Notes to the Financial Statements for the year ended 31 March 2018

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

   i) Corporate Information

   Pursuant to the Scheme of Arrangement approved by Hon'ble High Court of Hyderabad for the State of Telangana and the State of Andhra Pradesh, vide its order dated 14th June 2016, the XPS undertaking of Transport Corporation of India Limited had been demerged and vested into TCI Express Limited. The appointed date of Scheme of Arrangement was close of business hours on 31st March 2016.

   The main objects of the Company is to carry express cargo distribution. The Equity Shares of the Company is listed with National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

   The registered office of TCI Express Ltd is situated at Flat Nos. 306 & 30, 1-8-271 to 273, 3rd Floor, Ashoka Bhoopal Chambers, S.P Road, Secunderabad- 500003 Telangana and the Corporate Office of the Company is situated at TCI House, 69, Institutional Area, Sector -32, Gurugram, Haryana.

   These financial statements were approved and adopted by board of directors of the Company in their meeting held on dated May 25, 2018

   ii) Basis of preparation of financial statements

   These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

   For all periods up to and including the year ended 31 March 2017, the Company has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS.

   The Company had prepared the Opening Ind AS Balance Sheet as at 1 April 2016 using the exemption and exceptions provided under Indian Accounting Standards, Ind AS 101, First time adoption of Indian Accounting Standards. The exemptions availed by the Company are presented with the respective accounting policies. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in note 42.

   The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

   - Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
   - Defined benefit plans – plan assets measured at fair value; and
   - Share based payments which are measured at fair value of the options.

   iii) Use of estimates

   The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note v(t) below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

   iv) All amount disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless other wise stated

   v) Significant Accounting Policies

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

The Company classifies all other liabilities as non-current.

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

*The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(b) Property, Plant and Equipment

Recognition and initial measurement

Property, plant and equipment represent a significant proportion of the asset base of the company. Under the previous GAAP, property plant and equipment were carried in the balance sheet at their cost of purchase less accumulated depreciation and impairment losses, if any. Using the deemed cost exemption available as per Ind AS 101, the Company has elected to carry forward these carrying value of PPE under Indian GAAP as on 31 March 2016 as book value of such assets under Ind-AS, as at the transition date i.e. 1 April 2016.

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognized in Statement of Profit and Loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognized as interest expense and not included in cost of asset.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the straight line method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013. The following useful life of assets has been taken by the Company:

Tangible Assets	Useful Life
Building	60 Years
Plant and machinery	15 Years
Furniture and fittings	10 Years
Vehicles	8 Years
Office Equipment	5 Years
Computer Equipment	3 Years
Leasehold land	Over the period of lease

The residual values are not more than 5% of the assets. The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the month of such addition or, as the case may be, up to the month on which such asset has been sold, discarded, demolished, destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss when the asset is derecognized.

(c) Intangible Assets

Using the deemed cost exemption available as per Ind AS 101, the Company has elected to carry forward the carrying value of intangible assets under Indian GAAP as on 31 March 2016 as book value of such assets under Ind AS as at the transition date i.e. 1 April 2016.

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Subsequent measurement (depreciation and useful lives)

All finite-lived intangible assets are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

Intangible Assets	Useful life (in years)
Software	Amortized over a period of 6 years

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(d) Impairment of non-financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

(e) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate (EIR) and other costs like finance charges in respect of the finance leases recognized in accordance with Ind AS 17, that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(f) Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

Foreign Currencies

Transactions and balances

Initial recognition

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

(g) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss. Contingent rentals are recognized as expenses in the periods in which they are incurred. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

(h) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as Goods and Service Tax. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and are custodian of goods and is also exposed to credit risks.

The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below:

Sale of services:

Revenue from services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date when the outcome of the transaction can be estimated reliably.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on services such as service tax, Goods and service tax etc.

Rental Income:

Income from rent is recognized over the period of the contract on straight line basis. Initial direct cost is expensed off when incurred.

Interest Income:

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

For all Financial Assets measured at amortised cost (refer 'j' below), interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

(j) Financial Instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

i. **Financial assets at amortised cost** – a financial instrument is measured at amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

Impairment of financial assets

In accordance with Ind-AS 109, the company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

Trade Receivable

The companies applies the approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables. As a practical expedient, the company use a provision matrix to determine the impairment loss allowance on its portfolio of its trade receivable. The provision matrix is based on its historical observed default rates over the expected life of the trade receivable. At every reporting date, the historical observed default rate are updated.

Other Financial assets

For recognition of impairment loss on other financial asset and risk exposure, the company determine whether there has been a significant increase in the credit risk since initial recognition and if credit risk has been increased significantly, impairment loss is provided.

(k) Retirement and other employee benefits

Defined Contribution plan

Retirement benefit in the form of provident fund, employee state insurance scheme, labour welfare fund and benevolent fund are defined contribution schemes. The Company has no obligation, other than the contribution payable to these funds/schemes. The Company recognizes contribution payable to these funds/schemes as an expense, when an employee renders the related service. The Company has no obligation other than the contribution payable to these funds/schemes. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Company provides for gratuity, a defined benefit plan covering eligible employees. The gratuity plans provides lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount base on the respective employees base salary and the tenure of employment. The gratuity liability is paid to the gratuity fund set up by the Company (TCI Express Gratuity Fund Trust). A provision for gratuity liability to the employee is made on the basis of actuarial valuation determined using the projected unit credit method

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

Other Employee Benefits

Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Other short term benefits

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

(l) Employee stock option plan

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(m) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of Profit and Loss net of any reimbursement.

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

(n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

(o) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (Minimum alternate tax credit entitlement) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(p) Segment reporting

As the Company's main business activity falls within a single primary Business segment viz. "Express Cargo", provisions of Segment Reporting as per Ind AS 108 are not applicable.

(q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and cash/cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(r) Dividend distribution to equity holders

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

(s) Contingent liabilities

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

(t) Significant management judgement in applying accounting policies and estimation uncertainty

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Company's accounting policies and that may have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a. Allowance for doubtful debts – The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognized in the financial statements.

b. Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/ amortizable assets 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 certain software, IT equipment and other plant and equipment.

c. Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

d. Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

e. Recognition of deferred tax assets - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

f. Contingent liabilities – The Company is the subject of legal proceedings and tax issues which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. 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.

Notes to the Financial Statements for the year ended 31 March 2018

2. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Vehicles	Office Equipments	Plant & Machinery	Furniture & Fixtures	Computer Hardware	Total
Gross Carrying Value								
Balance at 1 April 2016*	2,292.56	2,596.11	290.62	736.81	519.26	590.52	620.74	7,646.62
Additions	806.15	2,464.07	85.56	155.02	170.88	141.95	102.90	3,926.53
Inter Assets Transfer (refer point b)	-	-	-	(375.57)	375.57	-	-	-
Disposals	-	-	27.87	62.28	135.60	-	-	225.75
Balance at 31 March 2017	**3,098.71**	**5,060.18**	**348.31**	**453.98**	**930.11**	**732.47**	**723.64**	**11,347.40**
Additions	3,310.90	2,607.35	265.24	122.63	337.38	190.08	194.77	7,028.35
Disposals	-	-	67.17	66.58	126.07	122.85	184.50	567.17
Balance at 31 March 2018	**6,409.61**	**7,667.53**	**546.38**	**510.03**	**1,141.42**	**799.70**	**733.91**	**17,808.58**
Accumulated Depreciation								
As at 1 April 2016*	-	173.21	76.64	441.24	129.56	359.59	427.18	1,607.42
Charge for the year	-	49.55	34.75	36.09	99.46	42.02	122.85	384.72
Inter Assets Transfer (refer point b)	-	-	-	(205.15)	205.15	-	-	-
Disposals	-	-	12.41	59.17	125.28	-	-	196.86
Balance at 31 March 2017	**-**	**222.76**	**98.98**	**213.01**	**308.89**	**401.61**	**550.03**	**1,795.28**
Charge for the year		96.34	53.88	67.99	111.70	53.49	107.30	490.70
Disposals		-	34.22	61.24	113.29	116.69	175.28	500.72
Balance at 31 March 2018	**-**	**319.10**	**118.64**	**219.76**	**307.30**	**338.41**	**482.05**	**1,785.26**
Net Block as at 1 April 2016 (refer point a)*	**2,292.56**	**2,422.90**	**213.98**	**295.57**	**389.70**	**230.93**	**193.56**	**6,039.20**
Net Block as at 31 March 2017	**3,098.71**	**4,837.42**	**249.33**	**240.97**	**621.22**	**330.86**	**173.61**	**9,552.12**
Net Block as at 31 March 2018	**6,409.61**	**7,348.43**	**427.74**	**290.27**	**834.12**	**461.29**	**251.86**	**16,023.32**

* Represents deemed cost on the date of transition to Ind AS. Gross block and Accumulated Depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

a) Includes assets transferred on demerger as per the Scheme of Arrangement (Note 35)

b) Includes internal assets transfer including depreciation thereon.

c) Buildings includes those on leasehold land (cost ₹ 755.23 lakhs accumulated depreciation ₹ 101.23 Lakhs and written down value ₹ 653.99 lakhs) as on 31 March 2018,(Cost ₹ 747.81 lakhs, accumlated depreciation ₹ 88.55 Lakhs and written down value ₹ 659.26 lakhs) as on 31 March 2017

Capitalised Borrowing Cost

The Company has not capiatlised any borrowing costs during the year ended 31 March 2018 and 31 March 2017

3. CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Capital Work-in-Progress	2.06	785.36	907.34

Movement in Capital Work in Progress:

Particulars	Amount
Balance as at 1 April 2016	907.34
Additions	2,693.06
Capitalisation	2,815.04
Balance as at 31 March 2017	**785.36**
Balance as at 1 April 2017	785.36
Additions	1,814.92
Capitalisation	2,598.22
Balance as at 31 March 2018	**2.06**

4. INTANGIBLE ASSETS

Particulars	Amount
Gross Carrying Value	
As at 1 April 2016*	287.91
Additions	1.82
Disposals	-
As at 31 March 2017	**289.73**
Additions	43.78
Disposals	-
As at 31 March 2018	**333.51**
Accumulated Amortisation	
As at 1 April 2016*	80.97
Amortisation	46.67
Disposals	-
As at 31 March 2017	**127.64**
Amortisation	30.15
Disposals	-
As at 31 March 2018	**157.79**
Net Block as at 1 April 2016*	**206.94**
Net Block as at 31 March 2017	**162.09**
Net Block as at 31 March 2018	**175.72**

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

5. LOANS

(₹ in Lakhs)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Unsecured, considered good, unless otherwise stated						
(Carried at amortised cost)						
Security deposits						
- with related parties	-	140.14	-	140.14	160.14	-
- with customers	-	37.32	-	50.07	-	51.06
- with others	-	516.61	-	425.34	0.05	362.92
Loans to employees	-	17.31	-	17.59	-	14.44
Total	**-**	**711.38**	**-**	**633.14**	**160.19**	**428.42**

6. OTHER ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Prepaid expenses	99.42	37.37	87.98	59.61	127.85	57.42
Capital advances	415.73	-	409.78	-	86.47	-
Input tax credit receivable	-	93.10	-	117.08		76.78
Deferred Expense (POCM)	-	44.50	-	179.29		204.31
Deferred Income (POCM)	-	-	-	157.82		519.10
Operational advances						
- considered good	-	126.33	-	109.15		95.14
- considered doubtful		18.99		10.01		10.01
Less: Provision for Doubtful Advances & Deposits	-	(18.99)	-	(10.01)		(10.01)
Total	**515.15**	**301.30**	**497.76**	**622.95**	**214.32**	**952.75**

7. CURRENT TAX ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance Tax (net of provision)		0.15	
Total	**-**	**0.15**	**-**

8. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured Considered good	15,438.06	11,309.27	10,461.41
Unsecured Considered doubtful	170.68	182.07	77.84
Total	**15,608.74**	**11,491.34**	**10,539.25**
Less: Provision for doubtful debts (expected credit loss)	170.68	182.07	77.84
	15,438.06	**11,309.27**	**10,461.41**

9. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash on hand	80.53	22.02	29.69
Cheques and drafts on hand	1,087.67	831.77	-
Balance with banks in current accounts	1.11	-	1,060.27
	1,169.31	**853.79**	**1,089.96**

10. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Earmarked Bank Balances			
Unclaimed Dividend Accounts	29.40	6.67	-
Fractional Shares	4.71	4.67	-
Margin Money Deposits	14.41	13.23	-
Total	**48.52**	**24.57**	**-**

Refer note 31 on Financial instruments for disclosure of fair values in respect of financial assets measured at amortised cost and assessment of expected credit losses

11. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(a) **Authorised :**			
5,00,00,000 Equity Shares of ₹ 2 each (March 31, 2017 : 5,00,00,000 Equity Shares of ₹ 2 each; April 01, 2016 : 1,00,000 Equity Shares of ₹ 10 each)	1,000.00	1,000.00	10.00
Issued, Subscribed & Paid up :			
3,82,88,725 Equity Shares of ₹ 2 each (March 31, 2017 : 3,82,88,725 Equity Shares of ₹ 2 each)	765.77	765.77	-
Share Capital Suspense Account	-	-	760.74
Total	**765.77**	**765.77**	**760.74**

(b) Reconciliation of Number of Shares

(₹ in Lakhs)

Particulars	As at 31 March 2018		As at 31 March 2017	
	No of shares	Amount	No of shares	Amount
Equity Shares at the beginning of the year	3,82,88,725	765.77	-	-
Shares Alloted during the year to shareholders of Transport Corporation of India Limited, pursuant to the Scheme of Arrangement	-	-	3,80,36,800	760.74
Alloted to the erstwhile employees of Transport Corporation of India Limited against Employees Stock Option exercised by them during the year	-	-	2,51,925	5.03
Equity Shares at the end of the year :	**3,82,88,725**	**765.77**	**3,82,88,725**	**765.77**

(c) Rights/Preferences/Restrictions attached to Equity Shares

The Company has only one class of Equity Share having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by Board of Directors is subject to the approval of the shareholders, except in case of Interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts in proportion of their shareholding.

(d) Details of Shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Bhoruka Finance Corporation of India Limited	79,52,339	20.77%	79,52,339	20.77%	-	-
Bhoruka International (P) Limited	52,94,102	13.83%	52,80,877	13.79%	-	-
Dharampal Agarwal	24,87,497	6.50%	24,87,497	6.50%	-	-
TCI India Limited	20,22,782	5.28%	20,22,782	5.28%	-	-
	1,77,56,720	**46.38%**	**1,77,43,495**	**46.34%**	**-**	**-**

(e) Share Reserved under Employee Stock Option Plan

The Shareholders in their meeting held on November 1, 2016 have approved the resolution to create, grant, issue and offer 957216 options representing 2.5% of the paid up share capital as on date of shareholders approval in form of options, in one or more tranches under ESOP Scheme 2016. Pursuant to the above, the Nomination and Remuneration Committee in its meeting held on May 23, 2017 have granted 73000 options to eligible employees under ESOP Scheme 2016.

During the year, in respect of Option granted under the Employees Stock Option Scheme 2016 and in accordance with the guidelines issued by Securities and Exchange Board of India the accounting value of Option (based on fair value of share on the date of grant of option minus option price) is accounted as a deferred employee compensation, which is amortised on straight line basis over the vesting period. Consequently employee benefit expenses includes ₹ 8317700/- being amortisation of deferred employee compensation.

(f) In the period of five years immediately preceeding March 31 2018 :

As per the Scheme of Arrangement, 38036800 equity shares issued to shareholders of Transport Corporation of India Limited on August 31, 2016.

251,925 Shares alloted to erstwhile employees of Transport Corporation of India Limited agaisnt Employees Stock Option exercised by them during the financial year 2016-17.

Notes to the Financial Statements for the year ended 31 March 2018

12. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
(i) Retained Earnings		
Opening Balance	1,277.48	397.48
Add: Net Profit for the current year	5,839.60	3,748.70
Less: Dividends	(1,072.11)	(306.34)
Less: Tax on Dividends	(218.26)	(62.36)
Profit available for appropriation	**5,826.71**	**3,777.48**
Transferred to General Reserves	(4,000.00)	(2,500.00)
Closing Balance	**1,826.71**	**1,277.48**
(ii) General Reserve		
Opening Balance	14,033.97	11,539.00
Less : Shares alloted to the erstwhile employees of Transport Corporation of India Limited agaisnt Employees Stock Option exercised by them during the year.		(5.03)
Change during the year	4,000.00	2,500.00
	18,033.97	**14,033.97**
(iii) Other Reserves:		
Share Options Outstanding Account		
Created against Stock Options granted during the year	83.18	
	83.18	
(iv) Other Comprehensive Income Reserve		
Remeasurements of the Net Defined Benefit Plans		
Opening Balance	-	
Changes during the year	(28.60)	-
	(28.60)	**-**
Total Other Equity	**19,915.26**	**15,311.45**

Nature and purpose of other reserves

Employee's Stock Options Outstanding Account

The account is used to recognise the grant date value of options issued to employees under Employee Stock Option Plan.

Other Comprehensive Income (OCI) Reserve:

The Company has recognised remeasurements benefits on defined benefits plans through Other Comprehensive Income.

13. BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured			
Term loan from Banks	249.84	109.69	105.78
Current Maturities of long term borrowings (Refer Note 17)	(84.09)	(57.93)	(47.75)
Total	**165.75**	**51.76**	**58.03**

Other Information Pertaining to Nature of Security and Terms of Repayment

(₹ in Lakhs)

Particulars of Nature of Security	Type of loan	Terms of Repayment	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured Term loans from Bank :	Vehicle loan	Repayable in 36 monthly instalments at an average rate of 9.17%	134.84	109.69	105.78
Vehicle Loans secured by respective vehicles	Vehicle loan	Repayable in 60 monthly instalments at an average rate of 8.26%	115.00	-	-

14. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred Tax (Assets)/ Liabilities arising on account of			
Property, Plant and Equipment	400.63	291.19	223.37
Receivables, Financial Assets and Liabilities at Amortised Cost	59.83	53.66	223.42
	460.46	344.85	446.79
Provision for Employee and Other Liabilities deductible on actual payments	(30.56)	(9.87)	-
Deferred tax liabilities (Net)	**429.90**	**334.98**	**446.79**

Movement in Deferred Tax Liabilities (Net) in F Y 2016-17

(₹ in Lakhs)

Particulars	As at 01 April 2016	Recognised in Statement of Profit and Loss during the year	As at 31 March 2017
Deferred Tax (Assets)/Liabilities in relation to :			
Property, Plant and Equipment	223.37	67.82	291.19
Receivables, Financial Assets and Liabilities at Amortised Cost	223.42	(169.76)	53.66
Provision for Employee and Other Liabilities deductible on actual payments	-	(9.87)	(9.87)
Net Deferred Assets/Liabilities	**446.79**	**(111.81)**	**334.98**

Movement in Deferred Tax Liabilities (Net) in F Y 2017-18

(₹ in Lakhs)

Particulars	As at 01 April 2017	Recognised in Statement of Profit and Loss during the year	As at 31 March 2018
Deferred Tax (Assets)/Liabilities in relation to :			
Property, Plant and Equipment	291.19	109.44	400.63
Receivables, Financial Assets and Liabilities at Amortised Cost	53.66	6.17	59.83
Provision for Employee and Other Liabilities Deductible on Actual Payments	(9.87)	(20.69)	(30.56)
Net Deferred Assets/Liabilities	**334.98**	**94.92**	**429.90**

Deferred Tax Assets and Deferred Tax Liabilities have been offset wherever the Company has a legally enforcable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relates to Income taxes levied by the same taxation authority

Refer note 45 for reconciliation of deferred tax balances

15. BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Secured			
Working Capital Loan from banks (a)	3,816.14	1,051.72	3,974.83
Unsecured			
Commercial paper from banks	-	2,000.00	-
Total	**3,816.14**	**3,051.72**	**3,974.83**

(a) Security Details

Particulars of Nature of Security :

Working Capital Loans are secured by hypothecation of book debts as primary security alongwith certain land and building as collateral.

16. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Due to others (including acceptances)	6,459.28	3,719.87	2,315.96
Total	**6,459.28**	**3,719.87**	**2,315.96**

According to the information available with the Company there were no creditors registered under Micro, Small and Medium Enterprises Development Act, 2006, (MSME) during the year. Hence there is no information in regard to the amount dues including interest if any to MSME's during the year.

Notes to the Financial Statements for the year ended 31 March 2018

17. OTHER CURRENT FINANCIAL LIABILITIES (₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Current maturities of long term borrowings from banks (Refer Note 13)	84.09	57.93	47.75
Interest accrued but not due on borrowings	1.21	0.30	0.71
Unclaimed dividends	29.40	6.67	-
Fractional shares entitlements payable	4.71	4.67	-
Trade / security deposits	123.49	123.19	149.33
Retention Monies	229.69	227.80	137.06
Creditors against capital assets	286.68	252.51	289.04
Employee related payables	290.48	201.47	103.78
Total	**1,049.75**	**874.54**	**727.67**

18. OTHER CURRENT LIABILITIES (₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Statutory Remittances	1,328.13	89.31	61.08
Deferred Income (POCM)	105.38	-	-
Total	**1,433.51**	**89.31**	**61.08**

19. PROVISIONS (₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for Employee Benefits			
Provision for Gratuity	186.19	118.17	83.83
Provision for Leave Encashment	141.86	123.63	95.12
Total	**328.05**	**241.80**	**178.95**

20. CURRENT TAX LIABILITIES (₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for tax (net of advance tax)	21.41	-	-
Total	**21.41**	**-**	**-**

21. REVENUE FROM OPERATIONS (₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Operating Revenue		
Freight, Demurrage and Miscellaneous Charges	88,508.17	75,026.78
Total	**88,508.17**	**75,026.78**

22. OTHER INCOME (₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest	2.54	1.06
Unspent liabilities/excess provisions written back	21.63	6.41
Bad debts and irrecoverable balances written off earlier, realised	13.13	1.49
Rent	170.17	126.58
Dividend Income	0.41	-
Miscellaneous income	-	1.11
Total	**207.88**	**136.65**

23. OPERATING EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Freight	60,789.98	53,150.32
GPS communication charges	82.67	45.78
Crane operating expenses	125.75	104.89
Payments to labour boards	1,020.85	873.95
Air Freight	3,706.10	2,759.38
Other transportation Expenses	688.42	699.67
Claims for loss & damages (net)	29.10	24.21
Total	**66,442.87**	**57,658.20**

24. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, Wages & Bonus	5,845.77	4,707.28
Contribution to Provident & other funds	483.87	391.84
Contribution to Employees' State Insurance	132.85	93.50
Expenses on Employees Stock Option Scheme	83.18	-
Staff welfare & development expenses	706.78	689.14
Total	**7,252.45**	**5,881.76**

25. FINANCE COSTS

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest expenses	324.62	187.32
Bank charges	51.12	56.98
Total	**375.74**	**244.30**

26. DEPRECIATION & AMORTIZATION

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation on property, plant and equipment	490.70	384.72
Amortization of intangible assets	30.15	46.67
Total	**520.85**	**431.39**

Notes to the Financial Statements for the year ended 31 March 2018

27. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Rent	2,186.98	2,023.67
Rates and Taxes	44.55	35.45
Insurance	27.65	16.21
Telephone expenses	81.14	113.75
Printing and Stationery	122.60	139.53
Travelling expenses	835.90	564.30
Legal expenses	3.08	5.13
Postage and Courier	23.00	50.65
Electricity expenses	216.54	233.85
Advertisement expenses	109.48	23.08
Office Maintenance & Security expenses	610.05	736.71
E mail/I. Net/Telex expenses	146.55	177.91
Consultancy Expenses	152.37	78.76
Conference & Seminar Expenses	151.39	35.23
Commission & fees to directors	24.00	19.70
Remuneration to Auditors :		
Audit fees	6.00	4.50
Tax audit fees	4.00	3.50
Bad debts and irrecoverable balances written off (i)	46.15	172.22
Charity & Donations	213.50	121.00
Loss on sale of assets	47.63	14.96
Miscellaneous expenses	268.56	321.10
Repair & Maintenance :		
Motor Cars	132.34	117.21
Plant & Equipment	25.60	17.93
Computers	105.26	143.28
Buildings	163.34	127.39
	5,747.66	**5,297.02**

(i) Includes provision of ₹ 10,423,090/- for F Y 2016-17

Corporate Social Responsibility

As per Section 135 of the Companies Act 2013, a Corporate Social Responsiblility Committee has been formed by the Company. The funds were primarily allocated to a corpus and utilized through the year on the activities which are specified in Schedule VII of the Companies Act, 2013.

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Amount required to be spent as per section 135 of the Companies Act, 2013	43.31	-
Contribution made during the year	50.00	

28. EARNINGS PER EQUITY SHARE

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit/(loss) attributable to shareholders	5,839.60	3,748.70
Weighted Average number of Equity Shares for computing Basic Earning Per Share	3,82,88,725	3,82,88,725
Weighted Average number of Equity Shares used for computing Diluted Earning per share	3,83,11,806	3,82,88,725
Nominal value per share	2.00	2.00
Earnings per equity share		
- Basic	15.25	9.79
- Diluted	15.24	9.79

29. INCOME TAX EXPENSES

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
The income tax expense consists of the following :		
Current tax expense for the current year	2,419.51	2,013.87
Current tax expense pertaining to previous years	22.45	
Deferred tax expense/(benefit)	94.92	(111.81)
Total income tax	**2,536.88**	**1,902.06**

The reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the Statement of Profit and Loss is as follows:

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Profit Before Income Taxes	8,376.48	5,650.76
At India's statutory income tax rate (31 March 2018: 28.84%, 31 March 2017: 33.45%)	2,415.78	1,890.18
Adjustments in respect of current income tax		
Tax impact of expenses which will never be allowed	32.55	20.90
Others	88.55	-
Tax impact due to difference in Tax rate	-	(9.02)
Total income tax expense	**2,536.88**	**1,902.06**

30. CONTINGENCIES AND COMMITMENTS

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(A) Contingent liabilities		
I Trade Tax/ Octroi/ Duty and other demands under dispute	298.44	96.95
II Guarantees and Counter Guarantees Outstanding	48.59	45.60
(B) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advance on tangible assets.	71.16	1,288.81

31. FINANCIAL INSTRUMENTS

A. Financial assets and liabilities

The carrying amounts and fair values of financial instruments by category are as follows:

(₹ in Lakhs)

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial assets measured at amortised cost				
(i) Trade Receivables	8	15,438.06	11,309.27	10,461.41
(ii) Cash and Cash Equivalents	9	1,169.31	853.79	1,089.96
(iii) Other Bank Balances	10	48.52	24.57	-
(iv) Loans	5	711.38	633.14	588.61
Total Financial Assets		**17,367.27**	**12,820.77**	**12,139.98**
Financial liabilities measured at amortised cost				
(i) Borrowings	13 & 15	3,981.89	3,103.48	4,032.86
(ii) Trade Payables	16	6,459.28	3,719.87	2,315.96
(iii) Other Financial Liabilities	17	1,049.75	874.54	727.67
Total Financial Liabilities		**11,490.92**	**7,697.89**	**7,076.49**

B. Fair values hierarchy

The different levels of fair value have been defined below:

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value of instruments measured at amortised cost

(i) The management assessed that fair values of cash and cash equivalents, trade receivables, other receivables, short term borrowings, trade payables and other current financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(ii) The fair values of loans, security deposits, borrowings and other financial assets and liabilities are considered to be the same as their carrying values, as there is an immaterial change in the lending rates.

32 RISK MANAGEMENT

The Company's activities expose it to credit risk, liquidity risk and market risk. The management has the overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

The Company's risk management is carried out by a central team at the Corporate Office comprising of chief financial officer, credit controller and other members of the finance/credit control function under policies approved by the Board of Directors. All receipts and payments are maintained at centralised bank account, thus resulting in mitigating the credit risk and liquidity risk.

A. CREDIT RISK

Credit risk is the risk that a counter party fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counter parties and incorporates this information into its credit risk controls.

Credit risk management

Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A : No Risk
B: Low credit risk
C: Moderate credit risk
D: High credit risk

The Company provides for expected credit loss based on the following:

Asset group	Basis of categorisation	Provision for expected credit loss
No Risk	Cash and cash equivalents, other bank balances,	-
Low credit risk	Loans, trade receivables and other financial assets	12 month expected credit loss
Moderate credit risk	Trade receivables and other financial assets	Life time expected credit loss or 12 month expected credit loss
High credit risk	Trade receivables	Life time expected credit loss or fully provided for

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on past credit loss experience with customers and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company or debtor declaring bankruptcy or customer closing down the business. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Financial Assets that exposes the entity to credit risk: (₹ in Lakhs)

Credit rating	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
A: No Risk	Cash and cash equivalents	1,169.31	853.79	1,089.96
	Other Bank Balances	48.52	24.57	-
B: Low credit risk on financial reporting date	Loans	711.38	633.14	588.61
	Trade receivables	15,408.06	11,239.27	10,427.41
C: Moderate credit risk	Trade receivables	30.00	70.00	34.00

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks.

Trade receivables

The Company closely monitors the credit-worthiness of the debtors through IT driven internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts and stipulated days. Moreover, given the diverse nature of the Company's businesses trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 3% or more of the trade receivables in any of the years presented. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously

Credit risk exposure

Provision for expected credit losses

The Company provides for 12 month expected credit losses for following financial assets –

As at 31 March 2018 (₹ in Lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade Receivables	15,608.74	(170.68)	15,438.06

As at 31 March 2017 (₹ in Lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade Receivables	11,491.34	(182.07)	11,309.27

As at 1 April 2016 (₹ in Lakhs)

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Trade Receivables	10,539.25	(77.84)	10,461.41

Reconciliation of loss provision – lifetime expected credit losses (₹ in Lakhs)

Particulars	Amount
Loss allowance as on 1 April 2016	**(77.84)**
Expected loss recognised/reversed during the year	(104.23)
Amounts written off	(0.00)
Loss allowance on 31 March 2017	**(182.07)**
Impairment loss recognised/reversed during the year	11.39
Amounts written off	0.00
Loss allowance on 31 March 2018	**(170.68)**

Expected credit loss for trade receivables under simplified approach :

As at 31 March 2018 (₹ in Lakhs)

Ageing	Not Due (0-30)	31-60 days past due	61-90 days past due	91-180 days past due	More than 180 days past due	Total
Gorss carrying amount	171.82	11,620.00	2,137.44	1,419.66	259.82	**15,608.74**
Expected loss rate		0.45%	0.45%	3.48%	22.84%	
Expected credit loss (Loss allowance provision)	-	(52.35)	(9.63)	(49.35)	(59.35)	**(170.68)**
Carrying amount of trade receivables (net of impairment)	171.82	11,567.65	2,127.81	1,370.31	200.47	**15,438.06**

As at 31 March 2017 (₹ in Lakhs)

Ageing	Not Due (0-30)	31-60 days past due	61-90 days past due	91-180 days past due	More than 180 days past due	Total
Gorss carrying amount	117.61	7,668.21	2,102.00	1,386.00	217.52	**11,491.34**
Expected loss rate		0.50%	0.49%	4.25%	34.48%	
Expected credit loss (Loss allowance provision)		(37.90)	(10.21)	(58.96)	(75.00)	**(182.07)**
Carrying amount of trade receivables (net of impairment)	117.61	7,630.31	2,091.79	1,327.04	142.52	**11,309.27**

As at 1 April 2016 (₹ in Lakhs)

Ageing	Not Due (0-30)	31-60 days past due	61-90 days past due	91-180 days past due	More than 180 days past due	Total
Gorss carrying amount	120.19	7,423.00	1,588.72	1,145.78	261.56	**10,539.25**
Expected loss rate		0.20%	0.19%	2.09%	13.76%	
Expected credit loss (Loss allowance provision)		(14.83)	(3.08)	(23.94)	(35.99)	**(77.84)**
Carrying amount of trade receivables (net of impairment)	120.19	7,408.17	1,585.64	1,121.84	225.57	**10,461.41**

Movement of doubtful advances (₹ in Lakhs)

Particulars	Amount
As on 1 April 2016	**(10.01)**
Expected loss recognised/reversed during the year	-
Amounts written off	-
As on 31 March 2017	**(10.01)**
Expected loss recognised/reversed during the year	(8.98)
Amounts written off	-
As on 31 March 2018	**(18.99)**

B. LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period: (₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Expiring within one year (cash credit and other facilities- Fixed rate)	2,717.32	3,820.55	-
Expiring beyond one year (bank loans - Floating rate)	-	-	-
	2,717.32	**3,820.55**	-

(ii) **Contractual Maturities of financial liabilities**

The tables below analyse the financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 31 March 2018 (₹ in Lakhs)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Borrowings	3,816.14				3,816.14
Term Loan (Including Interest accrued but not due)	94.89	81.38	45.96	46.75	268.98
Trade Payables	6,459.28				6,459.28
Other Financial Liabilities	1,049.75				1,049.75
Total	**11,420.06**	**81.38**	**45.96**	**46.75**	**11,594.15**

As at 31 March 2017 (₹ in Lakhs)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Borrowings	3,051.72				3,051.72
Term Loan (Including Interest accrued but not due)	65.93	53.18	-	-	119.11
Trade Payables	3,719.87				3,719.87
Other Financial Liabilities	874.54				874.54
Total	**7,712.06**	**53.18**	**-**	**-**	**7,765.24**

01 April 2016 (₹ in Lakhs)

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Borrowings	3,974.83				3,974.83
Term Loan (Including Interest accrued but not due)	54.85	48.41	11.76	-	115.02
Trade Payables	2,315.96				2,315.96
Other Financial Liabilities	727.67				727.67
Total	**7,073.31**	**48.41**	**11.76**	**-**	**7,133.48**

C. MARKET RISK

a) **Interest Rate risk**

i) **Liabilities**

The Company's policy is to minimise interest rate cash flow risk exposures on long-term and short term financing. At March 31, 2018, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk: (₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Variable rate borrowing	3,816.14	3,051.72	3,974.83
Fixed rate borrowings	249.84	109.69	105.78
Total borrowings	**4,065.98**	**3,161.41**	**4,080.61**
Amount disclosed under other current financial liabilites	(84.09)	(57.93)	(47.75)
Amount disclosed under borrowings	**3,981.89**	**3,103.48**	**4,032.86**

Sensitivity

The following table illustrates the sensitivity of profit and equity to a possible change in interest rates of +/- 1% (31 March 2017: +/- 1%; 1 April 2016: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant. (₹ in Lakhs)

Floating Rate	As at 31 March 2018	As at 31 March 2017
Interest sensitivity		
Interest rates – increase by 100 basis points (100 bps)	(24.95)	(19.96)
Interest rates – decrease by 100 basis points (100 bps)	24.95	19.96

* Holding all other variables constant

33 CAPITAL MANAGEMENT

The Company' s capital management objectives are

- to ensure the Company's ability to continue as a going concern

- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while keeping very low leverage by putting a cap on capital expenditure within the limit of internal accruals. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, reduction in capital expenditure or issue new shares.

a) Debt-equity ratio

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Borrowings	4,065.98	3,161.41	4,080.61
Net debt	**4,065.98**	**3,161.41**	**4,080.61**
Total equity	20,681.03	16,077.22	12,697.22
Net Debt to Equity ratio (In times)	**0.20**	**0.20**	**0.32**

b) Dividends

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
i) **Interim Dividend**		
For the year ended 31 March 2017 of 0.80 per share and for the year ended 31 March 2018 ₹ 2 per share (excluding tax)	765.77	306.34
(ii) **Final Dividend**		
For the year ended 31 March 2017 of 0.80 per share (excluding tax)	306.34	-

34 EMPLOYEE BENEFIT OBLIGATIONS

1) Gratuity

The group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the group makes contributions to recognised funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The weighted average duration of the defined Benefit Obligation as at 31 March 2018 is 19 years (31 March 2017: 19 years)

The amounts recognised in the Statement of Financial Position and the movements in the net defined benefit obligation over the year are as follows:

a. **Reconciliation of present value of Defined Benefit Obligation and the fair value of plan assets**

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value obligation at the end of the year	845.73	683.64	656.00
Fair value of plan assets at the end of the year	675.04	568.11	656.00
Net liability (asset) recognised in Balance Sheet	**(170.69)**	**(115.53)**	**-**

b. **Changes in defined benefit obligation**

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Present value obligation at the start of the year	683.64	656.00
Interest cost	52.98	49.20
Service cost	83.91	65.75
Past Service Cost	44.27	-
Benefits paid	(59.06)	(87.31)
Actuarial loss/(gain) on obligations	39.99	-
Present value obligation at the end of the year	**845.73**	**683.64**

c. Amount Recognized in the Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current service cost	83.91	65.75
Past Service Cost	44.27	-
Net Interest cost	52.98	49.20
Expected return on plan assets	(44.03)	(38.40)
Amount Recognised in the Statement of Profit and Loss	**137.13**	**76.55**

d. Change in the Fair Value of Plan Asset :

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Fair Value of Plan Assets at the Start of the Year	568.11	533.19
Return on Plan Assets	44.03	38.40
Actuarial (Loss)/Gain	(0.20)	-
Contribution	122.17	83.83
Benefits Paid	(59.06)	(87.31)
Fair Value of Plan Assets at the end of the Year	**675.05**	**568.11**

e Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Actuarial gain/(loss) on arising from change in financial assumption	39.99	Nil
Actuarial gain/(loss) on arising from experience adjustment	0.20	Nil
Unrecoganised acturial gain/(loss) at the end of the year	**40.19**	**Nil**

f Actuarial Assumption

Particulars	31 March 2018	31 March 2017
Discount rate	7.75% p.a	7.50% p.a
Future salary increase	6.00% p.a	5.00% p.a

g Demographic Assumption

Particulars	31 March 2018	31 March 2017
Retirement Age (Years)	58/75	58/75
Mortality rates inclusive of provision for disability	100% of IALM (2006-08) ultimate	
Ages	**Withdrawal Rate(%)**	
Up to 40 years	5.00%	
From 41 to 50 years	3.00%	
Above 50 years	2.00%	
Withdrawal Rate(%)(Per annum)	10.00%	

h Sensitivity analysis for gratuity liability

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Impact of the change in discount rate		
Present value of obligation at the end of the year	845.73	683.64
a) Impact due to increase of 1.00%	(79.99)	(23.66)
b) Impact due to decrease of 1.00%	95.25	23.66

i Sensitivity Analysis for Gratuity Liability

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Impact of the change in salary increase		
Present value of obligation at the end of the year	845.73	683.64
a) Impact due to increase of 1.00%	95.14	22.83
b) Impact due to decrease of 1.00%	(81.08)	(20.43)

j Maturity Profile of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
April 2016 to March 2017	-	-
April 2017 to March 2018	-	87.54
April 2018 to March 2019	59.12	78.80
April 2019 to March 2020	82.03	106.71
April 2020 to March 2021	40.47	77.84
April 2021 to March 2022	108.03	108.24
April 2022 to March 2023	44.29	-
April 2022 onwards	720.02	388.94

Defined Contribution Plans

The Company's Officer's state governed Provident Fund Scheme, Employee State Insurance Scheme and Labour Welfare Fund scheme are considered as defined contribution plans. The contribution under the schemes is recognised as an expense in the Statement of Profit and Loss, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective funds

2) **Leave Obligations**

The leave obligations cover the Company liability for earned leaves. 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, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current.The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Current Leave Obligations Expected to be Settled within the Next 12 months	9.06	15.33
Non-Current Leave Obligations Expected to be Settled in Future	129.97	101.91

Movement in the Liability Recognised in the Balance Sheet is as under:

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Present value of defined Benefit Obligation at the start of the year	117.24	94.52
Current service cost	29.33	25.79
Interest cost	9.09	7.09
Actuarial loss/(gain) recognized during the year	(16.63)	(10.16)
Benefits paid	-	-
Present value of defined Benefit Obligation at the end of the year	139.03	117.24

Amount Recognised in the Statement of Profit and Loss is as under:

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current service cost	29.33	25.79
Interest cost	9.09	7.09
Amount Recognized in the Statement of Profit and Loss	38.42	32.88

Actuarial Assumptions

Particulars	As at 31 March 2018	As at 31 March 2017
Discount Rate	7.75%	7.50%
Future Salary Increase	6.00%	5.00%

35. ALLOTMENT OF SHARES, PURSUANT TO SCHEME OF ARRANGEMENT

Pursuant to the Scheme of arrangement under section 391 to 394 of the Companies Act 1956 for demerger of the XPS undertaking of Transport Corporation of India Limited as a going concern into TCI express Limited was sanctioned by the Hon'ble High court of Telangana and Andhara Pradesh on 14 June, 2016 and the Scheme became effective from the appointed date at the Close business hours of 31st March 2016. Subsequently, the Board of Directors of the Company issued and allotted 3,80,36,800 Equity Shares of ₹2/- each to the shareholders of Transport Corporation of India Limited.

36. LEASES

Operating Lease:

In case of assets taken on lease

The Company has taken space on lease for use as sorting centres/branch operation/admin offices. There are no restrictions imposed on the Company under the lease arrangement. There are no sub-leases.

The total of minimum future lease payments under non-cancellable operating lease is as under: (₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
Lease payments for the year recognised in the Statement of Profit and Loss	3.00	2.83
Minimum lease payments:	-	-
Not later than one year	3.08	2.83
Later than one year but not later than five years	11.61	11.27
Later than five years	73.12	76.71

37. DISCLOSURES PURSUANT TO IND AS 24 "RELATED PARTY DISCLOSURES"

I. **List of Related Parties**

i) **Key Managerial Personnel:**

Name	Designation
Mr. Chander Agarwal	Managing Director
Mr. Phool Chand Sharma	Whole Time Director
Mr. DP Agarwal	Non Exceutive Non Independent
Mr. Vineet Agarwal	Non Exceutive Non Independent
Mr. Murali Krishna Chevuturi	Independent Director
Mr. Prashant Jain	Independent Director
Mr. Ashok Kumar Ladha	Independent Director
Mrs Taruna Singhi	Independent Director
Mr. Mukti Lal	Chief Financial Officer
Mr. Vinay Gujral	Company Secretary

iii) **Enterprises over which KMPs/ relatives of KMPs exercise Significant Influence**

Bhoruka Finance Corporation of India Ltd	XPS Cargo Services Ltd
TCI Properties (Guj) – Partnership firm	TCI India Ltd
TCI Properties (Delhi) – Partnership firm	TCI Warehousing (MH) – Partnership firm
TCI Developers Ltd.	Transport Corporation of India Ltd
TCI Properties (West) Ltd.	Transystem Logistics International Pvt. Ltd
TCI Institute of Logistics	Bhoruka Charitable Trust

II. **Transactions during the year with Related Parties:**

A. **Enterprises over which KMPs/ relatives of KMPs exercise significant influence** (₹ in Lakhs)

Nature of Transaction	Year ended 31 March 2018	Year ended 31 March 2017
Income		
Freight Income	92.78	63.85
Rent Received	164.07	120.51
Expenditure		
Rent Paid	833.94	761.80
Freight Expense	2.51	22.28
Fuel Purchase	3.58	3.48
Training Expenses	-	2.37
Shipping Expenses	105.50	69.21
Consultancy Expenses	29.99	19.49

B Key Managerial Personnel Compensation

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Short term Employee Benefits	578.97	337.95
Post Employment Benefits	27.68	16.05
Other Long Term Employee Benefits	23.40	4.95
Employee Stock Option Plan	50.95	-
Sitting fees and Commission to Independent Directors	24.00	19.70

III. Balance as at the year end :

(₹ in Lakhs)

Nature of Transactions	Nature of Relation	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Assets:				
Trade Receivables	Enterprises over which KMPs/ relatives of KMPs exercise significant influence	-	4.96	3.16
Advances/ Deposits Given		140.14	140.14	160.14
Liabilities:				
Remuneration Payable	Managing Director and Non Executive & Non Independent Directors	121.00	78.00	-

38. SEGMENT REPORTING

As the Company's main business activity falls with in a single primary Business segment viz. "Express Cargo" the disclosure requirements of Segment Reporting as per Indian Accounting Standard - 108 are not applicable.

39. Various parties accounts are subject to confirmation and reconciliation, wherever required.

40. Previous year figures have been regrouped/rearranged wherever considered necessary.

41. ADDITIONAL INFORMATION

Remittance in Foreign Currency :

(₹ in Lakhs)

Particulars	31 March 2018
Travelling Expenses	183.40
Dividend Payment	28.42
Management Training Programme	27.02

42. RECENT ACCOUNTING PRONOUNCEMENTS

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors;

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

43. NET DEBT RECONCILIATION

(₹ in Lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash and Cash equivalents	1,217.83	878.36	1,089.96
Less: Non Current borrowings	251.06	109.99	105.78
Less: Current borrowings	3,816.14	3,051.72	3,974.83
Net Debt	**2,849.37**	**2,283.35**	**2,990.65**

44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows:

(₹ in Lakhs)

Particulars	Long Term Borrowings	Short Term Borrowings	Cash and Cash Equivalents	Total
Net Debt as at 1 April 2016	105.78	3,974.83	1,089.96	2,990.65
Cash Flows:				
Proceeds	55.80	-	-	55.80
Repayment	(51.89)	(923.11)	-	(975.00)
Interest expense	7.13	237.48	-	244.61
Interest paid	(6.83)	(237.48)	-	(244.31)
Net Cash Flows	-	-	(211.60)	211.60
Net Debt as at 31 March 2017	**109.99**	**3,051.72**	**878.36**	**2,283.35**

(₹ in Lakhs)

Particulars	Long Term Borrowings	Short Term Borrowings	Cash and Cash Equivalents	Total
Net Debt as at 1 April 2017	109.99	3,051.72	878.36	2,283.35
Cash Flows:				
Proceeds	222.37	764.42	-	986.79
Repayment	(82.21)	-	-	(82.21)
Interest expense	15.46	361.19	-	376.65
Interest paid	(14.55)	(361.19)	-	(375.74)
Net Cash Flow	-	-	339.47	(339.47)
Net Debt as at 31 March 2018	**251.06**	**3,816.14**	**1,217.83**	**2,849.37**

45. FIRST TIME ADOPTIONS

Explanation of transition to Ind AS

These are the first financial statements prepared in accordance with Ind AS.

The financial Statements for the year ended 31 March 2018 are the first the Compay has prepared in accordance with Ind AS. For periods upto and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of teh Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Company has prepared financials statements which comply with Ind AS applicable for the period ending on 31 March 2018, together with the comparative period data at and for the year ended 31 March 2017, as described in the summary of significant accounting polices. On preparing these financial Statements, the Company opening balance sheet was prepared as at 1 April 2016, the Company date of transtion to Ind AS, An explanation of how the transtion from previous GAAP to Ind AS has affected the Company;s financial position, financial performance and cash flows is set out in the following tables and notes.

A. **Ind AS optional exemptions**

Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets Accordingly, the Company has elected to measure all of its property, plant and equipment, and intangible assets at their Previous GAAP carrying value

B. **Ind AS mandatory exceptions**

1 **Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP.

2 **Classification and measurement of financial assets and liabilities**

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

3 **Impairment of financial assets**

At the date of transition to Ind AS, determine whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised.

C. **Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

1 **Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at April 1, 2016 is as follows:**

(₹ in Lakhs)

Particulars	Note	Per previous GAAP*	Ind AS Adjustments	Ind AS
Non-Current Assets				
Property, Plant And Equipment	1	6,167.70	(128.50)	6,039.20
Capital Work-In-Progress		907.34	-	907.34
Intangible Assets		206.94	0.00	206.94
Financial Assets				
Loans	7	160.14	0.05	160.19
Other Non-Current Assets		123.51	90.81	214.32
		7,565.63	**(37.64)**	**7,527.99**
Current Assets				
Financial Assets				
Trade Receivables	2	10,539.25	(77.84)	10,461.41
Cash and Cash Equivalents		1,091.32	(1.36)	1,089.96
Loans		427.06	1.36	428.42
Other Current Assets	7	226.57	726.18	952.75
		12,284.20	**648.34**	**12,932.54**
		19,849.83	**610.70**	**20,460.53**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	5	760.74	-	760.74
Other Equity		11,537.14	399.34	11,936.48
		12,297.88	**399.34**	**12,697.22**
Non-Current Liabilities				
Financial Liabilities				
Borrowings		58.03	-	58.03
Deferred Tax Liabilities (Net)	4	235.44	211.35	446.79
		293.47	**211.35**	**504.82**
Current Liabilities				
Financial Liabilities				
Borrowings		3,974.83	-	3,974.83
Trade Payables		2,315.96	-	2,315.96
Other Financial Liabilities	7	623.88	103.79	727.66
Other Current Liabilities	7	61.08	-	61.08
Provisions		282.73	(103.78)	178.95
		7,258.48	**0.01**	**7,258.49**
Total Equity and Liabilities		**19,849.83**	**610.70**	**20,460.53**

2 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at March 31, 2017 is as follows:

(₹ in Lakhs)

Particulars	Note	Per previous GAAP*	Ind AS Adjustments	Ind AS
Non-Current Assets				
Property, Plant And Equipment	1	9,680.61	(128.49)	9,552.12
Capital Work-In-Progress		785.36	-	785.36
Intangible Assets		162.09	-	162.09
Other Non-Current Assets	7	409.78	87.98	497.76
Income Tax Assets (Net)		-	0.15	0.15
		11,037.84	**(40.36)**	**10,997.48**
Current Assets				
Financial Assets				
Trade Receivables		11,491.34	(182.07)	11,309.27
Cash and Cash Equivalents		867.02	(13.23)	853.79
Other Bank Balances		11.34	13.23	24.57
Loans		632.34	0.80	633.14
Other Current Assets	2	1,197.87	(574.92)	622.95
		14,199.91	**(756.19)**	**13,443.72**
		25,237.75	**(796.55)**	**24,441.20**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		765.77	-	765.77
Other Equity		15,234.72	76.74	15,311.45
		16,000.49	**76.74**	**16,077.22**
Non-Current Liabilities				
Financial Liabilities				
Borrowings		51.76	-	51.76
Deferred Tax Liabilities (Net)	4	294.37	40.61	334.98
		346.13	**40.61**	**386.74**
Current Liabilities				
Financial Liabilities				
Borrowings		3,051.72	0.00	3,051.72
Trade Payables		3,779.87	(60.00)	3,719.87
Other Financial Liabilities	7	673.23	201.30	874.54
Other Current Liabilities	7	207.31	(118.01)	89.31
Provisions		1,179.00	(937.20)	241.80
		8,891.13	**(913.90)**	**7,977.24**
Total Equity and Liabilities		**25,237.75**	**(796.55)**	**24,441.20**

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

3 Reconciliation of the revenue and expenses presented in the statement of profit and loss prepared as per Previous GAAP and as per Ind AS as at March 31, 2017 is as follows:

(₹ in Lakhs)

Particulars	Note	Per previous GAAP*	Ind AS Adjustments	Ind AS
Revenue				
Revenue from Operations	3	75,387.11	(360.33)	75,026.78
Other Income		136.52	0.13	136.65
Total Income		**75,523.63**	**(360.20)**	**75,163.43**
Expenses				
Operating Expenses		57,632.24	25.96	57,658.20
Employee Benefits Expense		5,881.76	-	5,881.76
Finance Costs		244.30	-	244.30
Depreciation and Amortisation Expense		431.39	-	431.39
Other Expense		5,189.82	107.20	5,297.02
Total		**69,379.51**	**133.16**	**69,512.67**
Profit Before Tax		**6,144.12**	**(493.36)**	**5,650.76**
		6,144.12	**(493.36)**	**5,650.76**
Tax Expense				
Current Tax		2,013.87	-	2,013.87
Deferred Tax (net)		58.93	(170.74)	(111.81)
Tax Pertaining To Prior Years		-	-	-
		2,072.80	**(170.74)**	**1,902.06**
Profit for the Year		**4,071.32**	**(322.61)**	**3,748.70**
Other Comprehensive Income		**-**	**-**	**-**
Total Comprehensive Income for the Year		**4,071.32**	**(322.62)**	**3,748.70**

4 Reconciliation of Total Equity as at 31 March 2017 and 1 April 2016

(₹ in Lakhs)

Particulars	Note	As at 31 March 2017	As at 1 April 2016
Total equity (shareholder's funds) as per previous GAAP		16,000.49	12,297.87
Adjustments:			
Changes in revenue recognition (POCM)	3	337.11	723.41
Leasehold Land adjustment (Operating lease)	1	(37.69)	(34.86)
Expected Credit Loss	2	(182.07)	(77.84)
Deferred tax assets on above	-	(40.62)	(211.36)
Total equity as per Ind AS		**16,077.22**	**12,697.22**

5 Reconciliation of Total Comprehensive Income for the year ended 31 March 2017

(₹ in Lakhs)

Particulars	Note	As at 31 March 2017
Profit after tax as per previous GAAP		4,071.32
Adjustments:		
Change in revenue recognition (POCM)	3	(386.16)
Leasehold Land adjustment (Operating lease)	1	(2.83)
Expected Credit Loss	2	(104.37)
Defferred tax assets on above	-	170.74
Profit after tax as per Ind AS		**3,748.70**
Other Comprehensive income		-
Total Comprehensive Income as per Ind AS		**3,748.70**

The following explains the material adjustments made while transition from previous GAAP to Ind - AS.

Note 1: Leasehold Land adjustment (Operating lease)

As per Ind AS 17, leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Note 2: Trade receivables (ECL)

As per Ind AS 109, company has applied the expected credit loss model on trade receivables for recognising the allowance for doubtful debts.

Note 3: Deferred revenue and cost (POCM)

Under the previous GAAP, company was accounting for all the revenues and costs for deliveries made as at the end of the reporting period. Under IND AS, revenues and costs have been deferred, on the basis of percentage of completion method, for those deliveries which have not made as at the end of the reporting period. These would be rolled over to income/expenditure in the immediate next reporting period as and when the pending deliveries would be made.

Note 4: Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS. March 31, 2017 comprises Property, Plant and Equipment ₹ 291.19, Receivables, financial assets and liabilities at amortised cost ₹ 53.65, Provision for employee and other liabilities deductible on actual payments ₹ (9.86), (April 1, 2016 comprises Property, Plant and Equipment ₹ 223.37, Receivables, financial assets and liabilities at amortised cost ₹ 223.42)

Note 5: Retained earnings

Retained earnings as at 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 6:

The Ind- AS adjustments are either non cash adjustments or are re-grouping among the cash flow from operating, investing and financing activities. Consequently, Ind-AS adoption has no impact on the net cash flow for the year ended 31 March, 2017 as compared with the previous GAAP.

Note 7:

The Company has re-classified certain assets and liabilities to comply with the requirements of Ind-AS. This has no resulting impact on equity and net profit.