85
Final Dividend on Equity Shares for FY 17-18	-	(810.00)	(810.00)
Balance as at 31st March 2019	**7,716.76**	**10,355.06**	**18,071.82**
Balance as at 1st April 2019	**7,716.76**	**10,355.06**	**18,071.82**
Profit for the Year	-	2,848.16	2,848.16
Other Comprehensive Income for the Year	-	(60.23)	(60.23)
Final Dividend on Equity Shares for FY 18-19	-	(1,260.00)	(1,260.00)
Balance as at 31st March 2020	**7,716.76**	**11,882.99**	**19,599.75**

The accompanying Notes form an integral part of the Standalone Statement of Changes 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

For and on behalf of the Board of Directors

Dhiraj Kumar
Partner
Membership Number: 060466

Ashish Kr Gupta
Managing Director
DIN: 07808012

Dibyendu Bose
Chairman
DIN: 00282821

Place: Hyderabad
Date: May 20, 2020

Place: Kolkata
Date: May 20, 2020

Jyoti Purohit
Company Secretary

Anand Chand
Chief Financial Officer

Standalone **Statement of Cash Flows** for the year ended 31 March, 2020

₹ in Lakhs

	Particulars	Note	For the Year ended 31st March 2020	For the Year ended 31st March 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit Before Tax		3,606.60	5,268.31
	Adjustments for:			
	Depreciation / Amortisation Expenses		4,152.89	585.97
	Liabilities no Longer Required Written Back	29	(596.05)	(118.19)
	Bad debts written off	33	4.77	11.54
	Unwinding of Discount - Leases	32	1,205.89	-
	(Gain)/ Loss on Disposal of Property, Plant & Equipment (Net)	29	(1.53)	(6.03)
	Profit on Sale of Investments	29	(52.43)	(34.50)
	Interest Income	29	(733.06)	(831.38)
	Dividend Income from Mutual Funds	29	(9.33)	(7.37)
	Dividend Income from Subsidiary	29	(1,260.00)	(1,032.44)
	Operating Profit before Changes in Operating Assets and Liabilities		**6,317.75**	**3,835.91**
	Changes in Operating Assets and Liabilities		-	-
	(Increase)/ Decrease in Trade Receivables		1,398.78	(7,455.83)
	(Increase)/ Decrease in Financial Assets		(106.37)	(22.33)
	(Increase)/ Decrease in Loans		(45.27)	22.85
	(Increase)/ Decrease in Other Assets		1,322.36	(4,556.12)
	(Increase)/ Decrease in Inventories		(24.21)	22.73
	Increase/ (Decrease) in Trade Payables		1,452.16	2,578.16
	Increase/ (Decrease) in Financial Liabilities		(7.57)	(9.23)
	Increase/ (Decrease) in Other Liabilities		(5,820.94)	4,971.43
	Increase/ (Decrease) in Provisions		325.45	17.23
	Cash Generated from Operations		4,812.14	(595.20)
	Direct Taxes Paid (Net of Refund)		(1,440.42)	(1,142.77)
	Net Cash used in Operating Activities		**3,371.72**	**(1,737.97)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Payment for Acquisition/Construction of Property, Plant & Equipment		(900.36)	(1,197.84)
	Proceeds from Disposal of Property, Plant & Equipment		942.62	7.59
	Proceeds from Maturity of Deposits with Banks		38,046.44	33,577.86
	Payments for Placing of Deposits with Banks		(37,966.23)	(33,011.29)
	Loan to Subsidiary- TKM Global Logistics Limited		(370.00)	(870.00)
	Repayment of Loan by Subsidiary- TKM Global Logistics Limited		488.00	548.00
	Sale of Investments in Mutual Funds		25,311.92	26,761.04
	Purchase of Investments In Mutual Funds		(25,150.05)	(26,200.00)
	Dividend from Subsidiary		1,260.00	1,032.44
	Interest Received		767.90	777.93
	Dividend Income from Mutual Funds		-	7.37
	Net Cash from Investing Activities		**2,430.24**	**1,433.10**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Principal Elements of Lease Payments		(3,042.70)	-
	Interest Elements of Lease Payments		(1,205.89)	-
	Dividend Paid		(1,260.00)	(810.00)
	Net Cash used in Financing Activities		**(5,508.59)**	**(810.00)**
	Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C)		293.37	(1,114.87)
	Cash and Cash Equivalents at the Beginning of the Year	15	639.75	1,754.62
	Cash and Cash Equivalents at the End of the Year	15	933.12	639.75

Note
The above Standalone 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 Standalone Cash Flow Statement

This is the Standalone Cash Flow Statement 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

Dhiraj Kumar
Partner
Membership Number: 060466

Ashish Kr Gupta
Managing Director
DIN: 07808012

Dibyendu Bose
Chairman
DIN: 00282821

Place: Hyderabad
Date: May 20, 2020

Place: Kolkata
Date: May 20, 2020

Jyoti Purohit
Company Secretary

Anand Chand
Chief Financial Officer

Notes forming part of the Standalone Financial Statements

for the year ended 31 March, 2020

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 functional and presentation currency of the Company is Indian Rupee (Rs.) which is the currency of the primary economic environment in which the Company operates.

The Standalone Financial Statements were approved and authorised for issue with the resolution of the Company's Board of Directors on May 20, 2020.

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 period 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 as an expense in the Statement of Profit and Loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognised.

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.

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 or losses on disposals are determined as difference between sale proceeds and carrying value of such items and are recognised in the Statement of Profit and 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 recognised 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 difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of Profit and Loss.

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 so that the increased carrying amount does not exceed the carrying value 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 in the Statement of Profit and Loss immediately.

2.5 Leases

As a Lessee

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing and make adjustments specific to the lease e.g. term, country, etc.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of building are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As a Lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

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 the Statement of Profit and 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 or losses is recorded in either the profit or 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 recognised as expense in the Statement of Profit and 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 within '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 neither has transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised 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 are subsequently measured at amortised cost using the effective interest method where the time value of money is significant.

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 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 compensated absences which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are considered as other long-term employee benefits. They are therefore measured 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 the Statement of Profit and Loss.

The obligations are presented under 'Provision for Employee Benefits' within 'Provisions' in the Balance Sheet and portion of such provisions is presented as current 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 amounts 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 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 substantively 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 from contracts with customers are recognised when services promised in the contract are transferred to the customer. The amount of revenue recognised depicts the transfer of promised services to customers for an amount that reflects the consideration to which the Company is entitled to in exchange for the services rendered.

Sale of Services and Other Operating Revenue

Revenue from sale of services and other operating revenue are recognised when services are transferred to the customer i.e. when the Company satisfies the performance obligation with respect to the services being rendered, risk of loss have been transferred to the customer and either the customer has accepted the services in accordance with the contract or the acceptance provisions have elapsed or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from sale of services are recognised based on the price specified in the contract, which is fixed. No element of financing is deemed present as the sales are made against the receipt of advance or with an agreed credit period, which is consistent with the market practices. A receivable is recognised when the services are transferred, as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Interest Income

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

Dividend Income

Dividend is recognised as other income in the Statement of Profit and 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. Exchange differences arising from settlement of foreign currency transactions and from year-end restatement are recognised 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 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 translated. 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.

The areas involving critical estimates or judgements are:

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, Plant 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.

NOTE 4 AND 5: PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Net Carrying Amount of :		
Note 4- Property, Plant and Equipment		
Buildings	358.13	1,226.53
Plant and Equipments	1,486.19	1,309.10
Furniture and Fixtures	106.08	124.34
Vehicles	148.62	128.72
Office Equipments	73.56	83.60
Total Property, Plant and Equipment	**2,172.58**	**2,872.29**
Note 5- Intangible Assets		
Softwares	121.10	143.74
Special Freight Train Operator License	852.47	902.47
Operational Rights under Service Concession Agreement Berth# 13- Haldia Port	3,008.53	2,782.32
Total Intangible Assets	**3,982.10**	**3,828.53**

	Note 4						Note 5			
	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total Property, Plant and Equipment	Softwares	Special Freight Train Operator License	Operational Rights under Service Concession Agreement Berth# 13- Haldia Port	Total Intangible Assets
Gross Carrying Amount as at 1st April 2019	1,301.94	1,687.09	202.75	252.25	218.83	3,662.86	239.58	1,000.00	3,649.26	4,888.84
Additions	11.31	353.48	88.38	78.78	33.66	565.61	18.40	-	448.54	466.94
Disposals	927.18	-	153.46	68.92	126.74	1,276.30	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Gross Carrying Amount as at 31st March, 2020	**386.07**	**2,040.57**	**137.67**	**262.11**	**125.75**	**2,952.17**	**257.98**	**1,000.00**	**4,097.80**	5,355.78
Accumulated Depreciation/ Amortisation as at 1st April 2019	75.41	377.99	78.41	123.53	135.23	790.57	95.84	97.53	866.94	1,060.31
Charge for the Year	28.18	176.39	28.21	49.37	42.07	324.22	41.04	50.00	222.33	313.37
Disposals	75.65	-	75.03	59.41	125.11	335.20	-	-	-	-
Accumulated Depreciation/ Amortisation as at 31st March, 2020	**27.94**	**554.38**	**31.59**	**113.49**	**52.19**	**779.59**	**136.88**	**147.53**	**1,089.27**	**1,373.68**
Net Carrying Amount at the Beginning of the Year	**1,226.53**	**1,309.10**	**124.34**	**128.72**	**83.60**	**2,872.29**	**143.74**	**902.47**	**2,782.32**	**3,828.53**
Net Carrying Amount at the End of the Year	**358.13**	**1,486.19**	**106.08**	**148.62**	**73.56**	**2,172.58**	**121.10**	**852.47**	**3,008.53**	**3,982.10**

	Note 4						Note 5			
	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total Property, Plant and Equipment	Softwares	Special Freight Train Operator License	Operational Rights under Service Concession Agreement Berth# 13- Haldia Port	Total Intangible Assets
Gross Carrying Amount as at 1st April, 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
Additions	256.10	573.52	10.21	61.18	43.15	944.16	104.34	-	-	104.34
Disposals	-	13.44	2.15	31.39	19.06	66.04	-	-	-	-
Gross Carrying Amount as at 31st March 2019	**1,301.94**	**1,687.09**	**202.75**	**252.25**	**218.83**	**3,662.86**	**239.58**	**1,000.00**	**3,649.26**	**4,888.84**
Accumulated Depreciation/ Amortisation as at 1st April 2018	47.49	249.73	60.46	97.79	109.83	565.30	69.30	47.53	647.26	764.09
Charge for the Year	27.92	141.70	20.10	57.13	42.90	289.75	26.54	50.00	219.68	296.22
Disposals	-	13.44	2.15	31.39	17.50	64.48	-	-	-	-
Accumulated Depreciation/ Amortisation as at 31st March 2019	**75.41**	**377.99**	**78.41**	**123.53**	**135.23**	**790.57**	**95.84**	**97.53**	**866.94**	**1,060.31**
Net Carrying Amount at the Beginning 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**
Net Carrying Amount at the End of the Year	**1,226.53**	**1,309.10**	**124.34**	**128.72**	**83.60**	**2,872.29**	**143.74**	**902.47**	**2,782.32**	**3,828.53**

Note 1 : Aggregate amount of depreciation and amortisation expense has been included under "Depreciation and Amortisation Expenses" in the Standalone Statement of Profit and Loss.
Note 2 : Title deeds of immovable property is held in the name of the Company

₹ in Lakhs

6 : RIGHT OF USE ASSETS	As at 31st March 2020	As at 1st April 2019
Net Carrying Amount of :		
Note 6- Right of Use Assets		
Land & Buildings	1,952.62	1,070.32
Railway Rakes	20,310.99	6,106.64
Total Right of Use Assets	**22,263.61**	**7,176.96**

₹ in Lakhs

	Land & Buildings	Railway Rakes	Total Right of Use Assets
Gross Carrying Amount as at 1st April 2019 (on account of adoption of Ind AS 116)	1,070.32	6,106.64	7,176.96
Additions	1,264.48	17,337.47	18,601.95
Transfers	-	-	-
Gross Carrying Amount as at 31st March, 2020	**2,334.80**	**23,444.11**	25,778.91
Accumulated Depreciation as at 1st April 2019	-	-	-
Charge for the Year	382.18	3,133.12	3,515.30
Accumulated Depreciation as at 31st March, 2020	**382.18**	**3,133.12**	**3,515.30**
Net Carrying Amount at the Beginning of the Year	**1,070.32**	**6,106.64**	**7,176.96**
Net Carrying Amount at the End of the Year	**1,952.62**	**20,310.99**	**22,263.61**

₹ in Lakhs

7. INVESTMENTS - NON CURRENT	As at 31st March 2020	As at 31st March 2019
Investment Carried at Cost		
Investments in Equity Instruments of Subsidiary Companies (Unquoted)		
International Shipping Logistics FZE, Dubai	123.82	123.82
1 Share of 10,00,000 AED each, fully paid up		
[31st March 2019: 1 Share of 10,00,000 AED each, fully paid up]		
TKM Global Logistics Limited	515.75	515.75
36,00,000 Shares of ₹ 10 each, fully paid up		
[31st March 2019: 36,00,000 Shares of ₹ 10 each, fully paid up]		
	639.57	639.57
Aggregate value of Unquoted Investments	**639.57**	**639.57**

₹ in Lakhs

8. LOANS- NON CURRENT	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered Good		
Loan to Related Party	40.00	88.00
- Subsidiary -TKM Global Logistics Limited		
Security Deposits #	342.61	290.75
Loan to Employees	70.77	79.38
	453.38	458.13
# Includes Dues from Related Parties (Refer Note 51)	**57.43**	**52.88**

₹ in Lakhs

9. OTHER FINANCIAL ASSETS- NON CURRENT	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered Good		
Fixed Deposits with Banks (with Maturity of More Than 12 Months) * #	354.01	80.76
Interest Accrued on Deposits #	13.69	2.40
	367.70	**83.16**
* Earmarked Amount	354.01	18.00
# Financial Assets carried at Amortised Cost		

₹ in Lakhs

10. NON CURRENT TAX ASSETS (NET)	As at 31st March 2020	As at 31st March 2019
Advance Payment of Taxes	1,295.19	556.08
[Net of Provision for Tax: ₹ 8,331.20 Lakhs (31st March 2019: ₹ 7,614.71 Lakhs)]		
	1,295.19	**556.08**

₹ in Lakhs

11. OTHER NON CURRENT ASSETS	As at 31st March 2020	As at 31st March 2019
Capital Advances	-	69.20
Prepaid Expenses#	92.36	203.78
	92.36	**272.98**
# Include Dues from Related Parties (Refer Note 501	6.46	11.30

₹ in Lakhs

12. INVENTORIES- CURRENT	As at 31st March 2020	As at 31st March 2019
At Lower of Cost and Net Realisable Value		
Stores and Spares	145.37	121.17
	145.37	**121.17**

₹ in Lakhs

13. INVESTMENTS- CURRENT	As at 31st March 2020	As at 31st March 2019
Investments Carried at Fair Value through Profit or Loss		
Investments in Mutual Funds (Unquoted)		
In units of ₹ 1,000/- each		
Tata Liquid Fund Direct Plan-Daily Dividend Reinvestment (Formerly known as Tata Money Market Fund-Direct Plan-Daily Dividend Reinvestment)		100.10
Nil (31st March 2019: 9,994.39) Units		
	-	100.10
Aggregate Value of Unquoted Investments	**-**	**100.10**

₹ in Lakhs

14. TRADE RECEIVABLES- CURRENT	As at 31st March 2020	As at 31st March 2019
Trade Receivable Considered Good - Unsecured #	14,413.51	15,817.06
	14,413.51	15,817.06
# Include Dues from Related Parties (Refer Note 51)	**13,259.63**	**14,843.13**

₹ in Lakhs

15. CASH AND CASH EQUIVALENTS	As at 31st March 2020	As at 31st March 2019
Cash on Hand	0.65	0.15
Cheques, Drafts on Hand	59.35	-
Balances with Banks		
In Current Account	873.12	639.60
	933.12	**639.75**

₹ in Lakhs

16. OTHER BANK BALANCES	As at 31st March 2020	As at 31st March 2019
Fixed Deposits with Banks*	8,240.88	8,594.34
	8,240.88	8,594.34
* Earmarked Amount	**1,819.68**	**1,780.14**

₹ in Lakhs

17. LOANS- CURRENT	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered Good		
Loan to Related Party	348.00	418.00
- Subsidiary - TKM Global Logistics Limited		
Security Deposits	15.30	13.57
Loan to Employees	20.79	20.49
	384.09	**452.06**

₹ in Lakhs

18. OTHER FINANCIAL ASSETS- CURRENT	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered Good		
Accrued Interest on Deposits	169.26	215.40
Contract Assets	128.70	22.33
	297.96	**237.73**

₹ in Lakhs

19. OTHER CURRENT ASSETS	As at 31st March 2020	As at 31st March 2019
Balance with Government Authorities @	207.10	86.81
Prepaid Expenses #	312.46	257.68
Advance to Employees	6.32	5.30
Advance to Supplier/Service Providers #	6,424.07	7,916.18
	6,949.95	**8,265.97**
# Includes Dues from Related Parties (Refer Note 51)	**24.70**	**15.21**

@ Balances with Government Authorities primarily include input credits of unutilised goods and service tax 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.

₹ in Lakhs

20: EQUITY SHARE CAPITAL	As at 31st March 2020	As at 31st March 2019
Authorised		
1,90,00,000 Equity Shares of ₹ 10 each	1,900.00	1,900.00
[31st March 2019: 1,90,00,000 shares of ₹ 10 each]		
Issued, Subscribed and Paid-up	**1,800.00**	**1,800.00**
1,80,00,000 Equity Shares of ₹ 10 each, fully paid up		
[31st March 2019: 1,80,00,000 shares of ₹ 10 each, fully paid up]		
	1,800.00	**1,800.00**

i. Reconciliation of Shares

Reconciliation of Shares	As at 31st March 2020		As at 31st March 2019	
Equity Shares of 10/- each	No. of shares (in Lakhs)	%	No. of shares (in Lakhs)	%
Balance at the beginning of Year	180.00	1,800.00	180.00	1,800.00
Balance at end of the Year	180.00	1,800.00	180.00	1,800.00

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 more than 5% of the aggregate shares in the Company

	As at 31st March 2020		As at 31st March 2019	
	No. of shares (in Lakhs)	%	No. of shares (in Lakhs)	%
Tata Steel Limited	91.80	51.00	91.80	51.00
NYK Holding (Europe) B.V.	46.80	26.00	46.80	26.00
IQ Martrade Holding Und Management GmbH	41.40	23.00	41.40	23.00
	180.00	**100.00**	**180.00**	**100.00**

₹ in Lakhs

21: OTHER EQUITY	As at 31st March 2020	As at 31st March 2019
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	10,355.06	7,279.62
Profit for the Year	2,848.16	3,873.59
Other Comprehensive Income for the Year - Remeasurement of Post Employment Defined Benefit Obligation, Net of Tax	(60.23)	11.85
Final Dividend on Equity Shares	(1,260.00)	(810.00)
Balance at the End of the Year	11,882.99	10,355.06
	19,599.75	**18,071.82**

₹ in Lakhs

22: OTHER FINANCIAL LIABILITIES- NON CURRENT	As at 31st March 2020	As at 31st March 2019
Liability for Employee's Family Benefit Scheme	38.90	20.14
Lease liabilities	16,048.62	-
	16,087.52	**20.14**

₹ in Lakhs

23. PROVISIONS- NON CURRENT	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits (Refer Note 43)		
-Employee Seperation Scheme	850.97	795.41
-Post Retirement Medical Benefit Payable	31.24	30.92
-Director Pension Scheme Payable	195.39	193.35
-Provision for Compensated Absences	**625.64**	**564.78**
Replacement Obligation for Berth# 13 at Haldia Port	1,229.86	966.40
	2,933.10	**2,550.86**

₹ in Lakhs

24. TRADE PAYABLES- CURRENT	As at 31st March 2020	As at 31st March 2019
Creditors for Supplies and Services - Micro Enterprises and Small Enterprises	-	-
Creditors for Supplies and Services - Others #	7,277.47	6,464.93
Creditors for Accrued Wages and Salaries	593.15	549.56
	7,870.62	**7,014.49**
# Includes Dues to Related Parties (Refer Note 51)	**136.78**	**9.30**

₹ in Lakhs

25. OTHER FINANCIAL LIABILITIES- CURRENT	As at 31st March 2020	As at 31st March 2019
Liability for Employee's Family Benefit Scheme	8.57	34.90
Lease Liabilities	**6,513.30**	**-**
	6,521.87	**34.90**

₹ in Lakhs

26. PROVISIONS- CURRENT	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits (Refer Note 43)		
-Employee Seperation Scheme	205.68	188.46
-Provision for Gratuity	103.02	26.40
-Post Retirement Medical Benefit Payable	2.86	2.86
-Director Pension Scheme Payable	17.91	17.91
-Provision for Compensated Absences	17.10	22.65
Replacement Obligation for Berth# 13 at Haldia Port	209.00	273.59
	555.57	**531.87**

₹ in Lakhs

27. OTHER CURRENT LIABILITIES	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Contract Liabilities #	8,397.51	14,242.08
Dues Payable to Goverment Authorities @	267.65	244.02
	8,665.16	14,486.10
# Includes Dues to Related Parties (Refer Note 51)	**5,825.86**	**11,262.33**

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

₹ in Lakhs

28. REVENUE FROM OPERATIONS	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Income from Port Related Services	24,583.64	27,217.19
Income from Railway Services	23,879.38	10,224.28
	48,463.02	**37,441.47**

Management expects that 100% of the transaction price allocated to the unsatisfied contracts as at 31st March 2020 will be recognised as revenue during the next reporting period - ₹ 62.78 Lakhs (31.03.2019 : ₹63.74 Lakhs)

₹ in Lakhs

29. OTHER INCOME	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Dividend Income from Mutual Funds	9.33	7.37
Interest on Income Tax Refund	27.98	101.95
Interest Income from Financial Assets carried at Amortised Cost		
- Deposits	682.23	695.76
- Loan to Subsidiary	22.85	33.67
Dividend from Subsidiary	1,260.00	1,032.44
Profit on Sale of Investments	52.43	34.50
Profit on Sale of Property, Plant and Equipments (Net)	1.53	6.03
Other Non Operating Income	68.66	42.75
Income from Insurance Claim	-	106.16
Income from Rental Services	29.33	46.42
Liabilities no Longer Required Written Back	596.05	118.18
	2,750.39	**2,225.23**

₹ in Lakhs

30. OPERATING EXPENSES	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Intraport Transportation including On Shore handling	3,291.44	1,299.92
Custom Clearance Charges	178.45	70.40
Stevedoring & Other Related Expenses	10,305.90	14,240.41
Equipment Assistance Charges	146.99	238.38
Railway Freight Charges	19,548.65	8,625.40
Royalty to Kolkata Port Trust - Haldia Dock Complex	1,010.85	1,047.96
	34,482.28	**25,522.47**

₹ in Lakhs

31. EMPLOYEE BENEFIT EXPENSE	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Salaries and Wages, including Bonus	3,198.74	2,659.04
Contribution to Provident and Other Funds	233.20	229.62
Staff Welfare Expenses	241.99	186.38
	3,673.93	**3,075.04**

₹ in Lakhs

32. FINANCE COST	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Unwinding of Discount	36.99	134.39
Finance Charges on Leases	1,205.89	-
	1,242.88	**134.39**

₹ in Lakhs

33. OTHER EXPENSES	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Consumption of Stores and Spares	595.05	610.29
Power & Fuel	137.82	113.24
Rent (including Plot Rent)	689.27	986.63
Repairs to Buildings	149.90	280.33
Repairs to Machinery	494.04	320.71
Repairs- Others	204.07	236.58
Insurance Charges	138.56	101.57
Rates and Taxes	49.98	48.91
Travelling Expenses	352.13	257.87
Lease Rent of Rakes	-	1,020.15
Corporate Social Responsibility Expenditure (Refer Note 33.2)	97.62	76.38
Replacement Obligation under SCA at Berth# 13, Haldia	141.68	131.46
Security Charges	288.78	229.54
Bad Debts Written off (Net of Adjustment of Provision for Doubtful Debts - Nil) (31.03.2019: 1.83 lakhs)	4.77	11.54
Professional & Consultancy charges	219.43	194.06
Payment to Auditors (Refer Note 33.1)	18.36	17.55
Miscellaneous Expenses	473.37	443.71
	4,054.83	**5,080.52**

33.1 Payment to Auditors

₹ in Lakhs

	For the Year ended 31st March 2020	For the Year ended 31st March 2019
As Auditors		
- Audit Fee	8.44	8.44
- Tax Audit	2.84	2.84
- Other Matters (including Certification)	6.00	4.50
- Out of Pocket Expenses	1.08	1.77

33.2 CSR Expenditure

₹ in Lakhs

	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Contribution to Fund		
a) Gross amount required to be spent by the Company during the Year	93.02	75.91
b) Amount Spent during the Year :		
(i) Construction/Acquisition of an Asset	21.02	43.83
(ii) On Purposes other than (i) Above	76.60	32.55

34. CONTINGENCIES:

a. Contingent Liability

₹ in Lakhs

Particulars	31st March 2020	31st March 2019
Claims against the Company not acknowledged as Debts		
Service Tax	970.82	994.43
Income Tax	75.55	75.55
Kolkata Port Trust	1,717.68	1,706.06
Tariff Authority of Major Ports	11,985.34	10,768.56
Custom Duty	25.00	25.00

The details of material litigations are as described below:

Taxes and Other Claims

(a) Service Tax: **₹ 705.96 Lakhs** (31st March 2019: ₹ 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.

(b) Kolkata Port Trust has claimed an amount of **₹ 1,280.02 Lakhs** (31st March 2019: ₹ 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) 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 **₹10,406.28 Lakhs** (31st March 2019: ₹ 9,288.42 Lakhs) relating to the period from 1st April 2002 to 30th September 2007. The matter is pending to be heard by Hon'ble Calcutta High Court.

(d) Tariff Authority of Major Ports (TAMP) vide order dated 25.05.2011 has notified the revised rates of various port charges of Berth# 13, Haldia Dock Complex, to be effective from 24th June 2011, against which the Company has filed writ petition with Hon'ble Calcutta High Court. As per Hon'ble Calcutta High Court order dated 5th July 2011, the Company had made the monthly deposit of differential amount between revised and earlier rates amounting to **₹ 1,579.06 Lakhs** (31st March 2019: ₹ 1,480.14 Lakhs) with a scheduled bank till April, 2014.

35. COMMITMENTS

(a) In terms of the Licence Agreement dated 29th January 2002 with Board of Trustees for the Port of Kolkata, the Company is required to invest in equipments and infrastructure in Berth #13 (Haldia Dock Complex) as follows:

Sl. No	Purpose of Investment	Phasing of Investment from Licence Agreement dated 29th January 2002 (₹ in Lakhs)			
		Within 18 months (Lapsed on 28th July 2003)	Within 24 months (Lapsed on 28th January 2004)	Within 36 months (Lapsed on 28th January 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 31st March 2020, Company's investments in equipments and infrastructure aggregate to **₹ 2,580.00 Lakhs** (31st March 2019: ₹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: **₹1,199.78 Lakhs** (31st March 2019: ₹ 244.45 Lakhs).

36. LEASES

(a) Company as a leasee

This note provides information for leases where the Company is a lessee. For leases where the Company is a lessor, see Note 36 (b). The Company leases various offices, warehouses, and railway rakes. Rental contracts are typically made for fixed periods of 1 year to 9 years, but may have extension options as described below.

Amounts recognised in the Statement of Profit and Loss

₹ in Lakhs

Particulars	Note	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Interest expense (included in finance costs)	32	1,205.89	-
Expense relating to short-term leases (included in other expenses)	33	400.55	-

Total Cash Outflow for Leases for the Year ended 31st March 2020 was ₹ 4,248.59 Lakhs.

Extension and Termination options

Extension and Termination options are included in a number of buildings and railway rakes leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable on mutual consent between the Company and the respective lessor.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of Warehouses, Offices and Railway Rakes, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 31st March 2020, potential future cash outflows of ₹ 132.30 Lakhs (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, no extension or termination options in lease agreements were exercised."

(b) Company as a Lessor

The Company had leased out an office premise on operating lease. The Company had leased out an office premise on operating lease. The said office premise was sold during the year and the lease contract was cancelled. Lease payments received during the year ended 31st March 2020 (recognised as Income from Rental Services in Note 29) is ₹ 29.33 lakhs (31st March 2019: ₹ 46.42 lakhs).

37. 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 period in terms of Section 16 of The Micro, Small and Medium Enterprise Development Act, 2006.

38. 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) Disaggregation of revenue from contracts with customers

The Company derives revenue from sale of services from following major service lines and geographical regions:

₹ in Lakhs

For the Year ended 31st March 2020	Total Revenue	Timing of Recognition	
		At a Point in Time	Over Time
Port Operations			
- Within India	23,938.19	23,938.19	-
- Outside India	645.45	645.45	-
Railway Operations			
- Within India	23,879.38	-	23,879.38
- Outside India	-	-	-
	48,463.02	**24,583.64**	**23,879.38**

₹ in Lakhs

For the Year ended 31st March 2019	Total Revenue	Timing of Recognition	
		At a Point in Time	Over Time
Port Operations			
- Within India	26,514.00	26,514.00	-
- Outside India	703.19	703.19	-
Railway Operations			
- Within India	10,224.28	-	10,224.28
- Outside India	-	-	-
	37,441.47	**27,217.19**	**10,224.28**

(ii) All non-current assets of the Company (excluding Financial Assets) are located in India.

(iii) ₹ in Lakhs

Details of Major Customers Accounting for more than 10% of Revenue from External Customers:	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Tata Steel Limited	39,495.85	32,632.78

39 CHANGE IN ACCOUNTING POLICY - LEASES

This note explains the impact of the adoption of Ind AS 116, Leases on the Company's financial statements.

Impact on the Financial Statements - Lessee

The Company has adopted Ind AS 116 retrospectively from 1st April 2019, but has not restated comparatives for year ended 31st March 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1st April 2019. The new accounting policies are disclosed in note 2.5.

On adoption of Ind AS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1st April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1st April 2019 ranges from 8.65%-8.83%.

(i) Practical expedients applied

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- accounting for operating leases with a remaining lease term of less than 12 months as at 1st April 2019 as short-term leases and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(ii) Measurement of Lease Liabilities ₹ in Lakhs

Operating lease commitments disclosed as at 31st March 2019	11,129.71
Discounted using the lessee's incremental borrowing rate at the date of initial application	7,403.23
(Less): short-term leases not recognised as a liability	400.55
Lease liability recognised as at 1st April 2019	7,002.68
Out of which:	
Current lease liabilities	2,062.53
Non-current lease liabilities	4,940.15
	7,002.68

(iii) Measurement of Right-of-use Assets

The associated right-of-use asset for leases were measured at an amount equal to the lease liability (adjusted by the amount of previously recognised prepaid lease payments relating to that lease, where applicable) at the date of initial application.

(iv) Adjustments recognised in the Balance Sheet on 1st April 2019

The change in accounting policy affected the following items in the Balance Sheet on 1st April 2019:

- Right-of-use Assets – increase by ₹ 7,176.96 Lakhs
- Prepaid Expenses – decrease by ₹ 174.28 Lakhs
- Lease Liabilities – increase by ₹ 7,002.68 Lakhs
- Deferred Tax Assets – increase by ₹ 2,039.18 Lakhs
- Deferred Tax Liabilities – increase by ₹ 2,039.18 Lakhs

There is no impact (net) on the retained earnings on 1st April 2019.

(v) Lessor accounting

The Company did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of Ind AS 116.

40 IMPACT OF COVID 19

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Numerous governments have introduced a variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced a strict 21-day lockdown, which has been further extended, across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Company's business will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. The Company is in the logistics business comprising Port Operations, Railways, Warehouse, Maritime Logistics, Customs House Agent, etc. The operations of the Company, qualifying as essential services, have continued during the lockdown period. The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying value of its assets, including but not limited to Property, Plant and Equipment, Intangible Assets, Trade Receivables and Investments as at the Balance sheet date, and has concluded that there are no material adjustments required in the standalone financial statements. Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the standalone financial statements. Major customers of the Company are Tata Steel and other Tata Steel group companies and the Company believes that it's receivable carries lower credit risk. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration, and might be different from that estimated as at the date of approval of the standalone financial statements. The Company will continue to monitor any material changes to the future economic conditions.

₹ in Lakhs

41. EARNINGS PER SHARE (EPS) :	For the Year ended 31st March 2020	For the Year ended 31st March 2019
(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		
Outstanding during the year (In Lakhs)	180.00	180.00
(iv) Face Value of Each Equity Share (₹)	10.00	10.00
(v) Profit Attributable to the Equity Shareholders		
Profit for the year (₹ in Lakhs)	2,848.16	3,873.59
(vi) Basic Earnings per Equity Share (₹) [(v)/(iii)]	15.82	21.52
(B) Diluted		
(i) Dilutive Potential Equity Shares	-	-
(ii) Earnings per Equity Share (₹) [Same as (A)(vi) above]	**15.82**	**21.52**

42. The Board of Directors have recommended a final dividend of ₹ 5.56 per share (31st March 2019: ₹ 7.00 per share). The proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.

43. EMPLOYEE BENEFITS

(a) Defined Contribution Plans

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.

₹ in Lakhs

	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Superannuation Fund	**56.30**	**57.35**
Tata Employees' Pension Scheme	6.12	5.99
Total	**62.42**	**63.34**

(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 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 NIL (31st March 2019 - NIL) has been provided towards future anticipated shortfall with regard to interest rate obligation of the Company as at the Balance Sheet date.

₹ in Lakhs

Principal Actuarial Assumptions	31st March 2020	31st March 2019
Discount Rate	**6.70%**	**7.50%**
Expected Return on Exempted Fund	8.50%	8.75%
Expected Guranteed Interest Rate	**8.65%**	**8.65%**

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

Nature of Benefits	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Provident Fund	110.82	104.65

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 Company to acturial 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.

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

₹ in Lakhs

Description	31st March 2020	31st March 2019
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	898.06	879.87
b. Current Service Cost	55.61	54.80
c. Interest Expenses	64.29	62.99
d. Remeasurement Losses		
Actuarial Gain arising from Changes in Experience Adjustments	(14.59)	(22.55)
Actuarial (Gain)/ Loss arising from Changes in Financial Assumptions	63.37	-
e. Benefits Paid	(81.72)	(80.10)
f. Acquisitions	-	3.06
g. Present Value of Obligation at the End of the Year	985.02	898.06
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	871.68	793.26
b. Acquisition Adjustments	-	-
c. Interest Income	63.30	59.74
d. Contributions from Employer	26.40	86.62
e. Return on Plan Assets, excluding Amounts included in Interest Income Above	2.35	12.16
f. Benefits Paid	(81.73)	(80.10)
g. Fair Value of Plan Assets at the End of the Year	882.00	871.68
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	985.02	898.06
b. Fair Value of Plan Assets at the End of the Year	882.00	871.68
c. Liabilities Recognized in the Balance Sheet	103.02	26.40
Provision for Employee Benefit - Current (Refer Note 26)	103.02	26.40

Description	31st March 2020	31st March 2019
4. Expense Recognized in the Statement of Profit and Loss during the Year		
a. Service Cost		
- Current Service Cost	55.61	54.80
b. Net Interest Cost	0.99	3.25
Total Expense Recognized during the Year in the Statement of Profit and Loss	56.60	58.05
5. Expense Recognised in Other Comprehensive Income		
a. Actuarial Gain due to DBO Experience	(14.59)	(22.55)
b. Actuarial Loss due to DBO Assumption Changes	63.37	-
c. Actuarial (Gain)/ Loss arising during the Year (a + b)	48.78	(22.55)
d. Return on Plan Assets, excluding Amounts included in Interest Income Above	(2.35)	(12.16)
Total (Income)/ Expense Recognised in Other Comprehensive Income (c + d)	46.43	(34.71)
6. Category of Plan Assets:		
Funded Managed by Tata Steel Limited	882.00	871.68
7. Maturity Profile of Defined Benefit Obligation		
a. Within 1 Year	54.80	64.30
b. 1-5 Years	329.61	215.84
c. More than 5 Years	773.27	779.91
8. Assumptions		
a. Discount Rate (per annum)	6.70%	7.50%
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		

₹ in Lakhs

	31st March 2020 Amount invested in %	31st March 2019 Amount invested in %
9. Investment Details		
a. Government of India Securities	9.61%	8.16%
b. Public Sector unit Bonds	1.09%	0.44%
c. State / Central Government Guarenteed Securities	6.43%	7.09%
d. Private Sector unit Bonds	6.07%	6.97%
e. Others (including bank balances)	76.80%	77.34%

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.

₹ in Lakhs

Effect of change in	FY 2019-20		FY 2018-19	
	Discount Rate	Salary Escalation	Discount Rate	Salary Escalation
Increase by 1%				
(i) Aggregate Service and Interest Cost	(78.19)	86.74	(71.89)	80.27
(ii) Closing Balance of Obligation	906.83	1,071.76	826.17	978.33
Decrease by 1%				
(i) Aggregate Service and Interest Cost	89.56	(77.35)	82.22	(71.62)
(ii) Closing Balance of Obligation	1,074.58	907.67	980.28	826.44

The sensitivity analyses 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 **₹103.02 Lakhs** (31st March 2019 - ₹ 26.40 Lakhs) to the funded gratuity plans during the next financial year.

12. The weighted average duration of the defined benefit obligation as at 31st March 2020 is 9 years (31st March 2019 – 9 years).

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

	For the year ended 31st March 2020		For the year ended 31st March 2019	
	Medical	Ex- MD Pension	Medical	Ex- MD Pension
1. Reconciliation of Opening and Closing Balances of Obligation				
a. Opening Defined Benefit Obligation	33.78	211.26	35.31	194.38
b. Interest Cost	2.52	15.13	2.61	13.89
c. Remeasurement (Gain)/Loss:				
(i) Actuarial (Gain)/ Loss Arising from Changes in Financial Assumptions	1.90	11.84	-	-
(ii) Actuarial (Gain)/ Loss Arising from Experience Adjustments	(3.60)	(5.76)	(3.16)	21.37
d. Benefits Paid	(0.50)	19.17	(0.98)	(18.38)
Closing Defined Benefit Obligation	**34.10**	**213.30**	**33.78**	**211.26**
2. Reconciliation of Fair Value of Assets and Obligations				
a. Fair Value of Plan Assets as at the End of the Year	-	-	-	-
b. Present Value of Obligation as at the End of the Year	34.10	213.30	33.78	211.26
c. Amount Recognised in the Balance Sheet				
(i) Retirement Benefit Liability - Current	2.86	17.91	2.86	17.91
(ii) Retirement Benefit Liability - Non Current	31.24	195.39	30.92	193.35
3. Amounts Recognised in the Statement of Profit and Loss in respect of these Defined Benefit Plans are as follows:				
a. Service Cost	-	-	-	-
b. Net Interest Expenses	2.52	15.13	2.61	13.89
Components of Defined Benefit Costs Recognised in Statement of Profit and Loss	2.52	15.13	2.61	13.89
c. Remeasurement on the Net Defined Benefit Liability:				
(i) Actuarial (Gain)/ Loss Arising from Changes in Financial Assumptions	1.90	11.84	-	-
(ii) Actuarial (Gain)/ Loss Arising from Experience Adjustments	(3.60)	(5.76)	(3.16)	21.37
Components of Defined Benefit Costs recorded in Other Comprehensive Income	(1.70)	6.08	(3.16)	21.37
Total	**0.82**	**21.21**	**(0.55)**	**35.26**
4. The Principal Assumptions used for the Purpose of the Acturial Valuations were as follows:				
a. Discount Rate (Per Annum)	6.70%	6.70%	7.50%	7.50%
b. Medical Inflation (Per Annum)	6.00%	NA	6.00%	NA
c. Salary Escalation (Per Annum)	NA	6.00%	NA	6.00%
5. Experience on Acturial Gain/Loss for Benefit Obligations:				
Present Value of Defined Benefit Obligations	34.10	213.30	33.78	211.26
Experience Gain / (Loss) Adjustments on Plan Liabilities	(3.60)	(5.76)	(3.16)	21.37

6. Actuarial assumptions for the determination of the defined obligation (post retirement medical benefit scheme) are discount rate and expected medical inflation. Actuarial assumptions for the determination of the defined obligation - Ex-MD Pension are discount rate and 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 Post Retirement Medical Benefit Scheme	31st March 2020		31st March 2019	
	Discount Rate	Medical Inflation	Discount Rate	Medical Inflation
Increase by 1%				
(i) Aggregate Service and Interest Cost	(2.34)	2.64	(2.31)	2.63
(ii) Closing Balance of Obligation	31.76	36.74	31.47	36.41
Decrease by 1%				
(i) Aggregate Service and Interest Cost	2.64	(2.36)	2.61	(2.36)
(ii) Closing Balance of Obligation	36.74	31.74	36.39	31.42

Effect of Change in Ex- MD Pension	31st March 2020		31st March 2019	
	Discount Rate	Medical Inflation	Discount Rate	Medical Inflation
Increase by 1%				
(i) Aggregate Service and Interest Cost	(14.62)	16.52	(14.42)	16.42
(ii) Closing Balance of Obligation	198.68	229.82	196.84	227.68
Decrease by 1%				
(i) Aggregate Service and Interest Cost	16.57	(14.84)	16.34	(14.74)
(ii) Closing Balance of Obligation	229.87	198.46	227.60	196.52

The sensitivity analyses 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 was ₹ 642.74 Lakhs and ₹ 587.43 Lakhs as at 31st March 2020 and 31st March 2019 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.

44 (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# 13) 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# 13. 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# 13 as per the terms and conditions of service concession agreement.

(ii) TMILL shall provide the cargo handling services at Berth# 13 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# 13 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# 13. On the transfer date, the Licensor shall pay to the licensee 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. 13 (situated at Haldia) for a period of 30 years and which is being amortised on straight line basis over the lease period.

45. INCOME TAX RECONCILIATION

₹ in Lakhs

INCOME TAX EXPENSE	For the Year ended 31st March 2020	For the Year ended 31st March 2019
A. Tax Expense Recognised in Profit or Loss		
Current Tax on Profits for the Year	736.75	1,277.84
Adjustment for Current Tax of Earlier Years	(15.18)	(12.11)
	721.57	**1,265.73**
Deferred Tax		
Origination and Reversal of Timing Differences	36.87	128.99
Income Tax Expense	**36.86**	**128.99**
B. Tax on Other Comprehensive Income		
Current Tax		
-Remeasurements on Post-employment Defined Benefit Plans	(20.26)	4.87
	(20.26)	**4.87**

The Income Tax Expense for the Year can be Reconciled to the Accounting Profit as follows: ₹ in Lakhs

INCOME TAX EXPENSE	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Profit Before Tax for the Year	3,606.60	5,268.31
Income Tax Expense Calculated at 25.168% (2018-19: 29.12 %)	907.71	1,534.13
Effect of Income Exempt from Income Taxes	(319.47)	(2.16)
Effect of Expenses that are not Deductible in Determining Taxable Profit	26.96	22.10
Effect of Items Taxable at Special Rates - Dividend from Subsidiary	-	(120.26)
Effect on Deferred Tax Balances due to Change in Income Tax Rate	160.31	-
Effect of Other Items	(1.89)	(26.98)
	773.62	**1,406.83**
Adjustment for Current Tax of Earlier Years	(15.18)	(12.11)
Income Tax Expense for the Year	**758.44**	**1,394.72**

The tax rate used for the year ended 31st March 2020 and 31st March 2019 in the reconciliations above is the applicable corporate tax rate plus cess and surcharge payable by corporate entities in India on taxable profits under the Indian tax law.

46.

Deferred Tax (Liability)/ Asset (Net)	As at 1st April 2018	(Charge)/ Credit for the Year	As at 1st April 2019	Adjustments on adoption of Ind AS 116	Restated as at 1st April 2019	(Charge)/ Credit for the Year	As at 31st March 2020
Deferred Tax Liabilities							
Right-of-use Assets	-	-	-	(2,039.18)	(2,039.18)	(3,521.78)	(5,560.96)
	-	**-**	**-**	**(2,039.18)**	**(2,039.18)**	**(3,521.78)**	**(5,560.96)**
Deferred Tax Assets							
Property Plant & Equipment and Intangible Assets	495.63	(198.30)	297.33	-	297.33	(148.55)	148.78
Items Allowable for Tax Purpose on Payment/ Adjustment	174.32	(3.26)	171.06	-	171.06	(9.29)	161.77
Replacement Obligation for Berth# 13 at Haldia Port	307.02	54.07	361.09	-	361.09	1.04	362.13
Employees' Early Separation Scheme (ESS)	324.10	14.05	338.15	-	338.15	4.20	342.35
Lease Liabilities	-	-	-	2,039.18	2,039.18	3,639.20	5,678.38
Others	9.11	4.45	13.56	-	13.56	(1.69)	11.87
	1,310.18	**(128.99)**	**1,181.19**	**2,039.18**	**3,220.37**	**3,484.91**	**6,705.28**
Deferred Tax (Charge)/ Credit		**(128.99)**		**-**		**(36.87)**	
Deferred Tax (Liability)/ Asset (Net)	**1,310.18**	**-**	**1,181.19**		**1,181.19**	**-**	**1,144.32**

47. 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.	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Financial Assets			
Assets Carried at Fair Value through Profit or Loss			
Security Deposit	8	126.58	52.06
Investments in Mutual Fund	13	-	100.10
Assets Carried at Amortised Cost			
Loans (other than Security Deposits carried at FVTPL)	8, 17	710.89	858.13
Other Financial Assets	9, 18	665.66	320.89
Trade Receivables	14	14,413.51	15,817.06
Cash and Cash Equivalents	15	933.12	639.75
Other Bank Balances	16	8,240.88	8,594.34
Total Financial Assets		**25,090.64**	**26,382.33**
Financial Liabilities			
Liabilities Carried at Amortised Cost			
Trade Payables	24	7,870.62	7,014.49
Lease Liabilities	22, 25	22,561.92	-
Other Financial Liabilities (other than Lease Liabilities)	22, 25	47.47	55.04
Total Financial Liabilities		**30,480.01**	**7,069.53**

(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 2019.

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) In respect of security deposit given which are non-interest bearing, the Company has used discounted cash flows to arrive at the fair value as at Balance Sheet date.

(iii) The management assessed that fair values of loans (current), trade receivables, cash and cash equivalents, other bank balances, other fnancial assets (current), trade payables and other fnancial 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 certain loans given at fixed rate which are a reasonable 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 Company has classifed its fnancial 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, 2020 Level 1	31st March, 2020 Level 3	31st March, 2019 Level 1	31st March, 2019 Level 3
Recognised and Measured at Fair Value - Recurring Measurements				
Financial Assets				
Investments				
Mutual Funds - Daily Dividend	-	-	100.10	-
Security Deposits	-	126.58	-	52.06
	-	**126.58**	**100.10**	**52.06**

48 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 ₹ 39,495.85 Lakhs (31st March 2019: ₹ 32,632.78 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 Company's maximum exposure to credit risk for the components of the Balance Sheet as at 31st March 2020 and 31st March 2019 is the carrying amounts as disclosed in Note 47.

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 2020 and 31st March 2019. Of the total trade receivables, ₹ 9,197.26 Lakhs as at 31st March 2020 and ₹ 10,200.35 Lakhs as at 31st March 2019 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 2020	31st March 2019
1-90	4,747.97	4,933.35
91-180	1,329.28	554.26
More than 180	307.99	129.10
	6,385.24	**5,616.71**

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 Loss Allowance Provision - Trade receivables	As at 31st March 2020	As at 31st March 2019
Opening Balance	-	1.83
Loss Allowance made during the Year	-	-
Bad Debts during the year adjusted with Provisions	-	1.83
Closing Balance	**-**	**-**

(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 (As at 31st March,2020)

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

₹ in Lakhs

	As at 31st March 2020				
	Upto 1 Year	1 Year to 3 Years	3 Years to 5 Years	More than 5 Years	Total
Trade Payables	7,870.62	-	-	-	7,870.62
Lease Liabilities	6,513.30	12,157.60	7,450.80	739.26	26,860.96
Other Financial Liabilities (other than Lease Liabilities)	8.57	7.78	3.12	30.05	49.52
	14,392.49	**12,165.38**	**7,453.92**	**769.31**	**34,781.10**

₹ in Lakhs

	As at 31st March 2019				
	Upto 1 Year	1 Year to 3 Years	3 Years to 5 Years	More than 5 Years	Total
Trade Payables	7,014.49	-	-	-	7,014.49
Other Financial Liabilities	8.75	14.79	3.12	28.38	55.04
	7,023.24	**14.79**	**3.12**	**28.38**	**7,069.53**

(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 47.

49 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.

50. LIST OF RELATED PARTIES AND RELATIONSHIP

(a) Entities with Joint Control of or Significant influence over the Company:

Name	Type	Place of Incorporation
Tata Steel Limited	Joint Venturer	India
IQ Martrade Holding and Management GmbH	Joint Venturer	Germany
NYK Holding (Europe) B.V.	Joint Venturer	Netherlands

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

Name	Type	Place of Incorporation
International Shipping Logistics FZE	Wholly Owned Subsidiary	UAE
TKM Global GmbH	Wholly Owned Subsidiary of TKM Global Logistics Limited	Germany
TKM Global Logistics Limited	Wholly Owned Subsidiary	India
TKM Global China Limited	Wholly Owned Subsidiary of TKM Global Logistics Limited	China

(c) Joint Venture of 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 Continous Annealing & Processing Company Private Limited
- Tata Steel Long Products Limited (Formerly Tata Sponge Iron Limited)
- The Tinplate Company of India Limited
- Tata Steel BSL Limited
- TS Global Procurement Company Pte Ltd.
- Tata Steel Downstream Products Limited (Formerly Tata Steel Processing and Distribution Limited)

(e) Key Managerial Personnel of the Company

Name	Relationship
Mr. Ashish Kumar Gupta	Managing Director
Mr. Dipak Kumar Banerjee (till 16th May 2019)	Independent Director
Mr. Sabyasachi Hajara (till 10th April 2018)	Independent Director
Mr. Virendra Sinha (w.e.f 24th July 2018)	Independent Director
Mr. Dinesh Shastri (till 30th September 2019)	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. Sandipan Chakravortty (till 30th September 2019)	Non-Executive Director
Mr. Peeyush Gupta (till 30th September 2019)	Non-Executive Director
Mr. Sandeep Bhattacharya	Non-Executive Director
Mr. Guenther Hahn	Non-Executive Director
Ms. Stephanie Sabrina Hahn (w.e.f 16th April 2019)	Non-Executive Director
Mr. Dibyendu Bose (w.e.f 1st October 2019)	Non-Executive Director
Mr. Rajiv Mukerji (w.e.f 1st October 2019)	Non-Executive Director
Mr. Amitabh Panda (w.e.f 1st October 2019)	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 Company

50. 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 Company	Fellow Subsidiaries	Subsidiaries	Joint Venture of Tata Steel Limited	Total
Transactions					
Rendering of Services	**39,495.85**	**5,711.54**	**27.50**	**177.34**	**45,412.23**
	(32,632.78)	(1,621.32)	(63.53)	(139.06)	(34,456.69)
Receiving of Services	**330.92**	**-**	**472.87**	**-**	**803.79**
	(330.91)	-	(307.54)	-	(638.45)
Interest Income	-	-	**22.85**	**-**	**22.85**
	-	-	(33.67)	-	(33.67)
Loans Given	-	-	**370.00**	**-**	**370.00**
	-	-	(870.00)	-	(870.00)
Dividend Received	-	-	**1,260.00**	**-**	**1,260.00**
	-	-	(1,032.44)	-	(1,032.44)
Repayment of Loan Given	**-**	**-**	**488.00**	**-**	**488.00**
	-	-	(548.00)	-	(548.00)
Recovery of Expenses	**19,780.79**	**5,465.17**	**482.08**	**10,488.76**	**36,216.80**
	(22,179.35)	(1,617.94)	(406.92)	(7,563.12)	(31,767.33)
Reimbursement of Expenses	**-**	**-**	**94.89**	**-**	**94.89**
	-	-	(114.33)	-	(114.33)
Rental Income	**-**	**-**	**29.33**	**-**	**29.33**
	-	-	(46.42)	-	(46.42)
Dividend Paid	**1,260.00**	**-**	**-**	**-**	**1,260.00**
	(810.00)	-	-	-	(810.00)
Trade Receivables	**10,595.78**	**2,526.25**	**87.06**	**50.54**	**13,259.63**
	(14,277.17)	(439.40)	(22.80)	(103.76)	(14,843.13)
Loans	**-**	**-**	**388.00**	**-**	**388.00**
	-	-	(506.00)	-	(506.00)
Advance to Supplier/Service Provider	-	-	**19.86**	**-**	**19.86**
	-	-	(10.37)	-	(10.37)

Particulars	Entities with Joint Control of or Significant Influence over the Company	Fellow Subsidiaries	Subsidiaries	Joint Venture of Tata Steel Limited	Total
Trade Payables	**58.20**	**-**	**78.58**	**-**	**136.78**
	(9.30)	-	-	-	(9.30)
Security Deposit Given	**0.81**	**-**	**56.62**	**-**	**57.43**
	(0.81)	-	(52.07)	-	(52.88)
Contract Liabilities	**4,111.53**	**943.40**	**34.07**	**736.86**	**5,825.86**
	(9,845.35)	(325.51)	(139.19)	(952.28)	(11,262.33)
Prepaid Expenses	**-**	**-**	**11.30**	**-**	**11.30**
	-	-	(16.14)	-	(16.14)

Figures in bracket represents transactions with related parties during year ended 31st March 2019 and balances as at 31st March 2019

Post Employment Benefit Plans

₹ in Lakhs

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Contribution towards Provident Fund	110.82	104.65

Transactions with Key Management Personnel

₹ in Lakhs

Particulars	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Remuneration to Key Management Personnel		
Short-term Benefits	181.67	141.40
Post-employment Benefits	13.03	6.23
Other Long- term Benefits	28.83	20.74
Balance Outstanding at Year-end		
Short-term Benefits	2.48	-
Commission Payable to Key Management Personnel	12.00	15.00

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

For and on behalf of the Board of Directors

Dhiraj Kumar
Partner
Membership Number: 060466

Ashish Kr Gupta
Managing Director
DIN: 07808012

Dibyendu Bose
Chairman
DIN: 00282821

Place: Hyderabad
Date: May 20, 2020

Place: Kolkata
Date: May 20, 2020

Jyoti Purohit
Company Secretary

Anand Chand
Chief Financial Officer

TKM Global Logistics Limited

CORPORATE INFORMATION

Board of Directors

(As on 1st April, 2020)

Chairman

Mr. Ashish Kumar Gupta

Directors

Mr. Amar Patnaik
Mr. Anand Chand

Committee of Directors

Audit Committee

Mr. Ashish Kumar Gupta (Chairman)
Mr. Anand Chand (Member)
Mr. Amar Patnaik (Member)

Nomination and Remuneration Committee

Mr. Anand Chand (Chairman)
Mr. Ashish Kumar Gupta (Member)
Mr. Amar Patnaik (Member)

Corporate Social Responsibility Committee

Mr. Ashish Kumar Gupta (Chairman)
Mr. Anand Chand (Member)
Mr. Amar Patnaik (Member)

Management Team

Mr. Manish Agarwal- Chief- FF & CHA&IL
Ms. Shabana Khan- Chief HR, IR & Administration

Auditors

Price Waterhouse & Co. Chartered Accountants LLP
Plot No. 56 & 57, Block –DN, Sector V,
Salt Lake, Kolkata- 700091

Bankers

CITI Bank
Standard Chartered Bank
HDFC Bank
ICICI Bank

Registered Office

Tata Centre
43, Jawaharlal Nehru Road
Kolkata- 700071
Tel: 91-33-22887051 / 22248485

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 present the 29th Annual Report of TKM Global Logistics Limited and the Audited Statement of Accounts for the year ended 31st March, 2020.

A. FINANCIAL HIGHLIGHTS

(₹ in millions)

Sl. No.	Particulars	31.03.2020	31.03.2019
(a)	Total Income	928.99	794.16
(b)	Less: Operating and Administrative Expenses	751.55	746.94
(c)	Profit before interest, depreciation and taxes	177.44	47.22
(d)	Less: Depreciation	3.07	3.09
(e)	Less: Interest	6.22	4.27
(f)	**Profit before taxes (PBT)**	**168.15**	**39.86**
(g)	Less: taxes (incl. deferred taxes)	27.55	(4.79)
(h)	**Profit after taxes (PAT)**	**140.60**	**35.07**

1. Dividend

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

2. Transfer to reserves

The Company has not transferred any amount to Reserves for the year ended 31st March, 2020.

B. OPERATION AND PERFORMANCE

1. Company Performance

The total income for FY 2019-20 was Rs. 928.99 million, higher by 16.97% over the previous year's total income of Rs. 794.16 million in FY 2018-19. The profit after tax (PAT) attributable to shareholders for FY 2019-20 was Rs. 140.60 million registering a growth of 300.92% over the PAT of Rs. 35.07 million for FY 2018-19.

2. Operation

During the year, in the freight forwarding business, the Company achieved air imports volumes of 427 MT. Air exports showed a decline of 57% i.e. from 345 MT to 149 MT as compared to previous year as the anticipated export volumes from Tata International has declined.

We have handled 12 Project Cargo Vessel during FY'20 for TSK (Blast Furnace and CRM) from different locations viz. Paradip, Mumbai, Chennai and Vizag. Total freight will be approximately 20,000 MT.
Sea Export volume of 4780 TEUs from TSBSL which is approximately 30% of the total volume achieved in FY'20. As a strategic decision, Soda Ash business has been discontinued.

Strategies were implemented to regain lost accounts and to increase share of business with existing customers.

As a way forward for FF division, the Company plans to focus on business from Tata Group in west and east with import nomination in both the zones. It also plans to review the overheads and rationalise cost in order to remain competitive in business in Mumbai office and Satellite Offices.

The freight forwarding business of the Company registered a revenue of Rs. 719.99 million as against last year's revenue of Rs. 671.12 million.

C. STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS

Freight Forwarding

a. Strengths

i. Ability to provide end-to-end logistics solution.
ii. Through network partner ready to provide business solutions in major business geographies in India.
iii. Capable of fulfilling just-in-time supply requirement.

b. Weakness

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

c. Opportunities

i. Tata Steel and its group companies including TSBSL, which have huge expansion plans could be tapped for FF business.
ii. Project Cargo Handling from Paradip, Vizag, Chennai and Mumbai ports.

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.

D. HUMAN RESOURCE MANAGEMENT & INDUSTRIAL RELATIONS

The Company continued to maintain cordial Industrial Relations and adhered to all timelines related to HR legal compliances. Bangalore, Vadodara and Pune Locations are no more operational. 'Skillport' continued to be the alternate mode of learning to traditional class room based training. Knowledge pool of senior experienced employees have been developed through Train The Trainer Program to impart internal trainings. The Company also introduced several new policies like Term Insurance Policy, Special Leave, Employee Referral Program etc. revised Policies like Holiday Plan for Officers as a focused approach to create work life balance. Apart from the above activities, HR department continues 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.

E. CORPORATE GOVERNANCE

The Company has a rich legacy of ethical governance practices many of which were implemented by the Company, even before they were mandated by law. It is committed to transparency in all its dealings and places high emphasis on business ethics. The Company is committed to maintain a high standard of corporate governance practices and procedures. It 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.

1. Board of Directors

a. Composition

The Board comprises of 3 (Three) Non-Independent Non-Executive Directors.

During the year under review, Mr. Dipak Kumar Banerjee-Independent Director, resigned from the Board w.e.f 17th May, 2019.

As on 31st March, 2020, Mr. Ashish Kumar Gupta, Mr. Amar Patnaik, Mr. Anand Chand continued to be the Directors on the Board of the 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. Amar Patnaik, Non-Executive Director retire by rotation and being eligible has offered himself for re-appointment.

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

Appropriate resolution seeking members' approval to the aforesaid appointment is appearing in the Notice convening the 29th Annual General Meeting of the Company.

c. Independent Directors

As per the Amendment to the rules of Companies (Appointment and Qualification of Director) vide notification dated 5th July, 2017, issued by Ministry of Corporate Affairs, a wholly owned Subsidiary Company is exempted from mandatorily appointing an Independent Director in its Board.

As TKM Global Logistics Limited is a wholly owned subsidiary of TM International Logistics Limited, it is exempted from having an Independent Director as a member of its Board.

2. Board Meetings

During the financial year ended 31st March, 2020, 4 (four) Board Meetings were held on: 8th April 2019, 11th July 2019, 17th October 2019, 9th January 2020. The maximum gap between any board meeting was less than one hundred and twenty days.

The names of the members of the Board along with the meetings held are provided as an annexure to this Report ***(Refer Annexure A).***

3. 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:

a. Audit Committee

As on 31st March, 2020, the Audit Committee comprised of 3 (three) Non-Executive Directors. The names of the members of the Audit Committee along with the meetings held are provided as an annexure to this Report ***(Refer Annexure A)***.

During the year under review, Mr. Dipak Kumar Banerjee-Independent Director and a member of Audit Committee resigned from Board w.e.f 17th May, 2019. Through a resolution passed by circulation dated 28th June 2019, Mr. Amar Patnaik-Non-Executive Director was appointed as a member of Audit Committee.

During the financial year ended 31st March 2020, 4 (four) Audit Committee Meetings were held on: 8th April 2019, 9th July 2019, 17th October 2019, 9th January 2020.

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

b. Nomination & Remuneration Committee

The Nomination and 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 *http://www.tkmglobal.com/pdf/nrc-policy.pdf*

During the year under review, Mr. Dipak Kumar Banerjee-Independent Director and Chairman of Nomination and Remuneration Committee resigned from Board w.e.f 17th May, 2019. Through a resolution passed by circulation dated 28th June 2019, Mr. Anand Chand- Non Executive Director was appointed as the Chairman and Patnaik, Non-Executive Director was appointed as a member of Nomination and Remuneration Committee.

The Company has not held any Nomination and Remuneration Committee Meeting during the year. As on 31st March, 2020 the composition of NRC Committee of the Board is as below:

i. Mr. Anand Chand, Non-Executive Director– Chairman
ii. Mr. Ashish Kumar Gupta, Non-Executive Director – Member
iii. Mr. Amar Patnaik, Non-Executive Director - Member

c. Corporate Social Responsibility Committee

The Board constituted a Corporate Social Responsibility Committee in compliance with the provisions of Section 135 of the Companies Act 2013, comprising of 3 (three) Non - Executive Directors. The CSR Policy as approved by the Board of Directors, is in place and being adhered to.

During the year under review, Mr. Dipak Kumar Banerjee-Independent Director and Member of Corporate Social Responsibility Committee resigned from Board w.e.f 17th May, 2019. Through a resolution passed by circulation dated 28th June 2019, Mr. Anand Chand- Non Executive Director was appointed as a member of Corporate Social Responsibility Committee.

During the financial year ended 31st March 2020, one (1) CSR Committee meeting was held on 8th April 2019.

The names of the members of the CSR Committee along with the details of the meeting held during the year under review are provided as an annexure to this Report. ***(Refer Annexure A)***

During the year 2019-20, the Company was required to spend an amount of Rs. 1.82 lakhs towards CSR activities.

In view of the above, an amount of Rs. 2.04 lakhs was spent towards CSR activities during FY 19-20 towards installation of water purifier in village on self-sustainable basis near IIT Kharagpur, West Bengal and distribution of food items and other essentials for children at Sneha Sadan Orphanage in Mumbai.

The expenditure incurred were in accordance with Schedule VII of the Companies Act, 2013.

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 B).***

4. 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.

5. Evaluation

The Board evaluated the effectiveness of its functioning, that of the Audit, Nomination & Remuneration and CSR Committees and of individual Directors. The manner in which the evaluation has been carried out has been explained in the Nomination and Remuneration Policy as adopted by the Company.

The Board sought the feedback of Directors on various parameters including:

- Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning, etc.);
- Structure, composition and role clarity of the Board and Committees;
- Extent of co-ordination and cohesiveness between the Board and its Committees;
- Effectiveness of the deliberations and process management;
- Board/Committee culture and dynamics; and
- Quality of relationship between Board Members and the Management.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities.

6. Auditors

At the 26th AGM held on 22nd July 2017, the Members approved appointment of M/s Price Waterhouse & Co. Chartered Accountants LLP, Kolkata, as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 31st AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.

7. Audit Observations & Explanations

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

8. Particulars of Employees

The 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.

9. Significant and Material Orders passed by the Regulators or Courts

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations. However, Members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.

10. 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.

11. 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 Rs. 29.54 million on account of freight, agency fees and others and the foreign exchange outgo during the year in terms of outflows was Rs. 65.99 million on account of freight and foreign travel.

12. Public Deposits

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

13. Related Party Disclosures

During the year under review, the Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Companies Act, 2013.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 along with the justification for entering into such contracts or arrangements in Form AOC-2 does not form part of the report, as the same is not applicable.

14. Annual Return

Pursuant to Section 92(3) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return is provided as an annexure to this Report. ***(Refer Annexure C).***

15. Secretarial Standards

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

16. Internal Financial Control & Internal Audit

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.

F. 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 an annexure to this report. ***(Refer Annexure D)***.

There has been no material change in the nature of the business of the subsidiaries.

G. ACKNOWLEDGEMENT

The 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

Ashish Kumar Gupta
Chairman
DIN: 07808012

Anand Chand
Director
DIN: 06879532

Place: Kolkata
Date: 18/05/2020

Declaration regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

The Company has adopted the Tata Code of Conduct for the Non Executive Directors The Code is available on the Company's website www.tkmglobal.com

I confirm that the Company has in respect of the Financial Year ended March 31, 2020, received from Senior Management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Board as on March 31, 2020.

Ashish Kumar Gupta
Chairman
DIN: 07808012

Kolkata
18/05/2020

Annexure A

Meeting of the Board of Directors for FY 2019-20

Name of the Directors	Composition	No. of meetings held	No. of meetings attended
Mr. Ashish Kumar Gupta	Chairman	4	4
Mr. Dipak Kumar Banerjee*	Independent	4	1
Mr. Anand Chand	Non- Executive	4	4
Mr. Amar Patnaik	Non- Executive	4	3

** For part of the year.*

Meeting of the Audit Committee

Name of the Directors	Composition	No. of meetings held	No. of meetings attended
Mr. Ashish Kumar Gupta	Chairman	4	4
Mr. Dipak Kumar Banerjee*	Independent	4	1
Mr. Anand Chand	Non- Executive	4	4
Mr. Amar Patnaik*	Non- Executive	4	2

** For part of the year.*

Meeting of the Corporate Social Responsibility Committee

Name of the Directors	Composition	No. of meetings held	No. of meetings attended
Mr. Ashish Kumar Gupta	Chairman	1	1
Mr. Dipak Kumar Banerjee*	Independent	1	1
Mr. Amar Patnaik	Non- Executive	1	0
Mr. Anand Chand*	Non- Executive	1	0

** For part of the year.*

Annexure B

Annual Report on CSR Activities of the Company for the financial year ended 31st March, 2020

(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. The CSR activities undertaken during the year was that of Installation of water purifier in village which will self-sustain near IIT Kharagpur, West Bengal and Distribution of food items and other essentials for children at Sneha Sadan Orphanage at Mumbai. The CSR Policy of the Company may be accessed on www.tmilltd.com
2. Composition of CSR committee	**The CSR Committee comprises of all the 3 Non Executive Directors of the Company. The names of the members of the CSR Committee are as follows:** **Mr. Ashish Kumar Gupta – Chairman, Mr. Anand Chand – Member, Mr. Amar Patnaik – Member**
3. Average net profit of Company for last 3 financial years	**Rs. 90,81,335/-**
4. Prescribed CSR expenditure (2% of the amount as in item 3 above)	**Rs. 1,81,627/- (round off to Rs. 1.82 lakhs)**
5. Details of CSR spent during the financial year: a) Total amount to be spent during the financial year	**Rs. 1.82 lakhs**
b) Amount unspent, if any	**NIL**
c) Manner in which the amount spent in the financial year	(see table below)

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 (Budget) projects or programme wise (Rs. In Lakhs)	Amount spent on the projects of programmes Sub heads: 1. Direct expenditure on projects or 2. Programmes Overheads	Cumulative expenditure up to the reporting period (Rs. In Lakhs)	Amount spent: Direct or through implemen-ting agency
Installation of water purifier in the village on self-sustainable basis near IIT Kharagpur	Health	Kharagpur, West Bengal	1.82	1.85 Direct Expenditure on project	1.85	Through implemen-ting agency
Distribution of food items and other essentials for children at Sneha Sadan Orphanage	Community	Mumbai	-	0.19 Direct expenditure	0.19	Direct
Total			**1.82**		**2.04**	

6. Reasons for not spending the prescribed amount (in case the Company has failed to spend amount specified under item 4)	Not Applicable. An amount of Rs 0.22 lakhs has been spent over and above the budget.

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

Kolkata, 18/05/2020

Ashish Kumar Gupta — **Chairman**

Anand Chand — **Director**

Annexure C

MGT -9

A. Extract of Annual Return as on Financial Year ended 31st March, 2020

[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	92%
2.	Warehousing, Material Handling and others	DIV 52 Group 521	8%

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)

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 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	6	6	-	-	6	6	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	35,99,994	35,99,994	100	-	35,99,994	35,99,994	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**	**-**

Annexure C

A.	**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.	FIIs	-	-	-	-	-	-	-	-	-
viii.	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
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 Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii.	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c)	Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total: (B)(2)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Total public shareholding (B) = (B)(1) + (B)(2)		**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)		**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 01.04.2019			Shareholding at the end of the year 31.03.2020			% 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.	TM International Logistics Ltd.	35,99,994	100	0	35,99,994	100	0	0
2.	TM International Logistics Ltd. j/w Mr. Ashish Kumar Gupta	1	0	0	1	0	0	0
3.	TM International Logistics Ltd. j/w Mr. Sudip Sinha	1	0	0	0	0	0	0
4.	TM International Logistics Ltd. j/w Ms. Jyoti Purohit	0	0	0	1	0	0	0
5.	TM International Logistics Ltd. j/w Mr. Amit Kumar Sau	1	0	0	1	0	0	0
6.	TM International Logistics Ltd. j/w Mr. Anand Chand	1	0	0	1	0	0	0
7.	TM International Logistics Ltd. j/w Mr. Manish Agarwal	1	0	0	1	0	0	0
8.	TM International Logistics Ltd. j/w Mr. K. L. Bhowmick	1	0	0	1	0	0	0

Annexure C

iii. Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year 01.04.2019		Cumulative Shareholding during the year 31.03.2020	
		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. As on 31st March 2020, Mr. Anand Chand (Director) & Mr. Ashish Kumar Gupta (Chairman), holds 1 share each jointly with TMILL.

V. Indebtedness

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

	Secured Loans excluding deposits	Unsecured Loans (In Rs.)	Deposits (In Rs.)	Total Indebtedness (In Rs.)
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	50,600,000	NIL	50,600,000
ii) Interest due but not paid		NIL		NIL
iii) Interest accrued but not due		NIL		NIL
Total (i+ii+iii)	**NIL**	**50,600,000**	**NIL**	**50,600,000**
Change in Indebtedness during the financial year				
• Addition	NIL	37,000,000	NIL	37,000,000
• Reduction		48,800,000		48,800,000
Net Change	**NIL**	**(11,800,000)**	**NIL**	**(11,800,000)**
Indebtedness at the				
end of the financial year				
i) Principal Amount	NIL	38,800,000	NIL	38,800,000
ii) Interest due but not paid		NIL		NIL
iii) Interest accrued but not due		NIL		NIL
Total (i+ii+iii)	**NIL**	**38,800,000**	**NIL**	**38,800,000**

1. **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	Mr. Dipak Kumar Banerjee*	Total
1. Independent Directors		
a. Sitting fees for attending Board/Committee meetings of the Company during FY 19-20	40,500	40,500
b. Commission	NIL	NIL
Total (1)	**40,500**	**40,500**
2. Other Non-Executive Directors		
a. Sitting fees for attending Board/Committee meetings of the Company during FY 19-20	NIL	NIL
b. Commission	NIL	NIL
Total (2)	NIL	NIL
Total Remuneration (1+2)	**40,500**	**40,500**
Overall Ceiling as per the Act		

**For part of the year*

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

The Company does not have any Key Managerial Personnel.

2. **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.

Annexure D

Form AOC - 1

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

[Pursuant to first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries

Amount (In Rs. millions)

	Particulars	1	2
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 83.0496	1 RMB = INR 10.5786
4.	Share capital	2.71	43.88
5.	Reserves & surplus	1,853.38	(5.13)
6.	Total Assets	2,095.40	69.41
7.	Total Liabilities	2,095.40	69.41
8.	Investments	-	-
9.	Turnover	623.65	188.87
10.	Profit before taxation	79.63	5.22
11.	Provision for taxation	15.51	0.35
12.	Profit after taxation	64.12	4.87
13.	Proposed Dividend	156.39	-
14.	% of shareholding	100% Shareholding of TKM Global Logistics Limited.	100% Shareholding of TKM Global Logistics Limited.

Part "B": Associates and Joint Ventures

The Company does not have any joint ventures or associates as on 31st March, 2020. Hence, there is nothing to report in this regard.

TKM GLOBAL LOGISTICS LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of TKM Global Logistics Limited

Report on the Audit of the Financial Statements

Opinion

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

2. 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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), its changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the Financial Statements and our auditor's 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

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

7. 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

12. 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 Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as on March 31, 2019 on its financial position in its Financial Statements – Refer Note 43(a) to the Financial Statements;

ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2019.

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, 2019.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

Place: Hyderabad
Date: May 18, 2020

Dhiraj Kumar
Partner
Membership Number: 060466

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of TKM Global Logistics Limited on the Financial Statements for the year ended March 31, 2019

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

1. We have audited the internal financial controls with reference to Financial Statements of TKM Global Logistics Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 Companies Act, 2013 ("the Act").

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 with reference to Financial Statements 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 with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.
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 with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (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 with reference to financial statements

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

Opinion

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

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

Dhiraj Kumar
Partner
Membership Number: 060466

Place: Hyderabad
Date: May 18, 2020

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of TKM Global Logistics Limited on the Financial Statements as of and for the year ended March 31, 2019

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 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 provident fund and professional tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer Note 43(b) to the Financial Statements regarding management's assessment on certain matters relating to provident fund.
(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 and goods and service tax as at March 31, 2019, 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, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	6,677.63	FY 2005-06 to FY 2009-10	Customs, Excise & Service Tax Appellate Tribunal
Income-Tax Act, 1961	Income Tax	120.61	FY 2010-11	Commissioner of Income Tax (Appeals)
Income-Tax Act, 1961	Income Tax	100.71	FY 2011-12	Income Tax Appellate Tribunal

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 given to us, the moneys raised by way of term loans have been applied, on an overall basis, for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments).

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 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

Dhiraj Kumar
Partner
Membership Number: 060466

Place: Hyderabad
Date: May 18, 2020

Balance Sheet as at 31 March, 2020

	Particulars	Note	As at 31st March 2020 ₹ in Lakhs	As at 31st March 2019 ₹ in Lakhs
	ASSETS			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	4	598.31	628.01
	(b) Intangible Assets	4	4.48	7.48
	(c) Financial Assets			
	(i) Investments	5	549.42	549.42
	(ii) Loans	6	60.43	56.09
	(iii) Other Financial Assets	7	200.35	-
	(d) Non-current Tax Asset (Net)	8	1,027.33	901.59
	(e) Deferred Tax Assets (Net)	36	102.34	80.26
	(f) Other Non-current Assets	9	6.96	11.89
	Total Non-current Assets		**2,549.62**	**2,234.74**
(2)	**Current assets**			
	(a) Financial Assets			
	(i) Investments	10	-	1.38
	(ii) Loans	11	7.77	32.06
	(iii) Trade Receivables	12	1,749.90	1,773.62
	(iv) Cash and Cash Equivalents	13	86.71	206.65
	(v) Other Bank Balances	14	15.13	15.80
	(vi) Other Financial Assets	15	137.42	0.85
	(b) Other Current Assets	16	178.56	115.30
	Total Current Assets		**2,175.49**	**2,145.66**
	TOTAL ASSETS		**4,725.11**	**4,380.40**
	EQUITY AND LIABILITIES			
	(1) EQUITY			
	(a) Equity Share Capital	17	360.00	360.00
	(b) Other Equity	18	2,534.01	2,412.49
	Total Equity		**2,894.01**	**2,772.49**
	LIABILITIES			
	(1) Non-current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	40.00	88.00
	(ii) Other Financial Liabilities	20	244.58	54.05
	(b) Provisions	21	133.95	153.03
	(c) Other Non-current Liabilities	22	6.46	11.30
	Total Non-current Liabilities		**424.99**	**306.38**
	(2) Current Liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	23	300.00	370.00
	(ii) Trade Payables	24	-	-
	a) Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
	b) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		799.27	778.21
	(iii) Other Financial Liabilities	25	182.75	74.99
	(b) Provisions	26	65.29	20.19
	(c) Other Current Liabilities	27	58.68	48.87
	(d) Current Tax Liabilities (Net)	28	0.12	9.27
	Total Current Liabilities		**1,406.11**	**1,301.53**
	Total Liabilities		**1,831.10**	**1,607.91**
	TOTAL EQUITY AND LIABILITIES		**4,725.11**	**4,380.40**

The above Balance Sheet should be read in conjunction with the accompanying Notes.
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

For and on behalf of the Board of Directors

Dhiraj Kumar
Partner
Membership Number : 060466

Ashish Kumar Gupta
Chairman
DIN: 7808012

Anand Chand
Director
DIN: 6879532

Place : Hyderabad
Date : May 18, 2020

Place: Kolkata
Date: May 18, 2020

Statement of Profit and Loss for the year ended 31 March, 2020

	Particulars	Note	For the Year ended 31st March 2020 ₹ in Lakhs	For the Year ended 31st March 2019 ₹ in Lakhs
I.	**Revenue from Operations**	29	7,507.86	7,335.52
II.	**Other Income**	30	1,781.99	606.12
III.	**Total Income (I +II)**		**9,289.85**	**7,941.64**
IV.	**Expenses:**			
	Operating Expenses	31	6,489.35	6,230.72
	Employee Benefits Expenses	32	750.64	899.09
	Finance Costs	33	62.21	42.67
	Depreciation and Amortization Expenses	4	30.74	30.97
	Other Expenses	34	275.37	339.54
	Total Expenses (IV)		**7,608.31**	**7,542.99**
V.	**Profit/(Loss) Before Tax (III-IV)**		**1,681.54**	**398.65**
VI.	**Income Tax Expense:**		**275.50**	**47.77**
	(1) Current Tax	35	298.31	83.82
	(2) Deferred Tax	36	(22.07)	(36.05)
	(3) Income Tax for earlier years		(0.74)	-
VII.	**Profit/(Loss) for the Year (V-VI)**		**1,406.04**	**350.88**
VIII.	**Other Comprehensive Income**			
	Items that will not be Reclassified to Profit or Loss (1) Remeasurement of Post-Employment Defined Benefit Plans		(34.59)	12.25
	(2) Income Tax on Above		10.07	(2.52)
IX.	**Total Comprehensive Income for the Year (VII+VIII)**		**1,381.52**	**360.61**
X.	**Earning per Equity Share**	37		
	(1) Basic		**39.06**	9.75
	(2) Diluted		**39.06**	9.75

The above Statement of Profit and Loss should be read in conjunction with the accompanying Notes.
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

For and on behalf of the Board of Directors

Dhiraj Kumar
Partner
Membership Number : 060466

Ashish Kumar Gupta
Chairman
DIN: 7808012

Anand Chand
Director
DIN: 6879532

Place : Hyderabad
Date : May 18, 2020

Place: Kolkata
Date: May 18, 2020

Cash Flow Statement for the year ended 31st March, 2020

Sl. No.	Particulars	Note No.	For the year ended 31st March 2020 ₹ in Lakhs	For the year ended 31st March 2019 ₹ in Lakhs
A.	**Cash Flows from Operating Activities**			
	Net Profit/(Loss) before Tax		1,681.54	398.65
	Adjustments for:			
	Depreciation and Amortisation Expense		30.74	30.97
	Finance Costs	33	62.21	42.67
	Dividend Income	30	(2.55)	(3.53)
	Dividend Income from Subsidiary	30	(1,563.90)	(501.25)
	Lease Rental Income	30	(23.99)	-
	Interest on IT refund	30	(103.50)	
	Liabilities no Longer Required Written Back	30	(18.68)	
	Provision for Doubtful Debts Written Back	30	(16.87)	
	Interest Income	30	(42.90)	(11.01)
	(Gain)/Loss on Disposal of Property, Plant and Equipment(Net)		2.03	(0.98)
	Operating Loss before Changes in Operating Assets and Liabilities		**4.13**	(44.48)
	Changes in Operating Assets and Liabilities			
	(Increase)/Decrease in Trade Receivables		40.58	(323.57)
	(Increase)/Decrease in Loans		19.94	12.27
	(Increase)/Decrease in Other Assets		(58.34)	62.23
	(Increase)/Decrease in Other Financial Assets		-	-
	Decrease in Trade Payables		18.19	(133.47)
	Increase/(Decrease) in Other Financial Liabilities		2.55	(16.81)
	Increase/(Decrease) in Provisions		(8.57)	(0.51)
	Increase/(Decrease) in Other Liabilities		4.98	22.09
	Cash Generated from Operations		**23.46**	(422.25)
	Income Taxes Paid (Net of Refunds)		(318.89)	(216.15)
	Net Cash used in Operating Activities		**(295.43)**	(638.40)
B.	**Cash Flows from Investing Activities**			
	Purchase of Investments		(2,799.93)	(1,374.53)
	Sale of Investments		2,801.32	1,373.65
	Proceeds from Maturity of Deposits with Banks		-	14.95
	Payments for Placing of Deposits with Banks		(1.10)	(15.80)
	Interest Received	30	1.87	1.86
	Dividends Received from Subsidiary	30	1,563.90	501.25
	Dividends Received from Mutual Funds	30	2.55	3.53
	Payments for Acquisition of Property, Plant and Equipment		(2.01)	(29.51)
	Proceeds from Disposal of Property, Plant and Equipment		1.94	1.15
	Net Cash Generated from/(used in) Investing Activities		**1,568.54**	476.55
C.	**Cash Flows from Financing Activities**			
	Repayment of Borrowings		(488.00)	(548.00)
	Proceeds from Borrowings	23	370.00	870.00
	Dividend Paid to Holding Company		(1,260.00)	-
	Lease Rental Received		145.50	-
	Lease Rental Paid		(137.70)	-
	Interest Paid		(22.85)	(33.66)
	Net Cash from/(used) in Financing Activities		**(1,393.05)**	288.34
	Net Increase in Cash and Cash Equivalents (A+B+C)		**(119.94)**	126.49
	Cash and Cash Equivalents at the Beginning of the Year	13	206.65	80.16
	Cash and Cash Equivalents at the End of the Year	13	**86.71**	206.65

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 Cash Flow Statement referred to in our Report of even date.

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

Dhiraj Kumar
Partner
Membership Number : 060466

Place : Hyderabad
Date : May 18, 2020

For and on behalf of the Board of Directors

Ashish Kumar Gupta
Chairman
DIN: 7808012

Anand Chand
Director
DIN: 6879532

Place: Kolkata
Date: May 18, 2020

Statement of Changes in Equity for Year ended 31st March 2020

A. Equity Share Capital (Refer Note 17)	Amount ₹ in Lakhs
Balance as at 1st April 2018	**360.00**
Changes in Equity Share Capital during the Year	-
Balance as at 31st March 2019	**360.00**
Balance as at 1st April 2019	**360.00**
Changes in Equity Share Capital during the Year	-
Balance as at 31st March 2020	**360.00**

B. Other Equity (Refer Note 18)	General Reserves ₹ in Lakhs	Retained Earnings ₹ in Lakhs	Total ₹ in Lakhs
Balance as at 1st April 2018	**5.64**	**2,046.24**	**2,051.88**
Profit for the Year	-	350.88	350.88
Other Comprehensive Income for the Year	-	9.73	9.73
Balance as at 31st March 2019	**5.64**	**2,406.85**	**2,412.49**
Balance as at 1st April 2019	**5.64**	**2,406.85**	**2,412.49**
Profit for the Year	-	**1,406.04**	**1,406.04**
Other Comprehensive Income for the Year	-	**(24.52)**	**(24.52)**
Dividend Paid	-	**(1,260.00)**	**(1,260.00)**
Balance as at 31st March 2020	**5.64**	**2,528.37**	**2,534.01**

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes.
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

Dhiraj Kumar
Partner
Membership Number : 060466

Place : Hyderabad
Date : May 18, 2020

For and on behalf of the Board of Directors

Ashish Kumar Gupta
Chairman
DIN: 7808012

Anand Chand
Director
DIN: 6879532

Place: Kolkata
Date: May 18, 2020

1. COMPANY BACKGROUND

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 May 18, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis for preparation

(i) Compliance with Ind AS

The 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 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.

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.

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 on property, plant and equipment is calculated on a pro-rata basis using the straight-line method to allocate their cost, over

their estimated useful lives 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 Statement of Profit and Loss within 'Other Income'/'Other Expenses'. Advances paid towards the acquistion 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 3 years. Amortisation is recognised on a straight-line basis over their estimated useful lives. Amortisation method and useful lives are reviewed periodically including at each financial year end.

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, is recognised in Statement of Profit and 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 group 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, 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 periods. A reversal of an impairment loss is recognized in the Statement of Profit and Loss immediately.

2.5. Leases

As A Lessee

The Company has adopted the new standard Ind AS 116, Leases with effect from 1st April, 2019 for all the leases other than lease with term of 12 months or less and leases for which underlying assets are of low value. Such lease arrangements are measured and recognized at the present value of the future lease payments as lease liabilities.

The Company has adopted modified retrospective simplified approach and accordingly the Company has recognized right-of-use asset at a value equal to the lease liability on the transition date. In the case of sub-lease, which has been classified as finance lease as per Ind AS 116, the Company has derecognised the right-of-use asset relating to the head lease that it transferred to the sub-lessee and recognised the net investment in the sub-lease.

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and nonlease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third-party financing and make adjustments specific to the lease e.g. term, country, etc.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straightline basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of building are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As A Lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

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 the Statement of Profit and 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 recognised as expense in the Statement of Profit and Loss.

<u>Debt Instruments</u>

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.

<u>Equity Instruments</u>

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, where the time value of money is significant.

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 the Statement of Profit and Loss.

The obligations are presented under Provisions for Employee Benefits within 'Provisions' in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

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 from contracts with customers are recognised when services promised in the contract are transferred to the customer. The amount of revenue recognised depicts the transfer of promised services to customers for an amount that reflects the consideration to which the Company is entitled to in exchange for the services rendered.

Sale of Services and Other Operating Revenue

Revenue from sale of services and other operating revenue are recognised when services are transferred to the customer i.e. when the Company satisfies the performance obligation with respect to the services being rendered, risk of loss have been transferred to the customer and either the customer has accepted the services in accordance with the contract or the acceptance provisions have elapsed or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from sale of services are recognised based on the price specified in the contract, which is fixed. No element of financing is deemed present as the sales are made against the receipt of advance or with an agreed credit period, which is consistent with the market practices. A receivable is recognised when the services are transferred, as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

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 as other income in the Statement of Profit and 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 Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Financial Statements are presented in Indian Rupee (₹), 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 period-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. Exchange differences arising from settlement of foreign currency transactions and from the period-end restatement are recognised 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 prevailing at the date when the fair value was determined. 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. 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 period.

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.

3. USE OF ESTIMATES AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of 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 Financial Statements and the reported amounts of revenues and expenses for the periods 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 Financial Statements.

Notes forming part of the Financial Statements for the year ended 31st March, 2020

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.

B. Estimation of Expected Useful Lives and Residual Values of Property, Plant 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 obsolescense 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.

4. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

₹ in Lakhs

	As at March 2020	As at March 2019
Net Carrying amount of :		
Building	567.56	578.79
Plant and Equipments	3.92	4.70
Furniture and Fixtures	8.22	14.33
Vehicles	12.76	16.73
Office Equipments	5.85	13.46
Total Property, Plant and Equipment	**598.31**	**628.01**
Softwares	4.48	7.48
Total Intangible Assets	**4.48**	**7.48**

	Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total Property, Plant and Equipments	Softwares	Total Intangible Assets
Gross Carrying Amount as at 1st April 2019	623.62	7.29	41.17	19.81	27.82	**719.71**	18.46	**18.46**
Additions	-	-	2.01	-	-	**2.01**	-	-
Disposals	-	0.28	10.51	0.51	13.23	**24.53**	0.32	**0.32**
Gross Carrying Amount as at 31st March 2020	**623.62**	**7.01**	**32.67**	**19.30**	**14.59**	**697.19**	**18.14**	**18.14**
Accumulated Depreciation/Amortisation as at 1st April 2019	44.83	2.59	26.84	3.08	14.36	**91.70**	10.98	**10.98**
Charge for the Year	11.23	0.67	6.12	3.97	5.75	**27.74**	3.00	**3.00**
Disposals	-	0.17	8.51	0.51	11.37	**20.56**	0.32	**0.32**
Accumulated Depreciation/Amortisation as at 31st March 2020	**56.06**	**3.09**	**24.45**	**6.54**	**8.74**	**98.88**	**13.66**	**13.66**
Net Carrying Amount at the beginning of the Year	**578.79**	**4.70**	**14.33**	**16.73**	**13.46**	**628.01**	**7.48**	**7.48**
Net Carrying Amount at the end of the Year	**567.56**	**3.92**	**8.22**	**12.76**	**5.85**	**598.31**	**4.48**	**4.48**

	Building	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total Property, Plant and Equipments	Softwares	Total Intangible Assets
Gross Carrying Amount as at 1st April 2018	623.62	7.29	40.53	-	20.91	**692.35**	18.46	**18.46**
Additions	-	-	0.64	19.81	7.20	**27.65**	-	-
Disposals	-	-	-	-	0.29	**0.29**	-	-
Gross Carrying Amount as at 31st March 2019	**623.62**	**7.29**	**41.17**	**19.81**	**27.82**	**719.71**	**18.46**	**18.46**
Accumulated Depreciation/Amortisation as at 1st April 2018	33.63	1.92	20.18	-	8.38	**64.11**	7.71	**7.71**
Charge for the year	11.20	0.67	6.66	3.08	6.09	**27.70**	3.27	**3.27**
Disposals	-	-	-	-	0.11	**0.11**	-	-
Accumulated Depreciation/Amortisation as at 31st March 2019	**44.83**	**2.59**	**26.84**	**3.08**	**14.36**	**91.70**	**10.98**	**10.98**
Net Carrying Amount at the beginning of the Year	**589.99**	**5.37**	**20.35**	-	**12.53**	**628.24**	**10.75**	**10.75**
Net Carrying Amount at the end of the Year	**578.79**	**4.70**	**14.33**	**16.73**	**13.46**	**628.01**	**7.48**	**7.48**

Note :

(i) Aggregate amount of depreciation/amortisation charge has been included under "Depreciation and Amortisation Expenses" in the Statement of Profit and Loss.

(ii) Title deed of the above immovable property is held in the name of the Company.

₹ in Lakhs

5. NON-CURRENT INVESTMENTS	As at 31st March 2020	As at 31st March 2019
Investments Carried at Cost		
Investment in Equity Instruments of Subsidiary Companies (Unquoted)		
i) TKM Global GmbH	**110.64**	110.64
100 Shares of Euro 511.29 each, fully paid up (31st March 2019: 100 Shares of Euro 511.29 each, fully paid up)		
ii) TKM Global China Ltd	**438.78**	438.78
1 Share of USD 10,00,000, fully paid up (31st March 2019: 1 Share of USD 10,00,000, fully paid up)		
	549.42	549.42

₹ in Lakhs

6. LOANS - NON - CURRENT	As at 31st March 2020	As at 31st March 2019
Unsecured Considered Good :		
Security Deposits	**60.43**	56.09
	60.43	56.09

₹ in Lakhs

7. OTHER FINANCIAL ASSETS - NON - CURRENT	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered Good :		
Lease Rental Receivables @	**198.58**	-
Fixed Deposit with Banks	**1.77**	-
	200.35	-
@ Includes dues from Related Parties (Refer Note 42)	**198.58**	-

₹ in Lakhs

8. NON-CURRENT TAX ASSETS (NET)	As at 31st March 2020	As at 31st March 2019
Advance Payment of Taxes [Net of Provisions for Tax ₹ 598.17 Lakhs (31st March 2019: ₹ 316.90 Lakhs)]	**1,027.33**	901.59
	1,027.33	901.59

₹ in Lakhs

9. OTHER NON-CURRENT ASSETS	As at 31st March 2020	As at 31st March 2019
Prepaid Expenses	**6.96**	11.89
	6.96	**11.89**

₹ in Lakhs

10. INVESTMENTS - CURRENT	As at 31st March 2020	As at 31st March 2019
Investment Carried at Fair Value through Profit or Loss		
Investments in Mutual Funds (Unquoted)		
Tata Liquid Fund Direct Plan-Daily Dividend [Nil (31st March 2019: 138.18 Units)]	-	1.38
	-	1.38

₹ in Lakhs

11. LOANS - CURRENT	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered Good :		
Loan to Employees	**7.05**	11.39
Security Deposits	**0.72**	20.67
	7.77	32.06

₹ in Lakhs

12. TRADE RECEIVABLES	As at 31st March 2020	As at 31st March 2019
Trade Receivables Considered Good - Unsecured @	**1,749.90**	1,773.62
Trade Receivables Credit Impaired @	**66.81**	61.50
	1,816.71	1,835.12
Less : Loss Allowance	**(66.81)**	(61.50)
	1,749.90	1,773.62
@ Includes dues from Related Parties (Refer Note 42)	**1,313.03**	1,235.89

₹ in Lakhs

13. CASH AND CASH EQUIVALENTS	As at 31st March 2020	As at 31st March 2019
Cash on Hand	**0 .03**	0.40
Balances with Banks		
In Current Account	**86.68**	206.25
	86.71	206.65

₹ in Lakhs

14. OTHER BANK BALANCES	As at 31st March 2020	As at 31st March 2019
Fixed Deposit with Banks	15.13	15.80
	15.13	15.80

₹ in Lakhs

15. OTHER FINANCIAL ASSETS- CURRENT	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered Good :		
Interest Accrued on Deposits	**0.87**	0.85
Lease Rental Receivables @	**136.55**	-
	137.42	0.85
@ Includes dues from Related Parties (Refer Note - 42)	**136.55**	-

₹ in Lakhs

16. OTHER CURRENT ASSETS	As at 31st March 2020	As at 31st March 2019
Balance with Government Authorities #	**38.93**	47.56
Prepaid Expenses	**29.72**	31.70
Advances to Suppliers/Service Providers	**117.52**	43.65
	186.17	122.91
Less: Provision for Doubtful Advances	**(7.61)**	(7.61)
	178.56	115.30

Balance 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 as Current Assets.

₹ in Lakhs

17. EQUITY SHARE CAPITAL	As at 31st March 2020	As at 31st March 2019
Authorised 50,00,000 Equity Shares of ₹ 10 each (31st March 2019: 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 (31st March 2019: 36,00,000 Equity Shares of ₹ 10 each, fully paid up)	**360.00**	360.00
	360.00	360.00

₹ in Lakhs

i Reconciliation of Shares	As at 31st March 2020		As at 31st March 2019	
	Number of Equity Shares	Equity Share Capital ₹ in Lakhs	Number of Equity Shares	Equity Share Capital ₹ in Lakhs
Equity Shares 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 holding company : ₹ in Lakhs

Shareholders	31st March 2020	31st March 2019
TM International Logistics Limited	**360.00**	360.00

iv Details of Equity Shares held by Shareholders holding more than 5% of the aggregate shares in the Company:

Shareholders	As at 31st March 2020		As at 31st March 2019	
	Number of equity shares	%	Number of equity shares	%
TM International Logistics Limited	**36.00**	**100%**	**36.00**	**100%**

₹ in Lakhs

18. OTHER EQUITY	As at 31st March 2020	As at 31st March 2019
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	**2,406.85**	2,046.24
Profit/(Loss) for the Year	**1,406.04**	350.88
Other Comprehensive Income	**(1,260.00)**	-
- Remeasurements of Post-Employment Defined Benefit Plans	**(24.52)**	9.73
Balance at the end of the Year	**2,528.37**	2,406.85
	2,534.01	2,412.49

₹ in Lakhs

19. NON CURRENT BORROWINGS	As at 31st March 2020	As at 31st March 2019
Unsecured		
Loan from Related Party (Refer Note : 44)	**88.00**	136.00
Less : Current Maturities of Long-term Debt (Refer Note : 25)	**(48.00)**	(48.00)
	40.00	88.00

Terms of Repayment -

Total Loan amount is repayable in quarterly instalments of Rs.12.00 Lakhs. Interest is payable on monthly basis at 10.50 % p.a.

₹ in Lakhs

20. OTHER FINANCIAL LIABILITIES - NON CURRENT	As at 31st March 2020	As at 31st March 2019
Security Deposits @	**56.61**	54.05
	187.97	-
	244.58	54.05
@ Includes dues from Related Parties (Refer Note 42)	**56.61**	54.05

₹ in Lakhs

21. PROVISIONS- NON CURRENT	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits		
- Provision for Compensated Absences	**133.95**	153.03
	133.95	153.03

Notes forming part of the Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

22. OTHER NON-CURRENT LIABILITIES	As at 31st March 2020	As at 31st March 2019
Deferred Rent @	**6.46**	11.30
	6.46	11.30
@ Includes dues to Related Parties (Refer Note : 42)	**6.46**	11.30

₹ in Lakhs

23. CURRENT BORROWINGS	As at 31st March 2020	As at 31st March 2019
Unsecured		
Loan from Related Party	**300.00**	370.00
- TM International Logistics Limited		
	300.00	370.00
@ Includes dues to Related Parties (Refer Note : 42)	**300.00**	370.00

Terms of Repayment -

Loan amount is repayable on demand. Interest is payable on monthly basis at 8.50 % p.a.

₹ in Lakhs

24. TRADE PAYABLES - CURRENT	As at 31st March 2020	As at 31st March 2019
Creditors for Supplies and Services - Others @	**680.70**	617.73
Creditors for Accrued Wages and Salaries	**118.57**	160.48
	799.27	778.21
@ Includes dues to Related Parties (Refer Note : 42)	104.79	113.26

₹ in Lakhs

25. OTHER FINANCIAL LIABILITIES - CURRENT	As at 31st March 2020	As at 31st March 2019
Current Maturities of Long-term Debt	**48.00**	48.00
Lease Liabilities	**129.25**	-
Capital Liabilities @	**5.50**	26.99
	182.75	74.99
@ Includes dues to Related Parties (Refer Note : 42)	5.50	5.50

₹ in Lakhs

26. PROVISIONS - CURRENT	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits		
- Provision for Gratuity	**63.04**	17.08
- Provision for Compensated Absences	**2.25**	3.11
	65.29	**20.19**

₹ in Lakhs

27. OTHER CURRENT LIABILITIES	As at 31st March 2020	As at 31st March 2019
Contract Liabilities @	**38.02**	23.29
Deferred Rent @	**4.84**	4.84
Dues Payable to Government Authorities #	**15.82**	20.74
	58.68	48.87
@ Includes dues to Related Parties (Refer Note : 42)	28.32	16.98

Dues Payable to Government Authorities primarily includes goods and service tax, withholding taxes, payroll related taxes and other taxes payable.

₹ in Lakhs

28. CURRENT TAX LIABILITIES	As at 31st March 2020	As at 31st March 2019
Provision for Taxes [Net of Advance Tax: **₹11.05 Lakhs** (31st March 2019: ₹ 85.72 Lakhs)]	**0.12**	9.27
	0.12	9.27

Notes forming part of the Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

29. REVENUE FROM OPERATIONS	For the period ended 31st March 2020	For the period ended 31st March 2019
Sale of Services		
i) Freight, Agency and Other Charges	**6,775.06**	6,723.60
ii) Warehousing	**127.54**	359.54
Other Operating Revenues		
i) Service Charge	**605.26**	252.38
	7,507.86	7,335.52

₹ in Lakhs

30. OTHER INCOME	For the period ended 31st March 2020	For the period ended 31st March 2019
Dividend Income from Mutual Funds	**2.55**	3.53
Dividend Income from Subsidiary	**1,563.90**	501.25
Liabilities no Longer Required Written Back	**18.68**	42.17
Gain on Foreign Currency Transactions (Net)	**7.35**	29.35
Profit on Sale of Property, Plant and Equipment (Net)	**-**	0.98
Recovery of Bad Debts	**-**	0.70
Provision for Doubtful Debts Written Back	**16.87**	5.67
Interest Income	**42.90**	11.01
Income from Rental Services	**2.25**	11.40
Interest on IT Refund	**103.50**	-
Other Non-Operating Income	**23.99**	0.06
	1,781.99	606.12

₹ in Lakhs

31. OPERATING EXPENSE	For the period ended 31st March 2020	For the period ended 31st March 2019
Freight, Documentation and Other Charges	**6,366.09**	5,920.70
Warehousing Expense	**123.26**	310.02
	6,489.35	6,230.72

₹ in Lakhs

32. EMPLOYEE BENEFITS EXPENSE	For the period ended 31st March 2020	For the period ended 31st March 2019
Salaries and Wages	**688.40**	825.54
Contribution to Provident and Other Funds	**48.01**	51.82
Staff Welfare Expenses	**14.23**	21.73
	750.64	899.09

₹ in Lakhs

33. FINANCE COSTS	For the period ended 31st March 2020	For the period ended 31st March 2019
Interest Expense	**32.23**	42.67
Unwinding of Discount- Lease Liabilities	**29.98**	-
	62.21	42.67

₹ in Lakhs

34. OTHER EXPENSES	For the period ended 31st March 2020	For the period ended 31st March 2019
Power and Fuel	**11.88**	9.84
Rent	**40.31**	78.67
Repairs and Maintenance		
- Buildings	**3.62**	3.58
- Others	**18.34**	17.18

Notes forming part of the Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

	For the period ended 31st March 2020 ₹ in Lakhs	For the period ended 31st March 2019 ₹ in Lakhs
Insurance	**33.04**	31.62
Rates and Taxes	**3.71**	4.53
Travelling and Conveyance Expenses	**20.62**	49.21
Legal and Professional Fees	**62.00**	28.50
Provision for Doubtful Debts	**22.18**	28.80
Payment to Auditors (Refer Note 34.1)	**8.48**	7.58
Corporate Social Responsibility Expenditure	**2.04**	2.70
Bad Debts Written-off	**2.58**	19.11
Loss on Sale of Property, Plant and Equipment (Net)	**2.03**	-
Miscellaneous Expenses	**44.54**	58.22
	275.37	339.54
34.1 Payment to Auditors		
As Auditors		
- Audit Fee	**3.60**	4.60
- Other Matters (including Certification)	**4.18**	2.68
- Out of Pocket Expenses	**0.70**	0.30
34.2 Corporate Social Responsibility Expenditure		
a) Gross Amount required to be spent during the Year	**1.83**	1.95
b) Amount spent during the Year	**-**	-
(i) Construction/Acquisition of an Asset	**-**	-
(ii) On Purposes other than (i) above	**2.04**	2.04

₹ in Lakhs

35. INCOME TAX EXPENSE	For the Year ended 31st March 2020	For the Year ended 31st March 2019
A. Tax Expense Recognised in Profit or Loss		
Current Tax		
Current Tax on Profits for the Year	**298.31**	83.82
Income Tax for earlier years	**(0.74)**	-
Deferred Tax		
Origination and Reversal of Timing Differences	**(22.07)**	(36.05)
Income Tax Expense	**275.50**	47.77
B. Tax Expense Recognised in Other Comprehensive Income		
Current Tax		
Remeasurements on Post-employment Defined Benefit Plans	**(10.07)**	2.52
	(10.07)	2.52

Reconciliation of the Income Tax Expense to the Profit /(Loss) for the year as follows: ₹ in Lakhs

35. INCOME TAX EXPENSE	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Profit / (Loss) Before Tax for the Year	1,681.54	398.65
Income Tax Expense calculated at 29.12% (31st March 2019: 27.82%)	489.66	110.90
Effect of Income that is Exempt from Tax	(0.74)	(0.98)
Effect of items that are not Deductible in Determining Taxable Profit	0.59	0.75
Effect of items taxable at Special Rate	(182.16)	(55.78)
Effect on Deferred Tax Balances due to the Change in Income Tax Rate	(2.00)	(2.01)
Others	0.29	(5.11)
Effect of Income not offered to tax as per ICDS	(30.14)	-
	275.50	**47.77**

Notes forming part of the Financial Statements for the year ended 31st March, 2020

The tax rate used in the reconciliations above is the corporate tax rate of 25% (31st March 2019: Tax Rate of 25%) plus surcharge and cess, where applicable, payable by corporate entities in India on taxable profits under the Indian tax law.

36. DEFERRED TAX (LIABILITY)/ASSET (NET)

₹ in Lakhs

	As at 31st March 2019	(Charge)/ Credit for the Period	As at 31st March 2020
Deferred Tax Liabilities			
Property, Plant and Equipment and Intangible Assets	(92.77)	(5.07)	**(97.84)**
Lease Receivables (net of Lease Liability)	-	(5.21)	**(5.21)**
	(92.77)	(10.28)	**(103.05)**
Deferred Tax Assets			
Provision for Doubtful Debts and Advances	19.23	2.45	**21.67**
Leave Encashment	43.44	(3.78)	**39.66**
MAT Credit Entitlement	37.42	12.30	**49.73**
Unabsorbed Business Loss	72.94	21.39	**94.33**
	173.03	32.36	**205.39**
Deferred Tax Credit		22.08	
Deferred Tax Asset (Net)	80.26	-	**102.34**

Significant Estimates

Company has recognised deferred tax assets on carried forward tax losses. Company has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets. Company is expected to generate taxable income from 2021 onwards.

The losses can be carried forward for a period of 8 years as per local tax regulations and the group expects to recover the losses.

₹ in Lakhs

37. EARNINGS PER SHARE (EPS)	For the Year ended 31st March 2020	For the Year ended 31st March 2019
(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 (₹)	**1,406.04**	**350.88**
(vi) Basic Earnings per Equity Share (₹) [(v)/(iii)]	**39.06**	9.75
(B) Diluted		
(i) Dilutive Potential Equity Shares	**-**	-
(ii) Earnings per Equity Share (₹) [Same as (A)(vi) above]	**39.06**	9.75

38. EMPLOYEE BENEFITS :

(i) Post Employment Defined Contribution Plans

The Company provides 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 **₹29.61 Lakhs** (31st March 2019 - ₹ 34.81 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, demographic risk and salary growth 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.

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

Description	For the year ended 31st March 2020	For the year ended 31st March 2019
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	**183.22**	172.23
b. Current Service Cost	**15.46**	15.75
c. Interest Expense	**12.93**	12.80
d. Remeasurement Losses		
Actuarial Gain arising from Changes in Experience Adjustments	**(15.74)**	(11.48)
Actuarial Gain arising from Changes in Financial Assumptions	**13.90**	-
e. Benefits Paid	**(21.62)**	(3.02)
f. Acquisitions Credit	**-**	(3.06)
g. Present Value of Obligation at the End of the Year	**188.15**	183.22
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	**166.14**	150.93
b. Interest Income	**11.84**	11.54
c. Return on Plan Assets, excluding Amounts included in Interest Income	**(36.43)**	0.77
d. Contributions from Employer	**4.78**	8.98
e. Benefits Paid	**(21.22)**	(3.02)
f. Acquisitions Credit	**-**	(3.06)
g. Fair value of Plan Assets at the End of the Year	**125.11**	**166.14**
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	**188.15**	183.22
b. Fair Value of Plan Assets at the End of the Year	**125.11**	166.14
c. Liabilities recognized in the Balance Sheet	**63.04**	17.08
Provision for Employee Benefit - Current (Refer Note 26)	**63.04**	17.08
4. Expense Recognised in the Statement of Profit and Loss during the Year		
a. Service Cost		
- Current Service Cost	**15.46**	15.75
- Past Service Cost	**-**	-
b. Net interest cost	**1.09**	1.26
Total Expense Recognised during the Year in the Statement of Profit and Loss	**16.55**	17.01
5. Expense Recognised in Other Comprehensive Income		
a. Actuarial Gain due to DBO Experience	**(15.74)**	(11.48)
b. Actuarial Gain due to DBO assumption changes	**13.90**	-
c. Remeasurement Gain	**36.43**	(0.77)
Total Income Recognised in Other Comprehensive Income	**34.59**	(12.25)
6. Category of Plan Assets:		
Funded with Life Insurance Corporation of India	**125.11**	163.07
7. Maturity Profile of Defined Benefit Obligation		
a. Within 1 year	**3.63**	3.41
b. 1-2 years	**7.76**	7.46
c. 2-5 years	**53.83**	54.05
d. Over 5 years	**109.58**	84.62
8. Assumptions		
a. Discount Rate (per annum)	**6.70%**	7.50%
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) ultimate 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.

9. Actuarial assumptions for the determination of the defined benefit 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.

	31st March 2020		31st March 2019	
	Discount Rate	Salary Escalation	Discount Rate	Salary Escalation
Effect of change in				
Increase by 1%				
(i) Aggregate Service and Interest Cost	**(17.15)**	**17.56**	(18.01)	19.00
(ii) Closing Balance of Obligation	**171.00**	**205.71**	165.21	202.22
Decrease by 1%				
(i) Aggregate Service and Interest Cost	**19.74**	**(15.81)**	20.84	(16.82)
(ii) Closing Balance of Obligation	**207.89**	**172.34**	204.06	166.40

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 change in some of the assumptions may be correlated.

10. The Company expects to contribute **₹63.04 lakhs** (31st March 2019: ₹ 17.08 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 2020 is 10 years (31st March 2019 - 11 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 ₹ 136.20 Lakhs and ₹ 156.14 Lakhs as at 31st March 2020 and 31st March 2019 respectively (Refer Note 21 and 26). 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.

Notes forming part of the Financial Statements for the year ended 31st March, 2020

39. 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:

Particulars	Note No.	31st March 2020	31st March 2019
Financial Assets			
Assets Carried at Fair Value through Profit or Loss			
Loans	6	**60.43**	56.09
Investments Mutual Fund	10	**-**	1.38
Assets Carried at Amortised Cost			
Loans	11	**7.77**	32.06
Trade Receivables	12	**1,749.90**	1,773.62
Other Financial Assets	7, 15	**337.77**	0.85
Cash and Cash Equivalents	13	**86.71**	206.65
Other Bank Balances	14	**16.90**	15.80
Total Financial Assets		**2,259.48**	**2,086.44**
Financial Liabilities			
Liabilities Carried at Amortised Cost			
Borrowings (excluding Current Maturities)	19, 23	**340.00**	458.00
Trade Payables	24	**799.27**	-
Other Financial Liabilities	25	**182.75**	74.99
Liabilities Carried at Fair Value through Profit or Loss			
Other Financial Liabilities	20	**244.58**	54.05
Total Financial Liabilities		**1,566.60**	**587.04**

(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 2019.

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) In respect of security deposits given and security deposits accepted which are non-interest bearing, the Company has used discounted cash flows to arrive at fair value at the Balance Sheet date.

(iii) The management assessed that fair values of loans (current), trade receivables, cash and cash equivalents, other bank balances, other fnancial assets (current), trade payables, borrowings (current) and other fnancial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments.

(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 Company has classifed its fnancial 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 2020 Level 1	31st March 2020 Level 3	31st March 2019 Level 1	31st March 2019 Level 3
Recognised and Measured at Fair Value - Recurring Measurements				
Financial Assets				
Investments				
Mutual Funds - Daily Dividend	-	-	1.38	-
Security Deposits	-	**60.43**	-	56.09
Lease Receivables		**335.12**		
Other Financial Liabilities				
Security Deposits	-	**56.61**	-	54.05
Lease Liabilities	-	**317.22**	-	-
	-	**769.38**	1.38	110.14

40. 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. For details of major customers accounting for more than 10% of revenue from external customer, refer Note 45 (iv).

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 2020 and 31st March 2019 is the carrying amounts as disclosed in Note 39.

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 2020 and 31st March 2019. Of the total trade receivables,₹ 958.93 Lakhs as at 31st March 2020 and ₹ 1145.47 Lakhs as at 31st March 2019 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:

Notes forming part of the Financial Statements for the year ended 31st March, 2020

Period (in days)	31st March 2020	31st March 2019
1-90	**662.32**	529.97
91-180	**65.05**	65.76
More than 180	**63.60**	32.42
Closing Balance	**790.97**	**628.15**

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 Loss Allowance Provision - Trade receivables	As at 31st March 2019	As at 31st March 2018
Opening Balance	**61.50**	38.37
Loss Allowance made during the Year	**22.18**	28.80
Loss Allowance Written-back/Reversed during the Year	**(16.87)**	(5.67)
Bad Debts during the Year Adjusted with Provisions	**-**	-
Closing Balance	**66.81**	**61.50**

(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 relavant maturity groupings based on their contractual maturities. The amount disclosed in the table are the contractual undiscounted cash flows.

₹ in Lakhs

Contractual Maturities of Financial Liabilities	As at 31st March 2020				
	Upto 1 Year	1 Year to 3 Years	3 Years to 5 Years	More than 5 Years	Total
Borrowings (including Current Maturities)	348.00	40.00	-	-	388.00
Trade Payables	799.27	-	-	-	799.27
Lease Liabilities	145.76	202.00	-	-	347.75
Other Financial Liabilities	62.11	-	-	-	62.11
	1,355.14	**242.00**	**-**	**-**	1,597.13

Contractual Maturities of Financial Liabilities	As at 31st March 2019				
	Upto 1 Year	1 Year to 3 Years	3 Years to 5 Years	More than 5 Years	Total
Borrowings (including Current Maturities)	418.00	88.00	-	-	506.00
Trade Payables	778.21	-	-	-	778.21
Other Financial Liabilities	81.04	-	-	-	81.04
	1,277.25	88.00	-	-	1,365.25

(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.

Notes forming part of the Financial Statements for the year ended 31st March, 2020

(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 in Foreign Currency	As at 31st March 2020		As at 31st March 2019	
	Amount in Foreign Currency	Amount in ₹ Lakhs	Amount in Foreign Currency	Amount in ₹ Lakhs
CHF	**-**	**-**	^ 0.00	0.23
EUR	**0.01**	**0.47**	0.10	7.31
GBP	**0.00**	**0.07**	^ 0.00	0.07
JPY	**0.74**	**0.46**	0.03	0.02
SGD	**0.00**	**0.14**	0.02	1.01
USD	**0.53**	**37.19**	0.59	39.91

Payable in Foreign Currency	As at 31st March 2020		As at 31st March 2019	
	Amount in Foreign Currency	Amount in ₹ Lakhs	Amount in Foreign Currency	Amount in ₹ Lakhs
AUD	**-**	**-**	0.01	0.67
CAD	**-**	**-**	^ 0.00	0.23
CHF	**0.00**	**0.25**	0.07	4.66
EUR	**0.26**	**20.74**	1.30	104.14
GBP	**0.01**	**0.63**	0.13	12.45
JPY	**2.47**	**1.59**	1.01	0.65
SGD	**0.00**	**0.20**	0.08	4.24
USD	**0.87**	**63.62**	0.73	52.17

^ Amount is below the rounding off norm adopted by the Company

(ii) Sensitivity

The sensitivity of proft 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 ₹ in Lakhs		Payables ₹ in Lakhs	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
AUD Sensitivity				
INR/AUD -Increase by 10%*	**-**	-	**-**	(0.07)
INR/AUD -Decrease by 10%*	**-**	-	**-**	0.07
CAD Sensitivity				
INR/CAD -Increase by 10%*	**-**	-	**-**	(0.02)
INR/CAD -Decrease by 10%*	**-**	-	**-**	0.02
CHF Sensitivity				
INR/CHF -Increase by 10%*	**-**	0.02	**(0.02)**	(0.47)
INR/CHF -Decrease by 10%*	**-**	(0.02)	**0.02**	0.47
EUR Sensitivity				
INR/EUR -Increase by 10%*	**0.05**	0.73	**(2.07)**	(10.41)
INR/EUR -Decrease by 10%*	**(0.05)**	(0.73)	**2.07**	10.41
GBP Sensitivity				
INR/GBP -Increase by 10%*	**0.01**	0.01	**(0.06)**	(1.24)
INR/GBP -Decrease by 10%*	**(0.01)**	(0.01)	**0.06**	1.24
JPY Sensitivity				
INR/JPY -Increase by 10%*	**^ 0.00**	0.00	**(0.16)**	(0.06)
INR/JPY -Decrease by 10%*	**^ (0.00)**	(0.00)	**0.16**	0.06
SGD Sensitivity				
INR/SGD -Increase by 10%*	**0.01**	0.10	**(0.02)**	(0.42)
INR/SGD -Decrease by 10%*	**(0.01)**	(0.10)	**0.02**	0.42
USD Sensitivity				
INR/USD -Increase by 10%*	**3.72**	3.99	**(6.36)**	(5.22)
INR/USD -Decrease by 10%*	**(3.72)**	(3.99)	**6.36**	5.22

^ Amount is below the rounding off norm adopted by the Company

* 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.

(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 39.

41. CAPITAL MANAGEMENT

a) 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.

The following table summarises the capital of the Company:

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Total Debt	**388.00**	506.00
Less : Cash and Cash Equivalents	**86.71**	206.65
Net Debt	**301.29**	299.35
Equity	**2,894.01**	2,772.49
Total Capital (Equity +Net Debt)	**3,195.30**	3,071.84
Net Debt to Equity Ratio	10.41%	10.80%

b) Dividend on Equity Share

The Board of Directors have recommended a final dividend of Nil per share (31st March 2019: ₹ 35.00 per share). The proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.

42. LIST OF RELATED PARTIES AND RELATIONSHIP

a) Entities with Significant influence over the Company:

Name	Type	Place of Incorporation
Tata Steel Limited	Entity with Joint Control of Holding Company	India
TM International Logistics Limited	Holding Company	India

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

Name	Type	Place of Incorporation
TKM Global GmbH	Wholly Owned Subsidiary	Germany
TKM Global China Limited	Wholly Owned Subsidiary	China

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 BSL Limited
(3) Tata Steel UK Limited
(4) International Shipping and Logistics FZE
(5) Tata Steel Downstream Products Limited
(6) Tata Metaliks Limited
(7) The Tinplate Company of India Limited
(8) Jamshedpur Continuous Annealing & processing Co. Private limited.
(9) Tata Steel Long Products Limited

(d) Key Managerial Personnel of the Company

Name	Relationship
Mr. Ashish Kumar Gupta	Non-Independent Non-Executive Director
Mr. Dipak Kumar Banerjee (till 16th May 2019)	Independent Non-Executive Director
Mr. Virendra Sinha (till 13th August 2018)	Independent Non-Executive Director
Mr. Anand Chand	Non-Independent Non-Executive Director
Mr. Amar Patnaik	Non-Independent 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	**1,654.18**	**472.87**	**143.13**	**3,652.40**	**5,922.58**
	(493.01)	(310.17)	(127.87)	(1,549.68)	(2,480.73)
Receiving of Services	**-**	**49.16**	**321.34**	**-**	**370.50**
	-	(88.39)	(398.15)	-	(486.54)
Loan Taken	**-**	**370.00**	**-**	**-**	**370.00**
	-	(870.00)	-	-	(870.00)
Loan Repaid	**-**	**488.00**	**-**	**-**	**488.00**
	-	(548.00)	-	-	(548.00)
Interest Paid	**-**	**22.85**	**-**	**-**	**22.85**
	-	(33.67)	-	-	(33.67)
Reimbursement Received	**0.04**	**94.89**	**-**	**1.35**	**96.28**
	(1,241.35)	(114.33)	(9.43)	(20.57)	(1,385.68)
Reimbursement Paid	**-**	**78.05**	**-**	**-**	**78.05**
	-	(24.74)	(0.13)	-	(24.87)
Provision for Doubtful Debts	**-**	**-**	**-**	**-**	**-**
	(1.55)	-	-	(2.27)	(3.82)
Rental Income	**-**	**-**	**-**	2.74	2.74
	-	-	-	(13.10)	(13.10)
Dividend Received	**-**	**-**	**1,563.90**	**-**	**1,563.90**
	-	-	(501.25)	-	(501.25)
Balances Outstanding as on 31st March' 2020					
Borrowings	**-**	**388.00**	**-**	**-**	**388.00**
	-	(506.00)	-	-	(506.00)
Trade Receivables	**416.85**	**122.27**	**70.86**	**703.05**	**1,313.03**
	(451.94)	(3.10)	**(54.55)**	**(726.30)**	(1,235.89)
Trade Payables	**-**	**52.15**	**52.64**	**-**	**104.79**
	-	(19.91)	(93.35)	-	(113.26)

Contract Liabilities	**2.77**	**19.84**	**-**	**0.87**	**23.48**
	(1.79)	(10.35)	-	-	(12.14)
Provision for Doubtful Debts	**-**	**-**	**-**	**-**	**-**
	(1.55)	-	-	(2.27)	(3.82)
Security Deposits	**-**	**56.61**	**-**	**-**	**56.61**
	-	(54.05)	-	-	(54.05)
Capital Liabilities	**-**	**5.50**	**-**	**-**	**5.50**
	-	(5.50)	-	-	(5.50)
Deferred Rent	**-**	**11.30**	**-**	**-**	**11.30**
	-	(16.14)	-	-	(16.14)
Lease Rental receivables	**-**	**335.13**	**-**	**-**	**335.13**
	-	-	-	-	-

Figures in bracket represents transactions with related parties during the period ended 31st March 2019 and balances as at 31st March 2019.

Transactions with Key Management Personnel during the Year ₹ in Lakhs

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Remuneration to Key Management personnel		
Short-term Benefits	-	2.30
Balance Outstanding at Year-end		
Sitting Fees Payable to Key Management Personnel		

43. CONTINGENCIES

₹ in Lakhs

a. Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Claims against the Company not acknowledged as Debts		
Service Tax	6,677.63	6,690.29
Income Tax	322.67	399.95
Other Matters	66.61	102.13

The details of material litigation is as described below:

Service Tax

The Service Tax Department has raised the demand for ₹ 6,677.63 Lakhs (31st March 2019: ₹ 6,677.63 Lakhs) 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. The 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.

b) The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

44. LEASES

a) Company as a Lessee

Effective April 1, 2019 the Company has applied Ind AS 116 "Leases". The standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with term of more than twelve months, unless the underlying asset is of low value. The Company has opted to use modified retrospective approach on transition to this standard. Refer Note 47.

b) Company as a Lessor

The Company has sub-leased a warehouse, with a lease term of 5 years and thereafter renewable. There is escalation clause in the lease agreement and the lease is non-cancellable. The rent is not based on any contingencies and there are no restrictions imposed by lease arrangement. The sub-lease has been classified as finance lease under Ind AS 116 with reference to the head lease. Accordingly, the Company has derecognised the right-of-use asset relating to the head lease that it transferred to the sub-lessee and recognised the net investment in the sub-lease. The Company has recognised interest income on the lease receivables during the period ended 31st March 2020 (recognised as Interest Income in Note 30) of ₹ 41.04 Lakhs (31st March 2019: Nil).

Pursuant to the adoption of Ind AS 116, Profit before tax for the period ended 31st March 2020 has increased by ₹ 17.90 Lakhs.

45. 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 2019	For the year ended 31st March 2018
Income from Freight, Agency and Other Charges	**6,775.06**	6,723.60
Income from Warehousing	**127.54**	359.54
Income from Service Charges	**605.26**	252.38

The Company recognises all streams of revenue at a point in time (i.e. when the customer obtains control of the promised service) and there is no stream of revenue which is recognised over a period of time (i.e. as the customer obtains control of the promised service).

₹ in Lakhs

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 2019	For the year ended 31st March 2018
India	**5,521.13**	5,148.53
Rest of the World	**1,986.73**	2,186.99

iii. All non-current assets of the Company (excluding Financial Assets) are located in India.

₹ in Lakhs

iv. Details of Major Customers accounting for more than 10% of Revenue from External Customers:	For the year ended 31st March 2019	For the year ended 31st March 2018
Tata Steel Limited	**1,655.13**	*-
Tata Steel BSL Limited	**2,829.35**	872.75
Tata Timken Limited	**294.31**	*-

46. 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.

47.(A): LEASES

This note provides information for leases both where the Company is a lessee and a lessor.

The Company leases warehouses. The Company is lessee and lessor for a same warehouse. Accordingly the Company has recognised sub-lease classfication with reference to to the right-of-use asset arising from the head lease.

For Company's policy relating to leases, see Note 2(5).

Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases: ₹ in Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Lease Rental Receivables		
- Current	**136.55**	-
- Non - Current	**198.58**	-
Total	**335.13**	**-**

Notes forming part of the Financial Statements for the year ended 31st March, 2020

₹ in Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Lease Liabilities		
- Current	**129.25**	-
- Non - Current	**187.97**	-
Total	**317.22**	**-**

Amounts recognised in the statement of profit and loss

The statement of profit and loss shows the following amounts relating to leases: ₹ in Lakhs

	Notes	For the year ended 31st March 2020	For the year ended 31st March 2019
Interest income (included in other income)	30	**31.67**	
Interest expense (included in finance costs)	33	**29.98**	-
Expense relating to short-term leases (included in other expenses)	34	**40.31**	-

The total cash outflow and cash inflow of leases for the year ended 31 March 2020 was ₹ ₹ 137.70 & ₹ 145.50 Lakhs respectively.

For adjustments recognised on adoption of Ind AS 116 on 1 April 2019, please refer to note 47(b)

47. (B) CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of Ind AS 116, Leases on the Company's financial statements

Impact on the financial statements – lease accounting

The Company has adopted Ind AS 116 retrospectively from 1 April 2019, but has not restated comparatives for year ended 31 March 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 April 2019. The new accounting policies are disclosed in note 2(5).

On adoption of Ind AS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 8.50%.

There where no leases previously classified as finance leases.

(i) Practical expedients applied

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review there were no onerous contracts as at 1 April 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an arrangement contains a Lease.

(ii) Measurement of lease liabilities

₹ in Lakhs

Operating lease commitments disclosed as at 31 March 2019	-
Discounted using the lessee's incremental borrowing rate at the date of initial application	424.96
Of which are:-	
Current lease liabilities	132.66
Non-current lease liabilities	292.30
	424.96

(iii) Adjustments recognised in the balance sheet on 1 April 2019

Notes forming part of the Financial Statements for the year ended 31st March, 2020

The change [(decrease)/increase] in accounting policy affected the following items in the balance sheet on 1 April 2019:

- Right-of-use assets – ₹ Nil.
- Other financial assets – ₹ 448.95 Lakhs.
- Other financial liabilities – ₹ 424.96 Lakhs.

The net impact on statement of profit and loss on 1 April 2019 was 23.99 Lakhs.

48 IMPACT OF COVID-19

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Numerous governments have introduced a variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Company's business will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. The Company is in the business of Freight & Forwarding (FF). The operations of the Company, qualified as essential services, have continued during the lockdown period . The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying value of its assets, including but not limited to Property, Plant and Equipment, Intangible Assets, Trade Receivables and Investments as at the Balance Sheet date, and has concluded that there are no material adjustments required in the financial statements. Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements. Major customers of the Company are Tata Steel & other Tata Steel group companies and the company believes that it's receivable carries lower credit risk. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration, and might be different from that estimated as at the date of approval of the financial statements. The Company will continue to monitor any material changes to the future economic conditions.

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

Dhiraj Kumar
Partner
Membership Number : 060466

Place : Hyderabad
Date : 18th May, 2020

For and on behalf of the Board of Directors

Ashish Kumar Gupta
Chairman
DIN: 7808012

Anand Chand
Director
DIN: 6879532

Place: Kolkata
Date: May 18, 2020

International Shipping and Logistics FZE

INTERNATIONAL SHIPPING AND LOGISTICS FZE

CORPORATE INFORMATION

Board of Directors
(As on 1st April, 2020)

Chairman
Mr. Ashish Kumar Gupta

Directors
Mr. Guenther Hahn
Mr. Sandeep Bhattacharya

Director & Chief Executive Officer
Capt. S.R. Patnaik

Registered Office
Office No. FZJOB1205
Jebel Ali Free Zone
Jafza One
P.O. Box 18490
Dubai, U.A.E

Branch Office
Jumeriah Business Centre 5
Cluster W
Office No. 1604 to 1606
Jumeriah Lakes Towers
P.O. Box: 18490
Dubai, U.A.E

Tel: 00971-4-4508953
Fax: 00971-4-4508941

Management Team
Capt. S.R. Patnaik- Director & CEO
Capt. Sudhir Kunnath- Head- Operations
Mr. Dipak Panda- Sr. Manager – Finance & Accounts
Mr. Partha Sarthi Pal- Head- Commercial & Projects

Auditors
M/s. Pannell Kerr Forster, Chartered Accountants

Bankers
CITI Bank N.A
State Bank of India- Bahrain
ICICI Bank
HDFC Bank

INTERNATIONAL SHIPPING AND LOGISTICS FZE

DIRECTORS' REPORT

INTERNATIONAL SHIPPING AND LOGISTICS FZE

TO THE MEMBERS,

The Directors hereby present their fifteenth report on the business and operations of the Company and the audited financial account for the year ended 31st March, 2020.

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 Mohammed 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

Sl. No.	Particulars	31.03.2020 Amount in Rs	31.03.2020 Amount in USD	31.03.2019 Amount in Rs	31.03.2019 Amount in USD
(a)	Revenue	4,04,22,17,726	5,70,74,278	3,43,08,81,203	4,90,90,513
(b)	Less: Direct Costs	3,74,58,48,347	5,28,89,677	3,12,91,44,121	4,47,73,130
(c)	**Profit from Operating Activities**	**29,63,69,379**	**41,84,601**	**30,17,37,083**	**43,17,383**
(d)	Less: Administrative & Other expenses	13,44,37,753	18,98,200	19,84,68,777	28,39,776
(f)	Add: Interest on Fixed Deposit & Other operating Income	5,21,07,059	7,35,728	10,94,81,008	15,66,501
(e)	**EBDITA**	21,40,38,685	30,22,129	21,27,49,313	30,44,108
(g)	Less: Depreciation	6,44,17,653	9,09,548	12,83,29,411	18,36,192
(h)	**Net Profit Before Tax for the year**	14,96,21,032	21,12,581	8,44,19,902	12,07,916
(i)	Current Tax Expense	2,05,07,175	2,89,552	1,12,83,910	1,61,455
(j)	Profit After Tax for the year	12,91,13,856	18,23,029	7,31,35,992	10,46,461

During the year under review, total revenue of the Company was USD 57.07 million (Rs. 4,042.21 million) as against USD 49.09 million (Rs.3,129.14 million) for the previous year. The Company made a profit of USD 1.82 million (Rs. 129.11 million) as against net profit of USD 1.05 million (Rs. 73.14 million) in the previous year.

MARKET REPORT:

A mixed 2019 which saw both extremely challenging market conditions, historic market swings, trade wars, rate spikes, trade flow shifts, political turmoil, attacks on vessels, sanctions involving several entities, etc. and multi-year high earnings at times (overall, average weighted bulk carrier earnings fell by 6% y-o-y in 2019). There have been unanticipated events too such as the Corona virus. ISL navigated this quite well.

The new IMO 2020 regulation implemented in Jan 2020 is expected to have an impact on Dry Cargo market. It is, however, difficult to predict how shipping markets responds to such regulation which also leads to greater uncertainty about the full year results and the volatility that may exist due to such changes. The results are based on market volatility as well as ISL's ability to identify and execute business opportunities. Additionally, all business units are sensitive to counterparty risks as well as operational risks especially with the new regulations.

While the first half-year was challenging offering few trading opportunities, the second half-year has provided more opportunities. We did a range of various commodities with Coal taking the largest share of the cargo pie. Our Indian Coastal business was 43% of the total share of business, which is more than 116% increase from last year.

While generating a profit in the third quarter ISL successfully positioned itself to have a strong fourth quarter with a positive full-year result of USD 2.11 million.

A total of 2669.39 vessels days, corresponding to 114 vessels, were operated by ISL. This is an increase of 34% compared to last year (1987.65) and the highest level of activity so far in the past 5 years.

We have had our share of Loss making vessel, which has been 15% of the total vessels.

- The reasons for the loss-making vessels has been varied: Pre-berthing delays; Weather delays; Volatility in the shipping market

OPERATIONAL REVIEW

The following are the operational highlights of the Company during FY 19-20:

ISL reported a cargo volume of 5.7 Mn MT in FY 19-20 as against 3.37 Mn MT in the previous year. The top line during FY 19-20 stood at $57.07 Mn as against $49.09 Mn in FY 18-19. The PAT level stood at $1.82 Mn vis-a-vis against a profit of 1.05 Mn in FY 18-19.

NEW INITIATIVES/ACHIEVEMENTS:

- ISL has signed two-year contract for movement of coal on the Indian coast starting Nov 2019 with a yearly tonnage of 3.5 million mts
- With the above contracts ISL will be the biggest operator of coal on Indian Coast
- Successfully completed dry docking of ISL Star within the budget
- ISL Star successfully deployed on the Indian Coastal business with a healthy return compared to overseas Panamax Market
- Added 14 new customers to our existing customer base
- Highest PBT in last seven years
- Highest Volume, Turnover & Fixtures in the last five years
- All time high coastal volume, 100 % increase compared to last year

STRATEGY LOOKING AHEAD:

- Increase our presence in the India Coastal shipping
- Add new trade lanes and cargo
- Increase customer base

SUPPLY / DEMAND

- Increase customer base
- The bulk carrier fleet at start 2020 stood at 11,958 ships, up by 4.0% in dwt terms from start 2019.
- The Panamax fleet saw the fastest fleet growth last year, at 5.1% in dwt terms, while the Capesize fleet expanded by 4.0% and the Handymax and Handysize fleets grew by 3.6% and 2.1% respectively.
- The orderbook-to trading ratio is 8.7% in DWT terms
- Global dry bulk trade growth is projected to remain moderate

INDIAN COAL MARKET:

- Thermal Coal imports touched a new all time high in CY 2019: 183.7 Mn Tonnes with 61.2 Mn tonnes of Coking Coal with India remaining the world's largest seaborne coking coal importer for a third consecutive year.
- Overall, global seaborne thermal coal trade is currently projected to grow by 1% in 2020

INDIAN COASTAL SHIPPING:

- We expect the coastal shipping traffic to increase in the coming years with imported thermal coal volumes coming down and various incentives laid down by govt to promote shipping.
- The thermal coal movement along the coast is about 32-35 Mn Mt tonnes

BOARD OF DIRECTORS

During the financial year 2019-20, 4 (Four) meetings of the Board of Directors of the Company were held.

As on date, Mr. Ashish Kumar Gupta, Mr. Guenther Hahn, Mr. Sandeep Bhattacharya and Capt. S. R Patnaik continued as Directors on the Board of the Company.

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

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

Mr. Ashish Kumar Gupta (Chairman)

Place : Dubai
Date : 13th April, 2020

Capt. S R Patnaik (Director & CEO)

INTERNATIONAL SHIPPING AND LOGISTICS FZE

INDEPENDENT AUDITOR'S REPORT

The Shareholder
INTERNATIONAL SHIPPING AND LOGISTICS FZE

REPORT ON THE INDIAN ACCOUNTING STANDARDS (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 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a notes to the financial statements, including a summary of significant accounting policies.

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), changes in equity and cash flows 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 and the rules made there under 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.

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 pronouncement 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.

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 2020, and its total comprehensive income (comprising of profit and other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government 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, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flow Statement 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 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020, 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
13 April 2020

"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 said Order 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.

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.)

(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 statue	Nature of dues	Amount (US$)	Period to which the amount relates	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 or by the Establishment has been noticed or reported during the course of our audit.
(xi) According to the information and explanations given 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
13 April 2020

Balance Sheet as at 31 March, 2020

	Particulars	Note	2020 US$	2019 US$
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Fixed assets			
	Tangible assets	3	7,296,378	7,146,271
	Intangible assets	4	--	--
	(b) Non-current financial assets	5	43,890	43,890
			7,340,268	**7,190,161**
(2)	**Current assets**			
	(a) Inventories	6	640,345	38,366
	(b) Current financial assets			
	Trade receivables	7	6,116,075	2,699,896
	Cash and cash equivalents	8	1,655,716	2,200,437
	Other bank balances	9	19,732,497	19,599,647
	Other financial assets	11	3,670,751	3,589,583
	(c) Other current assets	12	1,166,615	1,486,244
			32,981,999	**29,614,173**
	TOTAL ASSETS		**40,322,267**	**36,804,334**
II.	**EQUITY AND LIABILITIES**			
(1)	**Shareholder's funds**			
	(a) Share capital	13	273,748	273,748
	(b) Reserves and surplus		35,191,972	33,368,943
			35,465,720	**33,642,691**
(2)	**Non-current liabilities**			
	Long-term provisions	14	497,738	443,309
(3)	**Current liabilities**			
	(a) Current financial liabilities			
	Trade payables	16	2,781,240	2,421,209
	(b) Other current liabilities	17	1,567,102	288,561
	(c) Short-term provisions	18	10,467	8,564
			4,358,809	**2,718,334**
	TOTAL EQUITY AND LIABILITIES		**40,322,267**	**36,804,334**

The accompanying notes form an integral part of these Ind AS financial statements.
The report of the independent auditor is set forth on pages 183 to 185.

We confirm that we are responsible for these Ind AS 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 13 April 2020 and signed on their behalf by Capt. Soumya Rajan Patnaik.

For **INTERNATIONAL SHIPPING AND LOGISTICS FZE**

SOUMYA RANJAN PATNAIK
CEO & DIRECTOR

Statement of Profit and Loss for the year ended 31 March, 2020

	Particulars	Note	2020 US$	2019 US$
I	**REVENUE**			
	Revenue from contracts with customers	19	57,074,278	49,090,513
	Other income	20	723,136	1,605,921
	TOTAL REVENUE		**57,797,414**	**50,696,434**
II.	**EXPENSES**			
	Operating expenses	21	52,889,677	44,773,130
	Employee benefit expenses	22	1,368,392	1,220,929
	Depreciation and amortisation expenses	23	909,548	1,836,192
	Other expenses	24	529,808	1,618,847
	TOTAL EXPENSES		**55,697,425**	**49,449,098**
III.	**Profit before tax (I - II)**		2,099,989	1,247,336
IV.	**Tax expense**		289,552	161,455
V.	**Profit after tax (III - IV)**		**1,810,437**	**1,085,881**
VI.	**Other comprehensive income**			
	Items that will not be reclassified subsequently to profit and loss:			
	Actuarial (loss)/gain on defined employee benefit plan		12,592	(39,420)
VII.	**Total comprehensive income (V+VI)**		1,823,029	1,046,461
VIII.	**Earnings per share (Basic)**		**1,810,437**	**1,085,881**

The accompanying notes form an integral part of these Ind AS financial statements.
The report of the independent auditor is set forth on pages 183 to 185.

Statement of Changes in Equity for the year ended 31 March, 2020

	Share capital US$	Reserves and surplus US$	Total US$
Balance at 1 April 2018	**273,748**	**33,822,482**	**34,096,230**
Comprehensive income			
- Profit for the year	--	1,085,881	1,085,881
-- Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss:			
Actuarial gain on defined employee benefit plan	--	(39,420)	(39,420)
Total comprehensive income for the year	--	1,046,461	1,046,461
Dividends paid during the year	--	(1,500,000)	(1,500,000)
Balance at 31 March 2019	**273,748**	**33,368,943**	**33,642,691**
Comprehensive income			
- Profit for the year	--	1,810,437	1,810,437
- Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss:			
Actuarial loss on defined employee benefit plan	--	12,592	12,592
Total comprehensive income for the year	--	1,823,029	1,823,029
Balance at 31 March 2020	**273,748**	**35,191,972**	**35,465,720**

The accompanying notes form an integral part of these Ind AS financial statements.
The report of the independent auditor is set forth on pages 183 to 185.

TMILL Group of Companies

Statement of Cash Flows for the year ended 31 March, 2020

	2020 US$	2019 US$
Cash flows from operating activities		
Profit for the year before tax	20,99,989	12,47,336
Adjustments for:		
Depreciation on tangible assets	9,09,548	18,34,137
Amortisation of intangible assets		2,055
Provision for doubtful debts written back	(6,751)	--
Profit on disposal of tangible assets (net)	(7,939)	(6,844)
Loss on tangible assets written off		1,423
Excess provision written back	(76,109)	(2,02,728)
Interest income	(6,06,921)	(4,93,721)
Operating profit before changes in operating assets and liabilities	23,11,817	23,81,658
Changes in:		
- Non-current financial assets		9,794
- Inventories	(6,01,979)	69,928
- Trade receivables	(34,09,428)	(4,46,721)
- Other financial assets	(1,88,899)	1,92,011
- Other current assets	3,19,629	(5,90,772)
- Trade payables	4,36,140	9,36,958
- Long-term provisions	67,021	58,576
- Other current liabilities	12,78,541	(2,73,554)
- Short-term provisions	1,903	3,188
Cash generated from operations	**2,14,745**	**23,41,066**
Taxes paid	(2,89,552)	(1,61,455)
Net cash (used in)Ifrom operating activities	**(74,807)**	**21,79,611**
Cash flows from investing activities		
Payment for tangible assets	(10,59,655)	(1,05,393)
Proceeds on disposal of tangible assets	7,939	6,844
(Increase)/ decrease in fixed deposits	(1,32,850)	1,32,999
Interest received	7,14,652	6,22,201
Net cash (used in)/ from investing activities	**(4,69,914)**	**6,56,651**
Cash flows from financing activities		
Dividends paid		(15,00,000)
Net cash used in financing activities		**(15,00,000)**
Net (decrease)/increase in cash and cash equivalents	**(5,44,721)**	**13,36,262**
Cash and cash equivalents at beginning of the year	22,00,437	8,64,175
Cash and cash equivalents at end of the year (note 8)	**16,55,716**	**22,00,437**

Note:
The above Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard 7 (Ind AS 7), 'Statement of Cash Flows'.

The accompanying notes form an integral part of these Ind AS financial statements.
The report of the independent auditor is set forth on pages 183 to 185.

Notes to the Financial Statements
for the year ended 31 March, 2020

1. LEGAL STATUS AND BUSINESS ACTIVITY

a) **INTERNATIONAL SHIPPING AND LOGISTICS FZE** (the "Establishment") was incorporated on 1 February 2004 in the Jebel All 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 significant accounting policies adopted are as follows:

a) Statement of compliance
The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time.

b) Basis of preparation and presentation
The Ind AS financial statements are prepared under the historical cost convention on accrual basis.

When preparing the financial statements, management makes an assessment of the Establishment's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so.

The uncertainty due to recent COVID-19 outbreak with regard to the future impact on the Establishment's business performance has been considered as part of management's assessment of the Establishment's ability to continue as a going concern. The management has concluded that an estimate of the potential impact of COVID-19, if any on the business performance cannot be made as of the date of these financial statements, since the outcome is dependent on future events which are highly uncertain. However, the management currently believes that it has adequate liquidity and business plans to continue with the operations and mitigate the risks, if any associated with COVID-19 (refer Note 32).

c) 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.

d) 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 value of the vessel is estimated as the lightweight tonnage of the vessel multiplied by steel 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
Vessel	4 years 10 months
Freehold buildings	30 years
Furniture and fixtures	5 years
Office equipment	5 years
Computers	4 years
Vehicles	5 years

With effect from 1 July 2019, the management of the Establishment has re-estimated the useful life of its vessel from 1 year 10 months to 4 years 10 months. Due to the change in the estimate, the net decrease in depreciation charge for the year ended 31 March 2020 amounts to US$ 561,848.

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.

e) 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.

f) Inventories
Cost of bunkers and lubricants are stated at Weighted Average Cost (WAC) method and comprise invoice value plus applicable landing charges.

g) 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.

h) Revenue recognition
The Establishment is in the business of chartering of vessels and transporting marine cargo on behalf of its customers.

Revenue from contracts with customers is recognised when the control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Establishment expects to be entitled in exchange for those goods or services.

The Establishment recognises revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Establishment expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Establishment will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Establishment expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the Establishment satisfies a performance obligation at a point in time or over time.

The Establishment satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Establishment's performance as the Establishment performs; or
- The Establishment's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Establishment's performance does not create an asset with an alternative use to the Establishment and the Establishment has an enforceable right to payment for performance completed to date.

The Establishment is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

Sale of services

The Establishment provides services that are sold separately. The services can be obtained from other providers and do not significantly modify or customise the services.

The Establishment has concluded that revenue from sale of services should be recognised over time using input method, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Establishment's performance as the Establishment performs; or
- The Establishment's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Establishment's performance does not create an asset with an alternative use to the Establishment and the entity has an enforceable right to payment or performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Voyage charter

Contract with a customer in case of voyage charter is recognized over time 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. For voyages in progress, where revenue is recognised in excess of billings, the amount is recognised as contract assets.

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 and is recognized over time.

Demurrage income

Demurrage income 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 at a point in time, when services have been performed and there exists no significant uncertainty as to its measurability and collectability.

Commercial management fee

Commercial management fee charged for managing and monitoring the performance of vessels of a related party is recognised at a point in time, as per terms agreed.

i) Contract assets

A Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Establishment performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised from the earned consideration that is conditional. The contract assets are transferred to receivable when the rights become unconditional (note 11).

j) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Establishment has received consideration from the customer. If a customer pays consideration before the Establishment transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Establishment performs under the contract (note 17).

k) Leases

As a lessee

The Establishment leases one of its office premises. Rental contracts are typically made for fixed periods of 1 year but may have extension options except in case of some office spaces due to the fact that the Establishment could replace them without significant cost or business disruption. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets are not used as security for borrowing purposes.

Set out below are the new accounting policies of the Establishment upon adoption of IFRS 16, which have been applied from the date of initial application:

Short-term leases

The Establishment applies the short-term recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Establishment does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

l) 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.

m) 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.

n) 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 recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

o) Taxes on income

Provision for tax is made under the tax laws of India on the basis of results of operations in India, applying tax rates specified in the law of income tax on entities. Any tax liability, that may arise in future on completion of pending tax assessments is not expected to be material and would be paid for and accounted in the financial statements of the year in which the tax assessments are completed.

p) Value added tax

As per the Federal Decree-Law No. (08) of 2017, effective from January 1, 2018, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person. The Establishment is required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax period's and deposit the same within the prescribed due dates of filing VAT return and tax payment

q) Current versus non-current classification

The Establishment presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the 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 equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in 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.

The Establishment classifies all other liabilities as non-current.

r) Financial instruments

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") — debt investment; FVTOCI — equity investment; or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends the financial assets' contractual cash flow characteristics and the Establishment's business model for managing them.

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

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

Financial liabilities are classified as financial liabilities at FVTPL or at amortised cost. The Establishment determines the classification of its financial liabilities at initial recognition.

Recognition

Financial assets and financial liabilities are recognised when, and only when, the Establishment becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Establishment commits to purchase or sell the asset.

Derecognition

Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire or

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

Financial liabilities are de-recognised when, and only when, they are extinguished i.e. when obligation specified in the contract is discharged, cancelled or expired.

Measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method. All other financial assets are subsequently measured at fair value.

1. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
2. the contractual terms of the instrument give rise to cash flows on specified dates that are solely payments of principal and profit on the principal amount outstanding.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of non-current financial assets, trade receivables, cash and cash equivalents, other bank balances and other financial assets.

Financial liabilities

Notes to the Financial Statements for the year ended 31 March, 2020

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. Financial liabilities at amortised cost comprise of trade and other payables.

Impairment of financial assets

The Establishment recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Establishment expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Loss allowances are measured on either of the following basis:
- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Establishment measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:
- Bank balances and other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Establishment has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs. The Establishment applies a simplified approach in calculating expected credit losses. The Establishment does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Establishment has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

The Establishment assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Establishment considers a financial asset to be in default when:
- The borrower is unlikely to pay its credit obligations to the Establishment in full, without recourse by the Establishment to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Establishment is exposed to credit risk.

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

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

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.

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Establishment.

s) 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:

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Establishment's business model for managing them.

Impairment

At each reporting date, management conducts an assessment of property, plant and equipment and intangible 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.

The Establishment applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Leases

Determining the lease term

The Establishment determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Establishment has the option, under some of its leases to lease the assets for additional years. The Establishment applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. The Establishment considers all relevant factors that create an economic incentive for it to exercise the renewal.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

Revenue from time and voyage chartering is recognised over time as performance obligations are fulfilled in accordance with Ind AS 115 — Revenue from Contracts with Customers. The timing of revenue recognition is subject to judgement surrounding the costs expected to be incurred in completing the work, as revenue on contracts is recognised on a percentage completion basis.

Revenue from commercial management fee is provided as a single component to customers and accordingly it becomes a single performance obligation in respect of the service being provided.

Determine timing of satisfaction of performance obligation

The Establishment concluded that revenue from time and voyage chartering is to be recognised over time as the customer simultaneously receives the benefit as the Establishment performs. The fact that another entity would not need to re-perform the service that the Establishment has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Establishment's performance as it performs.

The Establishment has determined that the input method is the best method in measuring progress of the time and voyage chartering service because there is a direct relationship between the Establishments effort and the transfer of service to the customer.

The Establishment concluded that the revenue from commercial management fee is to be recognised at a point in time when the service has been provided to the customers.

t) 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

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.

Impairment of financial assets

The loss allowance for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Post-retirement benefits

The Establishment computes the provision for the liability to staff end-of-service benefits stated at US$ 491,651 (previous year US$436,080) 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.

3. TANGIBLE ASSETS

	Vessel US$	Freehold buildings US$	Furniture and fixtures US$	Office equipment US$	Computers US$	Vehicles US$	Total US$
Cost							
At 1 April 2018	81,63,118	9,57,239	2,05,273	78,255	88,985	1,15,232	96,08,102
Additions		--	-	1,710	3,047	1,00,636	1,05,393
Disposal				--	--	(60,717)	(60,717)
Assets written off		-	(40,392)	(36,798)	(74,164)	--	(1,51,354)
At 31 March 2019	81,63,118	9,57,239	1,64,881	43,167	17,868	1,55,151	95,01,424
Additions (note)	9,96,181	--	--	716	1,308	61,450	10,59,655
Disposal	--			--		(31,276)	(31,276)
Assets written off				(7,538)	(2,784)	--	(10,322)
	91,59,299	**9,57,239**	**1,64,881**	**36,345**	**16,392**	**1,85,325**	**1,05,19,481**
Accumulated depreciation and impairment losses							
At 1 April 2018	63,068	2,12,761	2,02,953	70,441	81,633	1,00,808	7,31,664
Depreciation	1,770764	31,876	1,908	4556	3,219	21,814	18,34,137
Adjustment relating to disposal of assets	-		-	--	--	(60,717)	(60,717)
Adjustment relating to assets written off	-		(40,392)	(36,105)	(73,434)	-	(1,49,931)
At 31 March 2019	18,33,832	2,44,637	1,64,469	38,892	11,418	61,905	23,55,153
Depreciation	8,40,118	31,963	412	1,843	3,264	31,948	9,09,548
Adjustment relating to disposal of assets	--	--	--	-	-	(31,276)	(31,276)
Adjustment relating to assets written off	-			(7,538)	(2,784)	--	(10,322)
	26,73,950	**2,76,600**	**1,64,881**	**33,197**	**11,898**	**62,577**	**32,23,103**
Carrying amount							
At 1 April 2018	81,00,050	7,44,478	2,320	7,814	7,352	14,424	88,76,438
At 31 March 2019	63,29,286	7,12,602	412	4,275	6,450	93,246	71,46,271
At 31 March 2020	**64,85,349**	**6,80,639**		**3,148**	**4,494**	**1,22,748**	**72,96,378**

Note: Addition in vessel represents amount paid for dry docking of vessel "1SL Star", which will be depreciated over 36 months.

4. INTANGIBLE ASSETS

	Software US$
Cost	
At 1 April 2018	108,522
Assets written off	(108,522)
At 31 March 2019 and 31 March 2020	--
Accumulated amortisation	
At 1 April 2018	106,467
Amortisation	2,055
Adjustment relating to assets written off	(108,522)
At 31 March 2019 and 31 March 2020	--
Carrying amount	
At 1 April 2018	2,055
At 31 March 2019 and 31 March 2020	--

5. NON-CURRENT FINANCIAL ASSET

	2020 US$	2019 US$
Employee security deposits[a]	32,061	32,061
Other deposits	11,829	11,829
	43,890	43,890

(a) These deposits are held with Jebel Ali Free Zone Authority and Dubai Multi Commodities Centre.

6. INVENTORIES

	2020 US$	2019 US$
Bunkers and lubricants	640,345	38,366

7. TRADE RECEIVABLES

	2020 US$	2019 US$
Current trade receivables:		
Less than six months	6,086,834	2,699,896
More than six months	2,333,075	2,310,585
Gross current trade receivables	8,419,909	5,010,481
Less: Allowance for expected credit losses	(2,303,834)	(2,310,585)
	6,116,075	2,699,896

Classification of current trade receivables:

	2020 US$	2019 US$
Secured, considered good	--	--
Unsecured, considered good	6,116,075	2,699,896
Doubtful	2,303,834	2,310,585
Total current trade receivables	8,419,909	5,010,481

Notes to the Financial Statements for the year ended 31 March, 2020

A reconciliation of the movement in allowance for expected credit losses for trade receivables is as follows:

	2020 US$	2019 US$
Opening balance	2,310,585	2,651,933
Amount written off	--	(341,348)
Provisions no longer required written back	(6,751)	--
Closing balance	2,303,834	2,310,585

8. CASH AND CASH EQUIVALENTS

	2020 US$	2019 US$
Cash on hand	1,198	792
Balances with banks in current accounts	1,654,518	2,199,645
Cash and cash equivalents	1,655,716	2,200,437

8. OTHER BANK BALANCES

	2020 US$	2019 US$
Bank deposits (with 3-12 months' maturity)	19,732,497	19,599,647

10. RELATED PARTIES

The Establishment enters into transactions with entities that fall within the definition of a related party as contained in Ind AS 24: 'Related Party Disclosures'. 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, India
Ultimate parent company	Tata Steel Limited, India
Directors	Mr. Ashish Gupta (Chairman) Mr. Guenther Hahn Mr. Sandeep Bhattacharya Capt. S.R. Patnaik
Companies under common ownership/management control	Martrade Gulf Logistics FZC, Dubai Martrade Shipping & Logistics GmbH, Germany Tata Steel Asia (Hongkong) Limited, Hong Kong
Fellow subsidiaries	TKM Global GmbH, Germany TKM Global Logistic Ltd. TKM Global China Limited, China

At the reporting date, significant balances with related parties were as follows:

	Parent company	Fellow subsidiaries	Companies under common ownership/ management control	Total 2020	Total 2019
	US$	US$	US$	US$	US$
Included in other financial assets	--	--	3,237,307	3,237,307	
	--	--	2,428,880		2,428,880
Included in advance to suppiers	20,792	--	--	20,792	--
	205,048	--	--		205,048

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in notes 25.

Significant transactions with related parties during the period were as follows:

	Parent company	Fellow subsidiaries	Companies under common ownership/ management control	Directors/ key management personnel	Total 2019	Total 2018
	US$	US$	US$	US$	US$	US$
Commercial management fee	--	140,156	32,500		**172,656**	--
	--	--	210,000	--	**--**	210,000
Direct costs (services received)	13,082	128,727	--	--	**141,809**	
	38,537	106,343	--	--		144,880
Reimbursement of expenses (included in direct costs)	--	2,107	--	--	**2,107**	--
	--	2,664	--	--		2,664
Reimbursement of services received	640,519	--	--	--	**640,519**	--
	554,222	--	--	--		554,222
Directors' fees, remuneration and benefits[a]	--	--	--	346,578	**346,578**	--
	--	--	--	302,119		302,119
Dividends paid	--	--	--	--	**--**	--
	1,500,000	--	--	--	**--**	1,500,000

(a) Include staff end-of-service gratuity and Director's sitting fees.
Administrative services are availed from a related party as per agreed rates.
The Establishment has entered into significant transactions and contracts with related parties on an arm's length price basis.

11. OTHER FINANCIAL ASSETS

	2019 US$	2018 US$
Staff loans and advances	7,399	21,338
Deposits (other than employee security deposits)	4,885	6,110
Contract assets relating to costs incurred to		
fulfil a contract	19,869	295,196
Insurance claim receivable	--	204,645
Interest accrued on fixed deposits	217,694	325,425
Other receivables (a)	3,420,904	2,736,869
	3,670,751	3,589,583

(a) This includes US$ 3,237,307 (previous year US$ 2,428,880) due from Martrade Shipping & Logistics GmbH, Germany towards expenses incurred for commercial management of voyages

12. OTHER CURRENT ASSETS

	2020 US$	2019 US$
Prepaid expenses	349,738	72,882
Advance to suppliers	725,928	1,321,538
Advance tax	90,949	90,949
Other assets	--	875
	1,166,615	**1,486,244**

13. SHARE CAPITAL

	2020 US$	2019 US$
Issued and paid up:		
1 share of AED 1,000,000 (translated to US$ at the fixed exchange rate of AED 3.653 = US$ 1.00)	273,748	273,748

14. LONG-TERM PROVISIONS

	2020 US$	2019 US$
Provision for employee benefits		
Post-retirement benefits	481,500	427,779
Other long-term employee benefits	16,238	15,530
	497,738	**443,309**

15. POST-RETIREMENT BENEFITS

The Establishment operates post retirement defined benefit plans as follows:

	2020 US$	2019 US$
Unfunded		
Post-Retirement Gratuity		
Details of the gratuity plan are as follows:		
a. Opening obligation	436,080	339,173
b. Current service cost	48,453	40,515
c. Interest cost	19,710	16,972
d. Actuarial loss/(gain)	(12,592)	39,420
e. Benefits paid	--	--
f. Closing obligation	**491,651**	**436,080**
2. Expense recognised during the year		
a. Current service cost	48,453	40,515
b. Interest cost	19,710	16,972
c. Expected return on plan assets	--	--
d. Actuarial loss/(gain)	(12,592)	39,420
e. Expense recognised in the year	**55,571**	**96,907**
3. Key Assumptions used		
a. Discount rate	5.00%	4.50%
b. Rate of escalation in salary (per annum)	5.00%	5.00%
c. Mortality rate	Indian Assured Lives Mortality (2006-08) unit	Indian Assured Lives Mortality (2006-08) unit
4. Information for current and previous financial year		
a. Present value of defined benefit obligation	(491,651)	(436,080)
b. Plan assets at the end of the year	NA	NA
c. Funded status	(491,651)	(436,080)
d. Experience (loss)/gain adjustment on plan liabilities	(16,425)	(16,425)
e. Experience gain/(loss) adjustment on plan assets	NA	NA
f. Actuarial (loss)/gain due to change on assumptions	29,017	(22,995)

16. TRADE PAYABLES

	2020 US$	2019 US$
Creditors for services	990,027	608,600
Provision for operating expenses	1,469,823	1,585,278
Accruals	321,390	227,331
	2,781,240	**2,421,209**

17. OTHER CURRENT LIABILITIES

	2020 US$	2019 US$
Contract liabilities relating to advance for received to fulfil a contract [a]	1,567,102	288,561

a) Includes US$ 24,586 received towards advance rent from the tenant.

18. SHORT-TERM PROVISIONS

	2020 US$	2019 US$
Provision for employee benefits:		
Post-retirement benefits	10,152	8,301
Other short-term employee benefits	315	263
	10,467	**8,564**

19. REVENUE FROM OPERATIONS

The Establishment generates revenue from the transfer of services over time and at a point in time. The disaggregated revenue from contracts with customers by geographical segments, service lines and timing of revenue recognition are presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Establishment's revenue and cash flows.

	2020 US$	2019 US$
Primary Geographical segment		
- UAE	8,797,258	15,944,670
- Asian countries	41,834,122	25,519,462
- Africa	983,665	155,693
- Australia	636,919	--
- Other middle east countries	1,285,166	2,361,886
- Europe	3,537,148	5,108,802
	57,074,278	**49,090,513**
Major service lines		
Time chartering	4,253,107	4,219,431
Demurrage income	4,000,216	4,229,958
Voyage chartering	48,788,455	40,431,124
Commercial management fees	32,500	210,000
	57,074,278	**49,090,513**
Timing of revenue recognition		
Over period of time	52,788,671	44,440,555
At a point in time	4,285,607	4,439,958
	57,074,278	**49,090,513**

20. OTHER INCOME

	2020 US$	2019 US$
Profit on disposal of tangible assets (net)	7,939	6,844
Interest income on fixed deposits	606,921	493,721
Provision for doubtful debts written back	6,751	--
Excess provision written back	76,109	202,728
Rental income	12,439	29,565
Insurance claim received[a]	12,490	872,438
Miscellaneous income	487	625
	723,136	1,605,921

(a) In previous year, this includes an amount of US$ 807,438 of claims settled by the insurance company for repair of Auxiliary engine of Vessel. (Refer note 24 below).

21. OPERATING EXPENSES

	2020 US$	2019 US$
Vessel hire charges	29,755,137	25,341,308
Bunkering costs	12,367,190	8,663,756
Other direct costs	10,767,350	10,768,066
	52,889,677	44,773,130

22. EMPLOYEE BENEFIT EXPENSES

	2020 US$	2019 US$
Directors' fees, remuneration and benefits	329,161	286,050
Staff salaries and benefits	971,068	877,392
Staff end-of-service gratuity[a]	68,163	57,487
	1,368,392	1,220,929

(a) This includes an amount of US$ 17,520 (previous year US$ 23,069) payable the Director.

23. DEPRECIATION AND AMORTISATION EXPENSES

	2020 US$	2019 US$
Depreciation on tangible assets	909,548	1,834,137
Amortisation of intangible assets	--	2,055
	909,548	1,836,192

24. OTHER EXPENSES

	2020 US$	2019 US$
Short term lease expense	19,019	20,194
Loss on tangible assets written off	--	1,423
Vessel – Auxiliary engine repair cost (note 20)	--	807,438
Legal charges	--	15,041
Other expenses	510,789	774,751
	529,808	1,618,847

25. FINANCIAL INSTRUMENTS

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

	At amortised cost 2020 US$	At amortised cost 2019 US$
Financial assets		
Non-current financial assets	43,890	43,890
Trade receivables	6,116,075	2,699,896
Cash and cash equivalents	1,655,716	2,200,437
Other bank balances	19,732,497	19,599,647
Other financial assets	3,650,882	3,294,387
	31,199,060	**27,838,257**
Financial liabilities		
Trade payables	**2,781,240**	**2,421,209**

Management of risks

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, 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 followup.

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 transactions is minimised where possible by denominating such transactions in UAE Dirham, which has a fixed parity with US Dollar.

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, trade and other receivables, short term loans and advances and other financial assets.

The Establishment's bank accounts are placed with high credit quality financial institutions.

The management assesses the credit risk arising from trade and other receivables and amounts due from related parties taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

The Establishment uses an allowance matrix to measure the expected credit losses of trade receivables. Loss rates are calculated using a 'flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Flow rates are calculated separately for exposures in different segments based on the age of customer relationship.

Based on the assessment, the management believes that the impairment requirement under Ind AS 109 does not have any significant impact on the Ind AS financial statements.

At the reporting date, the Establishment's maximum exposure to credit risk from such receivables situated outside the UAE is as follows:

	Bank balances (fixed deposits including accrued interest		Trade and other receivables	
	2020 US$	2019 US$	2020 US$	2019 US$
UAE	--	--	--	266,047
Other middle East countries	19,849,385	12,913,337	--	31,625
Asian countries	100,807	7,011,737	8,419,909	4,290,997
Europe	--	--	--	421,812

Significant concentration of credit risk by industry are as follows:

	2020 US$	2019 US$
Minerals	8,151,194	4,362,247
Shipping	15,213	157,277
Fertilizer	100,871	--
Steel	84,049	--
Construction	68,581	782,858

Currency risk

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in US Dollars or UAE Dirhams to which the US Dollars is fixed.

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 management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, trade receivables, other bank balances and other current financial assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

Non-current receivables due to their terms have fair values lower than their carrying values.

26. AUDITOR'S REMUNERATION

	2020 US$	2019 US$
Audit fees	19,162	19,748

27. VESSEL HIRE COMMITMENTS

The Establishment has entered into non-cancellable vessel charter agreement for which the future minimum hire payments to be made are as follows:

	2020 US$	2019 US$
Not later than one year	727,432	658,450

28. VESSEL HIRE INCOME

The Establishment has entered into non-cancellable operating hire agreements for chartering vessels. The total minimum hire income to be received is as follows:

	2020 US$	2019 US$
Not later than one year	--	480,845

29. CONTINGENT LIABILITIES

	2020 US$	2019 US$
Income-tax demand	3,934	3,934

The above income tax demand represents the demand from the Indian income tax authorities for against additional tax of US$ 3,934 pertaining to financial years 2009-10 and 2010-11.

30. EARNINGS PER SHARE (BASIC)

The Establishment has entered into non-cancellable vessel charter agreement for which the future minimum hire payments to be made are as follows:

	2020 US$	2019 US$
Basic	1,810,437	1,085,881

31. COMPARATIVE INFORMATION

Previous year's figures have been regrouped/reclassified whenever necessary to make them comparable to the those of current year.

32. SIGNIFICANT EVENTS

During the year last quarter of the year, there was an outbreak of Covid-19 (Coronavirus) across the globe, causing disruptions to economic activity and business operations and the Establishment's operations may have been affected by this outbreak of Covid-19.However, the extent to which the Covid-19 may impact the operating results, financial position, and cash flows will depend on future developments, which are highly uncertain and cannot be predicted as of the date of this financial statements.

For **INTERNATIONAL SHIPPING AND LOGISTICS FZE**

SOUMYA RANJAN PATNAIK
CEO & DIRECTOR

TKM Global GmbH

CORPORATE INFORMATION

Board of Directors
(As on 1st April, 2020)

Director
Mr. Amar Patnaik- Managing Director
(Geschaeftsfuehrer)

Registered Office
Finland House
Esplanade 41, 20354 Hamburg
Germany

Tel: +49 40 238802 15
Fax: +49 40 238802 79

Management Team
Mr. Gerhard Schiefer – General Manager
(Prokurist)

Auditors
M/s. BSL Boege Rohde Luebbehuesen
Hamburg, 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, 2020.

FINANCIAL HIGHLIGHTS

Sl. No.	Particulars	31.03.2020	31.03.2020	31.03.2019	31.03.2019
		Amount in INR	Amount in EUR	Amount in INR	Amount in EUR
(a)	Total Income	660,082,729	7,948,016	452,162,230	5,603,696
(b)	Less: Operating and Administrative Expenses	575,999,005	6,935,569	409,335,908	5,072,944
(c)	**Profit before taxes (PBT)**	**84,083,724**	**1,012,447**	**42,826,322**	**530,751**
(d)	Less: taxes (including deferred taxes)	16,796,619	197,226	10,750,087	133,227
(e)	**Profit after taxes (PAT)**	**64,287,105**	**815,221**	**32,076,236**	**397,524**

DIVIDEND

No dividend is proposed to be paid out for the year.

OPERATIONAL REVIEW

During the year under review, the Company has achieved a Total Revenue of Euro 7,929,730 (Rs658,564,076) as compared to Euro 5,533,649.00 (Rs459,569,549) during the previous year.

During FY19-20, the plan for break bulk cargo was 19,800 freight tons against which the actual for the year has been achieved at over 40,000 freight tons, a 200% over planned. 40,000 freight tons of break bulk cargo was handled with zero damage to the cargo. From an operational perspective, given that the entire cargo was unpacked, zero damage was a commendable achievement.

The airfreight volume stood at 225 metric tons which were slightly lower than the planned. Total of 1599 air shipments have been handled during the year under review. This is a slight drop as compared to the figure of the previous year (1725 shipments). However, the per unit contribution on airfreight was higher than last year by 20%.

The Contribution from operations stood at EUR 2,614,833 Mn (Rs217,161,880) with the corresponding EBITDA for the year at EUR 1,012,447 (Rs84,083,723).

The turnover (operating) per employee was about EUR 1 Mn (Rs.83,005,000) for the year with an operating productivity of 324 shipments per employee per annum with a total of 2598 shipments handled during FY19-20.

Employee productivity

We would like to emphasise that the productivity per employee in terms of number of shipment handled is a record high during the year. This stood at over 400 shipment per employee .

The corresponding per employee Revenue exceeded USD 1 million with a commensurate per employee contribution of USD 350,000

OPPORTUNITIES AND THREATS

i. The shipping industry and in particular container shipping has been thrown out of gear since the breakout of COVID-19. There is an acute shortage of shipping space with carriers having cut down on their capacity. We foresee the challenges to continue late into 2020.
ii. With the container freight business having become transactional, the way forward is for the business to consolidate service offerings under a single commercial and service delivery contract.
iii. Combine shore side services with ocean and air freight.
iv. Tata Steel project imports for TSK Phase II expansion holds a very positive opportunity. However, under current conditions where there rationalisation of funds, several project orders have been kept on hold. We do not expect these orders to executed during FY20-21.
v. Successfully bagged 100 percent of the inbound LCL ARC for 2019-20 and Air Freight ARC for 2019-21 account Tata Steel
vi. Annual rate contracts for FCL business under a volatile freight market will expose us to some degree of risk. Necessary steps to minimize the risk are being followed. However, by the very nature of the trading business, we will have to live with some degree of the risk.
vii. An integrated approach of the forwarding activity with that of custom clearance and inland logistics has significantly improved our possibilities to offer a consolidated service end to end.
viii. Integrating the warehousing and In-plant material management would further improve this chain and is expected to result increased revenue and contribution across the chain.

EMPLOYEE RELATIONS

The Company continued to maintain excellent and cordial Employee Relationship and concerted efforts were put in to maintain Harmony and Peace. The Company expresses its appreciation for the dedication, commitment and sincere hard work rendered by the employees throughout the year without which the operating and financial results would not have been possible to achieve.

DIRECTORS

As on 31st March 2020, 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. BRL Treuhand GmbH are the Statutory Auditors of the Company.

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

Date: 19th May, 2020
Place: Hamburg, Germany

Amar Patnaik
Geschaeftsfuehrer
(Managing Director)
DIN: 02730170

TKM GLOBAL GmbH

INDEPENDENT AUDITORS' REPORT

To TKM Global GmbH

Opinion

1. In our opinion the accompanying financial reporting, which comprises the balance sheet as at March 31, 2020, and the income statement, statement of changes in equity and cash flow statement for the year then ended and notes to the financial reporting, including a summary of significant accounting policies has been prepared, in all material respects, in conformity with the TM International Logistic Limited group's accounting policies, which are in keeping with the accounting principles generally accepted in India.

Basis for opinion

2. We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor`s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial reporting in Germany, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the financial reporting

3. The Company's Management is responsible for the preparation and presentation of the financial reporting that gives a true and fair view of the financial position, financial performance and cash flows of the Company, in accordance with the TM International Logistic Limited group's accounting policies for the financial year ended March 31, 2020. This responsibility includes maintenance of adequate accounting records 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 relevant to the preparation and presentation of the financial reporting that give a true and fair view and are free from material misstatement, whether due to fraud or error.
4. In preparing the financial reporting, 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.

Auditors' Responsibility for the Audit of the Financial Reporting

5. Our objectives are to obtain reasonable assurance about whether the financial reporting 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 its 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 the financial reporting.

6. 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 reporting, 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 reporting 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.

7. 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.

Restriction of use

8. This report is intended solely for the use of TKM Global GmbH and should not be used by any other person or for any other purpose. We do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Moore BRL GmbH **April 29, 2020**

TKM GLOBAL GmbH

GENERAL ENGAGEMENT TERMS

for
Wirtschaftsprufer and Wirtschaftsprufungsgesellsc haften
[German Public Auditors and Public Audit Firms] as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (Wirtschaftsprufer) or German Public Audit Firms (Wirtschaftsprufungsgesellschaften) - hereinafter collectively referred to as "German Public Auditors" - and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service - not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (Grundsatze ord nungsmaf3iger Berufsausilbung). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (betriebswirtschaftliche Prilfungen), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further infor mation necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information .

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibil ity of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (Textform) [Translators Note: The German term "Textform" means in written form, but without requiring a signature] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected - also versus third parties - by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement - also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: Handelsgesetzbuch] , § 43 WPO [German Law regulating the Profession of Wirtschaftsprufer: Wirtschaftspruferordnung], § 203 StGB [German Criminal Code: Strafgesetzbuch]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors , in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual /imitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: Produkthaftungsgesetz], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the five-fold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorised by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.
(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party - especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines - in particular tax assessments - on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party

b) examination of tax assessments in relation to the taxes referred to in (a)

c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)

d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)

e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (SteuerberatungsvergiJ tungsverordnung) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (Textform).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;

b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;

c) advisory work and work related to expert opinions in connection with changes in legal form and other reorganizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and

d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (Tex/form) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses ; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor 's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (Verbraucherschlich tungsstelle) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (Verbraucherstreitbei/ egungsgesetz).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.

Condensed **Balance Sheet** as at 31 March, 2020

	Particulars	Note	As at 31st March 2020 EUR	As at 31st March 2019 EUR
I	ASSETS			
(1)	**Non-current assets**			
	a) Property, plant and equipment	1	263.177	271.723
	b) Intangible assets	1	2.507	3.159
	c) Right of use assets	1	229.895	0
	d) Financial assets		0	0
	(ii) Other financial assets	2	22.100	4.649
	e) Other non-current assets		0	0
			517.679	**279.531**
(2)	**Current assets**			
	a) Financial Assets			
	(i) Trade Receivables	3	1.130.368	733.021
	(ii) Cash and Cash Equivalents	4	3.065.794	9.909.872
	iii) Other bank balances	4	19.306.260	13.766.293
	iv) Contract assets	5	560.281	
	v) Other financial assets	6	23.581	139.064
	b) Other Current Assets	7	626.788	862.698
			24.713.073	**25.410.948**
	TOTAL		**25.230.751**	**25.690.479**
II.	EQUITY AND LIABILITIES			
	(1) Shareholders' funds			
	a) Equity Share Capital	8	51.129	51.129
	b) Other Equity	9	22.298.022	23.482.800
			22.349.151	**23.533.929**
	(2) Non-current liabilites			
	a) Provisions	10	46.000	46.0000
	b) Liabilities of Lease	10	157.958	-
	c) Deferred tax liabilities	15	18.320	40.082
			222.279	**86.082**
	(3) Current liabilities			
	a) Financial Liabilities			
	(i) Trade payables	11	731.691	1.035.044
	(ii) Other financial liabilities	12	1.022.688	930.256
	b) Current Provision	13	70.366	42.366
	c) Current liabilities of Lease		56.157	302
	d) Other non-financial liablilties		0	0
	e) Current tax-liabilities	14	0	62.500
	(i) Contract liabilty	5	778.421	0
			2.659.323	**2.070.468**
	TOTAL		**25.230.752**	**25.690.479**

See accompanying notes part of the condensed financial statements.

For TKM Global GmbH
Amar Patnaik
Global Head

Hamburg, 06.04.2020

TKM TM ISL
TMILL Group of Companies

Condensed **Statement of Profit and Loss** for the period ended 31 March 2020

	Particulars	Note	For the quarter ended		For the period ended	
			31.3.2020	31.3.2019	31.3.2020	31.3.2019
			EUR	EUR	EUR	EUR
	Revenue from Operations	16	1.392.251	1.687.733	7.929.730	5.533.649
	Other Income	17	3.038	43 .514	18.287	70.047
I.	Total Revenue		**1.395.289**	**1.731.247**	**7.948.016**	**5.603.696**
II.	Expenses					
	Employee benefits expense	18	278.714	402.755	1.157.261	1.182.712
	Finance costs	19	1.045	88	-37.694	-76.980
	Operational expenses	20	828.373	947.843	5.314.897	3.489.448
	Depreciation	21	32.370	15.175	131.577	52.574
	Other Expenses	22	91.462	168.044	369.528	425.190
	Total Expenses		**1.231.963**	**1.533.905**	**6.935.569**	**5.072.944**
III.	Profit before tax (III-IV)		**163.326**	**197.341**	**1.012.447**	**530.751**
IV.	Tax Expense					
	Current tax actual period	23	-88.096	82.448	218.988	160.220
	Current tax prior years	24	0	0	0	-61.170
	Deferred tax	25	-1.083	8.330	-21.761	34.177
	Total taxes		**-89.180**	**90.777**	**197.226**	**133.227**
V.	Profit after tax		**252.505**	**106.564**	**815.221**	**397.524**
VI.	Other Comprehensive income		-	-	-	-
VII.	Earnings per share	**26**	**2525**	**1.066**	**3.975**	**3.975**

See accompanying notes forming part of the condenses financial statements

For TKM Global GmbH
Amar Patnaik
Global Head

Hamburg, 06.04.2020

Condensed **Cash Flow Statement** for the period ended 31. March 2020

Sl. No.	Particulars	Note No.	For the period ended 31st March 2020 EUR	For the year ended 31st March 2019 EUR
A.	**Cash Flows from Operating Activities**			
	Profit/Loss before Tax		1012.447	530.751
	Adjustment for :			
	Extraordinary items		0	0
	Depreciation		131.577	52.575
	Interest of lease		3.114	0
	Loss on disposal fixed assets		0	11.186
	Gain of disposal of financial assets		2.579	0
	Unrealized currency gain		74.673	-101.220
	Interest income / expenses		-18.490	-33.321
	Operating profit before Working Capital		**1.205.901**	**459.971**
	Adjustment for:			
	Trade and other receivables		-920.670	409.881
	Trade payable and other liabilities		371.843	-401.395
	Cash generated from Operations		**-548.827**	**8.486**
	Taxes paid actual period		-268.862	-313.105
	Taxes paid prior period		0	0
	Taxes received actual period		0	0
	Taxes received prior period		267.237	0
	Net Cash from operating activies		**655.449**	**155.352**
B.	**Cash Flows from investing activities**			
	Paid in of disposal fixed assets		5.150	0
	Purchase of financial assets more than 12 months		0	6.316.197
	Paid in of disposal financial assets		0	0
	Purchase of subisidaries		0	0
	Movements in other financial assets		0	0
	Movements in fixed deposits more than 3 less 12 months		-5.518.452	3.188.147
	Purchase of fixed assets		-53.015	-235.855
	Interest received		60.014	38.700
	Net Cash used in investigation activies		**-5.506.304**	**9.307.189**
C.	**Cash Flow from financing activities**			
	Repayment of long term loan		0	0
	interest paid		0	0
	Payment Dividend		-2.000.000	-625.000
	Net Cash introduced from financing activities		**-2.000.000**	**-625.000**
	Net increase in Cash & Cash equivalents (A+B+C)		**-6.850.855**	**8.837.541**
	Effect of exchange rate changes on cash and cash equivalents		6.760	88.628
	Cash and cash equivalents at the beginning of the reporting period		9.909.872	983.702
	Cash and cash equivalents at the beginning of the reporting period		**3.065.794**	**9.909.872**

For TKM Global GmbH
Amar Patnaik
Global Head

Hamburg, 06.04.2020

Statement of Changes in Equity for the period 31.03.2020

	Share capital €	Reserves and surplus €	Total €
Balance at 1 April 2018	**51.129**	**23.710.276**	**23.761.405**
Comprehensive income			
(a) Profit for the year	--	397.524	-
Dividends paid	--	625.000	-
Balance at 1 April 2019	**51.129**	**23.482.800**	**23.533.929**
Comprehensive income			
(a) Profit for the period	--	815.221	-
Dividends paid		2.000.000	-
Balance at 31 March 2020	**51.129**	**22.298.021**	**22.349.150**

The accompanying notes form an integral part of these Ind AS financial statements.
The report of the independent auditor is set forth on pages 210 to 215.

For TKM Global GmbH
Amar Patnaik
Global Head

Hamburg, 06.04.2020

NOTE 1: TANGIBLE AND INTANGIBLE ASSETS

CURRENCY: EUR

	Gross Block				Depreciation				Net Block
	As at 01.04.2019	Additions	Deduction/ Disposals	As at 31.03.2020	As at 01.04.2019	For the period	on deduction /adjustment	As at 31.03.2020	As at 31.03.2020
Equipment	54.039	13.829	-1.957	65.911	25.889	9.630	-915	34.604	31.307
Furniture & Fixture	254.527	15.696	-2.908	267.315	34.859	26.294	-1.372	59.781	207.533
Vehicles	113.664	23.490	-20.336	116.818	89.760	23.056	-20.335	92.481	24.337
Property, plant and equipment	**422.230**	**53.015**	**-25.201**	**450.044**	**150.508**	**58.980**	**-22.622**	**186.866**	**263.177**
Software	26.679	0	0	26.679	23.519	652	0	24.171	2.508
Intangible assets	**26.679**	**0**	**0**	**26.679**	**23.519**	**652**	**0**	**24.171**	**2.508**
Right of Use	0	301.840	0	301.840	0	71.945	0	71.945	229.895
Right of Use assets	**0**	**301.840**	**0**	**301.840**	**0**	**71.945**	**0**	**71.945**	**229.895**

	Gross Block				Depreciation				Net Block
	As at 01.04.2018	Additions	Deduction/ Disposals	As at 31.03.2019	As at 01.04.2018	For the period	on deduction /adjustment	As at 31.03.2019	As at 31.03.2019
Equipment	41.083	16.731	-3.775	54.039	28.712	7.470	-1.323	34.859	19.180
Furniture & Fixture	89.807	218.108	-53.388	254.527	53.305	17.236	-44.652	25.889	228.638
Vehicles	113.664	0	0	113.664	62.651	27.109	0	89.760	23.904
Property, plant and equipment	**244.554**	**234.839**	**0**	**422.230**	**144.668**	**51.815**	**-45.975**	**150.508**	**271.722**
Software	26.013	1.016	-351	26.678	23.111	759	-351	23.519	3.159
Intangible assets	**26.013**	**1.016**		**26.678**	**23.111**	**759**	**-351**	**23.519**	**3.159**

NOTE 2: OTHER FINANCIAL ASSETS	As at 31st March 2020	As at 31st March 2019
Security deposit	22.100	4.649
	22.100	**4.649**

NOTE 3: TRADE RECEIVABLE	As at 31st March 2020	As at 31st March 2019
Trade receivable considered good - unsecured	1.255.413	847.082
Trade receivable - credit impaired	-125.045	-114.062
thereof exceeding more than 6 months		
Less: allowance for doubtful depts third parties	-6.295	-8.109
less: allowance for doubtful depts related parties	-105.620	-105.622
Less: lump-sum allowance	-13.130	-8.440
	1.130.368	**733.020**

NOTE 4: CASH AND BANK BALANCES	As at 31st March 2020	As at 31st March 2019
Balances with banks	2.552.206	2.146.380
Fixed deposits less than three months	511.106	7.760.725
Cash on hand	2.482	2.767
Cash and Bank balances	**3.065.794**	**9.909.872**
Other bank balances (Fixed deposits more than 3 months and less 12 months)	19.306.260	13.766.293
	22.372.054	**23.676.165**

CURRENCY: EUR

NOTE 5: CONTRACT ASSETS/LIABILIES	As at 31st March 2020	As at 31st March 2019
Contract assets relating to costs incurred to fulfill a contract Contract liabilities relating to advance received a fulfill a contract	560.281	0
Fixed deposits less than three months	778.421	0
	218.141	**0**

NOTE 6: OTHER FINANCIAL ASSETS	As at 31st March 2020	As at 31st March 2019
Accrued interest	15.954	57.563
Overpaid creditors	0	9.873
Interest on loan advances	0	
Expected payment transfer	0	64.218
Customs money in transit	0	0
Travel advances to personal	7.393	7.026
Prepayment of suppliers	234	385
	23.581	**139.064**

NOTE 7: OTHER CURRENT ASSETS	As at 31st March 2020	As at 31st March 2019
Tax refunds corporation tax previous year	190.994	354.784
Tax refunds city tax previous year	293.159	422.065
Tax prepayment city and corporation tax	294.322	0
Calculated taxes	-208.500	
Tax refunds VAT	38.071	29.993
Prepayment and deferred charges	18.742	55.856
	626.788	**862.698**

NOTE 8: SHARE CAPITAL	As at 31st March 2020	As at 31st March 2019
Authorised issued and paid up	51.129	51.129
	51.129	**51.129**

NOTE 9: RESERVES AND SURPLUS	As at 31st March 2020	As at 31st March 2019
Profit brought forward	23.349.151	23.158.929
Payment dividend	-2.000.000	-625.000
Surpluse reserve	948.871	948.871
	22.298.022	**23.482.800**

NOTE 10: NON CURRENT LIABILITES	As at 31st March 2020	As at 31st March 2019
Long-term provision for tax	46.000	46.000
Lease liabilities	157.958	0
	203.958	**46.000**

NOTE 11: TRADE PAYABLES	As at 31st March 2020	As at 31st March 2019
For operation	356.603	723.236
For accrued wages and salaries	375.087	311.808
	731.691	**1.035.044**

NOTE 12: OTHER FINANCIAL LIABILITES	As at 31st March 2020	As at 31st March 2019
Overpaid debtor	0	0
Others	1.022.688	930.256
	1.022.688	930.256

NOTE 13: CURRENT PROVISIONS	As at 31st March 2020	As at 31st March 2019
Provision for accounting and audit	70.366	42.366
	70.366	**42.366**

CURRENCY: EUR

NOTE 14: INCOME TAX	As at 31st March 2020	As at 31st March 2019
Tax-Profit before Tax of the year	1.012.447	499.298
Income Tax Expense calculated at 32,21%	326.767	160.824
Net Effect of deferred tax assets and liablities	6.660	0
Effect of expenses that are not deductable	12.416	6.053
Effect of offsetting foreign withholding tax	0	-6.657
Effect of other terms	4.031	-61.170
Effect of tax taken forwarded	-130.887	0
Income Tax Expense of the period	**218.987**	**99.050**
Income Tax Corporate Tax and Soli	102.400	0
Prepayment Corporate Taxand Soll	-151.253	-113.440
Note 6	**-48.853**	**-113.440**
Income Tax City Tax Hamburg and Frankfurt	106.100	0
Prepayment City Tax	-143.069	-189.605
	-36.969	**-189.605**
(Withholding tax)		**62.500**
Current tax-refund	**-85.822**	**-240.545**

NOTE 15: DEFERRED TAX	01.04.2018	changes/credit of the period	01.04.2019	changes/credit of the period	31.03.2020
Deferred tax assets	0	0	0	0	0
Converting market payables	0	0	0	0	0
FX converting market receivables	0	0	0	25.320	25.320
Liability of lease	0	0	0	68.731	68.731
	0	**0**	**0**	**94.051**	**94.051**
Deferred tax liablities					
FX converting market receivables	0	4.707	-4.707	4.707	0
FX converting market payables	0	665	-665	-620	-1.284
Property, plant, equipment and intangible asset	-4.056	2.132	-6.189	-484	-6.672
Converting markt to markt cash, bank balances	-1.816	26.705	-28.521	-2.099	-30.620
Right of Use	0	0	0	-73.796	-73.796
	-5.872	**34.209**	**-40.082**	**-72.292**	**-112.372**
Deferred tax (charge)/credlt		**34.209**		**21.760**	
Deferred tax (liability)/Asset (net)	**-5.872**		**-40.082**		**-18.321**

NOTE 16: REVENUE FROM OPERATIONS	For the quarter ended		For the period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Freight	1.392.251	1.687.733	7.929.730	5.533.649
	1.392.251	**1.687.733**	**7.929.730**	**5.533.649**

NOTE 17: OTHER INCOME	For the quarter ended		For the period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Interest	6.840	7.454	18.490	33.321
Other income	-3.803	36.060	-203	36.726
	3.038	**43.514**	**18.287**	**70.047**

NOTE 18: EMPLOYEE BENEFITS EXPENSE	For the quarter ended		For the period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Salaries and social welfare expenses	278.714	402.755	1.157.261	1.182.712
	278.714	**402.755**	**1.157.261**	**1.182.712**

CURRENCY: EUR

NOTE 19: FINANCE COSTS	For the quarter ended		For the period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Applicable net gain/loss on foreign	14.461	88	-26.716	-76.980
Interest on lease liabilities	672	0	3.114	0
Currency transaction	0		0	0
Interest on tax payment recent years	-14.088	0	-14.088	0
	1.045	**88**	**-37.690**	**-76.980**

NOTE 20: OPERATIONAL COSTS	For the quarter ended		For the period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Freight	828.373	947.843	5.314.897	3.489.448
	828.373	**947.843**	**5.314.897**	**3.489.448**

NOTE 21: DEPRECIATION AND AMORTIZATION	For the quarter ended		For the period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Depreciation on tangible and intangible assets	32.370	15.175	131.577	52.574
	32.370	**15.175**	**131.577**	**52.574**

NOTE 22: OTHER EXPENSES	For the quarter ended		For the period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Office	39.873	51.361	129.568	185.856
General sales and administration	16.767	40.368	96.013	107.752
Business development of promotion	5.914	7.706	67.357	36.634
Legal, accounting and secreterial	27.909	12.601	55.772	38.011
loss on debtors	998	55.266	20.819	56.936
	91.462	**167.303**	**369.528**	**425.190**

NOTE 23: CURRENT TAX ACTUAL PERIOD	For the quarter ended		For the period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Corporation tax and solditriy surcharge	-43.800	37.000	102.400	73.700
City tax	-45.300	38.461	106.100	76.461
Withholding tax	1.004	6.987	10.488	-51.111
	-88.096	**82.448**	**218.988**	**99.050**

NOTE 24: TAX FOR PRIOR PERIODS	For the quarter ended		For the period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Corporation tax and solditriy surcharge	0	0	0	0
City tax	0	0	0	0
Withholding tax	0	0	0	0
	0	**0**	**0**	**0**

NOTE 25: DEFERRED TAXES	For the quarter ended		For the period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Difference between German and India tax	-1.083	8.330	-21.761	34.177
	-1.083	**8.330**	**-21.761**	**34.177**

NOTE 26: EARNING PER SHARE	For the quarter ended		For the period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Profit after tax for continuing operations	252.505	106.564	815.221	397.524
Profit attributable to shareholder	252.505	106.564	815.221	397.524
Weight average no. of share for basic	100	100	100	100
	2.525	**1.066**	**8.152**	**3.975**

1. GENERAL INSTRUCTIONS FOR FINANCIAL STATEMENT

Legal status and business activity

a) TKM Global GmbH (Company) was incorporated on 8th November 1994 in the Local Court of Frankfurt under company registration number HRB 48316. With date of 22nd October 2004 the company changed the registered address from Frankfurt to Hamburg. Currently the company is registed in the local court of Hamburg (HRB 90039). TKM Global is an unlisted public limited company incorporated in Esplanade 41,20354 Hamburg, Germany. The establishment is a wholly owned subsidiary of TKM Global Logistics Ltd., with effect from 1st March 2005. With date of 13th March 2007 TKM Overseas Transport (Europe) GmbH changed its company name to TKM Global GmbH. With date of 1st October 2011 the company opened a branch office in Frankfurt. The branch in Frankfurt will be closed by ending this year. For this provision are made of EUR 25.000,00.

b) The company's principal activity is performing national and international transports of all kinds, by air, ocean, road, supply chain management and related logistics activities like warehousing, packing, etc. The company is entitled to execute all appropriate activities. The company is also entitled to represent other companies, to hold interest and establish subsidiaries.

c) The functional and presentation currency of the Company is EURO which is the primary economic enviroment in which the Company operates.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Compliance with Ind AS

The Financial Statement comply in all material aspects except of the information on personnel compensation required to be disclosed by IND AS 24 p17 (a) - € with Indian Accounting Standdards (Ind AS) notified under section 133 of the Companies Act (the Act), There are not changes in the status of assets, finance and income by using Ind AS the first time.

b) Historical Cost Convention

The Financial Statement have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value

c) 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 circle held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged for used to settle the liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liabiltiy 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 period .

All other liabilities are classified as non-current.

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

d) 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 incured subsequenty to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognisesd as an expense in the Statement of Profit and Loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognised.

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

Gain or loss arising on disposal of an asset is determined as the differences between the sale proceeds and the carrying amount of the asset, and is recognised in the Statement of Profit and Loss.

<u>Depreciation Method and Estimated Useful Lives</u>

Depreciation of property, plant and equipment is calculated on pro-rata using the straight-line method to allocate their cost, over their estimated lives. The useful lives determined are in line with useful lives prescribed in Schedule II to the Act, except in respect of vehicle and certain plant and equipment, 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 details of estimated life for each category of assets are as under:

CURRENCY: EUR

Type of asset	**estimated life**
Furniture and fixture	10 years
Vehicles - Four Wheeler	8 years
Office Equipment	5 years
Computers	3 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 or losses on disposals are determined as differences between sale proceeds and carrying value of such items and are recognised in the statement of Profit and Loss within" Other income/other expenses".

Advanced paid towards the acquisitation of property, plant and equipment outstanding at each balance sheet date is classified as "Capital advances"

e) Intangible assets

Software for internal use, which is primarily acquired from third-party vendors is capitalized. 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 expenses as incurred. Cost of software includes licence fees and cost of implementation /system integration services, where applicable.

<u>Amortisatlon method and period</u>

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

An intangible asset is derecognised at diposal,or when no future economic benefit are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as differences between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss.

f) IND AS 116 Lease

Effective April 1, 2019 the Company adopted In AS 116 "Leases" and applied the standard of all lease contracts existing on April 1, 2019 using modified retrospective method and is measured at an amount equal to lease liability on the date of initial application. Consequently, the Company recorded the lease liability at the present value of lease payments discounted at the borrowing rate at the date of inital application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will to be reported under the accounting policies included as part of our annual report for the year ended March 31, 2019. The value of liabilities of the lease contract at initial application of IND AS 116 was EUR 301.840,29.

On transition, the adoption of the new standard resulted in recogntion of "Right of Use asset" . The office rooms and a vehicle have been recognised in this asset class.

<u>Amortisation method and period</u>

Right of Use assets are amortised with over a period of the period of use of the assets. The office rooms contract has a period of 5 years and the lease contract of the vehicle has period of 3 years. Amortization is recognised on a straight-line basis over the period of the contracts. Gains or losses arising from derecognition of an intangible asset, measured as differences between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of Profit and Loss.

g) Impairment of Non-financial assets

Assets are tested in 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 exceed its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use.

h) Financial Instruments

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

Financial assets and financial liabilties are initally measured at fair value.Transaction costs that are directly attributable to the acquisition or issues of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit and 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 the Statement of Profit and Loss.

CURRENCY: EUR

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 and loss), and
- those to be measured at amortised costs.

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

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

Measurement

At initial recognitiation, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs that are directly attribute to the acquistion of the financial asset. Transaction costs of financial assets carried at fair value through profit and loss are recognised as expenses in the Statement of Profit and Losses.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing assets and the cash flow characteristics of the asset.The Company classified 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 prinicipal and interest are measured at amortised costs. A gain and loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit and loss when the asset is derecognised .

Impairment of financial assets

The company assesses on forward looking basis the expected credit losses associated with its assets which are not fair valued through profit and loss. The impariment 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.

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 recepients.

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

Where the entity has neither transferred a financial assset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised 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.

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 marked prices. All methods of assessing fair value result in general approximation of value, and such value many never actually be realised.

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.

CURRENCY: EUR

I) Trade Receivables

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

J) Cash and Cash Equivilant

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 of three months or less from the date of investment.

k) 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 represented as current liablities unless payment is not due within 12 months after the reporting period. They are recognised initially at the fair value and are subsequently measured at amortised cost using the effective interest method where the time value of money is significant.

l) Provisions

Provisions are recognised when the establishment has a present obligation as a result of past event and it is probable than 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 uncertaintes surrounding obligation.

m) Employee benefit costs

Liabilities for short-term employee benefits, that are expected to be settled wholly within 12 months after the end of period in which the employees render the related service, are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilites are settled.

The liabilities are presented under "Other financiai Liabilities" .

n) Sales of Service and other Operating Revenue

Revenue from sale of services and other operating revenue are recognised when services are transferred to the customer i.e. when the Company satisfies the performance obligation with respect to the services being rendered, risk of loss have been transferred to the customer and either the customer has accepted the services in accordance with the contract or the acceptance provisions have elapsed or the company has objective evidence that all criteria for acceptance have been satisfied. Revenue from sale of service are recognised based on the price specified in the contract, which is fixed. No elements of financing is deemed present as the sales are made against the receipt of advance or with an agreed credit period, which is consistent with the market practices. A receivable is recognised when the services are transferred, as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

The company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.

As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

o) Contract assets

A Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Establishment performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised from the earned consideration that is conditional. The contract assets are transferred to receivable when the rights become unconditional.

p) Contact liabilities

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

q) Interest income

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

CURRENCY: EUR

r) Foreign currency transaction
Transactions in foreign currencies are translated in Euro at the rate of exchange ruling on the date of the transactions. Monetary assets and liabilities expressed in foreign currencies are translated in Euro at the rate of exchange ruling at the balance sheet date. Gains or losses resulting from foreign currency transactions are taken on the income statement.

s) Equity
Share capital is recorded at the value of proceeds received towards interest in share capital of the company

t) Share-based payments
There are no share-based payments

u) Current and deferred taxes

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

Deferred tax is recognised on timing differences; being the differences between taxable income and accounting that originate in one period and are capable of reversal in one or more subsequent periods.

Value added tax

As per German tax laws, VAT will be charge on 19% standard rate or 0% on every taxable supply.
The company is required to file its VAT returns and compute the payable tax {which is output tax less input tax) for tax period, which is quarterly.

v) 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 director is collectively the CDOM.

Based on the synergies, risks, and returns associated with business operations and in terms of Ind AS 108, the CDOM 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 JUDGEMENTS

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) Estimation of Expected Useful Lives and Residual Values of Property, Plant and Equipment
Mangement reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of assets. Uncertainties in these estimates relate to technical and economic obsolescence that may changes the utility of property, plant and equipment.

b) 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.

CURRENCY: EUR

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 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 dermlnable, the matter is disclosed.

d) Deferred Taxes
Deffered income tax expense is calculated based on the differences between the carrying value of assets and liabilies for financial reporting purposes and their respective 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 optimizinng measures. Economic conditions may change and lead to different conclusion regarding recoverability.

1. Fair Value Measurements

a) Financial Instruments by Category

The following table presents carrying amount and fair value of each category of financial asset and liabilities as 31.03.2020

		31.03.2020 Fair value	31.03.2020	31.03.2019 Fair Value	31.03.2019
a) Financial Assets					
Assets Carried at Amortised Costs					
i) Trade receivables	3	1.130.368	1.130.368	733.021	733.021
ii) Cash and cash equivalents	4	3.065.794	3.065.794	9.909.872	9.909.872
iii) Other bank balances	4	19.306.260	19.306.260	13.766.293	13.766.293
iv) Other financial assets	5	23.581	23.581	139.064	139.064
Total Financial Assets		**23.526.004**	**23.526.004**	**24.548.250**	**24.548.250**

		31.03.2020 Fair value	31.03.2020	31.03.2019 Fair Value	31.03.2019
b) Financial Liabilities					
Liabilities Carried at Amortised Costs	10	731.691	731.691	1.035.044	1.035.044
i) Trade payables	11	1.022.688	Ul22.688	930.256	930.256
Total Financial Liabilities		**1.754.379**	**1.754.379**	**1.965.300**	**1.965.300**

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 liablity 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 quarter ended 31 March 2020.

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

i) In respect of investments in mutal funds, the fair value represents net asset value as stated by the issuers of these mutual fund units in the publised statement. Net asset values represent the price at which the issuer will issue the 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) In respect of security deposits given and security deposits accepted which are non-interest bearing, the company has used discounted cash flows to arrive at fair value at the Balance Sheet date.

iii) The management assessed that fair values of trade receivables, cash and cash equivalents, other bank balances, other financial assets (current), trade payables, borrowings (current) and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments.

Notes to the Financial Statements for the year ended 31 March 2020

CURRENCY: EUR

c) Fair Value Hierachy

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 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 quote 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 active market (for example, over-the counter derivative) is determined using valuation techniques which maximise the use of observarable market data and rely as little a possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instruments 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.

2. 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 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 and agees 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).

Trade receivables

Trade receivables are typically unsecured and are derived form 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 regulary 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.

Other financial assets

Credit risk from balance 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 requirement.

The company's maximum exposure to credit risk for the components of the Balance Sheet as 30 September 2019 and 30.09.2018 is the carrying amounts.

Net Gains/Net Losses on Financlal Assets measured at amortised cost

Reconciliation of Loss Allowance Provision	As at 31st March 2020	As at 31st March 2019
Opening Balance	123.552	70.275
Loss Allowance during the year		
Bad debts during the year adjusted with provisions	5.520	43.786
Closing Balance	**129.072**	**114.062**

Other income	For the quarter ended		For the period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Interest	6.840	7.454	18.490	33.321
	6.840	**7.454**	**18.490**	**33.321**

Notes to the Financial Statements for the year ended 31 March 2020

CURRENCY: EUR

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.

c) Market risk

i) foreign currency exchange rate risk:

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company transacts business in local and foreign currency.

The company closely monitors its assets and liabilities in foreign currency and carries out activities if assets and liabilities in foreign currency exceed certain limits.

ii) interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company does not have any interest bearing financial liabilities. The Company's interest earning financial assets are term deposits with banks, which are fixed rate interest bearing investments and accordingly, the company is not significant exposed to interest rates.

3. 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.

Earning per share	For the quarter ended		For the period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Profit after tax for continuing operations	252.505	106.564	815.221	397.524
Profit atrributable to shareholder	252.505	106.564	815.221	397.524
Weight average no. of share for basic	100	100	100	100
	2.525	**1.066**	**8.152**	**3.975**

7. Related parties

Related parties comprise the following

Parent company	TKM Global Logistics Ltd.
Ultimate parent company	Tata Steel Limited
	TM International Logistics Ltd.
Directors	Mr. Ashish Gupta (Chairman)
	Mr. Gunther Hahn
	Mr. Sandeep Bhattacharya
	Capt. S. R. Patnaik
Joint Ventures of ultimate Parent Company	IQ Martrade Holding and Management
	GmbH, Germany
	NYK Holding (Europe) B.V. Netherlands
Fellow Subsidiaries	International Shipping and Logistics . FZE, Dubai

Transaction with related parties

CURRENCY: EUR

Transaction (services rendered)	For the quarter ended		For the period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
TKM India	23.794	47.323	167.662	257.705
TMILL	0	0	-217	4.539
Tata Steel, India	88.498	420.723	477.423	969.391
Tata Limited London	1.140.683	881.400	5.702.385	2.487.717
Tata Sons	0	0	0	0
Tata Taco Nanjing	232.395	374.171	2.559.167	1.726.549
Tata Hitach	0		-349	
Voltas	0		10.527	
TKM China	570	301	2.541	2.125
Direct costs (service availed)				
TKM India	76.478	55.155	151.970	122.452
TMILL				1.059
Tata Steel, India				
Tata Limited London	145		145	0
Tata Sons				
Tata Tacon Nanjing				
ISL Dubai	0		131.477	
TKM China	119.131	107.443	626.177	492.036

Outstanding trade receivables	For the quarter ended 31st March 2020	For the period ended 31st March 2019
TKM India	41.403	41.403
-doubtful debts TKM India	-13.952	-l.952
TMILL	0	0
Tata Indien	229.080	229.080
-doubtful debts Tata Steel	-91.669	-91.669
Tata London	937.858	937.858
Tata Taco Nanjing	43.588	43.588
TKM China	570	570
Outstanding payable receivable		
TKM India	50.863	50.863
Tata Steel, India	0	
Tata Limited London	18.177	18.177
TMILL	0	0
Tata Tacon Nanjing	0	
TKM China	9.706	9.706
Contract liabilities		
Tata Limited London	778.421	778421

8.

Contingent Liabilities	As at 31st March 2020	As at 31st March 2019
Banker Letter Guarantee	66.048	66.048
Closing Balance	**66.048**	**66.048**

Approved by managing directors on

For TKM Global GmbH

TKM Global China Limited

CORPORATE INFORMATION

As on 1st April, 2020

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

Bankers
HSBC Bank

DIRECTORS' REPORT

TMILL Group of Companies

TO THE MEMBERS,

The Directors hereby present their eighth report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2020.

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 HIGHLIGHTS

Particulars	31.03.2020 Amount in INR	31.03.2020 Amount in RMB	31.03.2019 Amount in INR	31.03.2019 Amount in RMB
Revenue	196,349,088	18,611,288	18,88,68,002	18,301,163
Less: Direct Costs	162,453,257	15,398,413	15,85,91,991	15,367,441
Gross Profit	**33,895,831**	**3,212,875**	**3,02,76,011**	**2,933,722**
Less: Administrative Expenses	30,979,189	2,936,416	2,76,32,130	2,677,532
Profit/(Loss) from Operating Activities	**2,916,642**	**276,459**	**26,43,881**	**256,190**
Add: Other Income	2,511,333	238,041	75,955	7,360
Less: Income Tax expense	362,783	34,387	-	-
Net profit/(Loss) for the year	**5,065,192**	**480,113**	**27,19,836**	**263,550**

OPERATIONAL REVIEW

During the year under review, the Company earned a Total Revenue of RMB 18,611,288 (Rs. 196,349,088/-) vis-à-vis RMB 18,301,163 (Rs. 18,88,68,002) during the previous financial year.

The Net Profit for the FY'19-20 was RMB 480,113 (Rs. 5,065,192/-) against a Net Profit RMB263,550 (Rs. 27,19,836) in previous year.

During this period, while sea freight FCL export volumes were 2,217 TEUS from 2,321TEUS in the previous year and sea freight LCL export volumes were 1,619 WM, up from previous year 1,375 WM. This is in-spite of the dip in the last 2 months of the year which were much affected due to the out-break of COVID-19 around end Jan'20. Earnings per Teus/WM on the local sales were much better, as landside services were continued to be sold aggressively.

Break bulk exports volumes were in total of 17,269 FRTs towards the planned 3,000 FRTs in Fy'20, this was mainly from TKM GmbH nominations a/c Tata Steel KPO-II project movements from China.

The airfreight volume were 228 FT as compared to 197 FT in the PY, growth mainly from local sales outbounds from China.

During the period, the operating contribution percentage stood at approx 17% as compared to 16% of the last year.

During the year, a positive operating cash flow was maintained while outstanding were kept under control.

OPPORTUNITIES AND CHALLENGES

In 2019, China's total goods export and imports reached 31.55 Trillion Yuan (i.e. US$ 4.7 Trillion, up by 3.4% year on year.

- India China bilateral trade has continued to make steady growth in 2019, it stood at 639.52 billion yuan in 2019 which is 1.6% up y-o-y. However, in US dollar terms, it has dipped by 3 billion US dollars as compared to 2018 as overall global trade was moderated in 2019.
- In Fy'21, the company will continue its focus to provide outbound services for TSL/KPO-II project and to expand the local customers base to provide service offering on both Exports as well as Import cargo, Buyers Consolidations, Special Equipment's and Door-to-Door movements.
- With many carriers now operating under consortiums to minimise on demand supply gap, freight rates are expected to be volatile with seasonal demands and impact of the COVID-19 spread across many countries.

DIRECTORS

The Board of the Company comprises of 3 (Three) Non-Independent Non-Executive Directors.

As on 31st March, 2020, Mr. Ashish Kumar 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 Auditors 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**

Amar Patnaik

Director
DIN: 02730170

Date : 18th May, 2020
Place: China

TMILL Group of Companies

TKM GLOBAL CHINA LIMITED

INDEPENDENT AUDITORS' REPORT

To the Shareholder 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 2020, 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 2020 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 withInternational 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 theInternational Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with theIESBA 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 withISAs 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 withISAs, 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.

Auditors' responsibilities for the audit of the financial statements (continued)

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 .

Shanghai Jialiang CPAs
Shanghai . China
15 May 2020

Balance Sheet as at 31 March, 2020

CURRENCY: RMB

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
Non-current assets			
Property, plant and equipment	9	303,445	90,657
Right-of-use assets	10	133,106	-
Otherintangible assets	11	7,930	15,660
Deferred tax assets	7	1,623	13,347
Total Non-Current Assets		**446,104**	**119,664**
Current Assets			
Trade and other receivables	12	1,192,888	1,778,388
Amount due from related companies	17	810,102	1,522,414
Cash and cash equivalents	18	4,112,570	2,240,553
Total Current Assets		**6,115,560**	**5,541,355**
Total Assets		**6,561,664**	**5,661,019**
II. EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	13	6,834,500	6,834,500
Accumulated losses	14	(2,638,245)	(3,118,358)
Total Equity		**4,196,255**	**3,716,142**
LIABILITIES			
Non-Current Liabilities			
Deferred tax liabilities	7	12,308	13,347
Total Non-Current Liabilities		**12,308**	**13,347**
Current Liabilities			
Trade and other payables	16	1,561,583	1,860,799
Amount due to related companies	17	651,920	70,731
Lease liabilities	15	139,598	
Total current liabilities		**2,353,101**	**1,931,530**
Total liabilities		**2,365,409**	**1,944,877**
Total equity and liabilities		**6,561,664**	**5,661,019**

TMILL Group of Companies

Statement of Profit and Loss for the year ended 31 March, 2020

CURRENCY: RMB

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
Revenue	5	18,611,288	18,301,163
Cost of Sales		(15,398,413)	(15,367,441)
Gross profit		**3,212,875**	**2,933,722**
Investment income	6	234,967	4,465
Administration expenses		(2,913,273)	(2,677,532)
Financial expenses		(23,143)	
Other gains		3,074	2,895
Profit before income tax		**514,500**	**263,550**
Income tax expense	7	(34,387)	-
Profit for the year	8	480,113	263,550
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		**480,113**	**263,550**

Statement of Changes in Equity for Year ended 31st March 2020

CURRENCY: RMB

	Issued capital	Accumulated losses	Total
Balance at 1 April 2018	6,834,500	(3,381,908)	3,452,592
Profit for the year		263,550	263,550
Total comprehensive income for the year	-	263,550	263,550
-			
Balance at 31 March 2019	**6,834,500**	**(3,118,358)**	**3,716,142**
Balance at 1 April 2019	**6,834,500**	**(3,118,358)**	**3,716,142**
Profit for the year	-	480,113	480,113
Total comprehensive income for the year	-	480,113	480,113
Balance at 31 March 2020	**6,834,500**	**(2,638,245)**	**4,196,255**

Cash Flow Statement for the year ended 31st March, 2020

CURRENCY: RMB

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from operating activities			
Profit before income tax		514,500	263,550
Adjustments for:			
Depreciation on property, plant and equipment		71,982	13,913
Depreciation on right-of-use assets		157,350	-
Amortisation of intangible assets		7,730	7,527
Exchange gains		(84,145)	(70,626)
Interest income		(234,967)	(4,465)
Finance expenses		23,143	-
Operating profit before movements in working capital		455,593	209,899
Movements in working capital			
Decrease/(increase) in trade and other receivables		585,500	(236,734)
Decrease/(increase) in amount due from related companies		712,312	(51,677)
(Decrease)/increase in trade and other payables		(299,216)	159,759
Increase in amount due to related companies		581,189	55,374
Cash generated from operations		2,035,378	136,621
Income taxes paid		(23,703)	-
Net cash generated from operating activities		**2,011,675**	**136,621**
Cash flows from investing activities			
Interest received		234,967	4,465
Payments for property, plant and equipment		(284,770)	(32,500)
Payments for software		-	(6,100)
Payments for right-of-use assets		(174,000)	-
Net cash used in investing activities		**(223,803)**	**(34,135)**
Cash flows from financing activities		**-**	**-**
Net increase in cash and cash equivalents		**1,787,872**	**102,486**
Cash and cash equivalents at 1 April		**2,240,553**	**2,067,441**
Effects of exchange rate changes		**84,145**	**70,626**
Cash and cash equivalents at 31 March		**4,112,570**	**2,240,553**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

CURRENCY: RMB

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. ts 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

TThe financial statements on pages 238 to 241 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 AS 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

The Company shall account for a contract with a customer when all of the following criteria are met:

(a) the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;

(b) the Company can identify each party's rights regarding the goods or services to be transferred;

(c) the Company can identify the payment terms for the goods or services to be transferred;

(d) the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract); and

(e) it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.In evaluating whether collectability of an amount of consideration is probable, the Company shall consider only the customer's ability and intention to pay that amount of consideration when it is due. The amount of consideration to which the Company will be entitled may be less than the price stated in the contract if the consideration is variable because the Company may offer the customer a price concession.

The Company shall recognise revenue when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer .

The Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

CURRENCY: RMB

(a) the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;

(b) the Company 's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

(c) the Company 's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time in accordance with the above paragraphs, the Company satisfies the performance obligation at a point in time.

When (or as) a performance obligation is satisfied, the Company shall recognise as revenue the amount of the transaction price that is allocated to that performance obligation.

The Company shall consider the terms of the contract and its customary business practices to determine the transaction price. When determining the transaction price, the Company shall consider the effects of all of the following: (a) variable consideration; (b) constraining estimates of variable consideration; (c) the existence of a significant financing component in the contract; (d) non-cash consideration; and (e) consideration payable to a customer.

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

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Company applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

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, 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.

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 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

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from the continued use of the asset. Any gain or loss arising on the disposal or 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.

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 treated as a revaluation increase.

3.11 Financial instruments

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

Initial measurement

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 subsequently measured at amortised cost, financial assets at fair value through other comprehensive income (FVOCI) and financial assets at fair value through profit or loss (FVTPL) . The

Notes forming part of the Financial Statements for the year ended 31st March, 2020

CURRENCY: RMB

classification depends on both: (a) the Company's business model for managing the financial assets and (b) the contractual cash flow characteristics of the financial asset. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way 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.

Financial assets subsequently measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and;

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVOCI

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and;

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

Option to designate a financial asset at fair value through profit or loss

Despite the above classification, the Company may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Initial recognition

The Company shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the Company becomes party to the contractual provisions of the instrument. When the Company first recognises a financial asset, it shall measure it in accordance with 3.11.

Subsequent measurement

After initial recognition, the Company shall measure a financial asset in accordance with the classification at: (a) amortised cost; (b) fair value through other comprehensive income; or (c) fair value through profit or loss.

Amortised cost measurement - 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.

Impairment

The Company shall recognise a loss allowance for expected credit losses on financial assets subsequently measured at amortised cost or financial assets at FVOCI.

At each reporting date, the Company shall measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition .

The objective of the impairment requirements is to recognise lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition - whether assessed on an individual or collective basis - considering all reasonable and supportable information, including that which is forward-looking.

CURRENCY: RMB

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Recognition of expected credit losses

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on that financial instrument has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date.

The Company shall recognise in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised.

At each reporting date, the Company shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company shall use the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company shall compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

The Company may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

If reasonable and supportable forward-looking information is available without undue cost or effort, the Company cannot rely solely on past due information when determining whether credit risk has increased significantly since initial recognition. However, when information that is more forward-looking than past due status (either on an individual or a collective basis) is not available without undue cost or effort, the Company may use past due information to determine whether there have been significant increases in credit risk since initial recognition.

Measurement of expected credit losses

The Company shall measure expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) the time value of money; and
(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

When measuring expected credit losses, the Company need not necessarily identify every possible scenario. However, it shall consider the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is very low.

The maximum period to consider when measuring expected credit losses is the maximum contractual period (including extension options) over which the Company is exposed to credit risk and not a longer period, even if that longer period is consistent with business practice.

However, some financial instruments include both a loan and an undrawn commitment component and the Company 's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Company's exposure to credit losses to the contractual notice period. For such financial instruments, and only those financial instruments, the Company shall measure expected credit losses over the period that the Company is exposed to credit risk and expected credit losses would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period.

Derecognition of financial assets

The Company shall derecognise a financial asset when, and only when :
(a) the contractual rights to the cash flows from the financial asset expire, or
(b) it transfers the financial asset and the transfer qualifies for derecognition .

The Company transfers a financial asset if, and only if, it either:
(a) transfers the contractual rights to receive the cash flows of the financial asset, or
(b) 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 in an arrangement that meets the conditions in the following paragraph.

Notes forming part of the Financial Statements for the year ended 31st March, 2020

CURRENCY: RMB

When the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients '), the Company treats the transaction as a transfer of a financial asset if, and only if, all of the following three conditions are met.
(a) the Company has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the Company with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.
(b) the Company is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.
(c) the Company has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay.In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients

3.13 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'.

Financia/ 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 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 items.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

CURRENCY: RMB

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.

4. 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:

4.1 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.

4.2 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 its customers, past settlement and industry practice and current market conditions . Management reassess the impairment of receivables at the balance sheet date.

5. Revenue

The following is an analysis of the Company's revenue:

		For the year ended March 31, 2020	For the year ended March 31, 2019
Rendering of service		18,611,288	18,301,163

Revenue from major products and services

The following is an analysis of the Company's revenue from its major products and services:

		For the year ended March 31, 2020	For the year ended March 31, 2019
International forwarding		18,611,288	18,301,163

6. Investment income

		For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income:			
Bank deposits		234,967	4,465

7. Income taxes

7.1 Income tax recognised in profit or loss

		For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		23,702	-
Deferred tax		10,685	-
Total income tax expense		**34,387**	**-**

CURRENCY: RMB

The income tax expense for the year can be reconciled to the accounting profit as follows:

		For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before income tax		514,500	263,550
Income tax expense calculated at 5% (2019: 25%)		25,725	65,888
Effect of expenses that are not deductible for tax purposes		(2,782)	--
Effect of unused tax losses and tax offsets not recognised as deferred tax assets		13,574	(65,888)
Adjustments to deferred tax attributable to changes in tax rates		(2,130)	-
Income tax expense recognised in profit or loss		**34,387**	**-**

7.2 Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the statement of financial position:

		For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred tax assets		1,623	13,347
Deferred tax liabilities		(12,308)	(13,347)
		(10,685)	-

Deferred tax (liabilities)/assets in relation to:

	For the year ended March 31, 2019	Recognised in profit or loss	For the year ended March 31, 2020
Depreciation	(13,347)	1,039	(12,308)
Tax losses	13,347	(13,347)	-
Finance expenses for leasing		1,623	1,623
		(10,685)	(10,685)

7.3 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

		For the year ended March 31, 2020	For the year ended March 31, 2019
Tax losses (revenue in nature)		136,961	132,427

8. Profit for the year

Profit for the year has been arrived at after charging/(crediting):

8.1 Depreciation and amortisation expense

		For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment		71,982	13,913
Depreciation of right-of-use assets		157,350	-
Amortisation of intangible assets		7,730	7,527
Total depreciation and amortisation expense		237,062	21,440

8.2 Employee benefits expense

		For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries		1,137,546	1,151,506
Social welfare		347,212	295,780
Total employee benefits expense		**1,484,758**	**1,447,286**

Notes forming part of the Financial Statements for the year ended 31st March, 2020

CURRENCY: RMB

9. Property, plant and equipment

		For the year ended March 31, 2020	For the year ended March 31, 2019
Carrying amounts of:			
Equipment & vehicles		234,765	5,428
Computers		24,554	34,579
Furniture & fixtures		44,126	50,650
		303,445	**90,657**

	Equipment	Computers	Furniture & fixtures	Total
Cost				
Balance at 1 April 2019	122,262	45,700	103,062	271,024
Additions	284,770	-	-	284,770
Balance at 31 March 2020	407,032	45,700	103,062	555,794
Accumulated depreciation				
Balance at 1 April 2019	(116,834)	(11,121)	(52,412)	(180,367)
Depreciation expense	(55,433)	(10,025)	(6,524)	(71,982)
Balance at 31 March 2020	(172,267)	(21,146)	(58,936)	(252,349)

The following useful lives are used in the calculation of depreciation:

	Depreciation rates
Equipment	20% p.a.
Computers	25% p.a.
Furniture & fixtures	6.33% p.a.

10. Lease (Company as a lessee)

		For the year ended March 31, 2020	For the year ended March 31, 2019
Carrying amounts of:			
Buildings		133,106	-
			Buildings
Cost			
Balance at 1 April 2019			
Additions			290,456
Balance at 31 March 2020			290,456
Accumulated depreciation			
Balance at 1 April 2019			-
Depreciation expense			(157,350)
Balance at 31 March 2020			(157,350)

The following useful lives are used in the calculation of depreciation :

Buildings 50% p.a.

11. Other intangible assets

		For the year ended March 31, 2020	For the year ended March 31, 2019
Carrying amounts of:			
Software		7,930	15,660
			Software
Cost			
Balance at 1April 2019 & 31 March 2020			77,300

Notes forming part of the Financial Statements for the year ended 31st March, 2020

CURRENCY: RMB

		For the year ended March 31, 2020	For the year ended March 31, 2019
Accumulated amortisation			
Balance at 1 April 2019			(61,640)
Amortisation expense			(7,730)
Balance at 31 March 2020			(69,370)

The following useful lives are used in the calculation of amortisation.

Software 10 years

12. Trade and other receivables

		For the year ended March 31, 2020	For the year ended March 31, 2019
Trade receivables		928,570	714,202
Allowance for doubtful debts		-	-
		928,570	714,202
Deposits		45,708	845,708
Prepayments & other receivables		218,610	218,478
VAT & other taxes		-	-
		1,192,888	1,778,388

13. Issued capital

		For the year ended March 31, 2020	For the year ended March 31, 2019
Share capital		6,834,500	6,834,500
Share premium		-	-
		6,834,500	**6,834,500**

14. Accumulated losses

		For the year ended March 31, 2020	For the year ended March 31, 2019
Accumulated losses		(2,638,245)	(3,118,358)
Balance at beginning		(3,118,358)	
Profi t attributable to owners of the Company		480,113	
Balance at end		**(2,638,245)**	

15. Lease liabilities

		For the year ended March 31, 2020	For the year ended March 31, 2019
Current		139,598	-

16. Trade and other payables

		For the year ended March 31, 2020	For the year ended March 31, 2019
Trade payables		1,359,793	1,649,064
Non-trade payables		198,468	209,279
VAT & other taxes		3,322	2,456
		1,561,583	**1,860,799**

17. Related party transactions

Details of transactions between the Company and its related parties are disclosed below:

Notes forming part of the Financial Statements for the year ended 31st March, 2020

CURRENCY: RMB

17.1 Trading transactions

During the year, Company entities entered into the following trading transactions with related parties:

	Rendering of services For the year ended		Purchases of services For the year ended	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
TKM INDIA	1,816,953	1,663,742	145,998	552,178
TKM GERMAN	4,699,420	3,734,330	21,972	21,332
TRL CHINA	278,130	341,168		-
YORK QINGDAO		1,030,811		-
NANJING TATA	2,782,149	2,197,595		-
	9,576,652	**8,967,646**	**167,970**	**573,510**

The following balances were outstanding at the end of the reporting period:

	Amount due from related parties		Amount due to related parties	
	31/3/2020	31/3/2019	31/3/2020	31/3/2019
TKM INDIA	383,488	379,394	1,920	62,257
TKM GERMAN	195,462	344,700	-	8,474
TRL CHINA	-	10,889	-	-
YORK QINGDAO	-	69,649	-	-
NANJING TATA	231,152	717,782	650,000	-
	810,102	**1,522,414**	**651,920**	**70,731**

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.

18. 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:

		For the year ended March 31, 2020	For the year ended March 31, 2019
Cash and bank balances		4,112,570	2,240,553

19. Financial risk management

19.1 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.

Notes forming part of the Financial Statements for the year ended 31st March, 2020

CURRENCY: RMB

The Company has not used any forward contracts or currency borrowings to hedge its exposure to foreign currency risk.

19.2 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.

20. Events after the reporting period

There are no events after the reporting period to be disclosed.

21. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 30 April 2020.

TM International Logistics Limited –
Consolidated Financial Statement

TM INTERNATIONAL LOGISTICS LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of TM International Logistics Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of TM International Logistics Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("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, 2020, consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 15 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion .

Emphasis of Matter

4. We draw your attention to Note 38 to the Consolidated Financial Statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Group. The management believes that no adjustments are required in the Consolidated Financial Statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Other Information

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

6. Our opinion on the Consolidated Financial Statements does not do not express any form of assurance conclusion thereon.

7. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (refer paragraph 15 below), 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 Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, i mplementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

    - Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and petform audit proceduresresponsive 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 also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

    - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

15. We did not audit the financial statements/financial information of three subsidiaries whose financial statements/ financial information reflect total assets of Rs. 52,045 lakhs and net assets of Rs. 45,741 lakhs as at March 31, 2020, total revenue of Rs. 48,547 lakhs, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 5,351 lakhs and net cash flows amounting to Rs. (5,230) lakhs for the year ended on that date, as considered in the Consolidated 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 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 including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

    Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. 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 Financial Statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the di rectors of the Holding Company and its subsidiary company incorporated in India, as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Holding Company and its subsidiary company incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Holding Company and 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact, if any, of pending litigations as at March 31, 2020 on the consolidated financial position of the Group - Refer Note 34 to the Consolidated Financial Statements.

ii. The Group has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses.The Group did not have any derivative contracts as at March 31, 2020.

iii. During the year ended March 31, 2020, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2020.

17. The Group 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.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

Dhiraj Kumar
Partner
Membership Number: 060466
UDIN: 20060466AAAAAX8650

Place: Hyderabad
Date: May 20, 2020

TM INTERNATIONAL LOGISTICS LIMITED

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 16 (f) of the Independent Auditors' Report of even date to the members of TM International Logistics Limited on the Consolidated Financial Statements for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the Consolidated Financial Statements of TM International Logistics Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary company, which is a company 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 with reference to financial statements is applicable, which is a company 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 Holding Company's and its subsidiary company's, incorporated in India, internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI 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 with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated 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 with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (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 with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 311 2020, 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. Also refer paragraph 4 of the main audit report.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

Dhiraj Kumar
Partner
Membership Number: 060466
UDIN: 20060466AAAAAX865

Place: Hyderabad
Date: May 20, 2020

Consolidated **Balance Sheet** as at 31 March, 2020

₹ in Lakhs

	Particulars	Note	As at 31st March 2020	As at 31st March 2019
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	4	8,522.04	8,664.14
	(b) Intangible Assets	5	3,989.51	3,840.09
	(c) Right of use assets	6	22,452.68	-
	(d) Capital Work-in-Progress		136.40	-
	(e) Intangible Assets under Development		121.47	390.06
	(f) Financial Assets			
	(i) Loans	7	468.64	404.51
	(ii) Other Financial Assets	8	369.47	83.16
	(g) Non-current Tax Asset (Net)	9	2,322.52	1,521.19
	(h) Deferred Tax Assets (Net)	45.1	1,244.49	1,262.71
	(i) Other Non-current Assets	10	92.86	273.57
	Total Non-current Assets		**39,720.08**	**16,439.42**
(2)	**Current Assets**			
	(a) Inventories	11	628.11	147.71
	(b) Financial Assets			
	(i) Investments	12	-	101.48
	(ii) Trade Receivables	13	21,590.19	20,074.36
	(iii) Cash and Cash Equivalents	14	5,249.20	10,305.46
	(iv) Other Bank Balances	15	39,165.30	32,871.73
	(iv) Other Bank Balances	16	57.96	176.06
	(vi) Other Financial Assets	17	491.17	2,747.31
	(c) Other Current Assets	18	11,583.93	9,963.22
	Total Current Assets		**78,765.86**	**76,387.33**
	Total Assets		**1,18,485.94**	**92,826.75**
II.	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	19	1,800.00	1,800.00
	(b) Other Equity	20	67,019.86	61,605.08
	Total Equity		**68,819.85**	**63,405.08**
	LIABILITIES			
	(1) Non-Current Liabilities			
	(a) Financial Liabilities			
	Other Financial Liabilities	21	16,239.29	20.14
	(b) Provisions	22	3,442.27	3,027.61
	(c) Deferred Tax Liabilities (Net)	45.2	14.19	32.43
	Total Non-current Liabilities		**19,695.75**	**3,080.18**
	(2) Current Liabilities			
	(a) Financial Liabilities			
	(a) Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
	(b) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		12,260.92	11,076.74
	(ii) Other Financial Liabilities	24	6,550.90	63.89
	(b) Provisions	25	628.77	540.91
	(c) Current Tax Liabilities (Net)	26	0.47	9.27
	(d) Other Current Liabilities	27	10,529.27	14,650.68
	Total Current Liabilities		**29,970.33**	**26,341.49**
	Total Liabilities		**49,666.08**	**29,421.67**
	Total Equity and Liabilities		**1,18,485.94**	**92,826.75**

The accompaning 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

For and on behalf of the Board of Directors

Dhiraj Kumar
Partner
Membership Number: 060466

Ashish Kr Gupta
Managing Director
DIN: 07808012

Dibyendu Bose
Chairman
DIN: 00282821

Place: Hyderabad
Date: May 20, 2020

Place: Kolkata
Date: May 20, 2020

Jyoti Purohit
Company Secretary

Anand Chand
Chief Financial Officer

Consolidated **Statement of Profit and Loss** for the year ended 31 March, 2020

₹ in Lakhs

	Particulars	Note	For the Year ended 31st March 2020	For the Year ended 31st March 2019
I.	**I. Revenue from Operations**	28	102,990.64	84,045.20
II.	**Other Income**	29	2,189.93	2,431.56
III.	**Total Income (I +II)**		**105,180.57**	**86,476.76**
IV.	**Expenses**			
	Operational Expenses	30	82,660.83	66,166.75
	Employee Benefits Expense	31	6,360.64	5,846.14
	Finance Costs	32	1,254.79	143.40
	Depreciation and Amortization Expense	4, 5 & 6	4,948.49	1,943.14
	Other Expenses	33	5,177.30	6,917.17
	Total Expenses		**1,00,402.05**	**81,016.60**
V.	**Profit Before Tax and Exceptional Items (III - IV)**		4,778.52	5,460.16
VI.	**Profit Before Tax (V+VI)**		4,778.52	5,460.16
VII.	**Income Tax Expense**	44	**1,397.62**	**1,662.68**
	(1) Current Tax		1,414.77	1,554.27
	(2) Tax Relating to Earlier Years		(15.91)	(12.11)
	(3) Deferred tax		(1.24)	120.52
VIII.	**Profit for the Year (VII-VIII)**		**3,380.90**	**3,797.48**
IX.	**Other Comprehensive Income**			
	Items that will not be Reclassified to Profit or Loss			
	(1) Remeasurements of the Post Employment Defined Benefit Obligations		(106.16)	1.46
	(2) Income Tax on Above		30.33	(7.39)
	Items that will be Reclassified to Profit or Loss			
	(1) Exchange Differences on Translation of Foreign Operations		3,369.70	719.42
X.	**Total Comprehensive Income for the Year (IX+X)**		**6,674.77**	**4,510.97**
XI.	**Earning per Equity Share**			
	(1) Basic	41	18.78	21.10
	(2) Diluted		18.78	21.10

The accompaning Notes form an integral part of Consolidated Statement of Profit and Loss

This is the Consolidated 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

For and on behalf of the Board of Directors

Dhiraj Kumar
Partner
Membership Number: 060466

Ashish Kr Gupta
Managing Director
DIN: 07808012

Dibyendu Bose
Chairman
DIN: 00282821

Place: Hyderabad
Date: May 20, 2020

Place: Kolkata
Date: May 20, 2020

Jyoti Purohit
Company Secretary

Anand Chand
Chief Financial Officer

Consolidated **Statement of Cash Flows** for the year ended 31 March, 2020

₹ in Lakhs

	Particulars	Note	For the Year ended 31st March 2020	For the Year ended 31st March 2019
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit Before Tax		4,778.52	5,460.16
	Adjustments for:			
	Depreciation / Amortisation Expenses		4,948.49	1,943.14
	Gain on Foreign Currency Transactions (Net)	29	(36.90)	(91.46)
	Liabilities no Longer Required Written Back	29	(668.63)	(911.20)
	Finance Costs	32	1,254.79	143.40
	Provision for Loss Allowance Written Back	29	(21.65)	(16.29)
	Provision for Loss Allowance	33	30.82	74.74
	Bad debts written off	33	15.08	11.54
	(Gain)/ Loss on Disposal of Property, Plant & Equipment (Net)	29	(5.12)	(11.79)
	Profit on Sale of Investments	29	(52.43)	(34.50)
	Interest Income	29	(1,335.75)	(1,184.32)
	Dividend Income	29	(11.88)	(10.91)
	Operating Profit before Changes in Operating Assets and Liabilities		**8,895.34**	**5,372.51**
	Changes in Operating Assets and Liabilities			
	(Increase)/ Decrease in Trade Receivables		(1,101.08)	(6,918.44)
	(Increase)/ Decrease in Financial Assets		2,277.30	(2,288.09)
	(Increase)/ Decrease in Loans		53.97	-
	(Increase)/ Decrease in Other Assets		(1,088.30)	(3,985.92)
	(Increase)/ Decrease in Inventories		(451.19)	66.63
	Increase/ (Decrease) in Trade Payables		1,550.38	3,547.15
	Increase/ (Decrease) in Financial Liabilities		(41.07)	(9.24)
	Increase/ (Decrease) in Other Liabilities		(4,243.41)	4,683.38
	Increase/ (Decrease) in Provisions		180.22	254.39
	Cash Generated from Operations		**6,032.16**	**722.37**
	Direct Taxes Paid (Net of Refund)		(2,178.65)	(1,293.94)
	Net Cash used in Operating Activities		**3,853.51**	**(571.57)**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Payment for Acquisition/Construction of Property, Plant & Equipment		(1,737.58)	(1,561.61)
	Proceeds from Disposal of Property, Plant & Equipment		977.02	20.76
	Fixed Deposits (Placed)/ Realised (Net)		(6,568.60)	7,880.20
	Sale of Investments in Mutual Funds		28,115.78	28,134.69
	Purchase of Investments In Mutual Funds		(27,949.99)	(27,574.54)
	Interest Received		1,627.19	1,208.63
	Dividend Income Received		-	10.90
	Net Cash from/ (used in) Investing Activities		**(5,536.18)**	**8,119.03**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Principal Elements of Lease Payments		(3,126.67)	-
	Interest Elements of Lease Payments		(1,208.42)	-
	Dividend Paid		(1,260.00)	(810.00)
	Net Cash used in Financing Activities		**(5,595.09)**	**(810.00)**
D.	**Effect of Exchange Rate on Translation of Foreign Currency Cash and Cash Equivalents**		2,221.50	164.68
	Net Increase/(Decrease) in Cash & Cash Equivalents(A+B+C)		**(7,277.76)**	**6,902.14**
	Cash and Cash Equivalents at the Beginning of the Year	14	10,305.46	3,403.32
	Cash and Cash Equivalents at the End of the Year	14	**5,249.20**	**10,305.46**

Note:
The above Consolidated Statement of Cash Flows have 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 Cash Flow Statement 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

Dhiraj Kumar
Partner
Membership Number: 060466

Ashish Kr Gupta
Managing Director
DIN: 07808012

Dibyendu Bose
Chairman
DIN: 00282821

Place: Hyderabad
Date: May 20, 2020

Place: Kolkata
Date: May 20, 2020

Jyoti Purohit
Company Secretary

Anand Chand
Chief Financial Officer

Consolidated **Statement of Changes in Equity** for the period ended 31 March, 2020

₹ in Lakhs

A. Equity Share Capital (Refer Note 19)	₹ in Lakhs
Balance as at 1st April 2018	**1,800.00**
Changes in Equity Share Capital during the Year	-
Balance as at 31st March 2019	**1,800.00**
Changes in Equity Share Capital during the Year	-
Balance as at 31st March 2020	**1,800.00**

₹ in Lakhs

B. Other Equity (Refer Note 20)	Other Equity				
	General Reserves	Retained Earnings	Capital Reserve	Foreign Currency Translation Reserve	Total
Balance as at 1st April 2018	8,562.57	39,348.09	630.36	9,363.10	57,904.12
Profit for the Year	-	3,797.48	-	-	3,797.48
Other Comprehensive Income for the Year	-	(5.93)	-	719.42	713.49
Final Dividend on Equity Shares for FY 2017-18	-	(810.00)	-	-	(810.00)
Dividend Distribution Tax	-	-	-	-	-
Balance as at 31st March 2019	8,562.57	42,329.64	630.36	10,082.52	61,605.09
Balance as at 1st April 2019	8,562.57	42,329.64	630.36	10,082.52	61,605.09
Profit for the Year	-	3,380.90	-	-	3,380.90
Other Comprehensive Income for the Year	-	(75.83)	-	3,369.70	3,293.87
Final Dividend on Equity Shares for FY 2018-19	-	(1,260.00)	-	-	(1,260.00)
Balance as at 31st March 2020	**8,562.57**	**44,374.71**	**630.36**	**13,452.22**	**67,019.86**

The accompaning 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

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

For and on behalf of the Board of Directors

Dhiraj Kumar
Partner
Membership Number: 060466

Ashish Kr Gupta
Managing Director
DIN: 07808012

Dibyendu Bose
Chairman
DIN: 00282821

Place: Hyderabad
Date: May 20, 2020

Place: Kolkata
Date: May 20, 2020

Jyoti Purohit
Company Secretary

Anand Chand
Chief Financial Officer

Consolidated Notes to the Financial Statements

for the year ended 31 March, 2020

1 COMPANY BACKGROUND

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 May 20, 2020.

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.

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. Inter-company 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 as an expense in the Statement of Profit and Loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognised.

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.

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

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 or losses on disposals are determined as difference between sale proceeds and carrying value of such items and are recognized in the Statement of Profit and 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 recognised 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 difference between the net disposal proceeds and the carrying amount of the asset, are recognised in Statement of Profit and Loss.

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#13 - 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, so that the increased carrying amount does not exceed the carrying value 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 in the Statement of Profit and Loss immediately.

2.5 Leases

As a Lessee

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing and make adjustments specific to the lease e.g. term, country, etc.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of building are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As a Lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

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 the Statement of Profit and 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 or losses is recorded in either the profit or 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 recognized as expense in the Statement of Profit and 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 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 within '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 neither has transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised 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.

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 are subsequently measured at amortised cost using the effective interest method where the time value of money is significant.

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 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 compensated absences which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are considered as other long-term employee benefits. They are therefore measured 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 the Statement of Profit and Loss.

The obligations are presented under 'Provision for Employee Benefits' within 'Provisions' in the Balance Sheet and portion of such provisions is presented as current 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 amounts 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 year'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 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 Consolidated 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 substantively 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 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 from contracts with customers are recognised when services promised in the contract are transferred to the customer. The amount of revenue recognised depicts the transfer of promised services to customers for an amount that reflects the consideration to which the Group is entitled to in exchange for the services rendered.

Sale of Services and Other Operating Revenue

Revenue from sale of services and other operating revenue are recognised when services are transferred to the customer i.e. when the Group satisfies the performance obligation with respect to the services being rendered, risk of loss have been transferred to the customer and either the customer has accepted the services in accordance with the contract or the acceptance provisions have elapsed or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue from sale of services are recognised based on the price specified in the contract, which is fixed. No element of financing is deemed present as the sales are made against the receipt of advance or with an agreed credit period, which is consistent with the market practices. A receivable is recognised when the services are transferred, as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

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 recognised on time proportion basis, by reference to the principal outstanding and the interest rate applicable.

Dividend Income

Dividend is recognised in the Statement of Profit and 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. Exchange differences arising from settlement of foreign currency transactions and from year-end restatement are recognised in the Statement of Profit and Loss on a net basis 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. 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 Parent 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 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 Consolidated 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 Consolidated 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 Consolidated Financial Statements.

The areas involving critical estimates or judgements are:

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, Plant 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/ Trips in Progress

Profit on voyages in progress is recognised only when, in the opinion of management, sufficient progress has been made on the voyage/ trip 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.

NOTE 4 AND 5: PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Net Carrying Amount of :		
Note 4- Property Plant and Equipment		
Carrying amount of :		
Buildings	1,438.81	2,298.25
Plant and Equipments	6,379.15	5,691.85
Furniture and Fixtures	295.73	321.94
Vehicles	274.15	228.56
Office Equipments	134.20	123.54
Total Property Plant and Equipment	**8,522.04**	**8,664.14**
Note 5- Intangible Assets		
Softwares	128.51	155.30
Special Freight Train Operator Licence	852.47	902.47
Operational Rights under Service Concession Agreement Berth#12- Haldia Port	3,008.53	2,782.32
Total Intangible Assets	**3,989.51**	**3,840.09**

Note 4 and 5: Property, Plant and Equipment and Intangible Assets

	Note 4						Note 5			
	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total Property, Plant and Equipment	Softwares	Special Freight Train Operator License	Operational Rights under Service Concession Agreement Berth#13- Haldia Port	Total Intangible Assets
Gross Carrying Amount as at 1st April, 2019	2,514.80	7,340.92	469.79	421.23	239.72	**10,986.46**	325.48	1,000.00	3,649.26	**4,974.74**
Additions	11.31	1,104.46	103.43	144.61	76.80	**1,440.61**	18.40	-	448.54	**466.94**
Disposals	927.18	0.28	166.94	109.90	148.82	**1,353.12**	0.32	-	-	**0.32**
Exchange Differences on Consolidation	59.49	507.31	41.37	23.25	41.82	**673.24**	14.76	-	-	**14.76**
Gross Carrying Amount as at 31st March, 2020	**1,658.42**	**8,952.41**	**447.65**	**479.19**	**209.52**	**11,747.19**	**358.32**	**1,000.00**	**4,097.80**	**5,456.12**
Accumulated Depreciation/Amortisation as at 1st April, 2019	216.55	1,649.07	147.85	192.67	116.18	**2,322.32**	170.18	97.53	866.94	**1,134.65**
Charge for the Year	62.05	772.07	55.98	94.10	65.65	**1,049.85**	45.33	50.00	222.33	**317.66**
Disposals	75.65	0.17	84.62	75.92	144.86	**381.22**	0.32	-	-	**0.32**
Exchange Differences on Consolidation	16.66	152.29	32.71	(5.81)	38.35	**234.20**	14.62	-	-	**14.62**
Accumulated Depreciation/ Amortisation as at 31st March, 2020	**219.61**	**2,573.26**	**151.92**	**205.04**	**75.32**	**3,225.15**	**229.81**	**147.53**	**1,089.27**	**1,466.61**
Net Carrying Amount at the Beginning of the Year	**2,298.25**	**5,691.85**	**321.94**	**228.56**	**123.54**	**8,664.14**	**155.30**	**902.47**	**2,782.32**	**3,840.09**
Net Carrying Amount at the End of the Year	**1,438.81**	**6,379.15**	**295.73**	**274.15**	**134.20**	**8,522.04**	**128.51**	**852.47**	**3,008.53**	**3,989.51**

	Note 4						Note 5			
	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total Property, Plant and Equipment	Softwares	Special Freight Train Operator License	Operational Rights under Service Concession Agreement Berth#13- Haldia Port	Total Intangible Assets
Gross Carrying Amount as at 1st April, 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**
Additions	256.10	573.52	180.44	150.62	70.02	**1,230.70**	105.76	-	-	**105.76**
Disposals	-	13.44	71.61	73.39	99.94	**258.38**	0.27	-	-	**0.27**
Exchange Differences on Consolidation	39.51	336.91	5.36	1.50	6.28	**389.56**	3.74	-	-	**3.74**
Gross Carrying Amount as at 31st March, 2019	**2,514.80**	**7,340.92**	**469.79**	**421.23**	**239.72**	**10,986.46**	**325.48**	**1,000.00**	**3,649.26**	**4,974.74**
Accumulated Depreciation/Amortisation as at 1st April, 2018	146.60	292.67	163.66	167.32	145.09	**915.34**	134.12	47.53	647.26	**828.91**
Charge for the Year	61.37	1,378.26	42.67	97.31	61.22	**1,640.83**	32.63	50.00	219.68	**302.31**
Disposals	-	13.44	66.37	73.77	95.82	**249.40**	0.28	-	-	**0.28**
Exchange Differences on Consolidation	8.58	(8.42)	7.89	1.81	5.69	**15.55**	3.71	-	-	**3.71**
Accumulated Depreciation/ Amortisation as at 31st March, 2019	**216.55**	**1,649.07**	**147.85**	**192.67**	**116.18**	**2,322.32**	**170.18**	**97.53**	**866.94**	**1,134.65**
Net Carrying Amount at the Beginning 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**
Net Carrying Amount at the End of the Year	**2,298.25**	**5,691.85**	**321.94**	**228.56**	**123.54**	**8,664.14**	**155.30**	**902.47**	**2,782.32**	**3,840.09**

Note 1 : Aggregate amount of depreciation and amortisation expense has been included under "Depreciation and Amortisation Expenses" in the Consolidated Statement of Profit and Loss.

Note 2 : Title deeds of immovable properties are held in the name of the companies within the Group.

₹ in Lakhs

6 : RIGHT OF USE ASSETS	As at 31st March 2020	As at 1st April 2019
Net Carrying Amount of :		
Land & Buildings	2,112.43	1,285.04
Railway Rakes	20,310.99	6,106.64
Vehicles	29.26	43.89
Total Right of Use Assets	**22,452.68**	**7,435.57**

₹ in Lakhs

	Land & Buildings	Railway Rakes	Vehicles	Total Right of Use Assets
Gross Carrying Amount as at 1st April 2019 (on account of adoption of Ind AS 116)	1,285.04	6,106.64	43.89	7,435.57
Additions	1,264.48	17,337.47	-	18,601.95
Gross Carrying Amount as at 31st March, 2020	**2,549.52**	**23,444.11**	**43.89**	26,037.52
Accumulated Depreciation as at 1st April 2019	-	-	-	-
Charge for the Year	434.01	3,133.12	13.85	3,580.98
Exchange differences on consolidation	3.08	-	0.78	3.86
Accumulated Depreciation as at 31st March, 2020	**437.09**	**3,133.12**	**14.63**	**3,584.84**
Net Carrying Amount at the Beginning of the Year	**1,285.04**	**6,106.64**	**43.89**	**7,435.57**
Net Carrying Amount at the End of the Year	**2,112.43**	**20,310.99**	**29.26**	**22,452.68**

₹ in Lakhs

7. LOANS- NON CURRENT	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered Good		
Security Deposits	397.87	325.13
Loan to Employees	70.77	79.38
	468.64	**404.51**

₹ in Lakhs

8. OTHER FINANCIAL ASSETS- NON CURRENT	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered Good		
Deposits with Banks (with Maturity of More than 12 Months) #	355.78	80.76
Accrued Interest on Deposits	13.69	2.40
	369.47	**83.16**
Earmarked Amount	**354.01**	**18.00**
# Financial Assets carried at Amortised Cost		

₹ in Lakhs

9. NON CURRENT TAX ASSETS (NET)	As at 31st March 2020	As at 31st March 2019
Advance Payment of Taxes	2,322.52	1,521.19
[Net of Provision for Tax: ₹ 9,288.96 (31st March 2019: ₹ 7,931.61 Lakhs)]		
	2,322.52	**1,521.19**

₹ in Lakhs

10. OTHER NON CURRENT ASSETS	As at 31st March 2020	As at 31st March 2019
Capital Advances	-	69.20
Prepaid Expenses	92.86	204.37
	92.86	**273.57**

₹ in Lakhs

11. INVENTORIES- CURRENT	As at 31st March 2020	As at 31st March 2019
At Lower of Cost and Net Realisable Value		
Stores and Spares etc.	628.11	147.71
	628.11	**147.71**

₹ in Lakhs

12. INVESTMENTS-CURRENT	As at 31st March 2020	As at 31st March 2019
Investment Carried at Fair Value through Profit or Loss		
Investments in Mutual Funds (Unquoted)		
Tata Liquid Fund Direct Plan-Daily Dividend Reinvestment (Formerly known as Tata Money Market Fund-Direct Plan-Daily Dividend Reinvestment)	-	101.48
Nil (31st March 2019: 10,132.57) Units		
	-	**101.48**
Aggregate Value of Unquoted Investments	**-**	**101.48**

₹ in Lakhs

13. TRADE RECEIVABLES	As at 31st March 2020	As at 31st March 2019
Trade Receivable Considered Good - Unsecured #	21,590.19	20,074.36
Trade Receivable - Credit Impaired #	1,907.43	1,748.45
	23,497.62	**21,822.81**
Less : Loss Allowance #	1,907.43	1,748.45
	21,590.19	**20,074.36**
# Include Dues from Related Parties (Refer Note 50)	14,277.35	15,995.56

₹ in Lakhs

14. CASH & CASH EQUIVALENTS	As at 31st March 2020	As at 31st March 2019
Cash on Hand	3.65	3.75
Cheques, Drafts on Hand	59.35	-
Balances with Banks		
In Current Account	4,761.73	4,267.20
In Deposit Account	424.47	6,034.51
	5,249.20	**10,305.46**

₹ in Lakhs

15. OTHER BANKS BALANCES	As at 31st March 2020	As at 31st March 2019
Fixed Deposits with Banks	39,165.30	32,871.73
	39,165.30	**32,871.73**
* Earmarked Amount	1,819.68	1,780.14

₹ in Lakhs

16. LOANS- CURRENT	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered Good		
Security Deposits	24.54	129.42
Loan to Employees	33.42	46.64
	57.96	**176.06**

₹ in Lakhs

17. OTHER FINANCIAL ASSETS- CURRENT	As at 31st March 2020	As at 31st March 2019
Unsecured, Considered Good		
Accrued Interest on Deposits	183.38	486.10
Contract Assets	143.68	226.52
Insurance Claim Receivable	-	141.56
Other Receivables	164.11	1,893.13
	491.17	**2,747.31**

₹ in Lakhs

18. OTHER CURRENT ASSETS	As at 31st March 2020	As at 31st March 2019
Balance with Government Authorities @	817.68	761.74
Prepaid Expenses	645.82	303.25
Advance to Employees	6.32	10.77
Advance to Supplier/Service Providers	10,114.11	8,887.46
	11,583.93	**9,963.22**

@ Balances with Government Authorities primarily include unutilised goods and service tax on purchases, city tax input credits etc. These are regularly utilised to offset the goods and service tax, city tax, etc payable by the Group. Accordingly, these balances have been classified as current assets.

₹ in Lakhs

19: EQUITY SHARE CAPITAL		As at 31st March 2020	As at 31st March 2019
i	**Authorised**		
	19,000,000 Equity Shares of ₹ 10 each	**1,900.00**	1,900.00
	[31st March 2019: 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		
	[31st March 2019 : 18,000,000 shares of ₹ 10 each, fully paid up]		
		1,800.00	**1,800.00**

i. Reconciliation of Shares

Reconciliation of Shares	As at 31st March 2020		As at 31st March 2019	
Equity Shares of ₹10/- each	No. of Shares (in Lakhs)	Amount (₹ in Lakhs)	No. of Shares (in Lakhs)	Amount (₹ in Lakhs)
Balance at the beginning of Year	180.00	1,800.00	180.00	1,800.00
Balance at end of the Year	180.00	1,800.00	180.00	1,800.00

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 of the Parent Company

	As at 31st March 2020		As at 31st March 2019	
	No. of Shares (in Lakhs)	%age	No. of Shares (in Lakhs)	%age
Tata Steel Limited	91.80	51.00	91.80	51.00
NYK Holding (Europe) B.V.	46.80	26.00	46.80	26.00
IQ Martrade Holding Und Management GmbH	41.40	23.00	41.40	23.00
	180.00	**100.00**	**180.00**	**100.00**

₹ in Lakhs

20. OTHER EQUITY	As at 31st March 2020	As at 31st March 2019
General Reserves		
Balance at the Beginning of the Year	8,562.57	8,562.57
Add; Transfer within Equity	-	-
Balance at the End of the Year	**8,562.57**	**8,562.57**
Retained Earnings		
Balance at the beginning of the Year	42,329.64	39,348.09
Profit for the Year	3,380.90	3,797.48
Other Comprehensive Income -Remeasurement of Post Employment Defined Benefit Obligations (Net of Tax)	(75.83)	(5.93)
Final Dividend on Equity Shares	(1,260.00)	(810.00)
Balance at the End of the Year	**44,374.71**	**42,329.64**
Capital Reserve	**630.36**	**630.36**

20: OTHER EQUITY	As at 31st March 2020	As at 31st March 2019
Foreign Currency Translation Reserve		
Balance at the Beginning of the Year	10,082.52	9,363.10
Add/(Less): Exchange Differences on Translation of Foreign Operations during the Year	3,369.70	719.42
Balance at the End of the Year	13,452.22	10,082.52
	67,019.86	**61,605.09**

₹ in Lakhs

21: OTHER FINANCIAL LIABILITIES- NON CURRENT	As at 31st March 2020	As at 31st March 2019
Liability for Employee's Family Benefit Scheme	38.90	20.14
Lease liabilities	16,200.39	-
	16,239.29	**20.14**

₹ in Lakhs

22. PROVISIONS- NON CURRENT	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits		
-Provision for Gratuity	362.98	312.98
-Post Retirement Medical Benefit Payable	31.24	30.92
-Director Pension Scheme Payable	195.39	193.35
-Employee Seperation Scheme	850.97	795.41
-Provision for Compensated Absences	771.83	728.55
Replacement Obligation for Berth#13 at Haldia Port	1,229.86	966.40
	3,442.27	**3,027.61**

₹ in Lakhs

23. TRADE PAYABLES- CURRENT	As at 31st March 2020	As at 31st March 2019
Creditors for Supplies and Services - Micro Enterprises and Small Enterprises	-	-
Creditors for Supplies and Services - Others #	10,374.48	10,124.24
Creditors for Accrued Wages and Salaries	1,886.44	952.50
	12,260.92	11,076.74
# Include dues to Related Parties (Refer Note 50)	**58.20**	**9.30**

₹ in Lakhs

24. OTHER FINANCIAL LIABILITIES- CURRENT	As at 31st March 2020	As at 31st March 2019
Capital Liabilities	5.50	61.89
Security Deposit #	-	2.00
Liability for Employee's Family Benefit Scheme	8.57	-
Lease Liabilities	6,536.83	-
	6,550.90	63.89
# Include Dues to Related Parties (Refer Note 50)	-	2.00

₹ in Lakhs

25. PROVISIONS- CURRENT	As at 31st March 2020	As at 31st March 2019
Provision for Employee Benefits		
-Provision for Gratuity	173.72	32.14
-Post Retirement Medical Benefit Payable	2.86	2.87
-Director Pension Scheme Payable	17.91	206.37
-Employee Seperation Scheme	205.68	-
-Provision for Compensated Absences	19.60	25.94
Replacement Obligation for Berth#13 at Haldia Port	209.00	273.59
	628.77	**540.91**

₹ in Lakhs

26. CURRENT TAX LIABILITIES (NET)	As at 31st March 2020	As at 31st March 2019
Provision for Taxes [Net of Advance: ₹ 11.05 Lakhs (31st March 2019: ₹ 85.72 Lakhs]	0.47	9.27
	0.47	9.27

₹ in Lakhs

27. OTHER CURRENT LIABILITIES	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Contract Liabilities #	10,209.49	14,315.46
Dues Payable to Goverment Authorities @	305.85	313.61
Other Payables	13.93	21.61
	10,529.27	14,650.68
# Include Dues to Related Parties (Refer Note 50)	5,795.42	11,124.93

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

₹ in Lakhs

28. REVENUE FROM OPERATIONS	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Income from Port Related Services	24,553.90	27,153.24
Income from Railway Services	23,879.38	10,224.28
Income from Shipping Freight	40,422.18	34,262.20
Income from Freight, Agency and Related Services	14,007.64	12,045.94
Income from Warehousing Services	127.54	359.54
	102,990.64	**84,045.20**

Management expects that 100% of the transaction price allocated to the unsatisfied contracts as at 31st March 2020 will be recognised as revenue during the next reporting period - ₹ 1,453.13 Lakhs (31.03.2019 : ₹646.00 Lakhs)

₹ in Lakhs

29. OTHER INCOME	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Dividend Income from Mutual Funds	11.88	10.91
Interest on Income Tax Refund	131.47	101.95
Interest Income from Financial Assets carried at Amortised Cost - Deposits	1,204.28	1,082.37
Gain on Foreign Currency Transactions (Net)	36.90	91.46
Recovery of Bad Debts	-	0.70
Profit on Sale of Property Plant & Equipment (Net)	5.12	11.79
Profit on Sale of Investments in Mutual Funds	52.43	34.50
Provision for Loss Allowances Written Back	21.65	16.29
Income from Rental Services	11.06	20.64
Liabilities no Longer Required Written Back	668.63	911.20
Income from Insurance Claim	8.85	106.16
Other Non Operating Income	37.66	43.59
	2,189.93	**2,431.56**

₹ in Lakhs

30. OPERATING EXPENSES	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Intraport Transportation including On Shore Handling	2,790.47	928.53
Stevedoring & Other Related Expenses	10,305.90	14,240.41
Equipment Assistance Charges	146.99	238.38
Royalty to Kolkata Port Trust - Haldia Dock Complex	1,010.85	1,047.96
Vessel Hire Charges	21,073.72	17,686.70
Bunkering Charges	8,758.91	6,046.78
Ocean Freight Charges	11,221.04	9,766.74
Railway Freight Charges	19,548.65	8,625.39
Other Charges	7,804.30	7,585.86
	82,660.83	**66,166.75**

₹ in Lakhs

31. EMPLOYEE BENEFIT EXPENSE	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Salaries and Wages, including Bonus	5,734.83	5,280.58
Contribution to Provident and other Funds	329.49	321.56
Staff Welfare Expenses	296.32	244.00
	6,360.64	**5,846.14**

₹ in Lakhs

32. FINANCE COST	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Unwinding of Discount	46.37	143.40
Finance Charges on Leases	1,208.42	-
	1,254.79	**143.40**

₹ in Lakhs

33. OTHER EXPENSES	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Consumption of Stores and Spare Parts	595.05	610.29
Power & Fuel	149.70	123.99
Rent (including Plot Rent)	714.20	1,048.92
Repairs to Buildings	156.45	283.91
Repairs to Machinery	500.68	320.71
Repairs- Others	222.40	199.68
Insurance Charges	186.37	147.72
Rates and Taxes	55.41	53.72
Travelling Expenses	379.51	377.08
Lease Rent of Rakes	-	1,020.16
Corporate Social Responsibility Expenditure (Refer Note Below)	99.66	79.09
Replacement Obligation under SCA at Berth#13, Haldia	141.68	131.46
Security Charges	288.78	229.54
Provision for Loss Allowance	30.82	74.74
Bad Debts Written off [Net of Adjustment of Provision for Loss Allowance ₹ Nil (31st March 2019: ₹ 240.07 Lakhs)]	15.08	11.54
Professional & Consultancy charges	335.59	287.17
Payment to Auditors (Refer Note Below)	26.84	25.13
Miscellaneous Expenses	1,279.08	1,892.32
	5,177.30	**6,917.17**
Payment to Auditors		
As Auditors		
- Audit Fees	12.04	12.04
- Tax Audit	2.84	3.84
- Other Matters (including Certification)	10.18	7.18
- Out of Pocket Expenses	1.78	2.08
Corporate Social Responsibility Expenditure		
a) Gross amount required to be spent by the Group during the Year	94.86	78.34
b) Amount Spent during the Year		
(i) Construction/Acquisition of an Asset	21.02	43.84
(ii) On Purposes other than (i) Above	78.64	35.25

34. CONTINGENCIES:

₹ in Lakhs

a. Particulars	31st March 2020	31st March 2019
Claims against the Group not acknowledged as debts		
Service Tax	7,661.12	7,684.72
Income Tax	478.46	478.22
Tariff Authority of Major Ports	11,985.34	10,768.57
Kolkata Port Trust (KoPT)	1,717.68	1,706.06
Others	102.13	102.13
Customs Duty	25.00	25.00
	21,969.73	**20,764.70**

The details of material litigations is as described below:

Taxes, Dues and Other Claims

(a) Service Tax: **₹ 705.96 Lakhs** (31st March 2019: ₹ 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 Parent 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.

(b) The Service Tax Department has raised the demand for **₹ 6,677.63 Lakhs** (31st March 2019: ₹ 6,677.63 Lakhs) on applicability of service tax on remittances made to Overseas Logistics Service Providers by one of the subsidiary company from Financial Year 2005-2006 to Financial Year 2009-2010. The subsidiary 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.

(c) Kolkata Port Trust has claimed an amount of **₹ 1,280.02 Lakhs** (31st March 2019: ₹ 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.

(d) In accordance with the provisions of the Major Port Trust Act, Tariff Authority of Major Ports (TAMP) issued tariff order directing the parent Company to refund the alleged excess charge of ₹ 2,359.55 Lakhs to the customers alongwith compound interest totalling to **₹ 10,406.28 Lakhs** (31st March 2019: ₹ 9,288.42 Lakhs) relating to the period from 01st April 2002 to 30th September 2007. The matter is pending to be heard by Hon'ble Calcutta High Court.

(e) Tariff Authority of Major Ports (TAMP) vide order dated 25th May 2011 has notified the revised rates of various port charges of Berth# 13, Haldia Dock Complex, to be effective from 24th June 2011, against which the Parent Company has filed writ petition with Hon'ble Calcutta High Court. As per Hon'ble Calcutta High Court order dated 05th July 2011, the Parent Company had made the monthly deposit of differential amount between revised and earlier rates amounting to **₹ 1,579.06 Lakhs** (31st March 2019: ₹ 1,480.14 Lakhs) with a scheduled bank till April, 2014.

35. COMMITMENTS

(a) In terms of the Licence Agreement dated 29th January 2002 with Board of Trustees for the Port of Kolkata, the Parent Company is required to invest in equipments and infrastructure in Berth #13 (Haldia Dock Complex) as follows:

Sl. No	Purpose of Investment	Phasing of Investment from Licence Agreement dated 29th January 2002 (₹ in Lakhs)			
		Within 18 months (Lapsed on 28th July 2003)	Within 24 months (Lapsed on 28th January 2004)	Within 36 months (Lapsed on 28th January 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 31st March 2020, Parent Company's investments in equipments and infrastructure aggregate to ₹ 2580.00 Lakhs (31st March 2019: **₹ 2580.00 Lakhs**).

The Management of the Parent Company 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.

(b) Estimated amount of contracts remaining to be executed on capital account and not provided for: **₹ 1,199.78 Lakhs** (31st March 2019: ₹244.45 Lakhs).

36. LEASES

(a) Group as a Lessee

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor, see Note 36 (b). The Group leases various Offices, Warehouses, and Railway Rakes. Rental contracts are typically made for fixed periods of 1 year to 9 years, but may have extension options as described below.

Amounts recognised in the Statement of Profit and Loss

₹ in Lakhs

Particulars	Note	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Interest expense (included in finance costs)	32	1,208.42	-
Expense relating to short-term leases (included in other expenses)	33	441.34	-

Total Cash Outflow for Leases for the Year ended 31st March 2020 was ₹ 4,335.09 lakhs.

Extension and Termination options

Extension and Termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of Warehouses, Office spaces and Railway Rakes, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 31st March 2020, potential future cash outflows of ₹ 132.30 Lakhs (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, no extension or termination options in lease agreements were exercised.

Company as a Lessor

b) The Group leases out office premises. Rental contracts are typically made for fixed periods of 1 year but may have extension options except in case of some office spaces due to the fact that the Establishment could replace them without significant cost or business disruption. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, however leased assets are not used as security for borrowing purposes. Lease payments received during the period ended 31st March 2020 (recognised as Income from Rental Services in Note 29) is **₹11.06 lakhs** (31st March 2019: ₹ 20.64 lakhs).

37. CHANGE IN ACCOUNTING POLICY - LEASES

This note explains the impact of the adoption of Ind AS 116, Leases on the Group's financial statements.

Impact on the Financial Statements - Lessee accounting

The Group has adopted Ind AS 116 retrospectively from 1st April 2019, but has not restated comparatives for year ended 31st March 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1st April 2019. The new accounting policies are disclosed in note 2.5.

On adoption of Ind AS 116, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1st April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1st April 2019 ranges from 1.00%-8.83%.

(i) Practical expedients applied

In applying Ind AS 116 for the first time, the Group has used the following practical expedients permitted by the standard:

- accounting for operating leases with a remaining lease term of less than 12 months as at 1st April 2019 as short-term leases and

•using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(ii) Measurement of Lease Liabilities ₹ in Lakhs

Operating lease commitments disclosed as at 31st March 2019	12,166.41
Discounted using the lessee's incremental borrowing rate at the date of initial application	7,681.68
(Less): short-term leases not recognised as a liability	441.34
Lease liability recognised as at 1st April 2019	7,240.34
Out of which:	
Current lease liabilities	2,117.80
Non-current lease liabilities	5,122.54
	7,240.34

(iii) Measurement of Right-of-use Assets
The associated right-of-use asset for leases were measured at an amount equal to the lease liability (adjusted by the amount of previously recognised prepaid lease payments relating to that lease, where applicable) at the date of initial application.

(iv) Adjustments recognised in the Balance Sheet on 1st April 2019
The change in accounting policy affected the following items in the Balance Sheet on 1st April 2019:
- Right-of-use Assets – increase by ₹ 7,435.57 Lakhs
- Prepaid Expenses – decrease by ₹ 195.22 Lakhs
- Lease Liabilities – increase by ₹ 7,240.35 Lakhs
- Deferred Tax Assets – increase by ₹ 2,108.39 Lakhs
- Deferred Tax Liabilities – increase by ₹ 2,108.39 Lakhs

There is no impact (net) on the retained earnings on 1st April 2019.

(v) Lessor accounting
The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of Ind AS 116.

38. IMPACT OF COVID 19

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian financial markets and a significant decrease in global and local economic activities. On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. Numerous governments have introduced a variety of measures to contain the spread of the virus. On March 24, 2020, the Indian government announced a strict 21-day lockdown, which has been further extended, across the country to contain the spread of the virus. The extent to which the COVID-19 pandemic will impact the Group's business will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Group. The Group is in the logistics business comprising Port Operations, Railways, Warehouse, Maritime Logistics, Customs House Agent, etc. The operations of the Group, qualifying as essential services, have continued during the lockdown period. The Group has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying value of its assets, including but not limited to Property, Plant and Equipment, Intangible Assets, Trade Receivables and Investments as at the Balance sheet date, and has concluded that there are no material adjustments required in the consolidated financial statements. Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of the consolidated financial statements. Major customers of the Group are Tata Steel and other Tata Steel group companies and the Group believes that it's receivable carries lower credit risk. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration, and might be different from that estimated as at the date of approval of the consolidated financial statements. The Group will continue to monitor any material changes to the future economic conditions.

39 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 at 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.

B. Segment Revenue: ₹ in Lakhs

Particulars	For the year ended 31 March, 2020				
	Business Segments			Eliminations	Total
	Port Operations & Others	Shipping	Freight Forwarding		
Revenue from External Customers	**48,563.05**	**40,422.18**	**14,005.41**	**-**	**1,02,990.64**
	(37,737.05)	(34,262.21)	(12,045.94)	-	(84,045.20)
Inter-Segment Revenue	**27.50**	**-**	**563.33**	**(590.83)**	**-**
	(63.95)	-	(382.33)	446.28	-
Total Segment Revenue	**48,590.55**	**40,422.18**	**14,568.74**	**(590.83)**	**1,02,990.64**
	(37,801.00)	(34,262,21)	(12,428.27)	446.28	(84,045.20)
Time of Revenue Recognition					
At a Point in Time	**24,711.17**	**-**	**14,568.74**	**(590.83)**	**38,689.08**
	(27,576.73)	-	(12,428.27)	446.28	(39,558.73)
Over Time	**23,879.38**	**40,422.18**	**-**	**-**	**64,301.56**
	(10,224.27)	(34,262.21)	-	-	(44,486.48)

Segment Results: ₹ in Lakhs

Particulars	For the year ended 31 March, 2020				
	Business Segments			Eliminations	Total
	Port Operations & Others	Shipping	Freight Forwarding		
Segment Profit before Finance Cost and Tax	**4,331.74**	**1,051.83**	**815.40**	**-**	**6,198.97**
	(4,615.59)	(500.59)	(339.02)	-	(5,455.20)
Reconciliation to Profit before Tax					
Unallocable Income/(Expenses) (Net)					**(165.66)**
					(148.36)
Finance Cost					1,254.79
					(143.40)
Profit Before Tax					**4,778.52**
					(5,460.16)
Other Information					
Depreciation and Amortisation (Allocable)	**4,018.33**	**644.18**	**285.98**		**4,948.49**
	(587.31)	(1,281.56)	(74.27)		(1,943.14)
Other Significant Non-Cash Expenses other than Depreciation	**4.77**	**-**	**43.17**		**47.94**
	-	-	(74.74)		(74.74)

Segment Assets: ₹ in Lakhs

Particulars	As at 31st March, 2020			
	Business Segments			Total
	Port Operations & Others	Shipping	Freight Forwarding	
Segment Assets	**50,468.42**	**14,240.79**	**5,437.09**	**70,146.30**
	(32,438.89)	(10,175.96)	(4,068.54)	(46,683.39)
Unallocable Assets				**48,339.64**
				(46,143.36)
Total Assets				**1,18,485.94**
				(92,826.75)

Segment Liabilities: ₹ in Lakhs

Particulars	As at 31st March, 2020 Business Segments			Total
	Port Operations & Others	Shipping	Freight Forwarding	
Total Segment Liabilities	**42,229.34**	**3,661.15**	**3775.11**	**49,665.60**
	(24,499.20)	(2,186.95)	(2,726.10)	(29,412.25)
Unallocable Liabilities				**0.48**
				(9.42)
Total Liabilities				**49,666.08**
				(29,421.67)

* Figures in brackets represents comparative figures of previous year.

C. Entity-wise Disclosures:

(i) The Parent Company is Domiciled in India. The Amount of Group's Revenue from External Customers Broken Down by Location of the Customers is shown below:	For the Year ended 31st March 2020	For the Year ended 31st March 2019
India	72,132.34	53,267.53
Rest of the World	30,858.30	30,777.67

(ii) Non-current Assets (other than Financial Assets and Deferred Tax Assets) by Location of the Assets is shown below:	As at 31 March, 2020	As at 31 March, 2019
India	31,678.44	9,457.63
Rest of the World	5,959.04	5,231.41

(iii) Details of Major Customers Accounting for more than 10% of Revenue from External Customers:	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Tata Steel Limited	41,525.51	33,907.99

40 (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 #13) 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 #13. 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 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#13 as per the terms and conditions of service concession agreement.

(ii) TMILL shall provide the cargo handling services at Berth#13 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#13 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#13. 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. 13 (situated at Haldia) for a period of 30 years and which is being amortised on straight line basis over the lease period.

41. EARNINGS PER SHARE (EPS)	For the Year ended 31st March 2020	For the Year ended 31st March 2019
(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		
Outstanding during the Year (₹ in Lakhs)	180.00	180.00
(iv) Face Value of Each Equity Share (₹)	10.00	10.00
(v) Profit after Tax Attributable to the Equity Shareholders		
Profit for the Year (₹ in Lakhs)	3,380.90	3,797.48
(vi) Basic Earnings per Equity Share (₹) [(v)/(iii)]	18.78	21.10
(B) Diluted		
(i) Dilutive Potential Equity Shares	-	-
(ii) Earnings per Equity Share (₹) [Same as (A)(vi) above]	**18.78**	**21.10**

42. INTEREST IN SUBSIDIARIES

The Parent Company's subsidiaries at 31st March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Parent Company, and the proportion of ownership interests held equals the voting rights held by the Parent Company. 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 Group	
			31st March 2020	31st March 2019
International Shipping & Logistics FZE	Shipping	UAE	100%	100%
TKM Global Logistics Limited	Frieght Forwarding	India	100%	100%
TKM Global GMBH	Frieght Forwarding	Germany	100%	100%
TKM Global China Limited	Frieght Forwarding	China	100%	100%

43. 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.

One of the subsidiary provides Provident Fund to its employees and both the employer and employee make monthly contributions to a fund administered by Government of India. The subsidiary 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.

The Group has recognised expenses under defined contribution plan in the Statement of Profit and Loss, as below:

₹ in Lakhs

Benefit (Contribution to)	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Superannuation Fund	56.30	58.86
Tata Employees' Pension Scheme	6.12	5.99
Provident Fund (with Regional Provident Fund Commissioner)	29.61	34.81
Total	**92.03**	**99.66**

(b) Defined Benefits Plans

i. Funded

a. Provident Fund

b. Post Retirement Gratuity

ii. Unfunded:

a. Post Retirement Gratuity

b. Director Pension Scheme

c. Post Retirement Medical Benefit Scheme

Provident Fund (Funded)

The Parent 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 Parent Company 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 Parent 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 Parent Company make monthly contributions to the Fund 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 Parent Company.

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 Nil (31st March 2019 - Nil) has been provided towards future anticipated shortfall with regard to interest rate obligation of the Parent Company as at the Balance Sheet date.

₹ in Lakhs

Principal Actuarial Assumptions	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Discount Rate	**6.70%**	7.50%
Expected Return on Exempted Fund	**8.50%**	8.75%
Expected Guranteed Interest Rate	**8.65%**	8.65%

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

₹ in Lakhs

Nature of Benefits	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Contribution to Provident Fund Trust	110.82	104.65

Post Retirement Gratuity

The Group provides Gratuity Benefits to its employees. Gratuity liabilities of Parent Company and one of its subsidiary are funded. 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 acturial 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 2020	For the Year ended 31st March 2019
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	**1,383.81**	1,273.59
b. Current Service Cost	**105.38**	98.82
c. Interest Expenses	**91.18**	87.64
d. Remeasurement Losses		
Actuarial Gain arising from Changes in Experience Adjustments	**(18.70)**	(22.57)
Actuarial (Gain)/Loss arising from Changes in Financial Assumptions	**56.72**	16.05
e. Benefits Paid	**(103.34)**	(83.12)
f. Exchange Rate Variation	**28.77**	13.40
g. Present Value of Obligation at the End of the Year	**1,543.82**	1,383.81
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	**1,037.82**	944.18
b. Acquisitions	**11.84**	(3.06)
c. Interest Income	**26.87**	71.28
d. Contributions from Employer	**31.18**	96.48
e. Return on Plan Assets, excluding Amounts included in Interest Income Above	**2.35**	12.93
f. Benefits Paid	**(102.94)**	(83.12)
g. Fair Value of Plan Assets at the End of the Year	**1,007.12**	1,038.69
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	**1,543.82**	1,383.81
b. Fair Value of Plan Assets at the End of the Year	**1,007.12**	1,038.69
c. Liabilities Recognized in the Balance Sheet	**536.70**	345.12
Provision for Employee Benefit - Current (Refer Note 24)	**173.72**	32.14
Provision for Employee Benefit - Non current (Refer Note 21)	**362.98**	312.98
4. Expense Recognized in the Statement of Profit and Loss during the Year		
a. Service Cost		
- Current Service Cost	**105.38**	98.82
b. Net Interest Cost	**64.31**	16.35
Total Expense Recognized during the Year in the Statement of Profit and Loss	**169.69**	115.17

Description	For the Year ended 31st March 2020	For the Year ended 31st March 2019
5. Expense Recognised in Other Comprehensive Income		
a. Actuarial Gain due to DBO Experience	**(18.70)**	(22.57)
b. Actuarial (Gain)/Loss due to DBO Assumption Changes	**56.72**	16.05
c. Actuarial (Gain)/Loss arising during the Year (a + b)	**38.02**	(6.52)
d. Return on Plan Assets, excluding Amounts included in Interest Income Above	**(2.35)**	(12.93)
Total (Income)/Expense Recognised in Other Comprehensive Income (c + d)	**35.67**	(19.45)
6. Category of Plan Assets:		
Fund Managed by Tata Steel Limited	**882.00**	871.68
Funded with LICI	**125.12**	163.07
7. Maturity Profile of Defined Benefit Obligation		
a. Within 1 Year	**66.23**	73.23
b. 1-5 Years	**393.42**	312.57
c. More than 5 Years	**1,262.75**	953.02
8. Assumptions		
a. Discount Rate (per annum)	**5.00% to 6.70%**	4.50% to 7.50%
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 by the Institute of Actuaries of India

₹ in Lakhs

9. Investment Details of Fund Managed by Tata Steel Limited for Parent Company	For the Year Ended 31st March 2020 Amount invested in %	For the Year Ended 31st March 2019 Amount invested in %
Investment Details		
a. Government of India Securities	9.61%	8.16%
b. Public Sector unit Bonds	1.09%	0.44%
c. State / Central Government Guarenteed Securities	6.43%	7.09%
d. Private Sector unit Bonds	6.07%	6.97%
e. Others (including bank balances)	76.80%	77.34%

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.

₹ in Lakhs

Effect of change in	For the Year Ended 31st March 2020		For the Year Ended 31st March 2019	
	Discount Rate	Salary Escalation	Discount Rate	Salary Escalation
Increase by 1%				
(i) Aggregate Service and Interest Cost	(132.07)	145.78	(120.85)	134.62
(ii) Closing Balance of Obligation	1,411.75	1,689.60	1,262.08	1,517.55
Decrease by 1%				
(i) Aggregate Service and Interest Cost	151.81	(129.89)	138.97	(119.58)
(ii) Closing Balance of Obligation	1,695.63	1,413.93	1,521.90	1,263.35

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 **₹ 166.06 Lakhs** (31st March 2019 - ₹ 43.48 Lakhs) to the funded gratuity plans during the next financial year.

12. The weighted average duration of the defined benefit obligation as at 31st March 2020 is 9-10 years (31st March 2019: 9-11 years).

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

₹ in Lakhs

	For the year ended 31st March 2020		For the year ended 31st March 2019	
	Medical	Ex- MD Pension	Medical	Ex- MD Pension
1. Reconciliation of Opening and Closing Balances of Obligation				
a. Opening Defined Benefit Obligation	33.78	211.26	35.31	194.38
b. Interest Cost	2.52	15.13	2.61	13.89
c. Remeasurement (Gain)/Loss:			-	-
(i) Actuarial (Gain)/ Loss Arising from Changes in Financial Assumptions	1.90	11.84	-	-
(ii) Actuarial (Gain)/ Loss Arising from Experience Adjustments	(3.60)	(5.76)	(3.16)	21.37
d. Benefits Paid	(0.50)	(19.17)	(0.98)	(18.38)
Closing Defined Benefit Obligation	**34.10**	**213.30**	33.78	211.26
2. Present Value of Obligations				
a. Fair Value of Plan Assets as at the End of the Year	-	-	-	-
b. Present Value of Obligation as at the End of the Year	34.10	213.30	33.78	211.26
c. Amount Recognised in the Balance Sheet				
(i) Retirement Benefit Liability - Current	2.86	17.91	2.86	17.91
(ii) Retirement Benefit Liability - Non Current	31.24	195.39	30.92	193.35
3. Amounts Recognised in the Statement of Profit and Loss during the Year:				
a. Net Interest Expenses	2.52	15.13	2.61	13.89
Components of Defined Benefit Costs Recognised in Profit or Loss	2.52	15.13	2.61	13.89
b. Remeasurement on the Net Defined Benefit Liability:				
(i) Actuarial (Gain)/ Loss Arising from Changes in Financial Assumptions	1.90	11.84	-	-
(ii) Actuarial (Gain)/ Loss Arising from Experience Adjustments	(3.60)	(5.76)	(3.16)	21.37
Components of Defined Benefit Costs recorded in Other Comprehensive Income	(1.70)	6.08	(3.16)	21.37
Total	**0.82**	**21.21**	**(0.55)**	**35.26**
4. The Principal Assumptions used for the Purpose of the Acturial Valuations were as follows:				
a. Discount Rate (Per Annum)	**6.70%**	**6.70%**	7.50%	7.50%
b. Medical Inflation (Per Annum)	**6.00%**	**NA**	6.00%	NA
c. Salary Escalation (Per Annum)	**NA**	**6.00%**	NA	6.00%
5. Experience on Actuarial Gain/Loss for Benefit Obligations:				
Present Value of Defined Benefit Obligations	34.10	(213.30)	(33.78)	(211.26)
Experience Gain / (Loss) Adjustments on Plan Liabilities	(3.60)	(5.76)	(3.16)	21.37

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 2019-20		FY 2018-19	
	Discount Rate	Medical Inflation	Discount Rate	Medical Inflation
Increase by 1%				
(i) Aggregate Service and Interest Cost	(2.34)	2.64	(2.31)	2.63
(ii) Closing Balance of Obligation	31.76	36.74	31.47	36.41
Decrease by 1%				
(i) Aggregate Service and Interest Cost	2.64	(2.36)	2.61	(2.36)
(ii) Closing Balance of Obligation	36.74	31.74	36.39	31.42

Effect of Change in Ex- MD Pension	31st March 2020		31st March 2019	
	Discount Rate	Salary Escalation	Discount Rate	Salary Escalation
Increase by 1%				
(i) Aggregate Service and Interest Cost	(14.62)	16.52	(14.42)	16.42
(ii) Closing Balance of Obligation	198.68	229.82	196.84	227.68
Decrease by 1%				
(i) Aggregate Service and Interest Cost	16.57	(14.84)	16.34	(14.74)
(ii) Closing Balance of Obligation	229.87	198.46	227.60	196.52

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 ₹ 791.43 Lakhs (31st March 2019: ₹ 754.49 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.

44. INCOME TAX RECONCILIATION

₹ in Lakhs

INCOME TAX EXPENSE	For the Year ended 31st March 2020	For the Year ended 31st March 2019
A. Tax Expense Recognised in Profit or Loss		
Current Tax on Profits for the Year	1,414.77	1,554.27
Adjustment for Current Tax of Earlier Years	(15.91)	(12.11)
	1,398.86	**1,542.16**
Deferred Tax		
Origination and Reversal of Temporary Differences	(1.24)	120.52
	(1.24)	**120.52**
B. Tax on Other Comprehensive Income		
Current Tax		
- Remeasurements on Post-employment Defined Benefit Plans	(30.33)	(7.39)
	(30.33)	**(7.39)**

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

₹ in Lakhs

INCOME TAX EXPENSE	For the Year ended 31st March 2020	For the Year ended 31st March 2019
Profit Before Tax for the Year	**4,778.52**	5,460.16
		-
Income Tax Expense at Tax Rates Applicable to Individual Entities	**1,443.93**	1,865.22
Effect of Income Exempt from Income Taxes	**(3.09)**	(3.13)
Effect of Expenses that are not Deductible in Determining Taxable Profit	**27.55**	22.86
Effect of Items Taxable at Special Rates - Dividend from Subsidiary	**(182.16)**	(176.04)
Effect on Deferred Tax Balances Due to Change in Income Tax Rate	**158.31**	(2.01)
Effect of Other Items	**(31.01)**	(32.11)
	1,413.53	1,674.79
Adjustment for Current Tax of Earlier Years	**(15.91)**	(12.11)
Income Tax Expense for the Year	**1,397.62**	**1,662.68**

45.1

Deferred Tax Asset (Net)	As at 1st April 2018	(Charge)/credit for the Year	Exchange Difference	As at 1st April 2019	Adjustments on adoption of Ind AS 116	Restated as at 1st April 2019	(Charge)/credit for the Year	Exchange Difference	As at 31st March 2020
Deferred Tax Liabilities									
Right-of-use Assets					(2,108.39)	(2,108.39)	(3,452.57)		(5,560.96)
	-	-	-	-	**(2,108.39)**	**(2,108.39)**	**(3,452.57)**		**(5,560.96)**
Deferred Tax Assets									
Property Plant & Equipment and Intangible Assets	404.70	(198.65)	-	206.05	-	206.05	(158.15)		47.90
Items Allowable for Tax Purpose on Payment/ Adjustment	217.14	(2.64)	-	214.50	-	214.50	(13.07)	-	201.43
MAT Credit Entitlement	34.75	2.67	-	37.42	-	37.42	12.30	-	49.72
Replacement Obligation for Berth#13 at Haldia Port	307.01	54.07	-	361.08	-	361.08	1.04	-	362.12
Employees' Early Separation Scheme (ESS)	324.10	14.05	-	338.15	-	338.15	4.20	-	342.35
Provision for Doubtful Debts & Advances	10.51	8.72	-	19.23	-	19.23	2.45	-	21.68
Unabsorbed Business Loss	49.09	23.85	-	72.94	-	72.94	21.39		94.33
Lease Liabilities	-	-	-	-	2,108.39	2,108.39	3,564.78		5,673.17
Others	**8.59**	**4.75**	-	**13.34**		**13.34**	**(0.59)**	-	**12.75**
	1,355.89	**(93.18)**	-	**1,262.71**	**2,108.39**	**3,371.10**	**3,434.35**	-	**6,805.45**
Net Deferred Tax Asset	**1,355.89**	**(93.18)**		**1,262.71**		**1,262.71**	**(18.22)**		**1,244.49**

45.2

Deferred Tax Liability (Net)	As at 1st April 2018	(Charge)/credit for the Year	Exchange Difference	As at 1st April 2019	Adjustments on adoption of Ind AS 116	Restated as at 1st April 2019	(Charge)/credit for the Year	Exchange Difference	As at 31st March 2020
Deferred Tax Liabilities									
Property Plant & Equipment and Other Intangible Assets	(6.25)	(27.35)	1.17	(32.43)	-	-	19.46	(1.22)	(14.19)
									-
	(6.25)	**(27.35)**	**1.17**	**(32.43)**	-	-	**19.46**	**(1.22)**	**(14.19)**
Net Deferred Tax Liability	**(6.25)**			**(32.43)**					**(14.19)**

46. 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.	As at March 31, 2020	As at March 31, 2019
Financial Assets			
Assets Carried at Fair Value through Profit or Loss			
Investments in Mutual Fund	12	-	101.48
Security Deposit	7	69.96	56.09
Assets Carried at Amortised Cost			
Loans (other than Security Deposits carried at FVTPL)	7, 16	456.64	524.47
Trade Receivables	13	21,590.19	20,074.36
Other Financial Assets	8, 17	860.63	2,830.47
Cash and Cash Equivalents	14	5,249.20	10,305.46
Other Bank Balances	15	39,165.30	32,871.73
Total Financial Assets		**67,391.92**	**66,764.06**
Financial Liabilities			
Liabilities Carried at Amortised Cost			
Trade Payables	23	12,260.92	11,076.74
Lease liabilities	21, 24	22,737.22	
Other Financial Liabilities	21, 24	52.97	84.03
Total Financial Liabilities		**35,051.11**	**11,160.77**

(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, 2019.

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) In respect of secuirity deposit given which are non-interest bearing, the Group has used discounted cash flows to arrived at fair value at Balance Sheet date.

(iii) The management assessed that fair values of loans (current), trade receivables, cash and cash equivalents, other bank balances, other financial assets (current), trade payables and other fnancial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments.

(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 classifed its fnancial 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

Effect of change in	31st March, 2020	31st March, 2020	31st March, 2019	31st March, 2019
	Level 1	Level 3	Level 1	Level 3
Recognised and Measured at Fair Value - Recurring Measurements				
Financial Assets				
Investments				
Mutual Funds - Daily Dividend	-	-	101.48	-
Security Deposits	-	69.96	-	56.09
	-	**69.96**	**101.48**	**56.09**

47 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.

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 2020 and 31st March 2019 is the carrying amounts as disclosed in Note 46.

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 2020 and 31st March 2019. Of the total trade receivables, ₹ 11,339.22 Lakhs as at 31st March 2020 and ₹ 13,078.27 Lakhs as at 31st March 2019 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 - 60 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 2020	31st March 2019
1-90	8,006.93	6,104.42
91-180	1,801.88	772.32
More than 180	442.16	119.35
	10,250.97	**6,996.09**

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.

₹ in Lakhs

Reconciliation of Provision for Loss Allowance - Trade receivables	As at 31st March 2020	As at 31st March 2019
Opening Balance	1,748.45	1,821.78
Provision made during the Year	30.82	74.74
Provision written back/reversed during the Year	(21.65)	(16.29)
Bad Debts during the year adjusted with Provisions	-	(240.07)
Exchange Difference on Consolidation	149.81	108.29
Closing Balance	**1,907.43**	**1,748.45**

(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 relavant maturity groupings based on their contractual maturities.The amount disclosed in the table are the contractual undiscounted cash flows.

₹ in Lakhs

	As at 31st March 2020				
	Upto 1 Year	1 Year to 3 Years	3 Years to 5 Years	More than 5 Years	Total
Trade Payables	12,260.92	-	-	-	12,260.92
Lease Liabilities	6,536.83	12,240.12	7,477.58	739.26	26,993.80
Other Financial Liabilities (other than Lease Liabilities)	14.07	7.78	3.12	30.05	55.02
	18,811.82	**12,247.90**	**7,480.70**	**769.31**	**33,309.74**

₹ in Lakhs

	As at 31st March 2019				
	Upto 1 Year	1 Year to 3 Years	3 Years to 5 Years	More than 5 Years	Total
Trade Payables	11,076.74	-	-	-	11,076.74
Other Financial Liabilities	37.73	14.79	3.12	28.39	84.03
	11,114.47	**14.79**	**3.12**	**28.39**	**11,160.77**

(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 Group transacts business in local currency and in foreign currencies. The Group has foreign currency trade receeivables and trade payables and is therefore exposed to foreign curreny risk. The Group strives to acheive 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:

₹ in Lakhs

Receivables in Foreign Currency	As at 31st March 2020		As at 31st March 2019	
	Amount in Foreign Currency	Amount in ₹ Lakhs	Amount in Foreign Currency	Amount in ₹ Lakhs
EUR	0.01	0.47	0.10	7.31
GBP	^0.00	0.07	^0.00	0.07
JPY	0.74	0.46	0.03	0.02
CHF	-	-	^0.00	0.23
SGD	^0.00	0.14	0.02	1.01
USD	0.53	37.19	0.59	39.91

Payable in Foreign Currency	As at 31st March 2020		As at 31st March 2019	
	Amount in Foreign Currency	Amount in ₹ Lakhs	Amount in Foreign Currency	Amount in ₹ Lakhs
AUD	-	-	0.01	0.67
CAD	-	-	^0.00	0.23
CHF	^0.00	0.25	0.07	4.66
EUR	0.26	20.74	1.30	104.14
GBP	0.01	0.63	0.13	12.45
JPY	2.47	1.59	1.01	0.65
SGD	^0.00	0.20	0.08	4.24
USD	0.87	63.62	0.73	52.17

^Amount is below the rounding off norm adopted by the Group.

(ii) Sensitivity

The sensitivity of proft 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 ₹ in Lakhs		Payables ₹ in Lakhs	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
AUD Sensitivity				
INR/AUD -Increase by 10%*	-	-	-	(0.07)
INR/AUD -Decrease by 10%*	-	-	-	0.07
CAD Sensitivity				
INR/CAD -Increase by 10%*	-	-	-	(0.02)
INR/CAD -Decrease by 10%*	-	-	-	0.02
CHF Sensitivity				
INR/CHF -Increase by 10%*	-	**0.02**	(0.02)	(0.47)
INR/CHF -Decrease by 10%*	-	**(0.02)**	0.02	0.47
EUR Sensitivity				
INR/EUR -Increase by 10%*	**0.05**	**0.73**	(2.07)	(10.41)
INR/EUR -Decrease by 10%*	**(0.05)**	**(0.73)**	2.07	10.41
GBP Sensitivity				
INR/GBP -Increase by 10%*	**0.01**	**0.01**	(0.06)	(1.24)
INR/GBP -Decrease by 10%*	**(0.01)**	**(0.01)**	0.06	1.24
JPY Sensitivity				
INR/JPY -Increase by 10%*	**^0.00**	**^0.00**	(0.16)	(0.06)
INR/JPY -Decrease by 10%*	**^(0.00)**	**^(0.00)**	0.16	0.06
SGD Sensitivity				
INR/SGD -Increase by 10%*	**0.01**	**0.10**	(0.02)	(0.42)
INR/SGD -Decrease by 10%*	**(0.01)**	**(0.10)**	0.02	0.42
USD Sensitivity				
INR/SGD -Increase by 10%*	**3.72**	**3.99**	(6.36)	(5.22)
INR/SGD -Decrease by 10%*	**(3.72)**	**(3.99)**	6.36	5.22

* Holding all other variables constant
^Amount is below the rounding off norm adopted by the Group.

(iii) 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 does not have any interest bearing financial liabilities. The Group'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 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.

48. 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.

49. LIST OF RELATED PARTIES AND RELATIONSHIP

(a) Entities with Joint Control of or Significant influence over the Parent Company:

Name	Type	Place of Incorporation
Tata Steel Limited	Joint Venturer	India
IQ Martrade Holding and Management GmbH	Joint Venturer	Germany
NYK Holding (Europe) B.V.	Joint Venturer	Netherland

(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 Continous Annealing & Processing Company Private Limited
Tata Steel Long Products Limited (Formerly Tata Sponge Iron Limited)
The Tinplate Company of India Limited
Tata Bluescope Steel Limited
Tata Steel Downstream Products Limited (Formerly Tata Steel Processing and Distribution Limited)
Jamshedpur Utilities & Services Company Limited
Tata Steel Asia HK Limited
Tata Steel BSL Limited
TS Global Procurement Company Pte Ltd.
Tata Steel UK Limited

(d) Key Managerial Personnel of the Company

Name	Relationship
Mr. Ashish Kumar Gupta	Managing Director
Mr. Dipak Kumar Banerjee (till 16th May 2019)	Independent Director
Mr. Sabyasachi Hajara (till 10th April 2018)	Independent Director
Mr. Virendra Sinha (w.e.f 24th July 2018)	Independent Director
Mr. Dinesh Shastri (till 30th September 2019)	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. Sandipan Chakravortty (till 30th September 2019)	Non-Executive Director
Mr. Peeyush Gupta (till 30th September 2019)	Non-Executive Director
Mr. Sandeep Bhattacharya	Non-Executive Director
Mr. Guenther Hahn	Non-Executive Director
Ms. Stephanie Sabrina Hahn (w.e.f 16th April 2019)	Non-Executive Director
Mr. Dibyendu Bose (w.e.f 1st October 2019)	Non-Executive Director
Mr. Rajiv Mukerji (w.e.f 1st October 2019)	Non-Executive Director
Mr. Amitabh Panda (w.e.f 1st October 2019)	Non-Executive Director

e) 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

50. 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	**38,118.31**	**9,274.08**	**177.34**	**47,569.73**
	(33,907.99)	(3,096.21)	(139.06)	(37,143.26)
Rental Income	-	-	-	-
	-	(13.10)	-	(13.10)
Receiving of Services	**330.92**	-	-	**330.92**
	(330.91)	-	-	(330.91)
Re-imbursement Received	**19,780.83**	**5,465.17**	**10,488.76**	**35,734.76**
	(23,420.70)	(1,636.82)	(7,563.12)	(32,620.64)
Dividend paid / Payable	**1,260.00**	-	-	**1,260.00**
	(810.00)	-	-	(810.00)
Provision for Loss Allowance	-	-	-	-
	(1.55)	(2.27)	-	(3.82)
Balance Outstanding at Year-end				
Trade Receivables	**11,013.44**	**3,213.37**	**50.54**	**14,277.35**
	(14,729.92)	(1,165.70)	(103.76)	(15,999.38)
Trade Payables	**58.20**	-	-	**58.20**
	(9.30)	-	-	(9.30)
Advance from Customers	**4,114.30**	**944.27**	**736.86**	**5,795.43**
	(9,847.14)	(325.51)	(952.28)	(11,124.93)
Provision for Doubtful debts	-	-	-	-
	(1.55)	(2.27)	-	(3.82)
Security Deposit	-	-	-	-
	-	(2.00)	-	(2.00)

Figures in bracket represents transactions with related parties during the year ended 31st March 2019 and balances as at 31st March 2019.

Post Employment Benefit Plans

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Contribution to TM International Logistics Limited Employees' Provident Fund	110.82	104.65

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

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Remuneration to Key Management Personnel		
Short-term Benefits	181.67	141.40
Post-employment Benefits	13.03	6.23
Other long- term Benefits	28.83	20.74
Balance Outstanding at Year-end		
Short-term Benefits	2.48	
Commission Payable to Key Management Personnel	12.00	15.00

51. ADDITIONAL INFORMATION AS REQUIRED BY SCHEDULE III TO THE ACT

₹ in Lakhs

Particulars	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 (₹)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Lakhs)
Parent TM International Logistics Limited"	**29.33%**	**20,182.78**	**46.97%**	**1,588.16**	**(1.83%)**	**(60.23)**	**22.89%**	**1,527.93**
	29.62%	*18,781.24*	*74.82%*	*2,841.15*	*1.66%*	*11.85*	*63.25%*	*2,853.00*
Subsidiaries								
Indian								
1. TKM Global Logistics Limited	**4.31%**	**2,966.06**	**(5.27%)**	**(178.13)**	**(0.74%)**	**(24.52)**	**(3.04%)**	**(202.65)**
	4.61%	*2,920.05*	*(3.96%)*	*(150.37)*	*1.36%*	*9.73*	*(3.12%)*	*(140.64)*
Foreign								
1. International Shipping & Logistics FZE	**38.85%**	**26,738.18**	**37.93%**	**1,282.22**	**66.27%**	**2,182.85**	**51.91%**	**3,465.07**
	36.49%	*23,133.53*	*19.96%*	*757.88*	*191.87%*	*1,368.95*	*47.15%*	*2,126.83*
2. TKM Global GmbH	**26.95%**	**18,545.39**	**18.96%**	**641.17**	**35.96%**	**1,184.35**	**27.35%**	**1,825.52**
	28.75%	*18,231.54*	*8.47%*	*321.53*	*(94.91%)*	*(677.20)*	*(7.88%)*	*(355.67)*
3. TKM Global China Limited	**0.56%**	**387.45**	**1.41%**	**47.48**	**0.35%**	**11.42**	**0.89%**	**58.90**
	0.53%	*338.72*	*0.72%*	*27.29*	*0.02%*	*0.16*	*0.61%*	*27.45*
Total		**68,819.86**		**3,380.90**		**3,293.87**		**6,674.77**
		63,405.08		*3,797.48*		*713.49*		*4,510.97*

Figures in italics represents comparative figures of previous year.

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

Dhiraj Kumar
Partner
Membership Number: 060466

Place: Hyderabad
Date: May 20, 2020

For and on behalf of the Board of Directors

Ashish Kr Gupta
Managing Director
DIN: 07808012

Dibyendu Bose
Chairman
DIN: 00282821

Place: Kolkata
Date : May 20, 2020

Jyoti Purohit
Company Secretary

Anand Chand
Chief Financial Officer

About this report

This is our first Integrated Report, in alignment with the International Integrated Reporting <IR> Framework of the International Integrated Reporting Council (IIRC). The non-financial section is GRI referenced.

The statutory and financial sections of the Report are in line with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the applicable Secretarial Standards.

Reporting Period

1 April 2019 to 31 March 2020

Scope of the Report

This report provides an overview of TM International Logistics Limited, and the services its provides with its subsidiaries as a logistics partner.

TM International Logistics Group of Companies
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