CJ DARCL LOGISTICS LIMITED

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

DIRECTORS' REPORT

To the Members,

The Directors of your Company are pleased to submit the 33rd Annual Report on the business and operations of the Company for the year ended March 31, 2020.

FINANCIAL RESULTS

(Rupees in Millions)

Particulars	**Standalone**		**Consolidated**	
	2019-20	**2018-19**	**2019-20**	**2018-19**
Freight Income (Turnover)	**23263.69**	22613.21	**24026.75**	23488.25
EBIDTA	**1290.41**	1114.20	**1360.21**	1174.59
Less: Interest	**343.68**	329.98	**356.88**	336.58
Profit before Depreciation, Amortization and Tax	**946.73**	784.22	**1003.33**	838.01
Less: Depreciation /Amortization	**388.21**	260.48	**389.39**	260.90
Profit before Taxation	**558.52**	523.74	**613.94**	577.11
Less: Tax Provision (Net)	**143.76**	184.53	**159.52**	167.16
Net Profit for the year	**414.76**	339.21	**454.42**	409.95
Other Comprehensive Income	**-5.21**	0.94	**-5.19**	1.06
Total Comprehensive Income	**409.55**	340.15	**449.23**	411.01

FINANCIAL PERFORMANCE REVIEW

On standalone basis, Revenue is marginally increased to Rs. 23263.69 Million as compared to Rs. 22613.21 Million in the previous year with growth of 3%, while Profit before Tax stood at Rs.558.52 Million as compared to Rs. 523.74 Million in the previous year. On consolidated basis, Revenue remained at Rs. 24026.75Million as compared to Rs. 23488.25 Million for the F.Y. 2018-19. Profit before Tax on consolidated basis remained at Rs. 613.94 Million as compared to Rs 577.11 Million of previous year.

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the provisions of Companies Act, 2013 the Consolidated Financial Statement of CJ Darcl as provided is in accordance with the applicable Accounting Standard 'CONSOLIDATED FINANCIAL STATEMENTS.' The Consolidated Financial Statements includes Financial Results of Subsidiary Companies of CJ DARCL. Pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries for the year ended 31st March, 2020 in form AOC-1 is included along with the financial statement in this Annual Report.

SUBSIDIARY COMPANIES

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

Transrail Logistics Limited

Transrail Logistics Limited commenced its business operations in Year 2009, post incorporation in Year 2008. The Company is engaged in transportation through both road and rail operation on asset light basis. Major work is through Road operations. Rail operation was carried out by way of parcel train movement. Subsidiary Company achieved the Turnover (Income from Operations) of Rs. 810.01 Million during F.Y. 2019-20 as against last year Turnover of Rs. 950.94 Million. There is profit before tax of Rs. 53.07 Million in F.Y. 2018-19 against last year profit of Rs. 53.61 Million.

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

Darcl Logistics Nepal Pvt. Ltd.

As reported in previous years report, your Company has incorporated the Subsidiary Company at Nepal. During the Financial Year under report the Company Business operation commenced from 1st April 2013. The Financial year in Nepal is from 16th July to 15th July. Audit of F.Y. for the period 16.07.2019 to 15.07.2020 is in progress. For the purpose of consolidation of accounts of your Company the financial of Darcl Logistics Nepal Pvt. Ltd. for the period April 2019 to March 2020 has been reviewed by the Auditor at Nepal. The Company has recorded very marginal revenue during the period April 2019 to March 2020. Nepal is largely dependent on Import and thus there is regular movement of cargo from various countries including India to Nepal. Your Company has been appointed as an Agent by your Subsidiary Company for execution of business operation in India while transporting from India to Nepal to execute the Work order received by the Subsidiary Company for movement from India to Nepal.

Fr8ology Private Limited

The Company was incorporated on 17.03.2017 with the main objective of carry on the business of technology based logistics solution and products domestically and internationally including aggregation of transport, vehicle tracking solution for providing customers with a platform, in the physical and/or electronic form, by way of facsimile, electronic-mail (e-mail), internet, intranet, e-commerce, m-commerce, mobile applications and/or any other means enabling the transactions of hiring of all types of Fleets comprising trucks, trailers, lorries, containers, cars, taxies or any other motor vehicles for consideration, commission, service fee, introduction fee and to act as a facilitator, advisor, consultant, platform, agent and service provider. The Company is yet to be operational in full pace. The revenue and profit/loss recorded in the books for period ended 31.3.2020 is very nominal.

CJ Korea **Express India Private Limited**

During the year under review your Company acquired CJ Korea Express India Private Limited (CJKIPL), from CJ Logistics Corporation which is Wholly Owned Subsidiary w.e.f. 31st October, 2019. The revenue is Rs. 362.78 million during the year with loss after tax provision of Rs. 8.28 million.

OVERALL BUSINESS OPERATION

Your Company is one of the leading Logistics players in the country and it follows an efficient Asset Light Model with a Fleet of over 800 owned Heavy Vehicles and over 10,000 associated vehicles. Your Company also owns 3 BLL rakes of 40 wagons each & 1 Leased rake and approx. 600 containers. The Company has further leased out 3 owned rakes during the year. Company is executing Rail operations through CONCOR rakes. Your Company offers Full Truck Load (FTL) business, Rail Freight business, Project Logistics with special reference to the movement of Over Dimensional Consignments, Freight Forwarding business, Container Cargo, Warehousing, Automotive and Multi-Modal Business. Your Company has built an enviable customer base of exceeding 1000 clients including over 250 regular customers comprising PSU's/Navratna's and leading Indian and Multinational corporates.

FUTURE OUTLOOK

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

Digital Transformation leading to productivity and efficiency, as there is no doubt that moving forward technology will play a key role in enabling better logistics. Technology will help companies manage their resources better and analytics to have better decision making. Your Company will move in this direction and will have thrust to create digital transformation with technology.

INDUSTRY OVERVIEW

Increased investment in infrastructure, last mile connectivity and emerging technologies have been instrumental in streamlining the logistics landscape in India. The logistics sector in India has been witnessing strong growth in past few years due to some revolutionary reforms. Through Make in India initiative as introduced by Hon'ble Prime Minister growth is envisioned in manufacturing sector which in turn will result in high demand levels of logistics efficiency and newer warehouses.

While India's logistics sector was projected to be worth USD 215 billion by 2020-21, as reported by India Ratings, the volume of inland logistics companies is likely to fall 10-15% due to prolonged recovery time for consumption demand. In spite of the COVID-19 impact, the industry is likely to benefit from the government policies and efforts that are already in place.

The logistics industry has been instrumental in ensuring that the global flow of goods, particularly essential items, is largely unhindered despite the lack of sufficient transport and disruptions in the supply chain.

The Indian Logistics Industry has various opportunities like Companies and MSMEs to receive a boost under Atmanirbhar Bharat Abhiyan, Adoption of automation and modern handling systems, With new demand sector such as Essentials the need of cold supply chain and regular logistics and storage will see a huge demand. Besides opportunities, lack of infrastructure, regulatory challenges, Inadequate insurance coverage, HSSE concerns and cost pressure are some of challenges being looked by the Indian Logistics Industry.

The upcoming 'National Logistics Policy' is expected to improve ease of doing business and inherently the domestic logistics play is expected to perform better. Dedicated freight corridors and logistics parks, development of waterways and air connectivity, and incentivizing green initiatives would go a long way in boosting the sector.

IMPACT OF COVID-19 ON BUSINESS

Presently, the COVID-19 pandemic developed rapidly into a global crisis, forcing Governments to enforce lockdowns of all economic activity. The situation has created disruption in business operations of the Company. Despite the difficulties posed by Covid-19 our operations were on going wherever possible to accelerate the movement of essential goods. The focus of Company shifted to ensuring the health and well being of employees and their families with minimizing disruption of services to customers. The health and safety of our employees, partners and customers are of the utmost priority to the Company. We have taken all the precautions like providing masks, hand sanitizers, disinfectants and temperature checks for staff and essential visitors at all our facilities which are operational. The operations have been and shall be open only to the extent permitted and allowed by State and Central Government. The ground staff have obtained relevant approvals from local Government Authorities and ensured compliance with safety norms. The Company focus is moving on digital and technology initiatives. The employees are empowered and facilitated to work from home keeping in view their wellbeing.

DIVIDEND AND APPROPRIATIONS

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

HUMAN RESOURCES MANAGEMENT

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

The success of any organization depends largely on its human resources, its management and good industrial relations. Your Company has always viewed human resource development as a critical activity for achieving its business goals. The Company strives to adopt best Human Resource Management practices. The employee strength of the Company, as on 31st March, 2020 was 3741including Fleet crew.

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT

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

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

COMPUTERIZATION

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

CREDIT RATING

CRISIL has re-affirmed Long term Credit Rating of **A- (minus)/Stable** during the current year for total bank loan facilities of Rs. 500 Crores rated by it. Outlook of the Company has been Stable. CRISIL has re-affirmed short term credit rating from **A2+**. During the Year, your Company also got credit rating of Fixed Deposit from CRISIL. It has assigned credit rating of **FA/Stable** with Stable business outlook.

FLEET AUGMENTATION AND STRENGTHENING OF NETWORK

Current fleet strength of the Company is nearly 800 Nos. including trailers, multi axles, tippers, tankers, trucks, platforms etc. of varied size catering to the needs of the customers. Your Company purchased around 200 new commercial vehicles during the financial year under report. As your Company operates on the asset light model, business through owned vehicles accounts for nearly 10% of total business during the year under report. Your Company also owns 3 rakes of 40 wagons each and around 600 containers.

MIGRATION FROM ISO TO IMS CERTIFICATION:

Your Company has upgraded ISO 9001 certification with Integrated Management System (QMS & OHSMS). Your company is certified under Integrated Management system (IMS) w.e.f. January, 2019. Your Company is currently under the implementation process ISO 14001:2015 and SEDEX compliance. IMS certification has triggered an Environment, Health, Safety and Quality process based approach in the organization, which will have a long and everlasting favourable impact on the Company sustainable supply chain. Efforts on IMS consciousness and continuous process developments are going on. Proper training at every Regional Offices of the Company has been conducted and the same is being provided for effective compliance & controls.

BANKING FACILITIES:

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

AWARDS AND RECOGNITIONS

During the year under report till date, your company has received CII Scale Awards 2019 – Supply Chain and Logistics Excellence in category -Road Transportation and Special Goods Transport.

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

IBA RECOMMENDATION

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

ESOP SCHEME

Your Company has maintained a corpus of 12 lac equity shares through TCG ESOP Trust for issue of ESOP to eligible employees of the Company. The Share Holder Agreement (SHA) with CJ Logistics Corporation (which holds 50% shareholding), inter-alia, requires the Company to cancel the shares held in this ESOP trust by obtaining prior approval from NCLT (National Company Law Tribunal). Company is yet to start the process for seeking requisite approval of NCLT.

EXTRACT OF ANNUAL REPORT

The extract of Annual Return as provided under sub-section (3) of Section 92 of Companies Act, 2013 read with Rule 12 of companies (management & administration rules) 2014 as prescribed in Form MGT-9 is set out as **Annexure- I** to this Report and is also available on the weblink : http://www.cjdarcl.com/investor-relations/financial-reports/annualreturn2020.pdf.

COMPOSITION OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Disclosure of composition of the Corporate Social Responsibility Committee, contents of the CSR Policy and the format as provided under section 135 of Companies Act, 2013 read along with Companies (Corporate Social Responsibility Policy) Rules, 2014 is given in **Annexure- II** to this Report. During the year 2019-20 in view of Covid-19 pandemic your Company contributed an amount of Rs. 1,00,00,000 (Rupees One Crore) towards PM CARES FUND as responsible Corporate Citizen.

PARTICULARS OF CONTRACTS/ARRANGEMENT WITH RELATED PARTIES

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

FIXED DEPOSITS

The total deposits as on 31.03.2020 were Rs. 23.25 Crores, out of which Rs. 12.92 Crores is repayable within one year. The amount of unclaimed deposits as on 31.03.2020 was Rs. 22.06 lakhs which is still pending.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

BOARD OF DIRECTORS

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

S. No.	Name	Designation	DIN	Qualification	Experience (Years)	Date of appointment
1	Mr. Krishan Kumar Agarwal	Chairman and Managing Director	00151179	B.Com	46	10.12.1986
2	Mr. Darshan Kumar Aggarwal	Joint Managing Director	00151560	Undergraduate	44	10.12.1986
3	Mr. Roshan Lal Aggarwal	Joint Managing Director	00151657	Undergraduate	43	10.12.1986

4	Mr. Narender Kumar Agarwal	Joint Managing Director	00052456	B.Com	40	10.12.1986
5	Mr. Amandeep	Independent Director	00226905	M Sc.	29	30.09.2016
6	Mr. Hyoung Gun Kang	Executive Director	07875012	Bachelors	21	10.08.2017
7	Mr. Euy Don Park	Independent Director	02763067	B Sc, M sc, Ph.d	34	10.08.2017
8	Mrs. Rajni Gupta	Independent Director	02135443	B.com, C.A. & CMA	27	17.09.2018
9	Mr. Do Young Kim	Independent Director	08204199	Doctorate in English	33	17.09.2018
10	Mr. Jonathan Park	Non Executive Director	08389524	Bachelors in Accounting	21	15.03.2019
11	Mr. Doson Yoon	Non Executive Director	08390063	Bachelors	32	15.03.2019
12	Mr. Sung Yong Hong	Non-Executive Director	08389474	Masters in Business Administration	21	15.03.2019

Appointments

During the current Financial year a non- executive director namely Mr. Sang Hyun Yoon (DIN: 08791522), has been appointed in the Board w.e.f. 27.07.2020 as additional Director. The Board further recommend the member to appoint him as Non-Executive Director of the Company. He is appointed as Non-Executive Director on the Board w.e.f. 27.07.2020 in lieu of resignation of Mr. Doson Yoon.

Mr. Sang Hyun Yoon (DIN: 08791522) was appointed as Non-Executive Director on the Board w.e.f. 27.07.2020 in lieu of resignation of Mr. Doson Yoon (DIN: 08390063).

In accordance with the provisions of section 149 of the Companies Act, 2013 Board of Directors has proposed the re- appointment of Mrs. Rajni Gupta (DIN-02763067) and Mr. Do Young Kim (08204199) as an Independent Director for the second term from 17.9.2020 for a period of 3 years or upto the conclusion of 36th Annual General Meeting of the Company to be held on or before 30.09.2023 whichever is earlier.

Retirement by Rotation

In accordance with the provisions of section 152 of the Companies Act, 2013 Mr. Krishan Kumar Agarwal, Chairman & Managing Director (DIN – 00151179), Mr. Roshan Lal Aggarwal (DIN-00151657), Joint Managing Director and Mr. Narender Kumar Agarwal (DIN -00052456), Joint Managing Director retires by rotation and being eligible, has offered themselves for re-appointment. Board of Directors of your Company recommends their re-appointment.

Resignation

There was no resignation during the year under report. Mr. Doson Yoon (DIN: 08390063) resigned during the current Financial Year. He was nominated on behalf of CJ Logistics Corporation based on Shareholder's Agreement executed between CJ Logistics Corporation, Company and other Shareholder's.

The Board takes on record the association of Mr. Doson Yoon (DIN: 08390063) and his valuable inputs and contribution as member of the Board.

DECLARATION BY INDEPENDENT DIRECTOR(S)

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

MEETING OF DIRECTORS

During the financial year 2019-20, Board of Directors of your Company met five times on the following dates:-

Sr. No.	No. of Board Meeting	Date of Board Meeting	No. of Directors Present
1	362nd	08.04.2019	12
2	363rd	25.05.2019	8
3	364th	04.09.2019	12
4	365th	16.12.2019	11
5	366th	06.03.2020	10

Attendance of Directors at the Board meetings held during the financial year 2019-2020 are as under:-

Sr. No.	Director	Designation	No. of Board meeting attended
1	Mr. Krishan Kumar Agarwal	Chairman and Managing Director	5
2	Mr. Darshan Kumar Aggarwal	Joint Managing Director	5
3	Mr. Roshan Lal Aggarwal	Joint Managing Director	4
4	Mr. Narender Kumar Agarwal	Joint Managing Director	5
5	Mr. Amandeep	Independent Director	4
6	Mr. Hyoung Gun Kang	Executive Director	5
7	Mr. Euy Don Park	Independent Director	4
8	Mrs. Rajni Gupta	Independent Director	4
9	Mr. Do Young Kim	Independent Director	4
10	Mr. Jonathan Park	Non-Executive Director	5
11	Mr. Sung Yong Hong	Non-Executive Director	4
12	Mr. Doson Yoon	Non-Executive Director	4

AUDIT COMMITTEE

Composition

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

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

Company Secretary as Secretary of the Committee.

Statutory Auditors and Internal Auditors with non-voting rights.

MEETINGS OF AUDIT COMMITTEE

During the financial year 2019-20, Audit Committee of the Board of Directors of your Company met 5 times on the following dates:-

S. No.	No of meeting	Date of Meeting	No. of Directors Present
1	55	08.04.2019	6
2	56	25.05.2019	5
3	57	04.09.2019	6
4	58	16.12.2019	5
5	59	29.02.2020	6

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

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

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

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

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

The scope of NRC is to identify the persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the laid down criteria, recommend to the Board their appointment and renewal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Committee formulates the criteria for determining qualifications, positive attributes and independence of a Director and recommends to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

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

MEETINGS OF NOMINATION AND REMUNERATION COMMITTEE

During the financial year 2019-20, Remuneration Committee of the Board of Directors of your Company met once on the below date:-

Srl. No.	No of meeting	Date of Meeting	No. of Directors Present
1	12th	29.02.2020	4

Attendance of Members at the Nomination and Remuneration Committee meetings held during the financial year 2019-20 are as under:-

Sr. No.	Name of Director	Designation	No. of Meetings attended
1	Mr. Euy Don Park	Independent Director	1
2	Mr. Amandeep	Independent Director	1
3	Mrs. Rajni Gupta	Independent Director	1
4	Mr. Do Young Kim	Independent Director	1

STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition

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

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

No meeting of Stakeholders Relationship committee took place during FY 2019-20, The Board of Directors in their meeting held on 6th March, 2020 dissolved the Stakeholders Relationship Committee.

INDEPENDENT DIRECTOR MEETING

For the Financial Year 2019-20, 01 (one) separate meeting of the Independent Directors was held on Saturday 29th Day of February, 2020. Independent Directors Mrs. Rajni Gupta, Mr. Amandeep, Mr. Euy Don Park and Mr. Do Young Kim attended the meeting.

BOARD ANNNUAL EVALUATION

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

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

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

The details of loans, investments or guarantees under Section 186 of the Companies Act 2013 and Rules made thereunder are given in the notes to the Financial Statements. (Refer to Note No. 37 to the Standalone financial statements as part of Related Party list).

WHISTLE BLOWER POLICY/VIGIL MECHANISM

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

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

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

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

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

RISK MANAGEMENT

Effective risk management is an intrinsic part of the operations of the Company. Your Company adopts a comprehensive system of Risk Management. The Company adopted Risk Management Policy. It ensures that all risks are defined and mitigated in accordance with well structures risk Management Process. The risk management framework is periodically reviewed by the Board and the Audit committee. Risk evaluation and management is an ongoing process. As a diversified enterprise, the Company continues to focus on a system based approach to business risk management.

INTERNAL CONTROL SYSTEMS AND INTERNAL FINANCIAL CONTROL

The Company has an internal control system including financial controls, commensurate with the size, scale and complexity of its operations for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information & these are sufficient and are functioning efficiently. The efficacy of the internal control systems is verified by the Internal and Statutory Auditors of the Company.

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

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report. However, Covid-19 pandemic situation has created disruptions in the business operations of the Company.

MATERIAL CHANGE IN NATURE OF BUSINESS

There was no material change in the nature of Company's business during the year under review.

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

List of Top 10 employees in terms of remuneration in FY 2019-20

Srl. No.	Name	Qualification	Date of Birth	Designation	Remuneration in crores	Experience in years
1	Krishan Kumar Agarwal	B.Com	05.06.1954	CMD	3.43	46
2	Darshan Kumar Agarwal	Undergraduate	15.05.1956	Joint Managing Director	2.99	44
3	Roshan Lal Agarwal	Undergraduate	02.05.1957	Joint Managing Director	2.99	43
4	Narender Kumar Agarwal	B.Com	01.09.1959	Joint Managing Director	2.99	40
5.	Hyoung Gun Kang	Physical Optics	07.02.1971	Whole-time Director	1.89	26
6.	Chol Hoi Kim	MBA	09.05.1975	Chief Financial Officer	1.75	22
7	Sung wook Jung		01.07.1975	Co-COO	1.06	21

8	Puneet Agarwal	B.Com (H), M. Sc.	14.09.1978	President-IT & Strategy	1.05	15
9	Vineet Agarwal	B. Com., MBA	02.01.1982	President	0.93	14
10	Nitesh Agarwal	B. Sc., PGDM	01.02.1983	President	0.93	13

SIGNIFICANT AND MATERIAL ORDERS

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

INVESTOR SERVICES

Dematerialization of Shares

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

REGISTRAR AND TRANSFER AGENT

Contact detail of the Registrar and Transfer Agent is:

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

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

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

CJ Darcl Logistics Limited
Darcl House, Plot No. 55P,
Sector-44, Institutional Area, Gurugram (Gurgaon)-122003
Phone: 9015202121, 25-26
Fax: 0124-4034162
E-mail: investorgrievance@cjdarcl.com

AUDITORS

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

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013& rules made thereunder, the Company has appointed Mr. Dhananjay Shukla, practicing Company Secretary as Secretarial Auditor to undertake Secretarial Audit of the Company for the Financial Year 2019-20.

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

COST AUDITORS

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

AUDITORS OBERSERVATION AND MANAGEMENT EXPLANATION THERETO

Management has taken corrective and proactive action to strengthen internal control system in the Company during the year under report in respect of CARO reporting and Auditors overall report.

SEGMENT DATA

Your Company has not shown segmental data as not applicable.

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

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

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

C. **Foreign Exchange Earnings & Outgo**

Foreign Exchange Earnings : Rs. 248.95 millions
Foreign Exchange Outgo: Rs. 194.59 millions

The amount of foreign exchange earning is mainly from customers on account of revenue.
The amount spent in foreign exchange is majorly for Ocean freight expense.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

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

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

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

(iv) that the Directors have prepared the accounts for the financial year ended March 31, 2020 on a going concern basis.

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

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

ACKNOWLEDGEMENT

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

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

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

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

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

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

Date: 24.09.2020
Place: Gurugram

Annexure-I to Directors Report

Form No. MGT-9
Extract of Annual Returns of the Financial Year Ended on 31.03.2020
[Pursuant to section 92(30 of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I.REGISTRATION AND OTHER DETAILS:

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

II.PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i. *Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	1247802	-	1247802	5.23%	1247802	-	1247802	5.23%	0.00 %
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp									
e) Banks / FI									
f) Any Other									
Sub-total(A)(1):-	**1247802**	**-**	**1247802**	**5.23%**	**1247802**	**-**	**1247802**	**5.23%**	**0.00 %**
2) Foreign									
g) NRIs-Individuals									
h) Other-Individuals									
i) Bodies Corp.	11931071	-	11931071	50%	11931071	-	11931071	50%	**0.00 %**
j) Banks / FI									
k) Any Other….									
Sub-total (A)(2):-	**11931071**	**-**	**11931071**	**50%**	**11931071**	**-**	**11931071**	**50%**	**0.00 %**
B. Public Shareholding									
1. *Institutions*									
a)Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds	**-**	**-**	**-**	**-**					**-**
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
	-	**-**	**--**	**-**					**-**

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

i. ***Shareholding of Promoters***

Sr. No	**Shareholder's Name**	**Shareholding at the beginning of the year**			**Shareholding at the end of the year**			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Mr. Krishan Kumar Agarwal	**196490**	**0.82%**	**0.56%**	**196490**	**0.82%**	**0**	**0**

2.	Mr. Darshan Kumar Agarwal	**192708**	**0.81%**	**0**	**192708**	**0.81%**	**0**	**0**
3.	Mr. Roshan Lal Agarwal	**278049**	**1.17%**	**0**	**278049**	**1.17%**	**0**	**0**
4.	Mr. Narender Kumar Agarwal	**580555**	**2.43%**	**2.42%**	**580555**	**2.43%**	**0**	**0**
5.	CJ Logistics Corporation	**11931071**	**50.00%**	**0**	**11931071**	**50.00%**	**0**	**0**
	Total	**13178873**	**55.23%**	**2.98%**	**13178873**	**55.23%**	**0**	**0**

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

Sr. no		**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Krishan Kumar Agarwal At the beginning of the year	196490	0.82%	196490	0.82%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): 15.11.2018 (Purchased)	**0**	**0**	**0**	**0**
	At the End of the year	**196490**	**0.82%**	**196490**	**0.82%**
2.	Mr. Darshan Kumar Agarwal At the beginning of the year	192708	0.81%	192708	0.81%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	192708	0.81%	192708	0.81%
3.	Mr. Roshan Lal Aggarwal At the beginning of the year	278049	1.16%	278049	1.16%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				

	At the End of the year	278049	1.16%	278049	1.16%
4.	Mr. Narender Kumar Agarwal At the beginning of the year	580555	2.43%	580555	2.43%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	278049	2.43%	278049	2.43%
5.	CJ Logistics Corporation At the beginning of the year	11931071	50.00%	11931071	50.00%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	11931071	50.00%	11931071	50.00%

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

Srl. No.	**For each of the Top 10 Shareholders**	**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
		No. of Shares	**% of total Shares of the Company**	**No. of Shares**	**% of total Shares of the Company**
1	**ASM (India) Investments Private Limited** At the beginning of the year	**3238064**	**13.57**	**3238064**	**13.57**
	Date wise increase/(decrease)	**-**	**-**	**-**	**-**
	At the end of the year	**3238064**	**13.57**	**3238064**	**13.57**
2	**Gargo Investments Private Limited** At the beginning of the year	**2770805**	**11.61**	**2770805**	**11.61**
	Date wise increase/(decrease)	**-**	**-**	**-**	**-**
	At the end of the year	**2770805**	**11.61**	**2770805**	**11.61**
3	**TCG ESOP Trust** At the beginning of the year	**1200000**	**5.03**	**1200000**	**5.03**
	Date wise increase/(decrease)	**-**	**-**	**-**	**-**
	At the end of the year	**1200000**	**5.03**	**1200000**	**5.03**
4	**Prem Lata Agarwal** At the beginning of the year	**406995**	**1.71**	**406995**	**1.71**
	Date wise increase/(decrease)	**-**	**-**	**-**	**-**
	At the end of the year	**406995**	**1.71**	**406995**	**1.71**

5	**Puneet Agarwal** At the beginning of the year	**379676**	**1.49**	**379676**	**1.49**
	Date wise increase/(decrease)	**-**	**-**	**-**	**-**
	At the end of the year	**379676**	**1.59**	**379676**	**1.59**
6	**Tek Chand Agarwal (HUF)** At the beginning of the year	**328980**	**1.38**	**328980**	**1.38**
	Date wise increase/(decrease)	**-**	**-**	**-**	**-**
	At the end of the year	**328980**	**1.38**	**328980**	**1.38**
7	**Mrs. Sushma Agarwal** At the beginning of the year	**320000**	**1.34**	**320000**	**1.34**
	Date wise increase/(decrease)	**-**	**-**	**-**	**-**
	At the end of the year	**320000**	**1.34**	**320000**	**1.34**
8	**Krishan Kumar Agarwal & Sons** At the beginning of the year	**252420**	**1.06**	**252420**	**1.06**
	Date wise increase/(decrease)	**-**	**-**	**-**	**-**
	At the end of the year	**252420**	**1.06**	**252420**	**1.06**
9	**Nitesh Agarwal** At the beginning of the year	**201000**	**0.84**	**201000**	**0.84**
	Date wise increase/(decrease)	**-**	**-**	**-**	**-**
	At the end of the year	**201000**	**0.84**	**201000**	**0.84**
10	**Ishant Agarwal** At the beginning of the year	**160000**	**0.67**	**160000**	**0.67**
	Date wise increase/(decrease)	**-**	**-**	**-**	**-**
	At the end of the year	**160000**	**0.67**	**160000**	**0.67**

IV *Shareholding of Directors and Key Managerial Personnel:*

S.No.		**Shareholding at the beginning of the year**		**Cumulative Shareholding during the year**	
	For Each of the Directors and KMP	**No. of Shares**	**% of total Shares of the Company**	**No. of Shares**	**% of total Shares of the Company**
1	**Mr. Krishan Kumar Agarwal, CMD** At the beginning of the year	196490	0.82%	196490	0.82%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase	-	-	-	-
	At the end of the year	196490	0.82%	196490	0.82%
	Mr. Darshan Kumar Aggarwal, JMD At the beginning of the year	192708	0.81%	192708	0.81%
	Date wise Increase /Decrease in Shareholding during the Year	-	-	-	-

2	specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ sweat equity etc):				
	At the end of the year	192708	0.81%	192708	0.81%
3	**Mr. Roshan Lal Aggarwal, JMD** At the beginning of the year	278049	1.16%	278049	1.16%
	Date wise Increase /Decrease in Share Holding during the Year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/ Sweat equity etc):	-	-	-	-
	At the end of the year	278049	1.17%	278049	1.17%
4	**Mr. Narender Kumar Agarwal, JMD** At the beginning of the year	580555	2.43%	580555	2.43%
	Date wise Increase / Decrease in Share Holding during the Year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/sweat equity etc):	-	-	-	-
	At the end of the year	580555	2.43%	580555	2.43%

V. INDEBTEDNESS

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

Particulars	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	**3234447797**	**96055433**	**266367033**	**3596870263**
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	**3349694**	**171546**	**30574558**	**34095798**
Total (i+ii+iii)	**3237797491**	**96226979**	**296941591**	**3630966061**
Change in Indebtedness during the financial year				
- Addition	**919104756**	**0**	**150649387**	**1069754143**
- Reduction	**-354517387**	**-38615000**	**-184210455**	**-577342842**
Net Change	**564587369**	**-38615000**	**-33561068**	**492411301**
Indebtedness at the end of the financial year		**R**		
i) Principal Amount	**3799035166**	**57440433**	**232805965**	**4089281564**
ii) Interest due but not paid	**0**	**0**	**0**	**0**

iii) Interest accrued but not due	4193289	101619	18280880	22575788
Total (i+ii+iii)	3803228455	57542052	251086845	4111857352

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
	Gross salary	Mr. K.K Agarwal (CMD)	Mr. D. K. Agarwal (JMD)	Mr. R. L. Agarwal (JMD)	Mr. N. K. Agarwal (JMD)	Mr. Hyoung Gun Kang (Executive Director) *	
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	3,24,85,346 39,600	2,90,99,516 39,600	2,90,99,516 39,600	2,90,99,516 39,600	1,52,77,722 36,86,160	13,50,61,616 38,44,560
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-	-	-
5.	Others, please specify Provident Fund	18,30,828	8,36,952	8,36,952	8,36,952	-	43,41,684
6.	Total (A)	3,43,55,774	2,99,76,068	2,99,76,068	2,99,76,068	1,89,63,882	14,32,47,860
	Ceiling as per the Act						

B. Remuneration to other directors:

(Part – I)

Sl. No.	Particulars of Remuneration	Name of Directors				
	Independent Directors	Mrs. Rajni Gupta	Mr. Amandeep	Mr. Euy Don Park	Mr. Do Young Kim	Total
	· Fee for attending board committee meetings · Commission · Others, please specify	2,59,600 3,54,000	2,83,200 3,54,000	2,59,600 3,54,000	2,36,000 3,54,000	10,38,400 14,16,000
	Total (1)	6,13,600	6,37,200	6,13,600	5,90,000	24,54,400
	Overall Ceiling as per the Act	-	-			

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

(Part- II)
No Remuneration being paid to other Non-Executive Directors.

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

Sl. no.	Particulars of Remuneration		Key Managerial Personnel		
		CEO	Mr. Apoorva Kumar, Company Secretary	CFO Mr. Chol Hoi Kim	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	- - -	31,92,833 -	1,36,29,679 39,21,476 -	1,68,22,512 39,21,476 -
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-	-
5.	Others, please specify (Gratuity	-	2,26,657	-	2,26,657

	and PF)				
6.	**Total**	**-**	**34,19,490**	**1,75,51,155**	**2,09,70,645**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure-II to the Directors Report

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

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

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

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

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

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

The CSR Policy of the Company is also available on www.cjdarcl.com/regulatory-compliance/CSR.

2. Composition of CSR Committee

CSR Committee of the Company comprises of following members:

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

Meetings of CSR Committee

Meeting of CSR Committee took place during the F.Y. 2019-20 as under:

Srl. No.	Date of Meeting	No. of Directors Present
1	29th February, 2020	4

3. The Average net profit of the Company for last three financial years: Rs. 31.82 Crores
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 63.64 lacs
5. Details of CSR spent during the Financial Year:

(a) Total amount spent for the financial year 2019-20:- Rs. 68.38 lacs

(b) Amount unspent, if any- Nil

(c) Manner in which the amount spent during the financial year is detailed below:-

Rs. In lakh

S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or	Amount outlay (budget) project or	Amount spent on the projects or	Cumulative expenditure upto the reporting	Amount spent: Direct or through implementing

			other (2) Specify the State and district where projects or programs was undertaken	programs wise	programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	period	agency
1	Fooding and welfare of animals, particularly Cows	Animal Welfare	Hisar	42.00	37.75	37.75	Direct
2	Contribution towards education of unprivileged children	Promoting education	Delhi NCR	12.00	11.81	11.81	Direct
3	Others	Relief fund & other CSR activities	Delhi NCR, other areas	27.00	18.82	18.82	Direct
			Total	**81.00**	**68.38**	**68.38**	

@ Expense towards animal welfare includes allocations out of general limits.
# Other CSR activities include amount incurred towards Social business projects falling under CSR.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report-Nil

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

Place: Gurugram
Date: 24.09.2020

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

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

Annexure –III to Directors Report

Form No.AOC-2

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

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

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

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

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

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

Sr. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transaction	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Justification for entering into such contracts / arrangements / transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which resolution was passed in General meeting u/s 188(1)
1	TCG Media Limited	Advertisement of Company in publication of TCG Media Limited	01.04.2019-31.03.2020	The advertisement of the Company is published in monthly magazine of Publication	For branding of the Company as it is logistics magazine.	08.04.2019	1440000 plus taxes	03.05.2019
2	Mr. D.K. Agarwal, WTD	Lorry hire services upto Rs12 crores	01.04.2019-31.03.2020	Lorry hire charges for F.Y. 2019-20		08.04.2019	-	03.05.2019
3	S.Dayal Construction Private Limited	Rent upto Rs. 1.20 crores	01.06.2019-31.03.2020	Rent for warehouse and workshop	The site is near to customer premises so convenient to use.	25.05.2019		29.06.2019
4	Fretron LLP	Purchase of Software at Rs. 2.08 crore.	Till completion of software w.e.f. 06.03.2020		For purchase of Transport Management System	06.03.2020	-	-

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

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

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

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

Date: 24.09.2020
Place: Gurugram

dhananjay shukla & associates
company secretaries
House No.-23, Basement, Sector-30, Gurugram (Hr.), India-122001
Mobile: +91 9873347280, Tel: +91-124-2382323/2380740
Email: dshukla2007@gmail.com/dshukla.fcs@gmail.com

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020
[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification, to the extent possible in the prevailing conditions caused by the Covid-19 pandemic, of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined, to the extent possible in the prevailing conditions caused by the Covid-19 pandemic, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2020 according to the provisions of:

i. The Companies Act, 2013 (the Act), as amended from time to time and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; **(Not Applicable to the Company)**
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;

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

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company)**
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Company)**
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company)**
   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company)**
   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ; **(Not Applicable to the Company)**
   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; **(Not Applicable to the Company)**
   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ; **(Not Applicable to the Company)** and
   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 ; **(Not Applicable to the Company)**

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

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

We have also examined, to the extent possible in the prevailing conditions caused by the Covid-19 pandemic, compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not Applicable to the Company)**

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

We further report that-

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

Adequate notice has been given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that , based on the information provided by the company , its officers and Authorized Representatives during the conduct of the Audit and also on the review of Quarterly Compliance Reports given by the Executive Director and taken on record by the Board of Directors of the company , in our opinion adequate systems , processes and control mechanism exist in the company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines as mentioned above in this report including General Laws like Labour laws and Environmental laws as applicable to the company.

We further report that during the Audit period, the company has undertaken the following major activities/corporate actions in pursuance of the above referred laws rules, regulations, guidelines etc.:-

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

B. The company has acquired M/s CJ Korea Express India Pvt. Ltd. by investing into its Equity Shares and making it as its Wholly Owned Subsidiary.

B. The company has entered into various Related Party Transactions with different related parties pursuant to Section 177 and 188 of the Act with the Approval of the Audit Committee and Board of Directors.

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

I. Pursuant to Section 13 and 15 of the Act, the company has passed a Special Resolution for Alteration in Memorandum of Association of the Company in the EGMs held on 3rd May 2019 and on 29th June 2019.

II. Pursuant to Section 5 and 14 of the Act, the company has passed a Special Resolution for Alteration in Article of Association of the Company in the EGM held on 29th June 2019.

III. Pursuant to Section 188 of the Act, the company has passed a Special Resolution for a Related Party transaction amounting up to Rs.12,00,00,000.00 (Rupees Twelve Crores only) and subsequently for Rs.18,00,00,000.00 (Rupees Eighteen Crores only) with Mr. Darshan

Kumar Agarwal, Joint Managing Director, against lorry–hire charges for the Financial year 2019-20.

IV. Pursuant to Section 188 of the Act, the company has passed a Special Resolution for a Related Party Transaction of Rs. 15,84,000.00(Rupees Fifteen Lakh Eighty Four Thousand Only) with TCG Media Pvt. Ltd. for publication of advertisement.

V. Pursuant to Section 197 of the Act, the company has passed a Special Resolution for ratification of Commission to Non-Executive Directors up to 1% of Net profits for period 18th September 2018 to 31st March 2019.

VI. Pursuant to Section 197 of the Act, the company has passed a Special Resolution for payment of Commission up to 1% of net profit to Non-Executive Directors for F.Y. 2019-20 and up to the AGM on or before 30th September 2020 in F Y 2020-21.

VII. Pursuant to Section 188 of the Act, the company has passed a Special Resolution for Rent transaction up to Rs. 1.20 Crores with S. Dayal Construction Pvt. Ltd., being a related party from the date of investment by Mr. R.L. Agarwal, Jt. Managing Director, in S. Dayal Construction Pvt. Ltd. till 31st March 2020.

VIII. Pursuant to Section 161(1) of the Act, the company has regularized the appointment of Mr. Sung Yong Hong (DIN 08389474) as Non- Executive Director of the Company to be rotational director of the Company for the period of three years w.e.f. 30th September 2019.

IX. Pursuant to Section 161(1) of the Act, the company has regularized the appointment of Mr. Jonathan Park (DIN 08389524) as Non- Executive Director of the Company to be rotational director of the Company for the period of three years w.e.f. 30th September 2019.

X. Pursuant to Section 161(1) of the Act, the company has regularized the appointment of Mr. Doson Yoon (DIN 08390063) as Non- Executive Director of the Company to be rotational director of the Company for the period of three years w.e.f. 30th September 2019.

XI. Pursuant to Section 149, 150 & 152 of the Act, the company has passed special resolution for re-appointment of Mr. Euy Don Park (DIN 02763067) as an Independent Director of the Company for the period of three years w.e.f. 30th September 2019.

For Dhananjay Shukla & Associates
Company Secretaries

Sd/-
Dhananjay Shukla
Proprietor
FCS-5886, CP No. 8271
UDIN: F005886B000635405

Place: Gurugram
Date: 31st August 2020

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

Enclosures: Annexure-A

'Annexure-A'

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records and other relevant records as maintained by the company. Our Report is based on the online verification of the documents/records supplied by the company, its officers and Authorized representatives on email and information available on the websites of the company/Ministry of Corporate Affairs. Physical verification of the records/documents could not be carried out due to the Covid-19 pandemic. Further the verification was done on test basis to ensure that correct facts are reflected in secretarial records and other relevant records. We believe that the processes and practices we followed and the audit evidences we have obtained are sufficient and appropriate to provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. We have not examined the compliance by the company with applicable financial laws like Direct and Indirect Tax Laws, Since the same has been subject to review by the Statutory and other Audit and by other designated professionals.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Dhananjay Shukla & Associates
Company Secretaries

Sd/-
Dhananjay Shukla
Proprietor
FCS-5886, CP No. 8271
UDIN:F005886B000635405

Place: Gurugram
Date: 31st August 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of CJ Darcl Logistics Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of CJ Darcl Logistics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other information

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

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

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

Responsibilities of Management for the Standalone Ind AS Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

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

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

(e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements;

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

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

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Yogesh Midha
Partner
Membership Number: 094941
UDIN: 20094941AAAAEB7095
Place of Signature: New Delhi
Date: September 24, 2020

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

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the titles deeds of immovable properties including property, plant and equipment/fixed assets are held in the name of the Company as at the balance sheet date except the following;

Particulars of the building	Carrying value as at March 31, 2020	Remarks
Building located at West Bengal measuring 638 square feet	92,952	The title deed of the building is in the name of a director in the Company and is pending for registration in name of the Company

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

(iii) (a) The Company has granted loan to one of its wholly owned subsidiary company being covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(b) The Company has granted loans to a firm covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

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

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

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

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of goods and service tax and professional tax.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, provident fund, employees' state insurance, goods and service tax, cess and other undisputed statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income-tax and sales tax/Value Added Tax on account of any dispute are as follows:

Name of the Statute	Nature of dues	Amount of dues (Rs. In Mn)	Amount deposited (Rs. In Mn)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	29.04	-	AY 2015-16 to AY 2017-18	Commissioner of Income tax (Appeals)
Income Tax Act 1961	Tax Deducted at Source	0.94	-	AY 2015-16	Income Tax Appellate Tribunal
Income Tax Act 1961	Tax Deducted at Source	5.82	1.01	AY 2016-17	Commissioner of Income tax (Appeals)
Sales Tax Act/Value Added Tax	Sales Tax/Value Added Tax	25.65	11.74	FY 2007-08, 2010-11 to 2017-18	Upto Commissioners level
Sales Tax Act/Value Added Tax	Sales Tax/Value Added Tax	35.24	20.16	FY 2008-09 to 2017-18	Commercial tax tribunal
Sales Tax Act/Value Added Tax	Sales Tax/Value Added Tax	6.36	5.06	FY 2007-08 to 2009-10, 2013-14, 2016-17, 2017-18	High Court
Goods and Services tax Act, 2017	Goods and Services tax	6.38	6.38	FY 2018-19 and 2019-20	Upto Commissioners level

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

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

(x) We have been informed that two employees of the Company had misappropriated funds amounting to Rs. 7.51 mn during the year under audit. These employees have been suspended after investigation by the Company. The Company has withheld their terminal benefits and it is estimated that the amount misappropriated may exceed the terminal benefits due to the employees. In case of one employee, the Company is recovering this amount from the employee and for other the Company is in the process of filing the FIR and insurance claim.

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

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

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

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

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

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

For S. R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W/E300004
Chartered Accountants

Sd/-
per Yogesh Midha
Partner
Membership Number: 094941
UDIN: 20094941AAAAEB7095
Place of signature: New Delhi
Date: September 24, 2020

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

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

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

We have audited the internal financial controls over financial reporting of CJ Darcl Logistics Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these standalone financial statements.

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-
per Yogesh Midha
Partner
Membership Number: 094941
UDIN: 20094941AAAAEB7095
Place of Signature: New Delhi
Date: September 24, 2020

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)
Balance Sheet as at 31 March 2020
(All amounts in Rupees million, unless stated otherwise)

	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	3a	**2,126.20**	1,771.80
Intangible assets	4	**47.50**	51.39
Right-of-use assets	43	**187.78**	-
Capital work in progress		**87.54**	0.10
Investment properties	5	**67.12**	61.83
Non-current investments	6	**185.46**	185.46
Financial assets			
i. Loans	7	**15.98**	31.35
ii. Other financial assets	8	**29.08**	42.96
Other non-current assets	9	**610.08**	533.58
Total non-current assets		**3,356.74**	2,678.47
Current assets			
Inventories	10	**15.91**	11.20
Financial assets			
i. Investments	11	**10.00**	-
ii. Trade receivables	12	**3,890.35**	3,511.09
iii. Cash and cash equivalents	13	**35.43**	30.89
iv. Bank balances other than (iii) above	14	**10.02**	16.06
v. Loans	7	**132.77**	108.79
vi. Other financial assets	8	**1,524.29**	1,486.70
Other current assets	9	**480.80**	445.11
		6,099.57	5,609.84
Assets classified as held for sale	3b	**59.41**	68.00
Total current assets		**6,158.98**	5,677.84
Total Assets		**9,515.72**	8,356.31
Equity and liabilities			
Equity			
Equity share capital	15	**226.62**	226.62
Other equity			
Reserves and surplus	16	**3,867.80**	3,458.25
Total equity		**4,094.42**	3,684.87
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	17	**818.77**	616.26
ii. Other financial liabilities	18	**31.06**	21.42
iii. Lease liabilities	43	**186.39**	-
Employee benefit obligations	19	**44.88**	28.95
Deferred tax liabilities	20	**48.05**	1.34
Total non-current liabilities		**1,129.15**	667.97
Current liabilities			
Financial liabilities			
i. Borrowings	17	**2,833.29**	2,553.47
ii. Trade payables	21		
-Dues to micro and small enterprises		**-**	-
-Dues to enterprises other than micro and small enterprises		**662.84**	803.69
iii. Lease liailities	43	**11.27**	-
iv. Other financial liabilities	18	**627.17**	508.89
Provisions	22	**39.93**	39.93
Employee benefit obligations	19	**86.84**	69.79
Other current liabilities	23	**30.81**	27.70
Total current liabilities		**4,292.15**	4,003.47
Total liabilities		**5,421.30**	4,671.44
Total equity and liabilities		**9,515.72**	8,356.31
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountant
ICAI Firm Registration No. 101049W/E300004

sd/-
per Yogesh Midha
Partner
Membership No. 094941

Place: New Delhi
Date: 24 September 2020

For and on behalf of the Board of Directors
CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)

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

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

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

sd/-
Chol Hoi Kim
(Chief Financial Officer)

sd/-
Apoorva Kumar
(Company Secretary)
FCS: 4905

sd/-
Hira Lal Yadav
(AGM - Accounts)

sd/-
Dinesh Sharma
(AGM - Accounts)

Place: Gurugram
Date: 24 September 2020

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)
Statement of Profit and Loss for the year ended 31 March 2020
(All amounts in Rupees million, unless stated otherwise)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from contracts with customers	24	**23,263.69**	22,613.21
Other income	25	**142.76**	76.12
Total income		**23,406.45**	22,689.33
Expenses			
Cost of services	26	**20,638.28**	20,027.95
Employee benefit expenses	27	**1,093.44**	1,079.76
Finance cost	28	**343.68**	329.98
Depreciation and amortization expense	29	**388.21**	260.48
Other expenses	30	**384.32**	467.42
Total expenses		**22,847.93**	22,165.59
Profit before tax		**558.52**	523.74
Income tax expense	31		
Current tax		**95.30**	258.60
Deferred tax charge/(credit)		**48.46**	(74.07)
Profit for the year (A)		**414.76**	339.21
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement of post employment benefit obligations		**(6.96)**	1.45
Income tax relating to these items		**1.75**	(0.51)
Other comprehensive income for the year, net of tax (B)		**(5.21)**	0.94
Total comprehensive income for the year (A+B)		**409.55**	340.15
Earnings per equity share	32		
Basic earnings per equity share (Rs.)		**18.30**	14.97
Diluted earnings per equity share (Rs.)		**18.30**	14.97
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
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Dinesh Sharma
(AGM - Accounts)

Place: New Delhi
Date: 24 September 2020

Place: Gurugram
Date: 24 September 2020

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)
Statement of changes in equity for the year ended 31 March 2020
(All amounts in Rupees million, unless stated otherwise)

A) Equity share capital (refer note 15)

	Number	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
As at 1 April 2018	23,862,142	238.62
Add: Issued during the year	-	-
Less: Shares held by ESOP Trust at the year end	(1,200,000)	(12.00)
Balance as at 31 March 2019	22,662,142	226.62
Add: Issued during the year	**-**	**-**
Balance as at 31 March 2020	**22,662,142**	**226.62**

B) Other equity (refer note 16)

	General reserve	Securities premium	Capital redemption reserve	Retained earnings	Total
Balance as at 1 April 2018	951.87	1,137.91	54.00	974.32	3,118.10
Profit for the year	-	-	-	339.21	339.21
Other comprehensive income (net of tax)	-	-	-	0.94	0.94
Balance as at 31 March 2019	951.87	1,137.91	54.00	1,314.47	3,458.25
Profit for the year	-	-	-	**414.76**	**414.76**
Other comprehensive income (net of tax)	-	-	-	**(5.21)**	**(5.21)**
Balance as at 31 March 2020	**951.87**	**1,137.91**	**54.00**	**1,724.02**	**3,867.80**

The accompanying notes form an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountant
ICAI Firm Registration No. 101049W/E300004

sd/-
per Yogesh Midha
Partner
Membership No. 094941

For and on behalf of the Board of Directors
CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)

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(Company Secretary)
FCS: 4905

sd/-
Hira Lal Yadav
(AGM - Accounts)

sd/-
Dinesh Sharma
(AGM - Accounts)

Place: New Delhi
Date: 24 September 2020

Place: Gurugram
Date: 24 September 2020

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)
Cash flow statement for the year ended 31 March 2020
(All amounts in Rupees million, unless stated otherwise)

	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flow from operating activities:		
Profit before taxation	**558.53**	523.74
Adjustments for :		
Depreciation and amortisation expense	**388.20**	260.48
Loss on termination of lease contract	**3.66**	-
Profit on sale of fixed assets (net)	**(58.28)**	(40.53)
Interest income	**(36.67)**	(11.07)
Liabilities no longer required written back	**(2.33)**	(0.82)
Provision for doubtful trade receivables, advances and claims	**66.54**	184.95
Bad debts written off	**16.31**	7.21
Profit on sale of investments (net)	**(0.03)**	(0.15)
Interest income on - unwinding of security deposits	**-**	(1.50)
Finance costs	**343.41**	329.94
Operating profit before working capital changes	**1,279.34**	1,252.25
Changes in working capital :		
(Increase) in trade receivables	**(449.91)**	(442.87)
(Increase) in inventories	**(4.72)**	(1.72)
(Increase) in other financial assets	**(34.95)**	(364.30)
(increase) in other current assets	**(33.19)**	(48.80)
(Decrease)/increase in trade payables	**(138.52)**	59.45
Increase in other financial liabilities	**8.82**	37.20
Increase/ (Decrease) in other liabilities	**3.11**	(0.07)
Increase in employee benefit obligations	**26.03**	29.19
Cash generated from operations	**656.01**	520.32
Net income tax paid (net of refund)	**(176.00)**	(296.90)
Net cash flow from operating activities (A)	**480.01**	223.42
B. Cash flows from investing activities		
Capital expenditure on fixed assets including capital advances	**(616.14)**	(295.35)
Proceeds from sale of fixed assets	**91.58**	55.82
Loans given to subsidiary company	**(340.30)**	(170.00)
Loans realized from subsidiary company	**340.30**	217.14
Investment in subsidiary	**(0.00)**	(1.00)
Investment in mutual fund	**(110.00)**	-
Sale of investments	**100.03**	8.22
Interest received	**37.25**	11.22
(Decrease) in bank balance not considered in cash and cash equivalents	**(2.48)**	(31.96)
Net cash used in investing activities (B)	**(499.76)**	(205.91)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	**673.82**	442.60
Repayment for long-term borrowings	**(456.65)**	(524.22)
Net proceeds from short-term borrowings	**279.82**	416.55
Payment of principal portion of lease liability	**(118.06)**	-
Finance cost paid	**(354.64)**	(347.63)
Net cash from/used in financing activities (C)	**24.29**	(12.70)
Net increase in cash and cash equivalents (A + B + C)	**4.54**	4.81
Cash and cash equivalents at the beginning of the year	**30.89**	26.08
Cash and cash equivalents at the end of the year	**35.43**	30.89

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)
Cash flow statement for the year ended 31 March 2020
(All amounts in Rupees million, unless stated otherwise)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Components of cash and cash equivalents		
Cash on hand	**7.38**	11.39
Balances with scheduled banks:		
- in current accounts	**26.61**	19.20
-in deposit account (original maturity of 3 months or less)	**1.44**	0.30
Total cash and cash equivalents (refer note 13)	**35.43**	30.89
Summary of significant accounting policies 2		

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration no: 101049W/E300004
Chartered Accountants

sd/-
per Yogesh Midha
Partner
Membership No. 094941

For and on behalf of the Board of Directors
CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)

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Krishan Kumar Agarwal
(Chairman and Managing Director)
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(AGM - Accounts)

sd/-
Dinesh Sharma
(AGM - Accounts)

Place: New Delhi
Date: 24 September 2020

Place: Gurugram
Date: 24 September 2020

1. CORPORATE INFORMATION

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

The Financial statements have been approved by the Board of Directors pursuant to resolution passed on 24 September 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation of financial statements

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

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

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

ii) Change in accounting policies

Effective 01 April 2019, the company adopted Ind AS 116 Leases and applied the standard to all lease contracts existing on 01 April 2019 using the modified retrospective method. By applying this method, the company has recognized a lease liability measured at present value of the remaining lease payments and right of use (ROU) assets at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using Modified Retrospective method of adoption, with the date of initial application on 1 April 2019. The Company has applied the standard to all its leases with the cumulative impact recognised on the date of initial application. Accordingly, previous figures have not been restated. This has resulted in recognising ROU asset amounting to Rs. 228.60 million and a corresponding lease liability of Rs. 228.60 million as on date of transition.

Operating lease expense which were perilously recognised as other expense in previous period are now recognised as depreciation expense for the ROU and the finance cost for interest accrued on lease liability in the financial results for the year ended 31 March 2020.

iii) Property plant and equipment

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

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

iv) Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

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

v) Intangible assets

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

Research and development cost

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

Amortisation methods and periods

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

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

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

vi) Use of estimates

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

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

vii) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

viii) Non-current assets held for sale

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

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

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

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.
Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

ix) Investment Property

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

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

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

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

x) Leases

The company assesses at contract inception whether a contract is, or contains a, lease. That is if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right of use asset

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and Building 1 to 20 Years
Vehicles and other equipment 1 to 5 Years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2(xi) for impairment of non - financial assets.

b) Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of the lease payment to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c) Short-term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income

xi) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

xii) Financial Instruments

i) Financial assets

a) Initial recognition and measurement

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

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

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

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

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

b) Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTOCI

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

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

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

Debt instrument at FVTPL

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

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

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

Equity Investments

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

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

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

Derecognition

A financial asset is de-recognised only when

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

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

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

c) Impairment of financial assets

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

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

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

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

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

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

Financial Liabilities

Initial recognition and measurement

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

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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

- the remaining unamortized balance of the amount at initial recognition and
- the best estimate of expenditure required to settle the obligation at the end of the reporting period.

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

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

De-recognition

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

Reclassification of financial assets

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

Offsetting of financial instruments

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

xiii) Revenue recognition

Revenue from contracts with customers

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

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

Performance obligations

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

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

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

Variable consideration

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

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

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

Interest income

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

Dividends

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

xiv) Inventories

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

xv) Employee benefits

(i) Short-term obligations

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

(ii) Post-employment benefits

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

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

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

- Net interest expense

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

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

Termination benefits are recognized as an expense immediately.

xvi) Borrowing cost

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

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

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

xvii) Income tax

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

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

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

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

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

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

xviii) Foreign Currency Transactions

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

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

xix) Earnings per share

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

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

xx) Provisions and Contingent liabilities

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

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

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

xxi) Segment reporting

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

xxii) Dividend distribution

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

xxiii) Cash and cash equivalents

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

xxiv) Investment in subsidiaries

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

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(All amounts in Rupees million, unless stated otherwise)

3a Property, plant and equipment

Description of assets	Gross Block				Depreciation / amortization				Net block
	As at 1 April 2019	Additions	Deductions	As at 31 March 2020	As at 1 April 2019	Charge for the year	Disposal	As at 31 March 2020	As at 31 March 2020
Land - Freehold*	179.31	-	13.04	166.27	-	-	-	-	166.27
- Leasehold	1.15	21.88	-	23.03	0.37	0.38	-	0.75	22.28
Buildings*^#	221.84	-	1.61	220.23	9.98	3.96	0.11	13.83	206.40
Plant and machinery (Flat wagons)	218.89	-	-	218.89	61.62	20.54	-	82.16	136.73
Rail containers	138.12	-	1.96	136.16	29.04	9.56	0.45	38.15	98.01
Plant and machinery (Others)	13.99	-	-	13.99	7.94	0.37	-	8.31	5.68
Furniture and fittings	71.18	7.85	0.56	78.47	13.34	7.19	0.22	20.31	58.16
Office equipment	127.63	17.89	7.98	137.54	44.44	21.70	5.76	60.38	77.16
Computers	29.20	12.60	3.84	37.96	14.31	7.68	3.04	18.95	19.01
Trucks	1,412.25	536.18	25.77	1,922.66	484.01	164.96	19.43	629.54	1,293.12
Other vehicles	97.12	37.60	14.04	120.68	30.73	13.02	6.48	37.27	83.41
Leasehold improvements	27.28	0.26	-	27.54	2.38	5.78	-	8.16	19.38
Gross total	2,537.96	634.26	68.80	3,103.42	698.16	255.14	35.49	917.81	2,185.61
Less: Assets held for sale									
Land - Freehold*	(50.04)	-	(8.02)	(42.02)	-	-	-	-	(42.02)
Buildings*	(18.89)	-	(0.33)	(18.56)	(0.93)	(0.26)	(0.02)	(1.17)	(17.39)
Total	2,469.03	634.26	60.45	3,042.84	697.23	254.88	35.47	916.64	2,126.20

Description of assets	Gross Block				Depreciation / amortisation				Net block
	As at 1 April 2018	Additions	Deductions	As at 31 March 2019	As at 1 April 2018	Charge for the year	Disposal	As at 31 March 2019	As at 31 March 2019
Land - Freehold*	179.31	-	-	179.31	-	-	-	-	179.31
- Leasehold	0.84	0.31	-	1.15	0.21	0.16	-	0.37	0.78
Buildings*^#	216.55	5.93	0.64	221.84	6.15	3.90	0.07	9.98	211.86
Plant and machinery (Flat wagons)	218.89	-	-	218.89	41.08	20.54	-	61.62	157.27
Rail containers	138.29	0.50	0.67	138.12	19.50	9.68	0.14	29.04	109.08
Plant and machinery (Others)	13.99	-	-	13.99	5.32	2.62	-	7.94	6.05
Furniture and fittings	59.88	11.46	0.16	71.18	7.14	6.25	0.05	13.34	57.84
Office equipment	108.18	23.55	4.10	127.63	28.10	19.18	2.84	44.44	83.19
Computers	22.48	8.82	2.10	29.20	9.63	6.08	1.40	14.31	14.89
Trucks	1,230.75	211.10	29.60	1,412.25	330.04	171.93	17.96	484.01	928.24
Other vehicles	85.11	13.02	1.01	97.12	19.72	11.54	0.53	30.73	66.39
Leasehold improvements	14.01	15.05	1.78	27.28	2.94	1.22	1.78 -	2.38	24.90
Total	2,288.28	289.74	40.06	2,537.96	469.83	253.10	24.77	698.16	1,839.80
Less: Assets held for sale									
Land - Freehold*	(50.04)	-	-	(50.04)	-	-	-	-	(50.04)
Buildings*	(19.30)	-	(0.41)	(18.89)	(0.65)	(0.31)	(0.03)	(0.93)	(17.96)
	2,218.94	289.74	39.65	2,469.03	469.18	252.79	24.74	697.23	1,771.80

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

^ Includes title deed of the building amounting to Rs. 0.10 million (31 March 2019: Rs. 0.10 million) is pending for registration in the name of the Company. The said building is registered in the name of a director of the Company.

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

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

(All amounts in Rupees million, unless stated otherwise)

3b Assets held for sale

As per the terms of Shareholder agreement dated 5 June 2017 entered into by the company with CJ Logistics Corporation, certiain properties have been agreed to be carved out from the company (refer note 51). The details relating to gross block and accumulated depreciation of aforementioned assets as at 31 March 2020 are included in the table below:

Description of assets	**Gross Block**				**Depreciation / amortization**				**Net block**
	As at 1 April 2019	**Additions**	**Deductions**	**As at 31 March 2020**	As at 1 April 2019	**Charge for the year**	**Disposal**	**As at 31 March 2020**	**As at 31 March 2020**
Assets held for sale									
Land - Freehold*	50.04	**-**	**8.02**	**42.02**	-	-	-	-	**42.02**
Buildings*	18.89	**-**	**0.33**	**18.56**	0.93	**0.26**	**0.02**	**1.17**	**17.39**
Total Assets held for sale	68.93	**-**	**8.35**	**60.58**	0.93	**0.26**	**0.02**	**1.17**	**59.41**

Description of assets	Gross Block				Depreciation / amortization				Net block
	As at 1 April 2018	Additions	Deductions	As at 31 March 2019	As at 1 April 2018	Charge for the year	Disposal	As at 31 March 2019	As at 31 March 2019
Assets held for sale									
Land - Freehold*	50.04	-	-	50.04	-	-	-	**-**	50.04
Buildings*	19.30	-	0.41	18.89	0.65	0.31	0.03	**0.93**	17.96
Total Assets held for sale	69.34	(0.00)	0.41	68.93	0.65	0.31	0.03	0.93	68.00

*The title deeds for land and other properties at New Delhi, Haryana, Assam, West Bengal, Maharashtra and Karnatka are in the former name of the Company i.e. Delhi Assam Roadways Corporation Limited.
For detail in respect of carve out assets please refer note 51

4 Intangible assets

Description of assets	**Gross block**				**Depreciation / amortisation**				**Net block**
	As at 1 April 2019	**Additions**	**Deductions**	**As at 31 March 2020**	As at 1 April 2019	**Charge for the year**	**Disposal**	**As at 31 March 2020**	**As at 31 March 2020**
Railway license	63.81	**-**	**-**	**63.81**	15.00	**5.00**	**-**	**20.00**	**43.81**
Software license fees	9.53	**2.27**	**-**	**11.80**	6.95	**1.16**	**-**	**8.11**	**3.69**
Total intangible assets	73.34	**2.27**	**-**	**75.61**	21.95	**6.16**	**-**	**28.11**	**47.50**

Description of assets	Gross block				Depreciation / amortisation				Net block
	As at 1 April 2018	Additions	Deductions	As at 31 March 2019	As at 1 April 2018	Charge for the year	Disposal	As at 31 March 2019	As at 31 March 2019
Railway license	63.81	-	-	63.81	10.00	5.00	-	15.00	48.81
Software license fees	9.04	0.49	-	9.53	5.55	1.40	-	6.95	2.58
Total intangible assets	72.85	0.49	-	73.34	15.55	6.40	-	21.95	51.39

(All amounts in Rupees million, unless stated otherwise)

5 Investment properties

Particulars	As at 31 March 2020	As at 31 March 2019
Gross carrying amount		
Opening gross carrying amount	**63.83**	52.22
Additions	**7.91**	11.61
Closing gross carrying amount	**71.74**	63.83
Accumulated depreciation		
Opening accumulated depreciation	**2.00**	1.01
Depreciation charge	**2.62**	0.99
Closing accumulated depreciation	**4.62**	2.00
Net carrying amount	**67.12**	61.83

a) Amounts recognized in profit or loss for investment properties

	As at 31 March 2020	As at 31 March 2019
Rental income	**27.74**	7.43
Direct operating expenses from property that generated rental income	**(3.17)**	(1.58)
Profit from investment properties before depreciation	**24.57**	5.85
Depreciation	**(2.62)**	(0.99)
Profit from investment properties	**21.95**	4.86

b) Fair value

	As at 31 March 2020	As at 31 March 2019
Investment properties	**133.67**	136.71

c) Estimation of fair value

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

6 Non-current investments

	As at 31 March 2020	As at 31 March 2019
Investment in subsidiaries		
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
17,894,875 (31 March 2019: 17,894,875) equity shares of Transrail Logistics Limited	**178.95**	178.95
100,000 (31 March 2019: 100,000) equity shares of DARCL Logistics Nepal Private Limited	**1.91**	1.91
460,020 (31 March 2019: 460,020) equity shares of Fr8ology Private Limited	**4.60**	4.60
58,870,403 (31 March 2019: Nil) equity shares of CJ Korea Express India Private Limited (refer note 52)	**0.00**	-
	185.46	185.46
Aggregate amount of unquoted investments	**185.46**	185.46
Aggregate amount of impairment in value of investments	**-**	-

(All amounts in Rupees million, unless stated otherwise)

7 Loans

	As at 31 March 2020	As at 31 March 2019
Non-current		
Security deposits	**16.98**	32.35
Less: provision for doubtful security deposits	**(1.00)**	(1.00)
Total loans - non current	**15.98**	31.35
Current		
Security deposits	**134.50**	110.52
Less: provision for doubtful security deposits (current)	**(1.73)**	(1.73)
Total loans - current	**132.77**	108.79

8 Other financial assets

	As at 31 March 2020	As at 31 March 2019
Non current		
Balances held as margin money (refer note 13)	**28.54**	42.24
Interest accrued on fixed deposits	**0.54**	0.72
Total other financial assets - non current	**29.08**	42.96
Current		
Claims receivable	**82.91**	92.95
Less: provision for claims receivable	**(39.06)**	(52.33)
	43.85	40.62
Contract assets	**1,279.03**	1,293.82
Receivable against sale of assets	**2.25**	0.64
Balances held as margin money (refer note 13)	**131.67**	109.45
Interest accrued on fixed deposits	**3.13**	3.54
Surrender value of keyman insurance policy	**7.88**	6.62
Other receivable	**31.34**	30.14
Others	**25.14**	1.87
Total other financial assets - current	**1,524.29**	1,486.70

9 Other assets

	As at 31 March 2020	As at 31 March 2019
Non-current		
Capital advances	**29.62**	29.72
Advances other than capital advances:		
Prepaid expenses	**4.49**	3.73
Balance with government authorities	**35.95**	40.82
Less: provision for balance with government authorities	**(1.50)**	(1.50)
	34.45	39.32
Advance income tax (net of provision for tax)	**541.52**	460.81
Total other assets - Non-current	**610.08**	533.58
Current		
Prepaid expenses	**64.68**	70.61
Balance with government authorities	**70.33**	42.53
Contract cost	**58.48**	39.72
Advances to employees	**90.54**	122.38
Advances to vendors	**168.57**	173.61
Less: provision for advance to vendors	**-**	(21.03)
	168.57	152.58

Receivable from related party (refer note 37)	**28.20**	17.29
Total other current assets	**480.80**	445.11

(All amounts in Rupees million, unless stated otherwise)

10 Inventories

	As at 31 March 2020	As at 31 March 2019
Tyres, tubes and other spare parts	**15.91**	11.20
Total Inventories	**15.91**	11.20

11 Current investment

	As at 31 March 2020	As at 31 March 2019
Investment in mutual funds - Quoted		
3,101 (31 March 2019: Nil) units of SBI Overnight Fund Regular Growth	**10.00**	-
Total current investment	**10.00**	-

12 Trade receivables

	As at 31 March 2020	As at 31 March 2019
Trade receivables	**4,114.29**	3,780.57
Receivable from related parties (refer note 37)	**9.40**	10.52
Break up for security details:		
Unsecured, considered good	**3,890.35**	3,511.09
Trade receivables- credit impaired	**233.34**	280.00
	4,123.69	3,791.09
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	**-**	-
Trade receivables- credit impaired	**(233.34)**	(280.00)
	(233.34)	(280.00)
Total trade receivables	**3,890.35**	3,511.09

The movement in impairment of trade receivables is as follows:

	As at 31 March 2020	As at 31 March 2019
Opening balance	**280.00**	125.60
(Deletion)/ Additions	**100.84**	154.40
Write off (net of recovery)	**(147.50)**	-
	233.34	280.00

(All amounts in Rupees million, unless stated otherwise)

13 Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Cash in hand	**7.38**	11.39
Balances with banks		
- in current accounts	**26.61**	19.20
- In other deposit accounts (original maturity less than 3 months)	**1.44**	0.30
Total cash and cash equivalents	**35.43**	30.89
Other bank balances		
Deposits with original maturity of more than 3 months but less than 12 months	**10.02**	16.06
Deposits other than above with remaining maturity of less than 12 months	**131.67**	109.45
Deposits other than above with remaining maturity of more than 12 months	**28.54**	42.24
	170.23	167.75
Less : Disclosed under		
Other bank balances (refer note 14)	**10.02**	16.06
Other financial assets (current) (refer note 8)	**131.67**	109.45
Other financial assets (non-current) (refer note 8)	**28.54**	42.24
	170.23	167.75

Notes:

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

i. Against Bank Gurantee amounting to Rs. 58.67 million (31 March 2019: Rs. 66.00 million)
ii. Against Public Deposits amounting to Rs. 43.53 million (31 March 2019: Rs. 50.89 million)
iii. Against Overdrafts amounting to Rs. 32.60 million (31 March 2019: Rs. 27.27 million)
iv. Against Standby Letter of Credit amounting to Rs. Nil million (31 March 2019: Rs. 3.10 million)
v. Other margin money deposits amounting to Rs. 32.10 million (31 March 2019: Rs. 16.10 million)

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

14 Other bank balances

	As at 31 March 2020	As at 31 March 2019
In other deposit accounts (original matrutity more than 3 months but less than 12 months)	**10.02**	16.06
Total other bank balances	**10.02**	16.06

(All amounts in Rupees million, unless stated otherwise)

15 Share capital

	31 March 2020	31 March 2019
Authorized equity share capital		
45,000,000 (31 March 2019: 45,000,000) equity shares of Rs. 10 each	**450.00**	450.00
Issued, subscribed and fully paid up equity shares		
23,862,142 (31 March 2019: 23,862,142) equity shares of Rs. 10 each	**238.62**	238.62
Less: Shares held by ESOP Trust at the year end	**(12.00)**	(12.00)
	226.62	226.62

Notes:

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

	31 March 2020		31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Number of share at beginning of the year	**23,862,142**	**238.62**	23,862,142	238.62
Less: Shares held by ESOP Trust at the year end	**(1,200,000)**	**(12.00)**	(1,200,000)	(12.00)
Add : Issue of shares	**-**	**-**	-	-
Number of share at the end of the year	**22,662,142**	**226.62**	22,662,142	226.62

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. During the year ended 31 March 2020, the amount of per share interim dividend recognized as distributions to equity shareholders is Rs. Nil (31 March 2019: Nil). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March 2020		31 March 2019	
	Number of shares	% holding	Number of shares	% holding
Equity shares with voting rights				
CJ Logistics Corporation	**11,931,071**	**50.00%**	11,931,071	50.00%
ASM (India) Investments Private Limited	**3,238,064**	**13.57%**	3,238,064	13.57%
Gargo Investments Private Limited	**2,770,805**	**11.61%**	2,770,805	11.61%
TCG ESOP Trust	**1,200,000**	**5.03%**	1,200,000	5.03%

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

(d) Shares reserved for issue under options

1,200,000 shares (31 March 2019: 1,200,000) shares of Rs. 10 each are outstanding towards employee stock options which is currently being held by TCG ESOP Trust. The Share Holder Agreement (SHA) with CJ Logistics Corporation (which holds 50% shareholding), inter-alia, requires the Company to cancel the shares held in this ESOP trust by obtaining prior approval from NCLT (National Company Law Tribunal). Company is yet to start the process for seeking requisite approval of NCLT. (refer note 42a).

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

	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Equity shares					
Bought back	-	-	-	5,400,000	-

(All amounts in Rupees million, unless stated otherwise)

16 Reserves and surplus

	As at 31 March 2020	As at 31 March 2019
General reserve		
Balance as per last financial statements	**951.87**	951.87
Less: Transfer to Capital redemption reserve in respect of the buy back of shares	-	-
Closing balance (A)	**951.87**	951.87
Securities premium		
Balance as per last financial statements	**1,137.91**	1,137.91
Add: premium on issue of equity shares during the year	-	-
Less: premium of buy back of equity shares	-	-
Less: shares issue expenses	-	-
Closing balance (B)	**1,137.91**	1,137.91
Capital redemption reserve		
Balance as per last financial statements	**54.00**	54.00
Add: Transfer from general reserve	-	-
Closing balance (C)	**54.00**	54.00
Surplus in the statement of profit and loss		
Balance as per last financial statements	**1,314.47**	974.32
Net profit for the year	**414.76**	339.21
Other comprehensive income for the year (net of tax)	**(5.21)**	0.94
Closing balance (D)	**1,724.02**	1,314.47
Total other equity (A+B+C+D)	**3,867.80**	3,458.25

17 Borrowings

	As at 31 March 2020	As at 31 March 2019
Non Current		
Secured loan		
Term loan from banks (refer note A)	**989.98**	672.31
Term loan from financial institution (refer note B)	**51.27**	82.70
Unsecured		
Term loan from banks (refer note C)	**57.44**	96.05
Deposits (refer note D)	**159.61**	192.05
Total long term borrowings	**1,258.30**	1,043.11
Less: Current maturities of long-term borrowings (refer Note 18)		
Secured loan		
Term loan from banks	**314.15**	258.95
Term loan from financial institution	**33.70**	31.43
Unsecured		
Term loan from banks	**35.41**	38.61
Deposits	**56.27**	97.86
	439.53	426.85
Total long term borrowings	**818.77**	616.26
Current		
Secured		
Cash credit (refer note a)	**268.89**	716.98
Working capital demand loan (refer note a)	**2,476.92**	1,752.93
Overdraft (refer note b)	**12.69**	9.53
Unsecured		

Loans from related party (refer note c)	**4.10**	-
Deposits (refer note d)	**70.69**	74.03
Total short term borrowings	**2,833.29**	2,553.47

Secured term loan from banks-:
A) Term loan amounting to Rs. 987.59 million (31 March 2019: Rs. 660.87 million) relates to rupee term loans from banks towards asset purchased under hire purchase/financing arrangement and Rs. 2.39 million (31 March 2019: Rs. 11.44 million) relates to rupee term loans from banks towards refinance on asset originally purchased under hire purchase/financing arrangement and are secured by way of hypothecation of the respective assets. These loans carry fixed interest rates ranging from 7.91% to 9.76% per annum (31 March 2019: 7.91% to 10.95% per annum) and are repayable in balance monthly instalments ranging from 3 to 59 with equated monthly instalment ranging from Rs. 0.01 million to Rs.0.43 million. Some of these loans are further secured by way of personal guarantee of some of the directors of the Company.

Secured term loan from financial institutions-:

B) Term loan amounting to Rs. 51.27 million (31 March 2019: Rs. 82.70 million) relates to rupee term loans from financial institutions towards asset purchased under hire purchase / financing arrangement and are secured by way of hypothecation of the respective assets and carries fixed interest rates ranging from 7.62% to 9.88% per annum (31 March 2019: 7.62% to 9.88% per annum) and are repayable in balance monthly instalments ranging from 9 to 19 with equated monthly instalment ranging from Rs. 0.02 million to Rs.0.08 million.

Unsecured term loan from bank-:

C) Term loan amounting to Rs. 57.44 million (31 March 2019: Rs. 96.05 million) relate to unsecured rupee term loan from bank. This loan carries fixed interest rate of 9.25% per annum (31 March 2019: 9.25% to 10.40% per annum) and is repayable in balance 19 equated monthly instalment of Rs.3.27 million. The said loan is backed by personal guarantee of some of the Directors of Company.

Unsecured Public Deposit-:

D) Rs. 159.61 million (31 March 2019: Rs. 192.05 million) relates to Deposits from Public and carry interest rate ranging from 7.25% to 10.00% per annum (31 March 2019: 7.25% to 11.50% per annum) (including 0.50% per annum extra interest to senior citizens) and are repayable after period ranging from 15 months to 36 months from the respective dates of deposit.

Secured short term borrowings-:
(a) Cash credit loans and working capital demand loans from banks under consortium limits are secured by first pari-passu charge by way of hypothecation over the Company's book debts including unbilled receivables and current assets. The facilities are further secured by first pari-passu charge by way of equitable mortgage of certain properties owned by the Company. These loans are also secured by first pari-passu charge by way of SBLC of Rs. 165 crore arrange by CJ logistics Corporation Korea in favor of consortium banks. The said loans are further secured by way of personal guarantee of some of the Directors. Cash credit loans are renewed at the end of one year or any extension given by the banks from the date of respective sanctions and carries interest ranging from 8.50% to 10.15% per annum (31 March 2019: 9.20% to 9.95% per annum). Working capital demand loans from banks have bullet repayment and carriy interest ranging from 7.95% to 8.70% per annum (31 March 2019: 8.75% per annum).

(b) Overdraft from banks are secured by way of pledge of fixed deposits of Rs 32.77 million (31 March 2019: Rs 27.27 million) with the banks. These overdrafts carry interest which is 1% higher than the respective fixed deposit rates.

(c) Loan from related party carry interest rate 9% per annum and repayable at demand.

Unsecured public deposit-:

(d) Deposits from public carry interest rate ranging from 6.75% to 7.75% per annum (31 March 2019: 6.75% to 7.75% per annum) (including 0.50% per annum extra interest to senior citizens) and are repayable after period ranging from 6 months to 15 months (31 March 2019: 6 months to 18 months) from the respective dates of deposit.

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

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents (refer note 13)	**35.43**	30.89
Long term borrowings (including current maturities of long term borrowings)	**(1,258.30)**	(1,043.11)
Short term borrowings	**(2,833.29)**	(2,553.47)
Net debt	**(4,056.16)**	(3,565.69)

(All amounts in Rupees million, unless stated otherwise)

18 Other financial liabilities

	As at 31 March 2020	As at 31 March 2019
Non-current		
Security deposit received	**25.15**	14.46
Interest accrued but not due on borrowings	**5.91**	6.96
Total other non-current financial liabilities	**31.06**	21.42
Current		
Current maturities of long-term borrowings (refer note 17)	**439.53**	426.85
Interest accrued but not due on borrowings	**16.70**	27.14
Unclaimed matured deposits and interest accrued thereon	**2.51**	0.29
Payable for capital goods	**118.35**	2.66
Security deposits received	**8.75**	11.54
Contract liabilities	**13.36**	19.70
Advance against sale of assets	**10.44**	10.40
Book overdraft	**0.31**	6.17
Others	**17.22**	4.14
Total other current financial liabilities	**627.17**	508.89

19 Employee benefit obligations

	As at 31 March 2020	As at 31 March 2019
Non-current		
Gratuity (refer note 38)	**44.88**	28.95
Total employee benefit obligations	**44.88**	28.95
Current		
Compensated absences	**57.57**	44.63
Gratuity (refer note 38)	**29.27**	25.16
Total employee benefit obligations	**86.84**	69.79

20 Deferred tax liabilities

	As at 31 March 2020	As at 31 March 2019
Items leading to creation of deferred tax liabilities		
Fixed assets: impact of differences between tax depreciation and depreciation/amortization charged in the financial statements	**176.26**	194.02
Right-of-use assets	**47.26**	-
Others	**1.98**	2.31
Total deferred tax liabilities	**225.50**	196.33
Items leading to creation of deferred tax assets		
Defined benefit obligations	**33.80**	36.32
Provision for doubtful debt & advances	**73.77**	130.72
Lease liability	**49.75**	-
Others	**20.13**	27.95
Total deferred tax assets	**177.45**	194.99
Net deferred tax liabilities	**48.05**	1.34

(All amounts in Rupees million, unless stated otherwise)

21 Trade payables

	As at 31 March 2020	As at 31 March 2019
Current		
Dues to Micro and Small Enterprises *	**-**	-
Dues to enterprises other than Micro and Small Enterprises	**662.77**	803.69
Trade payables to related parties (note 37)	**0.07**	-
Total trade payables	**662.84**	803.69

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

22 Provisions

	As at 31 March 2020	As at 31 March 2019
Current		
Provision for income tax (net of advnace tax)	**24.93**	24.93
Provision for contingencies	**15.00**	15.00
Total provisions - Current	**39.93**	39.93

The Company has created a provision of Rs. 15.00 million as at 31 March 2020 (31 March 2019: Rs. 15.00 million) against contingent liabilities as a matter of abundance caution (refer note 39).

23 Other liabilities

	As at 31 March 2020	As at 31 March 2019
Statutory dues payable	**30.81**	27.70
Total other liabilities	**30.81**	27.70

(This space has been intentionally left blank)

(All amounts in Rupees million, unless stated otherwise)

24 Revenue from contracts with customers

	For the year ended 31 March 2020	For the year ended 31 March 2019
Rendering of services (Services transferred over time)		
Transportaion of goods	**23,117.39**	22,526.27
Other services	**146.30**	86.94
Revenue from contracts with customers	**23,263.69**	22,613.21

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Revenue as per contracted price	**23,364.47**	22,694.08
Adjustments		
Incentives and penalties	**(100.78)**	(80.87)
Revenue from contracts with customers	**23,263.69**	22,613.21

Revenue from rendering of services is earned primarily from customers within India.

25 Other income

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income on - bank deposits	**11.47**	9.96
Interest income on - others	**25.20**	1.11
Interest income on - unwinding of security deposits	**-**	1.50
Rental income	**24.48**	9.89
Income from resource sharing	**5.82**	2.15
Change in surrender value of keyman insurance policy	**1.26**	1.24
Profit on sale of fixed assets (net)	**58.28**	40.53
Profit on sale of investments (net)	**0.03**	0.15
Liabilities no longer required written back	**2.33**	0.82
Miscellaneous income	**13.89**	8.77
Total other income	**142.76**	76.12

26 Cost of services*

	For the year ended 31 March 2020	For the year ended 31 March 2019
Lorry hire, haulage and other ancillary cost	**20,272.21**	19,658.88
Vehicles' taxes	**39.60**	39.13
Repairs and maintenance	**101.83**	122.02
Consumption of tyres, tubes and other spare parts	**81.32**	75.17
Vehicle and marine insurance	**63.38**	63.53
Claims for losses and damage (net)	**14.25**	20.37
Commission to agents	**8.17**	8.88
Other charges	**57.52**	39.97
Total cost of services	**20,638.28**	20,027.95

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

27 Employee benefit expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salary, wages and bonus	**983.00**	987.00
Gratuity expenses (refer note 38)	**20.59**	17.13
Contribution to provident and other funds	**64.30**	54.77
Workmen and staff welfare expenses	**25.55**	20.86
Total employee benefit expense	**1,093.44**	1,079.76

(All amounts in Rupees million, unless stated otherwise)

28 Finance cost

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on - borrowings	**290.46**	286.76
Interest expense on - delayed payment of income tax	**0.07**	0.03
Interest expense on - delayed payment of indirect tax	**0.20**	0.01
Other borrowing cost	**30.03**	43.18
Interest on lease liabilites (refer note 43)	**22.92**	-
Total finance cost	**343.68**	329.98

29 Depreciation and amortization expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment*	**257.76**	254.08
Amortization of intangible assets	**6.16**	6.40
Depreciation of right-to-use assets (refer note 43)	**124.29**	-
Total depreciation and amortization expense	**388.21**	260.48

*including depreciation amounting to Rs. 2.62 million (31 March 2019: Rs. 0.99 million) on building classified as investment properties.

30 Other expenses

		For the year ended 31 March 2020	For the year ended 31 March 2019
Non-executive directors' commission		**1.42**	1.38
Directors sitting fee		**1.04**	0.71
Rent		**25.09**	50.70
Rates and taxes		**1.89**	1.62
Communication		**16.49**	17.19
Legal and professional		**25.35**	22.42
Commission		**3.59**	4.83
Advertisement and publicity		**14.61**	7.08
Business promotion and entertainment		**9.07**	9.33
Travelling and conveyance		**40.05**	24.07
Printing and stationery		**10.10**	6.63
Insurance		**11.04**	5.14
Vehicles running and maintenance		**20.59**	19.87
Repairs and maintenance (others)		**26.49**	24.84
Electricity and water		**18.85**	17.42
Payments to auditor (Refer details below)		**5.38**	5.34
Donations		**2.67**	4.21
Expenditure on corporate social responsibility (refer note 46)		**6.84**	6.73
Provision for doubtful trade receivables, advances and claims		**66.54**	184.95
Bad debts, advances and claims written off	163.81		
Less: Adjusted from provision for doubtful debts and advances	(147.50)	**16.31**	7.21
Loss on termination of lease contract		**3.66**	-
Loss on theft and embezzlement		**-**	0.05
Office and general expenses		**45.76**	38.06
Miscellaneous expenses		**11.49**	7.64
Total other expenses		**384.32**	467.42

(a) Payments to auditor comprises:

As auditor:		
Audit fee	**4.13**	3.66
In other Capacity		
Other Services	**0.89**	1.30
Reimbursement of expenses	**0.36**	0.38
	5.38	5.34

(All amounts in Rupees million, unless stated otherwise)

31 Income tax expense

The major components of income tax expense for the year ended 31 March 2020 and 31 March 2019 are:

(a) Profit or loss section

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax	**95.30**	258.60
Deferred tax (credit)	**48.46**	(74.07)
Income tax expense	**143.76**	184.53

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the year and re-measured its Deferred tax liability basis the rate prescribed in the said section. Accordingly, deferred tax liability have been increased by Rs. 0.38 million. The tax charge for the year have increased by Rs. 0.38 million.

(b) Other comprehensive income (OCI section)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Deferred tax related to items recognized in OCI during in the year:		
Net loss/(gain) on remeasurements of defined benefit plans	**(6.96)**	1.45
Income tax charged to OCI	**1.75**	(0.51)
	(5.21)	0.94

(c) Reconciliation of tax expense and the accounting profit

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before income tax expense	**558.52**	523.74
Tax at the Indian tax rate of 25.168% (Year ended 31 March 2019 – 34.944%)	**140.57**	183.02
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Donation	**1.71**	2.81
Interest under Income Tax Act	**0.02**	0.01
Adjustment due to change in income tax rate	**(0.38)**	-
Others	**1.84**	(1.31)
Income tax expense	**143.76**	184.53

32 Earnings per share (EPS)

Basic EPS is calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit attributable to equity holders for basic earnings	**414.76**	339.21
Effect of dilution	**-**	-
Profit attributable to equity holders for the effect of dilution	**414.76**	339.21
Weighted average number of equity shares for basic EPS	**22,662,142**	22,662,142
Effect of dilution:	**-**	-
	22,662,142	22,662,142
Basic EPS (in Rs.)	**18.30**	14.97
Diluted EPS in Rs.)	**18.30**	14.97

33 Significant accounting judgements, estimates and assumptions

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

A. Judgements

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

Determining the lease term of the contract with renewal and termination option - Group as a lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

Operating lease commitments – Company as a lessor

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

B. Estimates and assumptions

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

Revenue from contracts with customers

• Determining method to estimate variable consideration

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

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

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

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

Taxes

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

Defined benefit plans

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

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

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

Further details about gratuity obligations are given in Note 38.

Provision for Leave encashment

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

Provision for trade receivable

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

Impairment of non-financial assets

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

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

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

Contingencies

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

Fair value measurement of financial instruments

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

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(All amounts in Rupees million, unless stated otherwise)

34 Fair value measurements

a) The carrying value of financial instruments by category

	31 March 2020			31 March 2019		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial assets						
Investments	10.00	-	-	-	-	-
Trade receivables	-	-	3,890.35	-	-	3,511.09
Loans	-	-	148.75	-	-	140.15
Cash and Bank Balances	-	-	45.45	-	-	46.95
Other Financial Assets	-	-	1,553.37	-	-	1,529.65
Total financial assets	10.00	-	5,637.92	-	-	5,227.84
Financial liabilities						
Borrowings	-	-	3,652.06	-	-	3,169.73
Trade payables	-	-	662.84	-	-	803.69
Lease liailities			197.66	-	-	-
Other Financial Liabilities	-	-	658.22	-	-	530.31
Total financial liabilities	-	-	5,170.78	-	-	4,503.73

(b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath.

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

	Level 1	Level 2	Level 3	Total
As at 31 March 2020				
Investments	10.00	-	-	10.00
Total financial assets	10.00	-	-	10.00
As at 31 March 2019				
Investments	-	-	-	-
Total financial assets	-	-	-	-

ii) Assets and liabilities which are measured at amortized cost

	Level 1	Level 2	Level 3	Total
As at 31 March 2020				
Financial assets				
Trade receivables	-	-	3,890.35	3,890.35
Loans	-	-	148.75	148.75
Cash and Bank Balances	-	-	45.45	45.45
Other Financial Assets	-	-	1,553.37	1,553.37
Total financial assets	-	-	5,637.92	5,637.91
Financial liabilities				
Borrowings	-	-	3,652.06	3,652.06
Trade payables	-	-	662.84	662.84
Lease liailities			197.66	197.66
Other Financial Liabilities	-	-	658.22	658.22
Total financial liabilities	-	-	5,170.78	5,170.79
As at 31 March 2019				
Financial assets				
Trade receivables	-	-	3,511.09	3,511.09
Loans	-	-	140.15	140.15
Cash and Bank Balances	-	-	46.95	46.95
Other Financial Assets	-	-	1,529.65	1,529.65
Total financial assets	-	-	5,227.84	5,227.84
Financial liabilities				
Borrowings	-	-	3,169.73	3,169.73
Trade payables	-	-	803.69	803.69
Other Financial Liabilities	-	-	530.31	530.31
Total financial liabilities	-	-	4,503.73	4,503.73

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

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

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

There are no transfer of levels during the year.

a. As of 31 March 2020 and 31 March 2019, the fair value of cash and bank balances, trade receivables, loans, other current financial assets and liabilities, current borrowings, trade payables approximate their carrying amount largely due to the short term nature of these instruments.
b. For other financial assets and liabilities that are measured at amortized cost, the carrying amounts approximate the fair value.

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(All amounts in Rupees million, unless stated otherwise)

35 Financial risk management

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

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

(A) Credit risk

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

(i) Trade Receivables

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The major exposure to the credit risk at the reporting date is from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned through customers. Customer credit risk is managed by the company subject to the credit policy, procedures and control relating to customer credit risk management. Credit to each customer is given based on its credit rating score. Outstanding customer receivables are regularly monitored in the receivable review committee for any expected default in repayment. An impairment analysis is performed at each reporting date on an individual basis for all customers. The following table gives the movement in allowance for expected credit loss for the year ended 31 March 2020:

Movement in Expected Credit Loss Allowance:

Particulars	**31 March 2020**	31 March 2019
At the beginning of year	**280.00**	125.60
Movement during the year	**(46.66)**	154.40
Total ECL	**233.34**	280.00

(ii) Financial Instruments & Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the Company’s treasury department in accordance with the Company’s policy. Investments of surplus funds are made only with approved counterparties and within Board assigned limits. Counterparty limits are reviewed by the Company’s Board of Directors throughout the year subject to the recommendation of the Company’s Management Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty’s potential failure to make payments. The Company’s maximum exposure to credit risk for the components of the balance sheet at 31 March 2020 and 31 March 2019 is the carrying amounts.

(B) Liquidity risk

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

(i) Maturities of financial liabilities

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

	31 March 2020	31 March 2019
On Demand		
Bank overdraft	**12.69**	9.53
Upto 1 year		
Borrowing (including current maturities of long term borrowing)	**3,260.13**	2,970.79
Trade payable	**662.84**	803.69
Other financial liabilities	**187.64**	82.04
Lease liabilities	**11.27**	-
More than 1 year		
Borrowing	**818.77**	616.26
Other financial liabilities	**31.06**	21.42
Lease liabilities	**186.39**	-

(All amounts in Rupees million, unless stated otherwise)

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at 31 March 2020 and 31 March 2019. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2020. The analyses exclude the impact of movements in market variables on the carrying values of gratuity, pension obligation and other post-retirement obligations and provisions. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2020 and 31 March 2019.

(i) Foreign currency risk

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

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

(ii) Interest Rate Risk

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

Sensitivity

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

	Increase/decrease in basis points	Effect on profit before tax	Effect on equity (OCI)
As at 31 March 2020			
Borrowings	**+0.50%**	**20.46**	-
	-0.50%	**(20.46)**	-
As at 31 March 2019			
Borrowings	+0.50%	17.98	-
	-0.50%	(17.98)	-

36 Capital management

For the purposes of the Company's capital management, Capital includes equity and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximizes shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company's endeavor is to bring the gearing ratio below 200%. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2020 and 31 March 2019.

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

	As at 31 March 2020	As at 31 March 2019
Borrowings (refer note 17)	**4,091.59**	3,596.58
Cash and cash equivalents (refer note 13)	**(35.43)**	(30.89)
Net debt	**4,056.16**	3,565.69
Equity	**4,094.42**	3,684.87
Net debt to equity ratio	**99%**	97%

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37 Related party disclosures:

(a) Name of related party and related party relationship

Subsidiary companies
Transrail Logistics Limited
DARCL Logistics Nepal Private Limited
Fr8ology Private Limited
CJ Korea Express India Private Limited (w.e.f October 31, 2020)

Key management personnel
Krishan Kumar Agarwal (Chairman and Managing Director)
Darshan Kumar Aggarwal (Joint Managing Director)
Roshan Lal Aggarwal (Joint Managing Director)
Narender Kumar Agarwal (Joint Managing Director)
Hyoung Gun Kang (Whole Time Director & Deputy CEO)
Chol Hoi Kim (Chief Financial Officer)
Apoorva Kumar (Company Secretary)

Relatives of key management personnel
Sushma Agarwal
Yogesh Agarwal
Puneet Agarwal
Vineet Agarwal
Nitin Agarwal
Nitesh Agarwal
Nikhil Agarwal
Ishant Agarwal
Mahima Agarwal
Sakshi Agarwal
Shweta Gupta
Vibha Agarwal

Enterprises owned/significantly influenced by key management personnel or their relatives
Tek Chand & Sons (HUF)
ASM (India) Investments Private Limited
TCG ESOP Trust
TCG Media Limited
J B T A Logistics Private Limited
Autoload Solutions LLP
Fretron Private Limited (Formerly known as Fretron LLP)
S. Dayal Construction Private Limited

Enterprises having significant influence
CJ Logistics Corporation

(All amounts in Rupees million, unless statedotherwise)

(a) Details of related party transactions during the year ended 31 March 2020 and balances outstanding as at 31 March 2020

Balance as at year end	Subsidiary Companies		Key Management Personnel		Enterprises owned/significantly influenced by key management personnel or their relatives		Relatives of Key Management Personnel		Enterprises having significant influence		Total	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Loan received												
ASM (India) Investment Pvt. Ltd.	-	-	-	-	**4.14**	-	-	-	-	-	**4.14**	-
Trade receivable												
Transrail Logistics Limited	**1.83**	4.30	-	-	-	-	-	-	-	-	**1.83**	4.30
Darcl Logistics Nepal Private Limited	**2.82**	6.13	-	-	-	-	-	-	-	-	**2.82**	6.13
Fretron Private Limited (Formerly known as Fretron LLP)	-	-	-	-	-	0.09	-	-	-	-	-	0.09
CJ Logistics Corporation	-	-	-	-	-	-	-	-	**4.75**	-	**4.75**	-
Security deposits												
Autoload Solutions LLP	-	-	-	-	-	0.10	-	-	-	-	-	0.10
S Dayal Construction Pvt. Ltd.	-	-	-	-	**8.56**	-	-	-	-	-	**8.56**	-
Trade payable												
Krishan Kumar Agarwal	-	-	**22.97**	24.01	-	-	-	-	-	-	**22.97**	24.01
Darshan Kumar Aggarwal	-	-	**22.70**	23.97	-	-	-	-	-	-	**22.70**	23.97
Roshan Lal Aggarwal	-	-	**22.65**	23.51	-	-	-	-	-	-	**22.65**	23.51
Narendar Kumar Agarwal	-	-	**22.89**	24.13	-	-	-	-	-	-	**22.89**	24.13
Hyoung Gun kang	-	-	**0.79**	0.57	-	-	-	-	-	-	**0.79**	0.57
Chol Hoi Kim	-	-	**0.70**	0.54	-	-	-	-	-	-	**0.70**	0.54
Apoorva Kumar	-	-	**0.18**	0.57	-	-	-	-	-	-	**0.18**	0.57
Puneet Agarwal {refer footnote (iii)}	-	-	-	-	-	-	**0.43**	0.10	-	-	**0.43**	0.10
Vineet Agarwal {refer footnote (iii)}	-	-	-	-	-	-	**0.34**	0.30	-	-	**0.34**	0.30
Nitesh Agarwal {refer footnote (iii)}	-	-	-	-	-	-	**0.52**	0.22	-	-	**0.52**	0.22
Nitin Agarwal {refer footnote (iii)}	-	-	-	-	-	-	**0.43**	0.39	-	-	**0.43**	0.39
Nikhil Agarwal {refer footnote (iii)}	-	-	-	-	-	-	**0.45**	0.39	-	-	**0.45**	0.39
Mahima Agarwal {refer footnote (iii)}	-	-	-	-	-	-	**0.29**	0.29	-	-	**0.29**	0.29
Ishant Agarwal {refer footnote (iii)}	-	-	-	-	-	-	**0.34**	0.21	-	-	**0.34**	0.21
CJ Korea Express India Private Limited	**0.05**	-	-	-	-	-	-	-	-	-	**0.05**	-
Fretron Private Limited (Formerly known as Fretron LLP)	-	-	-	-	**0.02**	-	-	-	-	-	**0.02**	-
CJ Logistics Corporation	-	-	-	-	-	-	-	-	**0.95**	3.42	**0.95**	3.42
Security deposits payable												
Krishan Kumar Agarwal	-	-	**1.31**	1.31	-	-	-	-	-	-	**1.31**	1.31
Roshan Lal Aggarwal	-	-	**3.38**	0.60	-	-	-	-	-	-	**3.38**	0.60
Narender Kumar Agarwal			**1.66**								**1.66**	-
Vineet Agarwal	-	-	-	-	-	-	**0.60**	0.60	-	-	**0.60**	0.60
Nitesh Agarwal	-	-	-	-	-	-	**0.39**	0.39	-	-	**0.39**	0.39
Nikhil Agarwal	-	-	-	-	-	-	-	0.67	-	-	-	0.67
Mahima Agarwal	-	-	-	-	-	-	**0.09**	0.09	-	-	**0.09**	0.09
Ishant Agarwal	-	-	-	-	-	-	**1.18**	1.18	-	-	**1.18**	1.18
Fretron Private Limited (Formerly known as Fretron LLP)	-	-	-	-	**1.05**	0.11	-	-	-	-	**1.05**	0.11
CJ Korea Express India Private Limited	**0.04**	-	-	-	-	-	-	-	-	-	**0.04**	-
Other recoverable												
Transrail Logistics Limited	**0.13**	0.03	-	-	-	-	-	-	-	-	**0.13**	0.03
Fr8ology Private Limited	**0.02**	0.04	-	-	-	-	-	-	-	-	**0.02**	0.04
CJ Korea Express India Private Limited	**0.11**	-	-	-	-	-	-	-	-	-	**0.11**	-
CJ Logistics Corporation	-	-	-	-	-	-	-	-	**28.20**	17.30	**28.20**	17.30
Guarantees given by the Company												
Transrail Logistics Limited	-	62.02	-	-	-	-	-	-	-	-	-	62.02

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)
Notes forming part of the financial statements as at and for the year ended 31 March 2020
(All amounts in Rupees million, unless statedotherwise)

Transactions during the year ended 31 March 2020	Subsidiary Companies		Key Management Personnel		Enterprises owned/significantly influenced by key management personnel or their relatives		Relatives of Key Management Personnel		Enterprises having significant influence		Total	
	For the year ended 31 March 2020	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019
Revenue from operations												
Transrail Logistics Limited	**56.30**	70.82	-	-	-	-	-	-	-	-	**56.30**	70.82
Darcl Logistics Nepal Private Limited	**4.83**	-	-	-	-	-	-	-	-	-	**4.83**	-
CJ Logistics Corporation	-	-	-	-	-	-	-	-	**4.16**		**4.16**	-
Other income												
Rental income												
Transrail Logistics Limited	**1.24**	0.82	-	-	-	-	-	-	-	-	**1.24**	0.82
Fretron Private Limited (Formerly known as Fretron	-	-	-	-	**1.64**	1.48	-	-	-	-	**1.64**	1.48
Income from resource sharing												
Transrail Logistics Limited	**1.69**	1.53	-	-	-	-	-	-	-	-	**1.69**	1.53
CJ Korea Express India Private Limited	**0.13**	-	-	-	-	-	-	-	-		**0.13**	-
Interest income												
Transrail Logistics Limited	**0.58**	-	-	-	-	-	-	-	-	-	**0.58**	-
Interest paid												
Transrail Logistics Limited	**0.73**	-	-	-							**0.73**	-
ASM (India) Investment Pvt. Ltd.	-	-	-	-	**0.04**	-	-	-	-	-	**0.04**	-
Purchase of services												
-Cost of Services-Lorry Hire, haulage and other ancillary cost												
Transrail Logistics Limited	**3.00**	5.24	-	-	-	-	-	-	-	-	**3.00**	5.24
CJ Korea Express India Private Limited	**0.95**	-	-	-	-	-	-	-	-	-	**0.95**	-
TCG Media Limited	-	-	-	-	**1.68**	1.51	-	-	-	-	**1.68**	1.51
Autoload Solutions LLP	-	-	-	-	**0.15**	0.45	-	-	-	-	**0.15**	0.45
Fretron Private Limited (Formerly known as Fretron	-	-	-	-	**1.00**	0.15	-	-	-	-	**1.00**	0.15
Darshan Kumar Aggarwal	-	-	**54.10**	55.62	-	-	-	-	-	-	**54.10**	55.62
CJ Logistics Corporation	-	-	-	-	-	-	-	-	**11.84**	3.42	**11.84**	3.42
-Rent												
Sushma Agarwal	-	-	-	-	-	-	**0.76**	0.76	-	-	**0.76**	0.76
Puneet Agarwal	-	-	-	-	-	-	**0.04**	0.04	-	-	**0.04**	0.04
Tek Chand & Sons (HUF)	-	-	-	-	**0.45**	0.45	-	-	-	-	**0.45**	0.45
Yogesh Agarwal	-	-	-	-	-	-	**0.04**	0.04	-	-	**0.04**	0.04
Shweta Gupta	-	-	-	-	-	-	**0.04**	0.04	-	-	**0.04**	0.04
Vibha Agarwal	-	-	-	-	-	-	**0.04**	0.04	-	-	**0.04**	0.04
Vineet Agarwal	-	-	-	-	-	-	**0.04**	0.04	-	-	**0.04**	0.04
Nitin Agarwal	-	-	-	-	-	-	**0.04**	0.04	-	-	**0.04**	0.04
Nitesh Agarwal	-	-	-	-	-	-	**0.04**	0.04	-	-	**0.04**	0.04
Ishant Agarwal	-	-	-	-	-	-	**0.04**	0.04	-	-	**0.04**	0.04
Nikhil Agarwal	-	-	-	-	-	-	**0.15**	0.15	-	-	**0.15**	0.15
J B T A Logistics Private Limited	-	-	-	-	**0.76**	0.76	-	-	-	-	**0.76**	0.76
S Dayal Construction Pvt. Ltd.(From 11.06.2019)	-	-	-	-	**11.27**	-	-	-	-	-	**11.27**	-
-Employee benefit expense												
Krishan Kumar Agarwal	-	-	**34.34**	54.90	-	-	-	-	-	-	**34.34**	54.90
Darshan Kumar Aggarwal	-	-	**29.98**	49.46	-	-	-	-	-	-	**29.98**	49.46
Roshan Lal Aggarwal	-	-	**29.88**	49.35	-	-	-	-	-	-	**29.88**	49.35
Narender Kumar Agarwal	-	-	**29.98**	49.37	-	-	-	-	-	-	**29.98**	49.37
Hyoung Gun kang	-	-	**15.28**	13.67	-	-	-	-	-	-	**15.28**	13.67
Chol Hoi Kim	-	-	**13.63**	13.33	-	-	-	-	-	-	**13.63**	13.33
Apoorva Kumar	-	-	**3.42**	3.30	-	-	-	-	-	-	**3.42**	3.30
Puneet Agarwal	-	-	-	-	-	-	**14.25**	9.91	-	-	**14.25**	9.91
Vineet Agarwal	-	-	-	-	-	-	**11.93**	8.95	-	-	**11.93**	8.95
Nitin Agarwal	-	-	-	-	-	-	**10.61**	7.39	-	-	**10.61**	7.39
Nitesh Agarwal	-	-	-	-	-	-	**12.81**	8.88	-	-	**12.81**	8.88
Mahima Agarwal	-	-	-	-	-	-	**6.70**	4.87	-	-	**6.70**	4.87
Nikhil Agarwal	-	-	-	-	-	-	**15.07**	7.36	-	-	**15.07**	7.36
Ishant Agarwal	-	-	-	-	-	-	**9.65**	4.91	-	-	**9.65**	4.91

(All amounts in Rupees million, unless statedotherwise)

Transactions during the year ended 31 March 2020	**Subsidiary Companies**		**Key Management Personnel**		**Enterprises owned/significantly influenced by key management personnel or their relatives**		**Relatives of Key Management Personnel**		**Enterprises having significant influence**		**Total**	
	For the year ended 31 March 2020	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019
Purchase of fixed assets												
Transrail Logistics Limited	-	1.25	-	-	-	-	-	-	-	-	-	1.25
Fretron Private Limited (Formerly known as Fretron LLP)	-	-	-	-	**1.12**	1.44	-	-	-	-	**1.12**	1.44
Sale of fixed assets												
Transrail Logistics Limited	**0.09**	0.75	-	-	-	-	-	-	-	-	**0.09**	0.75
Sakshi Agarwal	-	-	-	-	-		-	10.00	-	-	-	10.00
Expenses recovered												
Transrail Logistics Limited	**0.12**	0.48	-	-	-	-	-	-	-	-	**0.12**	0.48
Fr8ology Private Limited	**0.09**	-	-	-	-	-	-	-	-	-	**0.09**	-
CJ Logistics Corporation	-	-	-	-	-	-	-	-	**56.30**	32.37	**56.30**	32.37
Expenses reimbursed												
Transrail Logistics Limited	**0.10**	0.02	-	-	-	-	-	-	-	-	**0.10**	0.02
Darcl Logistics Nepal Private Limited	**0.18**	-	-	-	-	-	-	-	-	-	**0.18**	-
Loan given												
Transrail Logistics Limited	**340.30**	170.00	-	-	-	-	-	-	-	-	**340.30**	170.00
Loan repaid to the Company												
Transrail Logistics Limited	**340.30**	217.14	-	-	-	-	-	-	-	-	**340.30**	217.14
Loan taken												
Transrail Logistics Limited	**69.00**	-	-	-	-	-	-	-	-	-	**69.00**	-
ASM (India) Investment Pvt. Ltd.	-	-	-	-	**7.10**	-	-	-	-	-	**7.10**	-
Loan repaid by the Company												
Transrail Logistics Limited	**69.00**	-	-	-	-	-	-	-	-	-	**69.00**	-
ASM (India) Investment Pvt. Ltd.	-	-	-	-	**3.00**	-	-	-	-	-	**3.00**	-
Security deposits received												
Roshan Lal Aggarwal	-	-	**2.78**	-	-	-	-	-	-	-	**2.78**	-
Narender Kumar Agarwal	-	-	**1.66**	-	-	-	-	-	-	-	**1.66**	-
Ishant Agarwal		-	-	-	-		-	1.18	-		-	1.18
Fretron Private Limited (Formerly known as Fretron LLP)	-	-	-	-	**0.94**	-	-	-	-	-	**0.94**	-
Equity investments												
CJ Korea Express India Private Limited	**0.00**	-	-	-	-	-	-	-	-	-	**0.00**	-
Darcl Logistics Nepal Private Limited	-	1.00	-	-	-	-	-	-	-	-	-	1.00

Terms and Condition of transaction with related party

(i) The sales to and purchase from related parties are made on terms equilvalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivable or payables. For the year ended 31 March 2020, the Company has recorded impairment of receivables relating to amounts owed by related parties of Rs. 0.26 million (31 March 2019: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Terms and condition of Loan to Subsidiary Companies

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

Terms and condition of Loan to Directors & KMP

(i) The Company operates loans scheme providing loans to employees. Under the scheme, the Company offers its employees a facility to borrow the money at an average market rate of interest.

Notes:

(i) The above particulars do not include working capital loans and corporate term loans availed from banks, which are further secured by way of personal guarantee of some of the directors, relatives and some of their related entities.
(ii) Cash credit facilities availed by Transrail Logistics Limited (TRL) are further secured by corporate guarantee of Rs. Nil million (31 March 2019: 205.00 million) of the Company, ASM India Investments Pvt Ltd. and personal guarantee of directors and members of promoter group.
(iii) Does not include Rs. 9.20 million (31 March 2019: 35.00 million) provision for incentive to be distributed among relatives of KMP.

(All amounts in Rupees million, unless stated otherwise)

38 Gratuity and other post- employment benefits plan

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

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

Statement of profit & loss account
Net employee benefit expense recognized in employee cost:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	**16.76**	14.06
Past service cost	**-**	-
Interest cost	**8.84**	8.01
Interest income on plan assets	**(5.01)**	(4.94)
	20.59	17.13

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial changes arising from changes in financial assumptions	**6.28**	0.96
Actuarial changes arising from changes in experience adjustments	**0.04**	(2.23)
Return on plan assets	**0.64**	(0.18)
	6.96	(1.45)

Changes in obligation during the year ended 31 March 2020:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening defined benefit obligation	**120.91**	106.70
Current service cost	**16.76**	14.06
Past service cost	**-**	-
Interest cost	**8.84**	8.01
Actuarial (gain) / loss	**6.32**	(1.27)
Benefits paid	**(9.31)**	(6.59)
Present value of obligation as at year end	**143.52**	120.91

Changes in plan assets during the year ended 31 March 2020

	For the year ended 31 March 2020	For the year ended 31 March 2019
Fair value of plan assets as at the beginning of the year	**66.80**	68.28
Interest income	**5.01**	4.94
Return on plan assets	**(0.64)**	0.18
Contributions by employer	**7.50**	-
Benefits paid	**(9.31)**	(6.60)
Fair value of plan assets as at the end of the year	**69.36**	66.80

Net assets / liabilities recognized in the balance sheet as at 31 March 2020

	31 March 2020	31 March 2019
Present value of obligation at the end of the year	**143.52**	120.91
Fair value of plan assets at the end of the year	**69.36**	66.80
Net liabilities / (assets) recognized in the balance sheet	**74.15**	54.11

Investment details

	As at 31 March 2020	As at 31 March 2019
Insurance policies	**100%**	100%

(All amounts in Rupees million, unless stated otherwise)

Principle actuarial assumptions

	As at 31 March 2020	As at 31 March 2019
Discount rate (per annum)	**6.79%**	7.60%
Expected increase in salary costs (per annum)	**6.00%**	6.00%
Attrition rate	**12.00%**	12.00%
Mortality	**IALM 2012-14 Ultimate**	IALM 2012-14 Ultimate
Retirement age	**60 years**	60 years

Quantitative sensitivity analysis for significant assumptions is as below:

	Change in assumptions	As at 31 March 2020	As at 31 March 2019
Discount rate	+ 1%	**(7.66)**	(6.17)
	- 1%	**8.64**	6.94
Withdrawal rate	+ 1%	**0.32**	0.58
	- 1%	**(0.38)**	(0.66)
Expected rate of salary increase	+ 1%	**8.53**	7.02
	- 1%	**(7.78)**	(6.39)

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

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

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(All amounts in Rupees million, unless stated otherwise)

39 Contingent liabilities

	As at 31 March 2020	As at 31 March 2019
Claims against the Company not acknowledged as debts (refer note a)	**137.80**	150.00
Bank guarantee outstanding	**550.09**	670.76
Uncalled liability on shares partly paid of Darcl Logistics Nepal Private Limited	**4.34**	4.34
Corporate guarantee (refer note b)	**-**	62.02
Unpaid Bonus (refer note c)	**23.35**	23.35

a) In view of the large number of cases pending at various forums / courts, it is not practicable to furnish the details of each case. Based on the discussions with the solicitors / favorable decisions in similar cases / legal opinion taken by the Company, the management believes that the Company has a strong chance of success in the cases. However, the Company has created a provision of Rs. 15.00 million (31 March 2019: Rs. 15.00 million) against these contingent liabilities as a matter of abundance caution.

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

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

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

40 The following are the particulars of the dues on account of Income Tax and Sales Tax / Value Added Tax as at 31 March 2020 that have been disputed by the Company at various levels:

Name of the statute	Nature of the dues	Amount of dues* (Rs.)	Amount deposited (Rs.)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Acts/ Value Added Tax	Sales Tax/ Value Added Tax	25.65	11.74	FY 2007-08, 2010-11 to 2017-18	Upto Commissioners' Level
		35.24	20.16	FY 2008-09 to 2017-18	Commercial Tax Tribunal
		6.36	5.06	FY 2007-08 to 2009-10, 2013-14 and 2016-17 and 2017-18	High Court
Goods and Services tax Act, 2017	Goods and Services tax	6.38	6.38	FY 2018-19 and 2019-20	Upto Commissioners' level
Income-tax Act, 1961	Income tax	29.04	-	AY 2015-16 to AY 2017-18	Commissioner of Income Tax (Appeals)
	Tax Deducted at Source	0.94	-	AY 2015-16	Income Tax Appellate Tribunal
		5.82	1.01	AY 2016-17	Commissioner of Income tax (Appeals)

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

41 Capital and other commitments

41(a) The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amount to Rs. 16.28 million (31 March 2019: Rs. 11.89 million).

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

41(c) Transrail Logistics Limited (herein after referred to as "TRL") is wholly owned subsidiary of CJ Darcl Logistics Limited. The Company is aware of the financial situation of the TRL, which has been reported in the statutory financial statements of the Company as of 31 March 2020. TRL being wholly owned subsidiary, Company's Board through its Management Committee on request of TRL Board has already approved and extended the equity support by way of investment of Rs. 178.95 million in paid up equity share capital of TRL and has also continued to offer Rs. 100.00 million inter-corporate loan in its Committee meeting held on 15 June, 2020. In the Management Committee Meeting delegated by the Board held on 15 June, 2020, the Board of the Compnay through its Committee has confirmed and approved continuity of Parent support by way of financial, operational, infrastructure and manpower support, which will be reviewed on periodical basis. Company's Board through its Committee has affirmed that the Parent support already given by way of Equity investment and also inter-corporate loan along with operational, infrastructure and manpower support as and when required will remain continued in order to enable TRL to continue its business as a

41(d) The Company has other commitments on accounts of incentive payable to directors in accordance with the term of Shareholder Agreement (SHA) amount to Rs Nil (31 March 2019: Rs 50 million).

(All amounts in Rupees million, unless stated otherwise)

42a Employee Stock Option Plan

In terms of the approval accorded by the shareholders at their Extra-Ordinary General Meeting held on 9 February 2008, the Company on 19 February 2008, had given an interest free advance of Rs. 6.00 million to TCG ESOP Trust ('the Trust'). The trust in turn purchased 600,000 equity shares of Rs. 10 each fully paid up from the Company for the purposes of granting share options to the employees of the Company. Subsequent to allotment of 600,000 shares to the trust, the Company in financial year 2007-2008 had allotted bonus in the ratio of 1:1 bonus share for each equity share held in the Company. Apart from the above advance, the Company had also given Rs. 0.20 million to the trust towards its formation etc. on 19 February 2008. The trust has refunded an amount of Rs. 6.00 million till the year ended 31 March 2013. TCG ESOP Trust holds 1,200,000 equity shares with face value of Rs 10 each. Scheme for issue of option to the employee is yet to be framed. The trust is holding entire 1,200,000 equity shares of Rs.10/-each of the Company (including 600,000 Equity Shares issued as Bonus Shares) as on 31 March 2020. The Share Holder Agreement (SHA) with CJ Logistics Corporation (which holds 50% shareholding), inter-alia, requires the Company to cancel the shares held in this ESOP trust by obtaining prior approval from NCLT (National Company Law Tribunal). Company is yet to start the process for

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

43 Leases

Company as a lessee

The company has lease contracts for various items of Land, Buildings, vehicles and other equipment used in its operation. Lease of building generally have lease term between 1 to 20 Years, while leases of vehicles and other equipment generally have lease term of 1 to 5 years. The company's obligation under its leases are secured by the lessor's title to the leased asset.

The company has certain leases of building and vehicles with less than 12 months and certain lease assets with low value. The company applies the " short term lease" and " lease of low value asset" recognition exemption for these leases.

The following is the summary of practical expedients elected by the company on initial application:
1. Use a single discount rate to a portfolio of leases of similar assets in similar economic environment.
2. Applied the exemption not to recognize ROU asset and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Exclude the initial direct cost from the measurement of the ROU asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transaction are leases. Accordingly, Ind AS 116 is applied only to those contracts that were previously identified as lease under Ind AS 17.
5. Applied the practical expedient to account for each lease component and any associated non- lease components as a single lease components.
6. Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The changes in the carrying value of ROU assets for the year ended 31 March 2020 are as follows:

Particulars	**Land**	**Building**	**Commercial Vehicles**	**Other Equipment**	**Amount**
Balance as at 01 April, 2019	3.50	133.03	70.16	21.91	228.60
Additions	-	30.67	53.61	3.17	87.45
Deletion	-	(3.27)	(0.71)	-	(3.98)
Depreciation	(0.05)	(39.81)	(69.19)	(15.24)	(124.29)
Balance as at 31 March, 2020	**3.45**	**120.62**	**53.87**	**9.84**	**187.78**

The aggregate depreciation expense on ROU asset is included under depreciation and amortization expense in the statement of profit and loss.

The movement in lease liabilities during the year ended 31 March, 2020 are as follows:

Particulars	**Amount**
Balance as on 01 April, 2019	228.60
Additions during the year	87.45
Finance cost accrued during the period	22.92
Deletions	(0.33)
Payment of lease liabilities	(140.98)
Ballance as on 31 March, 2020	**197.66**
Of which	

Current lease liabilities	**11.27**
Non- Current lease liabilities	**186.39**

The effective interest rate for lease liabilities is 10%.

The total cash outflow for leases during the period is INR 140.98 million

(All amounts in Rupees million, unless stated otherwise)

The following are the amount recognised in statement of profit or loss:

Particulars	For the year ended 31 March 2020
Depreciation expense on right of use assets	**124.29**
Interest expense on lease liabilities	**22.92**
Expense relating to short term lease (Included in cost of services)	**75.57**
Expense relating to short term lease (Included in other expense)	**25.09**
	247.87

Details of the contractual maturity of lease liabilities as at 31 March 2020 on an undiscounted basis are as follows:

	As at 31 March, 2020
Not later than one year	**107.83**
Later than one year but not later than five years	**107.95**
Later than five years	**28.43**

Company as lessor

Leases for which company is a lessor is classified as finance or operating lease. Whenever the term of the lease transfer substantially all the risk and rewards of ownership to the lessee, the contract is classified as finance lease. All other lease are classified as operating lease.

For operating lease, rental income is recognised on a straight line basis over the term of the relevant lease. The company has given

	As at 31 March, 2020	As at 31 March, 2019
Rental Income for the year	**89.74**	51.50
Gross block of leased asset	**388.09**	243.47
Depreciation provided during the period	**23.26**	10.08
Accumulated depreciation	**182.80**	135.96
Written down value of leased asset	**205.29**	107.51

44 In respect of secured loans taken by the Company as at 31 March 2020, there has been instances where loan has been repaid by the Company fully, however the loan satisfaction letter (NOC letter) has not been issued by the Lender due to which Company is not in a position to file Form CHG-4 for satisfaction of charge.

45 The management has taken and given various premises on operating lease basis; rent / lease agreements in respect of which are yet to be entered / expired. Adjustment, if any, arising as a result of non-entering of such rent / lease agreements with the landlords / tenants, which in the opinion of the management would not be material, would be made in the year in which determined.

46 Corporate Social Responsibility (CSR)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Gross amount required to be spent	**6.36**	5.84
(b) Amount spent:		
(i) Construction/acquisition of any asset	-	0.08
(ii) On purpose other than(i) above	**6.84**	6.65

47 A sum of Rs. 82.91 million (31 March 2019: Rs. 92.95 million) is appearing under 'Claims receivable' (under note 8) from insurance companies and customers as at 31 March 2020. Also, ‘Balance with government authorities’ (under note 9) includes an amount of Rs 21.87 million (31 March 2019: Rs. 25.44 million) receivable against deposits given at various check posts. The Company believes that these amounts are recoverable. However, in view of the fact that the pace of recovery in respect of these balances is very slow and as a matter of abundance caution, the Company has made a provision of Rs. 39.06 million and Rs. 1.50 million as at 31 March 2020 (31 March 2019: Rs. 52.33 million and Rs. 1.50 million) against these claims receivable and security deposits respectively.

48 Transrail Logistics Limited is wholly owned subsidiary of the Company. The Company has invested total equity share capital of Rs. 178.95 million in TRL. Net Worth of TRL as on 31 March 2020 is Rs. 237.93 million (31 March 2019: Rs. 199.12 million). The business has started picking up in TRL and the subsidiary company has earned profit (after tax) of Rs. 38.82 million during the financial year 2019-20 (31 March 2019: Rs. 71.07 million). Basis the business outlook and projection, management is confident that the net worth of the TRL will further improve in coming years and there is no permanent diminution in the value of investment and therefore no provision is required at this stage.

(All amounts in Rupees million, unless stated otherwise)

49 The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under section 92-92F of the Income Tax Act 1961. Since, the law requires existence of such information and documentation of to be contemporaneous in nature, Company has executed necessary agreement/document with all such related parties wherever transfer pricing is applicable. The management is of the opinion that it's transaction are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

50 Disclosure required under Sec 186(4) of the Companies Act 2013

Particulars of loans given as required by Section 186(4) of Companies Act 2013 are as follows:

Name of the loanee	Rate of Interest	Due Date	Secured/ unsecured	Purpose of Loan	31 March 2020	31 March 2019
Transrail Logistics Limited	10%	On demand	Unsecured	Business Operations	**340.30**	170.00
			Add: Opening balance		-	47.14
			Less: Received back during the year		**340.30**	217.14
			Net Amount appearing in loans		-	-

51 Carve out assets

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

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

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

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

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

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

f) As at year end, lien on 16 assets have been vacated, out of the total 25 carve-out assets. Out of these 16 vacated assets, 3 assets have been sold till the year end and remaining 13 assets have been shown as "Assets Held for sale" in the books of accounts at their carrying value, as at 31 March 2020.

52 On 31 October 2019, the Company acquired 100% of the voting shares of CJ Korea Express India Private Limited (a non-listed company based in India) from CJ Logistics Corporation, at fair value of Rs. 71. This has been disclosed under 'Non-current investments'.

53 The outbreak of Coronavirus (COVID-19) is causing significant disturbance and slowdown of economic activity in India and across the globe. The Company has evaluated impact of this pandemic on its business operations. Based on its review and current indicators of economic conditions, there is no significant impact on its financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

54 Previous year figures

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

55 Rounded off figures

Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in these financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountant
ICAI Firm Registration No. 101049W/E300004

Sd/-
per Yogesh Midha
Partner
Membership No. 094941

For and on behalf of the Board of Directors
CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)

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

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

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

sd/-
Chol Hoi Kim
(Chief Financial Officer)

sd/-
Apoorva Kumar
(Company Secretary)
FCS: 4905

Sd/-
Hira Lal Yadav
(AGM - Accounts)

sd/-
Dinesh Sharma
(AGM - Accounts)

Place: New Delhi
Date: 24 September 2020

Place: Gurugram
Date: 24 September 2020

INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of CJ Darcl Logistics Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, their consolidated profits including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Other Matter

a. We did not audit the financial statements and other financial information, in respect of 2 subsidiaries, whose Ind AS financial statements include total assets of Rs 273.81 million as at March 31, 2020 and total revenues of Rs. 39.40 million and net cash outflows of Rs. 5.93 million for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of such other auditors.

b. The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 1 subsidiary, whose financial statements and other financial information reflect total assets of Rs 4.10 million as at and as at March 31, 2020, and total revenues of Rs 5.22 million and net cash outflows of Rs 2.64 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

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

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

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

(g) In our opinion the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act. Based on the consideration of reports of statutory auditors of 1 subsidiary, the managerial remuneration for the year ended March 31, 2020 has not been paid / provided; and in case of 2 subsidiaries, the provisions of section 197 read with Schedule V to the Act are not applicable.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us [and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, , as noted in the 'Other matter' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, – Refer Note 39 to the consolidated Ind AS financial statements;

   ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2020.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004
UDIN: 20094941AAAAEC3691

Sd/-
per Yogesh Midha
Partner
Membership Number: 094941
Place of Signature: New Delhi
Date: September 24, 2020

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

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

In conjunction with our audit of the consolidated financial statements of CJ Darcl Logistics Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of CJ Darcl Logistics Limited (hereinafter referred to as the "Holding Company") and its subsidiaries, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

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

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

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

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004
UDIN: 20094941AAAAEC3619

Sd/-
per Yogesh Midha
Partner
Membership Number: 094941
Place of Signature: New Delhi
Date: September 24, 2020

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)
Consolidated Balance Sheet as at 31 March 2020
(All amounts in Rupees million, unless stated otherwise)

	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	3a	**2,136.02**	1,772.88
Intangible assets	4	**47.51**	51.39
Capital work in progress		**90.87**	2.72
Right-of-use assets	43	**187.78**	-
Investment properties	5	**67.12**	61.83
Financial assets			
i. Loans	6	**16.83**	32.20
ii. Other financial assets	7	**36.05**	45.60
Other non-current assets	8	**620.29**	557.29
Deferred tax assets	9	**32.97**	38.11
Total non-current assets		**3,235.44**	**2,562.02**
Current assets			
Inventories	10	**15.91**	11.20
Financial assets			
i. Investments	11	**10.00**	-
ii. Trade receivables	12	**4,193.51**	3,626.59
iii. Cash and cash equivalents	13	**83.20**	39.91
iv. Bank balances other than (iii) above	14	**16.32**	36.55
v. Loans	6	**135.19**	112.52
vi. Other financial assets	7	**1,562.69**	1,540.61
Other current assets	8	**534.26**	453.54
		6,551.08	**5,820.92**
Assets classified as held for sale	3b	**59.41**	68.00
Total current assets		**6,610.49**	**5,888.92**
Total Assets		**9,845.93**	**8,450.94**
Equity and liabilities			
Equity			
Equity share capital	15	**226.62**	226.62
Other equity			
Reserves and surplus	16	**3,926.78**	3,477.55
Total equity		**4,153.40**	**3,704.17**
Liabilties			
Non-current liabilities			
Financial liabilities			
i. Borrowings	17	**818.77**	616.25
ii. Other financial liabilities	18	**31.05**	21.41
iii Lease liablities	43	**186.39**	
Employee benefit obligations	19	**44.95**	29.05
Deferred tax liabilities	20	**48.05**	1.34
Total non-current liabilities		**1,129.21**	**668.05**
Current liabilities			
Financial liabilities			
i. Borrowings	17	**2,965.92**	2,615.48
ii. Trade payables	21		
-Dues to micro and small enterprises		**0.02**	-
-Dues to enterprises other than micro and small enterprises		**792.07**	814.18
iii. Other financial liabilities	18	**630.35**	509.13
iv Lease liablities	43	**11.27**	-
Provisions	22	**40.05**	40.05
Employee benefit obligations	19	**87.08**	69.84
Other current liabilities	23	**36.56**	30.02
Total current liabilities		**4,563.32**	**4,078.72**
Total liabilities		**5,692.53**	**4,746.77**
Total equity and liabilities		**9,845.93**	**8,450.94**
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountant
ICAI Firm Registration No. 101049W/E300004

sd/-
per Yogesh Midha
Partner
Membership No. 094941

Place: New Delhi
Date: 24 September 2020

For and on behalf of the Board of Directors
CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)

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

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

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

sd/-
Chol Hoi Kim
(Chief Financial Officer)

sd/-
Apoorva Kumar
(Company Secretary)
FCS: 4905

sd/-
Hira Lal Yadav
(AGM - Accounts)

sd/-
Dinesh Sharma
(AGM - Accounts)

Place: Gurugram
Date: 24 September 2020

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)
Consolidated Statement of Profit and Loss for the period ended 31 March 2020
(All amounts in Rupees million, unless stated otherwise)

	Notes	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from contracts with customers	24	**24,026.75**	23,488.25
Other income	25	**166.23**	76.86
Total income		**24,192.98**	**23,565.11**
Expenses			
Cost of services	26	**21,337.07**	20,824.09
Employee benefit expenses	27	**1,099.05**	1,084.02
Finance costs	28	**356.88**	336.58
Depreciation and amortisation expense	29	**389.39**	260.90
Other expenses	30	**396.65**	482.40
Total expenses		**23,579.04**	**22,987.99**
Profit before tax		**613.94**	**577.11**
Income tax expense	31		
Current tax expense [including tax pertaining to previous years: Rs. 1.28 million, 31 March 2019: Rs. 2.26 million]		**105.93**	271.63
MAT credit entitlement [including pertaining to previous years : Rs. 0.02 million, 31 March 2019: Rs. 2.26 million]		**(6.91)**	(12.97)
Deferred tax charge/ (credit)		**60.50**	(91.50)
Profit for the year		**454.42**	**409.95**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement of post employment benefit obligations		**(6.94)**	1.57
Income tax relating to these items		**1.75**	(0.51)
Other comprehensive (loss)/ income for the year, net of tax		**(5.19)**	**1.06**
Total comprehensive income for the year		**449.23**	**411.01**
Earnings per equity share	32		
Basic earnings per equity share (Rs.)		**19.04**	19.10
Diluted earnings per equity share (Rs.)		**19.04**	19.10
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountant
ICAI Firm Registration No. 101049W/E300004

For and on behalf of the Board of Directors
CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)

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per Yogesh Midha
Partner
Membership No. 094941

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Apoorva Kumar
(Company Secretary)
FCS: 4905

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)
Consolidated Statement of Profit and Loss for the period ended 31 March 2020
(All amounts in Rupees million, unless stated otherwise)

	sd/-	sd/-
	Hira Lal Yadav	**Dinesh Sharma**
	(AGM - Accounts)	(AGM - Accounts)
Place: New Delhi	Place: Gurugram	
Date: 24 September 2020	Date: 24 September 2020	

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)
Statement of changes in equity for the year ended 31 March 2020
(All amounts in Rupees million, unless stated otherwise)

A) Equity share capital (refer note 15)

	Number	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at 1 April 2018	23,862,142	238.62
Add: Issued during the year	-	-
Less: Shares held by ESOP Trust at the year end	(1,200,000)	(12.00)
Balance as at 31 March 2019	22,662,142	226.62
Add: Issued during the year	-	-
Balance as at 31 March 2020	**22,662,142**	**226.62**

B) Other equity (refer note 16)

	General reserve	Securities premium	Capital redemption reserve	Retained earnings	Total
Balance as at 1 April 2018	951.87	1,137.91	54.00	922.76	3,066.54
Profit for the year	-	-	-	409.95	409.95
Other comprehensive income (net of tax)	-	-	-	1.06	1.06
Balance as at 31 March 2019	951.87	1,137.91	54.00	1,333.77	3,477.55
Profit for the year	-	-	-	454.42	**454.42**
Other comprehensive income (net of tax)	-	-	-	(5.19)	**(5.19)**
Addition during the year	-	-	-	-	-
Less: share issue expense	-	-	-	-	-
Balance as at 31 March 2020	**951.87**	**1,137.91**	**54.00**	**1,783.00**	**3,926.78**

The accompanying notes form an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountant
ICAI Firm Registration No. 101049W/E300004

For and on behalf of the Board of Directors
CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)

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per Yogesh Midha
Partner
Membership No. 094941

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Hira Lal Yadav
(AGM - Accounts)

sd/-
Dinesh Sharma
(AGM - Accounts)

Place: New Delhi
Date: 24 September 2020

Place: Gurugram
Date: 24 September 2020

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)
Consolidated Cash Flow Statements for the year ended 31 March 2020
(All amounts in Rupees million, unless stated otherwise)

	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flow from operating activities:		
Profit before taxation	**613.94**	577.11
Adjustments for :		
Depreciation and amortisation expense	**389.39**	260.90
Profit on sale of fixed assets (net)	**(68.25)**	(40.25)
Interest income	**(44.48)**	(14.32)
Loss on termination of lease contract	**3.66**	-
Liabilities no longer required written back	**(2.33)**	(0.82)
Provision for doubtful trade receivables, advances and claims	**69.43**	194.47
Bad debts written off	**16.37**	7.36
Fair valuation of investments	**(0.03)**	(0.15)
Interest income on - unwinding of security deposits	**-**	(1.50)
Finance costs	**357.85**	336.56
Operating profit before working capital changes	**1,335.55**	1,319.35
Changes in working capital :		
(Increase) in trade receivables	**(392.56)**	(355.06)
(Increase) in inventories	**(4.72)**	(1.73)
(Increase) in other financial assets	**32.92**	(374.02)
Decrease/(increase) in other current assets	**(37.10)**	(44.04)
(Decrease)/increase in trade payables	**(148.40)**	4.01
(Decrease)/increase in other financial liabilities	**14.35**	37.32
Increase in other liabilities	**(24.57)**	(2.56)
Employee benefit obligations & provisions	**26.20**	28.99
Cash generated from operations	**801.67**	612.26
Net income tax paid (net of refund)	**(172.86)**	(315.00)
Net cash flow from operating activities (A)	**628.81**	297.26
B. Cash flows from investing activities		
Capital expenditure on fixed assets including capital advances	**(616.92)**	(296.71)
Proceeds from sale of fixed assets	**102.09**	57.10
Investment in subsidiary	**(0.00)**	-
Investment in mutual fund	**(110.00)**	-
Sale of Investments	**100.03**	8.22
Interest received	**44.77**	13.72
Increase / (Decrease) in bank balance not considered in cash and cash equivalents	**12.32**	(29.01)
Net cash used in investing activities (B)	**(467.71)**	(246.68)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	**596.36**	442.60
Repayments of long-term borrowings	**(456.65)**	(524.22)
Net proceeds from short-term borrowings	**279.82**	416.55
Payment of principal portion of lease liability	**(118.06)**	-
Net (decrease) in working capital borrowings	**(62.02)**	(23.16)
Finance cost paid	**(369.08)**	(354.25)
Net cash used in financing activities (C)	**(129.63)**	(42.47)

CJ Darcl Logistics Limited (Formerly known as Darcl Logistics Limited)
Consolidated Cash Flow Statements for the year ended 31 March 2020
(All amounts in Rupees million, unless stated otherwise)

Net increase in cash and cash equivalents (A + B + C)	**31.47**	8.11
Cash and cash equivalents at the beginning of the year	**39.91**	31.80
Add: Transferred pursuant to acquisition of subsidiary (refer note 48)	**11.82**	-
Cash and cash equivalents at the end of the year	**83.20**	39.91
Components of cash and cash equivalents		
Cash on hand	**7.75**	11.89
Balances with scheduled banks:		
- in current accounts	**74.01**	27.72
-in deposit account (original maturity of 3 months or less)	**1.44**	0.30
Total cash and cash equivalents (refer note 13)	**83.20**	39.91

Summary of significant accounting policies

As per our report of even date

For S.R. Batliboi & Associates LLP
Firm Registration no: 101049W/E300004
Chartered Accountants

sd/-
per Yogesh Midha
Partner
Membership No. 094941

For and on behalf of the Board of Directors
CJ Darcl Logistics Limited

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

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(AGM - Accounts)

sd/-
Dinesh Sharma
(AGM - Accounts)

Place: New Delhi
Date: 24 September 2020

Place: Gurugram
Date: 24 September 2020

1. CORPORATE INFORMATION

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

The Financial statements were authorized by the Board of Directors for issue in accordance with resolution passed on 24 September 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of consolidation:

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

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

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

a) Principles of consolidation

The consolidated financial statements relate to CJ Darcl Logistics Limited (the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

i. The financial statements of the subsidiary companies, used in the consolidation are drawn upto the same reporting date as that of the Group i.e., 31 March 2020.

ii. The financial statements of the and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.

iii. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Group's separate financial statements.

b) Following subsidiary companies have been considered in the preparation of these consolidated financial statements:

Name of the entity	Country of Incorporation	Ownership held by	Percentage of voting power as at 31 March 2020	Percentage of voting power as at 31 March 2019
Transrail Logistics Limited	India	CJ Darcl Logistics Limited	100%	100%
Darcl Logistics Nepal Private Limited	Nepal	CJ Darcl Logistics Limited	100%	100%
Fr8ology Private Limited	India	CJ Darcl Logistics Limited	100%	100%
CJ Korea Express India Private Limited	India	CJ Darcl Logistics Limited	100%	-

These consolidated financial statements are based, in so far as they relate to amounts included in respect of subsidiary companies, on the audited financial statements prepared for consolidation in accordance with the requirement of Indian Accounting Standard 110 – "Consolidated Financial Statements" of aforesaid entity.

ii) Change in accounting policies

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using Modified Retrospective method of adoption, with the date of initial application on 1 April 2019. The Group has applied the standard to all its leases with the cumulative impact recognised on the date of initial application. Accordingly, previous figures have not been restated. This has resulted in recognising ROU asset amounting to Rs. 228.60 million and a corresponding lease liability of Rs. 228.60 million as on date of transition.

Operating lease expense which were perilously recognised as other expense in previous period are now recognised as depreciation expense for the ROU and the finance cost for interest accrued on lease liability in the financial results for the year ended 31 March 2020.

iii) Property plant and equipment

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

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

iv) Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

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

v) Intangible assets

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

Research and development cost

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

Amortisation methods and periods

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

The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as

appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

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

vi) Use of estimates

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

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

vii) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

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

The Group classifies all other liabilities as non-current.

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

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

viii) Non-current assets held for sale

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

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

a) The appropriate level of management is committed to a plan to sell the asset,
b) An active programme to locate a buyer and complete the plan has been initiated,
c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.
Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

ix) Investment Property

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

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

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

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

x) Leases

The Group assesses at contract inception whether a contract is, or contains a, lease. That is if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right of use asset

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and Building 1 to 20 Years
Vehicles and other equipment 1 to 5 Years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2(xi) for impairment of non - financial assets.

b) Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of the lease payment to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

c) Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income

xi) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

xii) Financial Instruments

i) Financial assets

a) Initial recognition and measurement

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

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

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

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

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

b) Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

This category is most applicable to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (“EIR”) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR

amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

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

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

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

Debt instrument at FVTPL

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

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

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

Equity Investments

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

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

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

Derecognition

A financial asset is de-recognised only when

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay. A financial assets is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Impairment of financial assets

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

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

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

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

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

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

Financial Liabilities

Initial recognition and measurement

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

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

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

The Group’s financial liabilities include trade and other payables, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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

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

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

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

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

De-recognition

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

Reclassification of financial assets

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

Offsetting of financial instruments

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

xiii) Revenue recognition

Revenue from contracts with customers

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

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

Performance obligations

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

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

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

Variable consideration

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

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

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

Interest income

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

Dividends

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

xiv) Inventories

Inventories comprise of tyres, tubes and other accessories for repairs and maintenance of own vehicles, which are valued at cost or net realizable value, whichever is lower. Cost is determined on weighted average cost basis. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Costs are assigned to individual items of inventory based on weighted average cost basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

xv) Employee benefits

(i) Short-term obligations

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

(ii) Post-employment benefits

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

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

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

- Net interest expense

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

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

xvi) Borrowing cost

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

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

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

xvii) Income tax

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

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

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

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

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

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

xviii) Foreign Currency Transactions

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

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

xix) Earnings per share

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

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

xx) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

xxi) Provisions and Contingent liabilities

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax

rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

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

xxii) Segment reporting

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

xxiii) Dividend distribution

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

xxiv) Cash and cash equivalents

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

xxv) Investment in subsidiaries

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

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(All amounts in Rupees million, unless stated otherwise)

3a Property, plant and equipment

Description of assets	Gross Block					Depreciation / amortisation					Net Block
	As at 1 April 2019	Adjustment (pursuant to acquisition of subsidiary) refer note 48	Additions	Deductions	As at 31 March 2020	As at 1 April 2019	Adjustment (pursuant to acquisition of subsidiary) refer note 48	Charge for the year	Deductions	As at 31 March 2020	As at 31 March 2020
Tangible assets											
Land - Freehold*	179.31	-	-	13.04	166.27	-	-	-	-	-	166.27
- Leasehold	1.15	-	21.88	-	23.03	0.37	-	0.38	-	0.75	22.28
Buildings*^#	221.84	-	-	1.61	220.23	9.99	-	3.96	0.12	13.83	206.40
Plant and machinery (Flat wagons)	218.89	-	-	-	218.89	61.61	-	20.54	-	82.15	136.74
Rail containers	138.12	-	-	1.96	136.16	29.04	-	9.56	0.45	38.15	98.01
Plant and machinery (Others)	13.99	-	-	-	13.99	7.93	-	0.52	0.15	8.30	5.69
Furniture and fittings	71.65	5.08	7.86	0.56	84.03	13.55	2.48	7.37	0.23	23.17	60.86
Furniture and fittings	128.14	4.50	17.91	7.90	142.65	44.80	4.30	21.82	5.79	65.13	77.52
Computers	29.79	3.29	12.57	3.89	41.76	14.88	3.13	7.72	3.09	22.64	19.12
Trucks	1,418.23	52.20	536.18	34.91	1,971.70	489.50	44.86	165.80	28.07	672.09	1,299.61
Other vehicles	97.35	0.07	37.60	14.04	120.98	30.82	0.07	13.04	6.49	37.44	83.54
Leasehold improvements	27.28	-	0.27	-	27.55	2.38	-	5.77	-	8.15	19.40
Total	2,545.74	65.14	634.27	77.91	3,167.24	704.87	54.84	256.48	44.39	971.80	2,195.44
Less: Assets held for sale											
Land - Freehold*	(50.04)	-	-	(8.02)	(42.02)	-	-	-	-	-	(42.02)
Buildings*	(18.89)	-	-	(0.32)	(18.57)	(0.93)	-	(0.26)	(0.02)	(1.17)	(17.40)
Total	2,476.81	65.14	634.27	69.57	3,106.65	703.94	54.84	256.22	44.37	970.63	2,136.02

Description of assets	Gross Block					Depreciation / amortisation					Net Block
	As at 1 April 2018	Adjustment (pursuant to acquisition of subsidiary) refer note 48	Additions	Deductions	As at 31 March 2019	As at 1 April 2018	Adjustment (pursuant to acquisition of subsidiary) refer note 48	Charge for the year	Deductions	As at 31 March 2019	As at 31 March 2019
Tangible											
Land - Freehold*	179.31	-	-	-	179.31	-	-	-	-	-	179.31
Land Leasehold	0.84	-	0.31	-	1.15	0.21	-	0.16	-	0.37	0.78
Buildings*^#	216.55	-	5.93	0.64	221.84	6.15	-	3.90	0.06	9.99	211.85
Plant and Machinery (Flat Wagons)	218.89	-	-	-	218.89	41.07	-	20.54	-	61.61	157.28
Rail Containers	138.29	-	0.50	0.67	138.12	19.50	-	9.68	0.14	29.04	109.08
Plant and Machinery (Others)	13.99	-	-	-	13.99	5.32	-	2.61	-	7.93	6.06
Furniture and Fittings	60.30	-	11.51	0.16	71.65	7.31	-	6.29	0.05	13.55	58.10
Office Equipment	108.69	-	23.58	4.13	128.14	28.39	-	19.27	2.86	44.80	83.34
Computers	23.10	-	8.84	2.15	29.79	10.20	-	6.13	1.45	14.88	14.91
Trucks	1,243.82	-	210.62	36.21	1,418.23	341.59	-	172.15	24.24	489.50	928.73
Other Vehicles	85.34	-	13.02	1.01	97.35	19.78	-	11.57	0.53	30.82	66.53
Leasehold Improvements	14.01	-	15.05	1.78	27.28	2.94	-	1.22	1.78	2.38	24.90
Total	2,303.13	-	289.36	46.75	2,545.74	482.46	-	253.52	31.11	704.87	1,840.88
Less: Assets held for sale											
Land - Freehold*	(50.04)	-	-	-	(50.04)	-	-	-	-	-	(50.04)
Buildings*	(19.30)	-	-	(0.41)	(18.89)	(0.65)	-	(0.31)	(0.03)	(0.93)	(17.96)
					-	-		-	-	-	-
Total	2,233.79	-	289.36	46.34	2,476.81	481.81	-	253.21	31.08	703.94	1,772.88

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

^ Includes title deed of the building amounting to Rs. 0.10 million (31 March 2019: Rs. 0.10 million) is pending for registration in the name of the Group. The said building is registered in the name of a director of the Group.

Building includes Rs. 250 *(in absolute term)* , representing cost of unquoted fully paid shares in Punit Chambers Premises Co-operative Society Limited and Skylone Co-operative Housing Society Limited.
For detail in respect of carve out assets please refer note 50

(All amounts in Rupees million, unless stated otherwise)

3b Assets held for sale

As per the terms of Shareholder agreement dated 5 June 2017 entered into by the group with CJ Logistics Corporation, certiain properties have been agreed to be carved out from the group (refer note 51). The details relating to gross block and accumulated depreciation of aforementioned assets as at 31 March 2020 are included in the table below:

	Gross Block					**Depreciation / amortization**					**Net block**
Description of assets	As at 1 April 2019	**Adjustment (pursuant to acquisition of subsidiary) refer note 48**	**Additions**	**Deductions**	**As at 31 March 2020**	As at 1 April 2019	**Adjustment (pursuant to acquisition of subsidiary) refer note 48**	**Charge for the year**	**Disposal**	**As at 31 March 2020**	**As at 31 March 2020**
Assets held for sale											
Land - Freehold*	50.04	-	**-**	**8.02**	**42.02**	-	-	-	-	**-**	**42.02**
Buildings*	18.89	-	-	**0.33**	**18.56**	0.93	-	**0.26**	**0.02**	**1.17**	**17.39**
Total Assets held for sale	68.93	**-**	**-**	**8.35**	**60.58**	**0.93**	**-**	**0.26**	**0.02**	**1.17**	**59.41**

	Gross Block					Depreciation / amortization					Net block
Description of assets	As at 1 April 2018	Adjustment (pursuant to acquisition of subsidiary) refer note 48	Additions	Deductions	As at 31 March 2019	As at 1 April 2018	Adjustment (pursuant to acquisition of subsidiary) refer note 48	Charge for the year	Disposal	As at 31 March 2019	As at 31 March 2019
Assets held for sale											
Land - Freehold*	50.04	-	-	-	50.04	-	-	-	-	-	50.04
Buildings*	19.30	-	-	0.41	18.89	0.65	-	0.31	0.03	0.93	17.96
Total Assets held for sale	69.34	-	-	0.41	68.93	0.65	-	0.31	0.03	0.93	68.00

*The title deeds for land and other properties at New Delhi, Haryana, Assam, West Bengal, Maharashtra and Karnatka are in the former name of the Group i.e. Delhi Assam Roadways Corporation Limited.
For detail in respect of carve out assets please refer note 50

4 Intangible assets

	Gross Block					**Depreciation / amortisation**					**Net Block**
Description of assets	As at 1 April 2019	**Adjustment (pursuant to acquisition of subsidiary) refer note 48**	**Additions**	**Deductions**	**As at 31 March 2020**	As at 1 April 2019	**Adjustment (pursuant to acquisition of subsidiary) refer note 48**	**Charge for the year**	**Deductions**	**As at 31 March 2020**	**As at 31 March 2020**
Intangible assets											
Railway license	63.81	-	**-**	**-**	**63.81**	15.00	-	**5.00**	**-**	**20.00**	**43.81**
Software license fees	9.56	0.60	**2.28**	**-**	**12.44**	6.98	0.59	**1.17**	**-**	**8.74**	**3.70**
Total intangible assets	**73.37**	**0.60**	**2.28**	**-**	**76.25**	**21.98**	**0.59**	**6.17**	**-**	**28.74**	**47.51**

	Gross Block					Depreciation / amortisation					Net Block
Description of assets	As at 1 April 2018	Adjustment (pursuant to acquisition of subsidiary) refer note 48	Additions	Deductions	As at 31 March 2019	As at 1 April 2018	Adjustment (pursuant to acquisition of subsidiary) refer note 48	Charge for the year	Deductions	As at 31 March 2019	As at 31 March 2019
Intangible assets											
Railway license	63.81	-	-	-	63.81	10.00	-	5.00	-	15.00	48.81
Software license fees	9.07	-	0.49	-	9.56	5.57	-	1.41	-	6.98	2.58
Total intangible assets	72.88	-	**0.49**	**-**	**73.37**	15.57	-	**6.41**	**-**	**21.98**	**51.39**

(All amounts in Rupees million, unless stated otherwise)

5 Investment properties

	As at 31 March 2020	As at 31 March 2019
Gross carrying amount		
Opening gross carrying amount	**63.83**	52.22
Additions	**7.91**	11.61
Closing gross carrying amount	**71.74**	63.83
Accumulated depreciation		
Opening accumulated depreciation	**2.00**	1.01
Depreciation charge	**2.62**	0.99
Closing accumulated depreciation	**4.62**	2.00
Net carrying amount	**67.12**	61.83

a) Amounts recognised in profit or loss for investment properties

	As at 31 March 2020	As at 31 March 2019
Rental income	**27.74**	7.43
Direct operating expenses from property that generated rental income	**(3.17)**	(1.58)
Profit from investment properties before depreciation	**24.57**	5.85
Depreciation	**(2.62)**	(0.99)
Profit from investment properties	**21.95**	4.86

b) Fair value

	As at 31 March 2020	As at 31 March 2019
Investment properties	**133.67**	136.71

c) Estimation of fair value

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

6 Loans

	As at 31 March 2020	As at 31 March 2019
Non-current		
Security deposits	**17.83**	33.20
Less: provision for doubtful security deposits	**(1.00)**	(1.00)
Total loans - non current	**16.83**	32.20
Current		
Security deposits	**136.92**	114.25
Less: provision for doubtful security deposits (current)	**(1.73)**	(1.73)
Total loans - current	**135.19**	112.52

(All amounts in Rupees million, unless stated otherwise)

7 Other financial assets

	As at 31 March 2020	As at 31 March 2019
Non current		
Balances held as margin money	**34.91**	44.84
Interest accrued on fixed deposits	**1.14**	0.76
Total other financial assets - non current	**36.05**	45.60
Current		
Claims receivable	**83.81**	92.98
Less: provision for claims receivable	**(39.06)**	(52.33)
	44.75	40.65
Contract assets	**1,294.85**	1,331.75
Receivable against sale of assets	**2.25**	0.64
Balances held as margin money	**149.16**	122.77
Interest accrued on fixed deposits	**5.05**	5.40
Surrender value of keyman insurance policy	**7.88**	6.62
Other receivable	**31.21**	30.91
Others	**25.13**	1.87
Advance recoverable in cash or in kind or for value to be received	**2.41**	-
Total other financial assets - current	**1,562.69**	1,540.61

8 Other assets

	As at 31 March 2020	As at 31 March 2019
Non-current		
Capital advances	**29.62**	29.72
Advances other than capital advances:		
Prepaid expenses	**4.80**	3.72
Balance with government authorities	**37.23**	42.11
Less: Provision for balance with government authorities	**(1.50)**	(1.50)
	35.73	40.61
Advance income tax (net of provision for tax)	**550.14**	483.24
Total other assets - Non-current	**620.29**	557.29
Current		
Prepaid expenses	**67.21**	73.39
Balance with government authorities	**117.36**	42.53
Advances to employees	**90.62**	122.38
Contract cost	**58.60**	40.02
Advances to vendors	**197.13**	178.95
Less: Provision for advance to vendors	**(24.86)**	(21.03)
	172.27	157.92
Receivable from related party (refer note 37)	**28.20**	17.30
Total other current assets	**534.26**	453.54

9 Deferred tax assets

	As at 31 March 2020	As at 31 March 2019
Items leading to creation of deferred tax assets		
Provision for doubtful debt	**5.16**	4.36
Defined benefit obligations	**0.15**	0.09
Fixed assets: impact of differences between tax depreciation and depreciation/amortization charged in the financial statements	**0.08**	1.66
Unabsorbed depreciation & carried forward business losses	**-**	11.33
Total deffered tax asset (A)	**5.39**	17.44
MAT credit entitlement (B)	**27.58**	20.67

Total deferred tax (A+B)	**32.97**	38.11

(All amounts in Rupees million, unless stated otherwise)

Movement of MAT credit entitlement		
Balance at the beginning of year	**20.67**	7.70
Charge for the year	**6.91**	12.97
Balance at the end of year	**27.58**	20.67

10 Inventories

	As at 31 March 2020	As at 31 March 2019
Tyres, tubes and other spare parts	**15.91**	11.20
Total Inventories	**15.91**	11.20

11 Current investments

	As at 31 March 2020	As at 31 March 2019
Investment in mutual funds - Quoted		
3,101 (31 March 2019 - Nil) Unit of SBI overnight fund	10.00	-
	10.00	-

12 Trade receivables

	As at 31 March 2020	As at 31 March 2019
Break up for security details:		
Trade receivables		
Unsecured considered good	**4,193.51**	3,626.59
Trade receivables- credit impaired	**318.06**	295.67
	4,511.57	3,922.26
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Trade receivables- credit impaired	**(318.06)**	(295.67)
	(318.06)	(295.67)
Total trade receivables	**4,193.51**	3,626.59

The movement in impairment of trade receivables is as follows:

	As at 31 March 2020	As at 31 March 2019
Opening balance	**295.67**	131.75
Additions	**169.89**	163.92
Write off (net of recovery)	**(147.50)**	-
	318.06	295.67

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(All amounts in Rupees million, unless stated otherwise)

13 Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Cash in hand	**7.75**	11.89
Balances with banks		
- in current accounts	**74.01**	27.72
- In other deposit accounts (less than 3 months)	**1.44**	0.30
Total cash and cash equivalents	**83.20**	39.91
Other bank balances		
Deposits with remaining maturity of more than 3 months but less than 12 months	**16.32**	36.55
Deposits other than above with remaining maturity of less than 12 months	**149.16**	122.77
Deposits other than above with remaining maturity of more than 12 months	**34.91**	44.84
	200.39	204.16
Less : Disclosed under		
Other bank balances (refer note 14)	**16.32**	36.55
Other financial assets (current) (refer note 7)	**149.16**	122.77
Other financial assets (non-current) (refer note 7)	**34.91**	44.84
	200.39	204.16

Notes:

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

i. Against Bank Gurantee amounting to Rs 84.24 million (31 March 2019: 102.41 million)
ii. Against Public Deposits amounting to Rs 43.53 million (31 March 2019: 50.89 million)
iii. Against Overdrafts amounting to Rs 32.6 million (31 March 2019: 27.27 million)
iv. Against Standby Letter of Credit amounting to Rs nill million (31 March 2019: 3.1 million)
v. Other margin money deposits amounting to Rs 32.1 million (31 March 2019: 16.10 million)

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

14 Other bank balances

	As at 31 March 2020	As at 31 March 2019
In other deposit accounts (more than 3 months but less than 12 months)	**16.32**	36.55
Total other bank balances	**16.32**	36.55

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(All amounts in Rupees million, unless stated otherwise)

15 Share capital

	As at 31 March 2020	As at 31 March 2019
Authorised equity share capital		
45,000,000 (31 March 2019: 45,000,000) equity shares of Rs. 10 each	**450.00**	450.00
Issued, subscribed and fully paid up equity shares		
23,862,142 (31 March 2019: 23,862,142) equity shares of Rs. 10 each	**238.62**	238.62
Less: Shares held by ESOP Trust at the year end	**(12.00)**	(12.00)
	226.62	226.62

	31 March 2020		31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Number of share at beginning of the year	**23,862,142**	**238.62**	22,662,142	226.62
Less: Shares held by ESOP Trust at the year end	**-**	**-**	(1,200,000)	(12.00)
Add : Issue of shares	**-**	**-**	-	-
Number of share at the end of the year	**23,862,142**	**238.62**	21,462,142	214.62

(b) Terms/rights attached to equity shares
The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. During the year ended 31 March 2020, the amount of per share interim dividend recognized as distributions to equity shareholders is Rs. Nil (31 March 2019: Nil). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 March 2020		31 March 2019	
	Number of shares	% holding	Number of shares	% holding
Equity shares with voting rights				
CJ Logistics Corporation	**11,931,071**	**50.00%**	11,931,071	50.00%
ASM (India) Investments Private Limited	**3,238,064**	**13.57%**	3,238,064	13.57%
Gargo Investments Private Limited	**2,770,805**	**11.61%**	2,770,805	11.61%
TCG Esop Trust	**1,200,000**	**5.03%**	1,200,000	5.03%

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

(d) Shares reserved for issue under options
1,200,000 shares (31 March 2019: 1,200,000) shares of Rs. 10 each are outstanding towards employee stock options which is currently being held by TCG ESOP Trust. The Share Holder Agreement (SHA) with CJ Logistics Corporation (which holds 50% shareholding), inter-alia, requires the Company to cancel the shares held in this ESOP trust by obtaining prior approval from NCLT (National Company Law Tribunal). Company is yet to start the process for seeking requisite approval of NCLT. (refer note 42a).

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

	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Equity shares					
Bought back	-	-	-	5,400,000	-

(All amounts in Rupees million, unless stated otherwise)

16 Reserves and surplus

	As at 31 March 2020	As at 31 March 2019
General reserve (A)	**951.87**	951.87
Securities premium (B)	**1,137.91**	1,137.91
Capital redemption reserve (C)	**54.00**	54.00
Retained earnings (D)	**1,783.00**	1,333.77
Total reserves and surplus	**3,926.78**	3,477.55

	As at 31 March 2020	As at 31 March 2019
(A) General reserve		
Balance as per last financial statements	**951.87**	951.87
Less: Transfer to capital redemption reserve in respect of the buy back of shares	**-**	-
Closing balance	**951.87**	951.87
(B) Securities premium		
Balance as per last financial statements	**1,137.91**	1,137.91
Add: premium on issue of equity shares during the year	**-**	-
Closing balance	**1,137.91**	1,137.91
(C) Capital redemption reserve		
Balance as per last financial statements	**54.00**	54.00
Add: Transfer from general reserve	**-**	-
Closing balance	**54.00**	54.00
(D) Retained earnings		
Balance as per last financial statements	**1,333.77**	922.76
Net profit for the period	**454.42**	409.95
Other comprehensive income for the year (net of tax)	**(5.19)**	1.06
Closing balance	**1,783.00**	1,333.77

17 Borrowings

	As at 31 March 2020	As at 31 March 2019
Non current		
Secured		
Term loan from banks (refer note A)	**989.98**	672.31
Term loan from financial institution (refer note B)	**51.27**	82.70
Unsecured		
Term loan from banks (refer note C)	**57.44**	96.05
Deposits (refer note D)	**159.61**	192.05
Total long term borrowings	**1,258.30**	1,043.11
Less: Current maturities of long-term borrowings (refer Note 18)		
Secured loan		
Term loan from banks	**314.15**	258.96
Term loan from financial institution	**33.70**	31.43
Unsecured		
Term loan from banks	**35.41**	38.61
Deposits	**56.27**	97.86
	439.53	426.86
Total long term borrowings	**818.77**	616.25
Current		
Secured		
Cash credit (refer note a)	**268.89**	778.99
Working capital demand loan (refer note a)	**2,476.92**	1,752.93
Overdraft (refer note b)	**145.32**	9.53
Unsecured		

Loans from related party (refer note d)	**4.10**	-
Deposits (refer note c)	**70.69**	74.03
Total short term borrowings	**2,965.92**	2,615.48

Secured term loan from banks-:

A) Term loan amounting to Rs. 987.59 million (31 March 2019: Rs. 660.87 million) relates to rupee term loans from banks towards asset purchased under hire purchase/financing arrangement and Rs. 2.39 million (31 March 2019: Rs. 11.44) relates to rupee term loans from banks towards refinance on asset originally purchased under hire purchase/financing arrangement and are secured by way of hypothecation of the respective assets. These loans carry fixed/floating interest rates ranging from 7.91% to 9.76% per annum (31 March 2019: 7.91% to 10.95% per annum) and are repayable in monthly instalments ranging from 3 to 59 with equated monthly instalment ranging from Rs. 0.01 million to Rs.0.43 million. Some of these loans are further secured by way of personal guarantee of some of the directors of the Group.

Secured term loan from financial institutions-:

B) Term loan amounting to Rs.51.27 million (31 March 2019: Rs. 82.70 million) relates to rupee term loans from financial institutions towards asset purchased under hire purchase / financing arrangement and are secured by way of hypothecation of the respective assets and carries fixed interest rates ranging from 7.62% to 9.88% per annum (31 March 2019: 7.62% to 9.88% per annum) and are repayable in monthly instalments ranging from 9 to 19 with equated monthly instalment ranging from Rs. 0.02 million to Rs.0.08 million.

Unsecured term loan from bank-:

C) Term loan amounting to Rs. 57.44 million (31 March 2019: Rs. 96.05 million) relates to unsecured rupee term loans from bank. These loans carry fixed/ floating interest rate ranging fromf 9.25% per annum (31 March 2019: 9.25% to 10.40% per annum) and are repayable in in balance 19 equated monthly instalment of Rs.3.27 million. The said loan is backed by personal guarantee of some of the Directors of Company.

Unsecured Public Deposit-:

D) Rs. 159.61 million (31 March 2019: Rs. 192.05 million) relates to Deposits from Public and carry interest rate ranging from 7.25% to 10.00% per annum (31 March 2019: 7.25% to 11.05% per annum) (including 0.50% per annum extra interest to senior citizens) and are repayable after period ranging from 15 months to 36 months from the respective dates of deposit.

Secured short term borrowings-:

(a) Cash credit loans and working capital demand loans from banks under consortium limits are secured by first pari-passu charge by way of hypothecation over the Group's book debts including unbilled receivables and current assets. These loans are further secured by first pari-passu charge by way of hypothecation of fixed assets (present and future) excluding value of land and buildings which is taken for collateral and vehicles financed by other banks and financial institutions. The facilities are also secured by first pari-passu charge by way of equitable mortgage of certain properties owned by the Group. These loans are also secured by first pari-passu charge by way of SBLC of Rs. 165 crore arrange by CJ logistics Corporation Korea in favor of consortium banks. The said loans are further secured by way of personal guarantee of some of the Directors, members of the promoter group and corporate guarantee of companies closely held by the members of the promoter group. Cash credit loans are renewed at the end of one year or any extension given by the banks from the date of respective sanctions and carries interest ranging from 8.5% to 10.15% per annum (31st March 2019: 9.20% to 9.95% per annum). Working capital demand loans from banks have bullet repayment and carriy interest of 7.95% to 8.70% (31st March 2019: 8.75% per annum).

Unsecured public deposit-:

(c) Deposits from public carry interest rate ranging from 6.75% to 7.75% per annum (31 March 2019: 6.75% to 7.75% per annum) (including 0.50% per annum extra interest to senior citizens) and are repayable after period ranging from 6 months to 18 months from the respective dates of deposit.

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

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalent (refer note 13)	**83.20**	39.91
Long term borrowings (including current maturities of long term borrowings)	**(1,258.30)**	(1,043.11)
Short term borrowings	**(2,965.92)**	(2,615.48)
Net debt	**(4,141.02)**	(3,618.68)

(All amounts in Rupees million, unless stated otherwise)

18 Other Financial Liabilities

	As at 31 March 2020	As at 31 March 2019
Non-current		
Security deposit received	**25.14**	14.46
Interest accrued but not due on borrowings	**5.91**	6.95
Total other non-current financial liabilities	**31.05**	21.41
Current		
Current maturities of long-term borrowings (refer note 17)	**439.53**	426.86
Interest accrued but not due on borrowings	**16.70**	27.14
Unclaimed / unpaid matured deposits and interest accrued thereon	**2.51**	0.29
Payable for capital goods	**118.35**	2.66
Security deposits received	**8.74**	11.57
Contract liablities	**17.41**	19.70
Advance against sale of assets	**10.44**	10.41
Book overdraft	**0.32**	6.43
Others	**16.35**	4.07
Total other current financial liabilities	**630.35**	509.13

19 Employee Benefit Obligations

	As at 31 March 2020	As at 31 March 2019
Non-current		
Gratuity (refer note 38)	**44.95**	29.05
Total Employee benefit obligations - Non-current	**44.95**	29.05
Current		
Compensated absences	**57.80**	44.68
Gratuity (refer note 38)	**29.28**	25.16
Total Employee benefit obligations - Current	**87.08**	69.84

20 Deferred Tax Liabilities

	As at 31 March 2020	As at 31 March 2019
Items leading to creation of deferred tax liabilities		
Fixed assets: impact of differences between tax depreciation and depreciation/amortization charged in the financial statements	**176.26**	194.02
Right-of-use assets	**47.26**	-
Others	**1.98**	2.31
Total deferred tax liabilities	**225.50**	196.33
Items leading to creation of deferred tax assets		
Defined benefit obligations	**33.80**	36.32
Provision for doubtful debt & advances	**73.77**	130.72
Lease liablities	**49.75**	-
Others	**20.13**	27.95
Total deferred tax assets (A)	**177.45**	194.99
Net deferred tax liabilities	**48.05**	1.34

(All amounts in Rupees million, unless stated otherwise)

21 Trade Payables

	As at 31 March 2020	As at 31 March 2019
Current		
Dues to Micro and Small Enterprises*	**0.02**	-
Dues to enterprises other than Micro and Small Enterprises	**792.05**	814.18
Trade payables to related parties (refer note 37)	**0.02**	-
Total trade payables	**792.09**	814.18

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

22 Provisions

	As at 31 March 2020	As at 31 March 2019
Current		
Provision for income tax (net of advnace tax)	**24.93**	24.93
Provision for contingencies	**15.12**	15.12
Total provisions - Current	**40.05**	40.05

The Group has created a provision of Rs. 15.12 million as at 31 March 2020 (31 March 2019: Rs. 15.12 million) against contingent liabilities as a matter of abundance caution (refer note 39).

23 Other Liabilities

	As at 31 March 2020	As at 31 March 2019
Current		
Statutory dues payable	**36.56**	30.02
Total other liabilities	**36.56**	30.02

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(All amounts in Rupees million, unless stated otherwise)

24 Revenue from contracts with customers

	For the year ended 31 March 2020	For the year ended 31 March 2019
Rendering of services (Services transferred over time)		
Transportaion of goods	**23,880.44**	23,401.31
Other services	**146.31**	86.94
Revenue from contracts with customers	**24,026.75**	23,488.25

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Revenue as per contracted price	**24,133.70**	23,574.45
Adjustments		
Incentives and penalties	**(106.95)**	(86.20)
Revenue from contracts with customers	**24,026.75**	23,488.25

Revenue from rendering of services is earned primarily from customers within India.

25 Other income

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income on - Bank deposits	**14.91**	12.45
Interest income on - Others	**26.85**	1.87
Interest income on - unwinding of security deposits	**-**	1.50
Interest income on - Income tax refund	**1.66**	-
Rental income	**23.91**	9.07
Income from resource sharing	**4.01**	0.62
Change in surrender value of keyman insurance policy	**1.26**	1.24
Profit on sale of fixed assets (net)	**68.25**	40.25
Profit on sale of investments (net)	**0.03**	0.15
Foreign exchange gain (net)	**1.54**	-
Bad debts earlier written off, now recovered	**5.51**	-
Liabilities / provisions no longer required written back	**4.41**	0.82
Miscellaneous income	**13.89**	8.89
Total other income	**166.23**	76.86

26 Cost of services*

	For the year ended 31 March 2020	For the year ended 31 March 2019
Lorry hire, haulage and other ancillary cost	**20,982.93**	20,448.20
Vehicles' taxes	**39.60**	39.13
Repairs and maintenance	**101.27**	122.02
Consumption of tyres, tubes and other spare parts	**81.31**	75.16
Vehicle and marine insurance	**63.38**	63.53
Claims for losses and damage (net)	**15.00**	25.59
Commission to agents	**8.17**	8.88
Other charges	**45.41**	41.58
Total cost of services	**21,337.07**	20,824.09

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

27 Employee benefit expense

	For the year ended 31 March 2020	For the year ended 31 March 2019
Salary, wages and bonus	**987.84**	990.55
Gratuity expenses (refer note 38)	**20.64**	17.18
Contribution to provident funds	**64.63**	54.96

Workmen and staff welfare expenses	**25.94**	21.33
Total employee benefit expense	**1,099.05**	1,084.02

(All amounts in Rupees million, unless stated otherwise)

28 Finance costs

	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on - borrowings	**299.50**	291.59
Interest expense on - delayed payment of income tax	**0.07**	0.03
Interest expense on - delayed payment of Indirect tax	**0.27**	0.01
Other borrowing cost	**34.12**	44.96
Interest on lease liablities	**22.92**	-
Total finance costs	**356.88**	336.58

29 Depreciation and amortisation expenses

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment*	**258.94**	254.49
Amortisation of intangible assets	**6.16**	6.41
Depreciation of right-to-use assets	**124.29**	-
Total depreciation and amortisation expense	**389.39**	260.90

*including depreciation amounting to Rs. 2.62 million (31 March 2019: Rs. 0.99 million) on building classified as investment properties.

30 Other expenses

		For the year ended 31 March 2020	For the year ended 31 March 2019
Non-executive directors' commission		**1.42**	1.38
Directors sitting fees		**1.27**	1.09
Rent		**25.91**	51.69
Rates and taxes		**2.25**	1.82
Communication		**16.59**	17.33
Legal and professional		**25.64**	23.54
Commission		**3.60**	4.86
Advertisement and publicity		**14.73**	7.15
Business promotion and entertainment		**9.10**	9.33
Travelling and conveyance		**40.68**	24.19
Foreign exchange loss (net)		**0.70**	-
Printing and stationery		**10.33**	6.89
Insurance		**11.70**	5.27
Vehicles running and maintenance		**20.59**	19.87
Repairs and maintenance (others)		**26.58**	24.89
Electricity and water		**18.79**	17.43
Payments to auditor (refer details below)		**6.23**	5.93
Donations		**2.67**	4.21
Expenditure on corporate social responsibility (refer note 46)		**7.45**	6.73
Provision for doubtful trade receivables, advances and claims		**72.05**	194.47
Bad debts, advances and claims written off	163.88		
Less: Adjusted from provision for doubtful debts and advances	(147.50)	**16.38**	7.36
Loss on theft and embezzlement		**-**	0.05
Office and general expenses		**45.76**	38.06
Miscellaneous expenses		**12.27**	8.58
Resource sharing expenses		**0.30**	0.28
Loss on termination of lease contract		**3.66**	-
Total other expenses		**396.65**	482.40

(a) Payment to auditors comprises:		
As auditor:		
Audit fee	**4.72**	4.13
Certification fees	**0.89**	1.30
Reimbursement of expenses	**0.41**	0.44
(b) Payment to other auditor	**0.21**	0.06
	6.23	5.93

(All amounts in Rupees million, unless stated otherwise)

31 Income tax expenses

The major components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

(a) Profit or loss section

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax expense [including tax pertaining to previous years: Rs. 1.28 million, 31 March 2019: Rs. 2.26 million]	**105.93**	271.63
MAT credit entitlement [including pertaining to previous years : Rs. 0.02 million, 31 March 2019: Rs. 2.26 million]	**(6.91)**	(12.97)
Deferred tax charge/ (credit)	**60.50**	(91.50)
Income tax expense	**159.51**	167.16

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the year and re-measured its Deferred tax liability basis the rate prescribed in the said section. Accordingly, deferred tax liability have been increased by Rs. 0.38 million. The tax charge for the year have increased by Rs. 0.38 million.

(b) Other comprehensive income (OCI section)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Deferred tax related to items recognised in OCI during in the year:		
Net loss/(gain) on remeasurements of defined benefit plans	**(6.94)**	1.57
Income tax charged to OCI	**1.75**	(0.51)
	(5.19)	1.06

(c) Reconciliation of tax expense and the accounting profit

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before income tax expense	**613.93**	577.11
Tax at the Indian tax rate of 25.168% (Year ended 31 March 2019 – 34.944%)	**140.57**	183.02
At India's statutory income tax rate of 27.820% (Year ended 31 March 2019 – 27.820%)	**15.65**	14.91
Non-deductible expenses for tax purposes:		
Donation	**1.71**	2.81
Interest under income tax act	**0.02**	0.01
Adjustment due to change in income tax rate	**(0.38)**	-
Adjustments in respect of current income tax of previous years	**1.26**	-
Adjustments on which deferred tax recognised in current year	**-**	(17.43)
Adjustments on which deferred tax was not recognised in previous year	**-**	(14.85)
Others	**0.68**	(1.31)
Income tax expense reported in the statement of profit and loss	**159.51**	167.16

32 Earnings per share (EPS)

Basic EPS is calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit attributable to equity holders for basic earnings	**452.91**	409.95
Effect of dilution	**-**	-
Profit attributable to equity holders for the effect of dilution	**452.91**	409.95
Weighted average number of equity shares for basic EPS	**23,862,142**	21,462,142
Effect of dilution:	**-**	-
	23,862,142	21,462,142

Basic EPS (in Rs.)	**19.04**	19.10
Diluted EPS in Rs.)	**19.04**	19.10

33 Significant accounting judgements, estimates and assumptions

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

A. Judgements

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

Determining the lease term of the contract with renewal and termination option - Group as a lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

Operating lease commitments – Group as a lessor

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

B. Estimates and assumptions

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

Revenue from contracts with customers

• Determining method to estimate variable consideration

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

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

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

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

Taxes

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

Defined benefit plans

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

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

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

Further details about gratuity obligations are given in Note 38.

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

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

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

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash

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

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

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(All amounts in Rupees million, unless stated otherwise)

34 Fair value measurements

a) The carrying value of financial instruments by category

	31 March 2020			31 March 2019		
	FVTPL	**FVTOCI**	**Amortised cost**	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments	**10.00**	**-**	**-**	-	-	-
Trade receivables	**-**	**-**	**4,193.51**	-	-	3,626.59
Loans	**-**	**-**	**152.02**	-	-	144.73
Cash and bank balances	**-**	**-**	**99.52**	-	-	89.78
Other Financial Assets	**-**	**-**	**1,598.74**	-	-	1,572.89
Total financial assets	**10.00**	**-**	**6,043.79**	-	-	5,433.99
Financial liabilities						
Borrowings	**-**	**-**	**3,784.69**	-	-	3,231.69
Trade payables	**-**	**-**	**792.09**	-	-	814.05
Lease liailities	**-**	**-**	**197.66**	-	-	-
Other financial liabilities	**-**	**-**	**661.40**	-	-	530.54
Total financial liabilities	**-**	**-**	**5,435.84**	-	-	4,576.28

(b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath.

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

	Level 1	**Level 2**	**Level 3**	**Total**
As at 31 March 2019				
Investments	**10.00**	**-**	**-**	**10.00**
Total financial assets	**10.00**	**-**	**-**	**10.00**
As at 31 March 2018				
Investments	-	-	-	-
Total financial assets	-	-	-	-

ii) Assets and liabilities which are measured at amortised cost

	Level 1	**Level 2**	**Level 3**	**Total**
As at 31 March 2020				
Financial assets				
Trade receivables	**-**	**-**	**4,193.51**	**4,193.51**
Loans	**-**	**-**	**152.02**	**152.02**
Cash and bank balances	**-**	**-**	**99.52**	**99.52**
Other financial assets	**-**	**-**	**1,598.74**	**1,598.74**
Total financial assets	**-**	**-**	**6,043.79**	**6,043.79**
Financial liabilities				
Borrowings	**-**	**-**	**3,784.69**	**3,784.69**
Trade payables	**-**	**-**	**792.09**	**792.09**
Lease liailities	**-**	**-**	**197.66**	**197.66**
Other financial liabilities	**-**	**-**	**661.40**	**661.40**
Total financial liabilities	**-**	**-**	**5,435.84**	**5,435.84**
As at 31 March 2019				
Financial assets				
Trade receivables	-	-	3,626.59	3,626.59
Loans	-	-	144.73	144.73
Cash and bank balances	-	-	89.78	89.78
Other financial assets	-	-	1,572.89	1,572.89
Total financial assets	-	-	5,433.99	5,433.99
Financial liabilities				
Borrowings	-	-	3,231.69	3,231.69
Trade payables	-	-	814.05	814.05

Other financial liabilities	-	-	530.54	530.54
Total financial liabilities	-	-	4,576.28	4,576.28

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

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

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

There are no transfer of levels during the year.

a. As of 31 March 2020 and 31 March 2019 the fair value of cash and bank balances, trade receivables, other current financial assets and liabilities, borrowings, trade payables approximate their carrying amount largely due to the short term nature of these instruments.

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

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(All amounts in Rupees million, unless stated otherwise)

35 Financial risk management

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

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

(A) Credit risk

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

(i) Trade receivables

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The major exposure to the credit risk at the reporting date is from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned through customers. Customer credit risk is managed by the group subject to the credit policy, procedures and control relating to customer credit risk management. Credit to each customer is given based on its credit rating score. Outstanding customer receivables are regularly monitored in the receivable review committee for any expected default in repayment. An impairment analysis is performed at each reporting date on an individual basis for all customers. The following table gives the movement in allowance for expected credit loss for the year ended 31 March 2020:

Movement in expected credit loss allowance:

Particulars	**31 March 2020**	31 March 2019
At the beginning of year	**295.67**	131.75
Movement during the year	**22.39**	163.92
Total ECL	**318.06**	295.67

(ii) Financial instruments & cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group’s treasury department in accordance with the Group’s policy. Investments of surplus funds are made only with approved counterparties and within Board assigned limits. Counterparty limits are reviewed by the Group’s Board of Directors throughout the year subject to the recommendation of the Group’s Management Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty’s potential failure to make payments. The Group’s maximum exposure to credit risk for the components of the balance sheet at 31 March 2020 and 31 March 2019 is the carrying amounts.

(B) Liquidity risk

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

(i) Maturities of financial liabilities

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

	31 March 2020	31 March 2019
On Demand		
Bank overdraft	**145.32**	9.53
Upto 1 year		
Borrowing (including current maturities of long tern borrowing)	**3,260.13**	3,032.81
Trade payable	**792.07**	818.38
Other financial liabilities	**190.82**	82.33
Lease liablities	**11.27**	-
More than 1 year		
Borrowing	**818.77**	616.26

Other financial liabilities	**31.05**	21.42
Lease liablities	**186.39**	-

(All amounts in Rupees million, unless stated otherwise)

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at 31 March 2020 and 31 March 2019. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of floating to fixed interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant in place at 31 March 2020. The analyses exclude the impact of movements in market variables on the carrying values of gratuity, pension obligation and other post-retirement obligations and provisions. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2020 and 31 March 2019.

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

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

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

	Increase/decrease in basis points	Effect on profit before tax	Effect on equity (OCI)
As at 31 March 2020			
Borrowings	**+0.50%**	**21.12**	-
	-0.50%	**(21.12)**	-
As at 31 March 2019			
Borrowings	+0.50%	18.29	-
	-0.50%	(18.29)	-

36 Capital management

(a) Risk management
For the purposes of the Group's capital management, Capital includes equity and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and maximizes shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group's endeavor is to bring the gearing ratio below 200%. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2020 and 31 March 2019.

The Group monitors capital using net debt to equity ratio, which is net debt (as reduced by Cash and cash equivalent) divided by total equity.

	As at 31 March 2020	As at 31 March 2019
Borrowings (refer note 17)	**4,224.22**	3,658.61
Cash and cash equivalent (refer note 13)	**(83.20)**	(39.91)
Net debt	**4,141.02**	3,618.70
Equity	**4,153.40**	3,704.17
Net debt to equity ratio	**100%**	98%

37 Related party disclosures:

(a) Name of related party and related party relationship

Key management personnel

Krishan Kumar Agarwal (Chairman and Managing Director)
Darshan Kumar Aggarwal (Joint Managing Director)
Roshan Lal Aggarwal (Joint Managing Director)
Narender Kumar Agarwal (Joint Managing Director)
Hyoung Gun Kang (Whole Time Director & Deputy CEO)
Chol Hoi Kim (Chief Financial Officer)
Apoorva Kumar (Company Secretary)

Relatives of key management personnel

Sushma Agarwal
Yogesh Agarwal
Puneet Agarwal
Vineet Agarwal
Nitin Agarwal
Nitesh Agarwal
Nikhil Agarwal
Ishant Agarwal
Mahima Agarwal
Sakshi Agarwal
Shweta Gupta
Vibha Agarwal

Enterprises owned/significantly influenced by key management personnel or their relatives

Tek Chand & Sons (HUF)
ASM (India) Investments Private Limited
TCG ESOP Trust
TCG Media Limited
J B T A Logistics Private Limited
TCG Impex Private Limited
Autoload Solutions LLP
Fretron Private Limited (Formerly known as Fretron LLP)
S. Dayal Construction Private Limited

Enterprises having significant influence

CJ Logistics Corporation

(All amounts in Rupees million, unless stated otherwise)

(a) Details of related party transactions during the year ended 31 March 2020 and balances outstanding as at 31 March 2020

Balance as at year end	Key Management Personnel		Enterprises owned/significantly influenced by key management personnel or their relatives		Relatives of Key Management Personnel		Enterprises having significant influence		Total	
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Loan Received										
ASM (India) Investment Pvt. Ltd.	**-**	-	**4.14**	-	**-**	-	**-**	-	**4.14**	-
Trade receivable										
CJ Logistics Corporation	**-**	-	**-**	-	**-**	-	**4.75**	-	**4.75**	-
Fretron Private Limited (Formerly known as Fretron LLP)	**-**	-	**-**	0.09	**-**	-	**-**	-	**-**	0.09
Security deposits										
Autoload Solutions LLP	**-**	-		0.10	**-**	-	**-**	-	**-**	0.10
S Dayal Construction Pvt. Ltd.	**-**	-	**8.56**	-	**-**	-	**-**	-	**8.56**	-
Trade payable										
Krishan Kumar Agarwal	**22.97**	24.01	**-**	-	**-**	-	**-**	-	**22.97**	24.01
Darshan Kumar Aggarwal	**22.70**	23.97	**-**	-	**-**	-	**-**	-	**22.70**	23.97
Roshan Lal Aggarwal	**22.65**	23.51	**-**	-	**-**	-	**-**	-	**22.65**	23.51
Narendar Kumar Agarwal	**22.89**	24.13	**-**	-	**-**	-	**-**	-	**22.89**	24.13
Hyoung Gun kang	**0.79**	0.57	**-**	-	**-**	-	**-**	-	**0.79**	0.57
Chol Hoi Kim	**0.70**	0.54	**-**	-	**-**	-	**-**	-	**0.70**	0.54
Apoorva Kumar	**0.18**	0.57	**-**	-	**-**	-	**-**	-	**0.18**	0.57
Puneet Agarwal {refer footnote (ii)}	**-**	-	**-**	-	**0.43**	0.10	**-**	-	**0.43**	0.10
Vineet Agarwal {refer footnote (ii)}	**-**	-	**-**	-	**0.34**	0.30	**-**	-	**0.34**	0.30
Nitesh Agarwal {refer footnote (ii)}	**-**	-	**-**	-	**0.52**	0.22	**-**	-	**0.52**	0.22
Nitin Agarwal {refer footnote (ii)}	**-**	-	**-**	-	**0.43**	0.39	**-**	-	**0.43**	0.39
Nikhil Agarwal {refer footnote (ii)}	**-**	-	**-**	-	**0.45**	0.39	**-**	-	**0.45**	0.39
Mahima Agarwal {refer footnote (ii)}	**-**	-	**-**	-	**0.29**	0.29	**-**	-	**0.29**	0.29
Ishant Agarwal {refer footnote (ii)}	**-**	-	**-**	-	**0.34**	0.21	**-**	-	**0.34**	0.21
Fretron Private Limited (Formerly known as Fretron LLP)	**-**	-	**0.02**	-	**-**	-	**-**	-	**0.02**	-
CJ Logistics Corporation	**-**	-	**-**	-	**-**	-	**0.95**	3.42	**0.95**	3.42
Security deposits payable										
Krishan Kumar Agarwal	**1.31**	1.31	**-**	-	**-**	-	**-**	-	**1.31**	1.31
Roshan Lal Aggarwal	**3.38**	0.60	**-**	-	**-**	-	**-**	-	**3.38**	0.60
Narender Kumar Agarwal	**1.66**	-	**-**	-	**-**	-	**-**	-	**1.66**	-
Vineet Agarwal	**-**	-	**-**	-	**0.60**	0.60	**-**	-	**0.60**	0.60
Nitesh Agarwal	**-**	-	**-**	-	**0.39**	0.39	**-**	-	**0.39**	0.39
Nikhil Agarwal	**-**	-	**-**	-	**-**	0.67	**-**	-	**-**	0.67
Mahima Agarwal	**-**	-	**-**	-	**0.09**	0.09	**-**	-	**0.09**	0.09
Ishant Agarwal	**-**	-	**-**	-	**1.18**	1.18	**-**	-	**1.18**	1.18
Fretron Private Limited (Formerly known as Fretron LLP)	**-**	-	**1.05**	0.11	**-**	-	**-**	-	**1.05**	0.11
Other recoverable										
CJ Logistics Corporation	**-**	-	**-**	-	**-**	-	**28.20**	17.30	**28.20**	17.30

(All amounts in Rupees million, unless stated otherwise)

Transactions during the year ended 31 March 2020	**Key Management Personnel**		**Enterprises owned/significantly influenced by key management personnel or their relatives**		**Relatives of Key Management Personnel**		**Enterprises having significant influence**		**Total**	
	For the year ended 31 March 2020	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019
Revenue from operations										
CJ Logistics Corporation	-	-	-	-	-	-	**4.16**	-	**4.16**	-
Other income										
Rental income										
Fretron Private Limited (Formerly known as Fretron LLP)	-	-	**1.64**	1.48	-	-	-	-	**1.64**	1.48
Interest paid										
ASM (India) Investment Pvt. Ltd.	-	-	**0.04**	-	-	-	-	-	**0.04**	-
Purchase of services										
-Cost of Services-Lorry Hire, haulage and other ancillary cost										
TCG Media Limited	-	-	**1.68**	1.51	-	-	-	-	**1.68**	1.51
Autoload Solutions LLP	-	-	**0.15**	0.45	-	-	-	-	**0.15**	0.45
Fretron Private Limited (Formerly known as Fretron LLP)	-	-	**1.00**	0.15	-	-	-	-	**1.00**	0.15
Darshan Kumar Aggarwal	**54.10**	55.62	-	-	-	-	-	-	**54.10**	55.62
CJ Logistics Corporation	-	-	-	-	-	-	**11.84**	3.42	**11.84**	3.42
-Rent										
Sushma Agarwal	-	-	-	-	**0.76**	0.76	-	-	**0.76**	0.76
Puneet Agarwal	-	-	-	-	**0.04**	0.04	-	-	**0.04**	0.04
Tek Chand & Sons (HUF)	-	-	**0.45**	0.45	-	-	-	-	**0.45**	0.45
Yogesh Agarwal	-	-	-	-	**0.04**	0.04	-	-	**0.04**	0.04
Shweta Gupta	-	-	-	-	**0.04**	0.04	-	-	**0.04**	0.04
Vibha Agarwal	-	-	-	-	**0.04**	0.04	-	-	**0.04**	0.04
Vineet Agarwal	-	-	-	-	**0.04**	0.04	-	-	**0.04**	0.04
Nitin Agarwal	-	-	-	-	**0.04**	0.04	-	-	**0.04**	0.04
Nitesh Agarwal	-	-	-	-	**0.04**	0.04	-	-	**0.04**	0.04
Ishant Agarwal	-	-	-	-	**0.04**	0.04	-	-	**0.04**	0.04
Nikhil Agarwal	-	-	-	-	**0.15**	0.15	-	-	**0.15**	0.15
JBTA Logistics Private Limited	-	-	**0.76**	0.76	-	-	-	-	**0.76**	0.76
S Dayal Construction Pvt. Ltd.(From 11.06.2019)	-	-	**11.27**	-	-	-	-	-	**11.27**	-
-Employee benefit expense										
Krishan Kumar Agarwal	**34.34**	54.90	-	-	-	-	-	-	**34.34**	54.90
Darshan Kumar Aggarwal	**29.98**	49.46	-	-	-	-	-	-	**29.98**	49.46
Roshan Lal Aggarwal	**29.88**	49.35	-	-	-	-	-	-	**29.88**	49.35
Narender Kumar Agarwal	**29.98**	49.37	-	-	-	-	-	-	**29.98**	49.37
Hyoung Gun kang	**15.28**	13.67	-	-	-	-	-	-	**15.28**	13.67
Chol Hoi Kim	**13.63**	13.33	-	-	-	-	-	-	**13.63**	13.33
Apoorva Kumar	**3.42**	3.30	-	-	-	-	-	-	**3.42**	3.30
Puneet Agarwal	-	-	-	-	**14.25**	9.91	-	-	**14.25**	9.91
Vineet Agarwal	-	-	-	-	**11.93**	8.95	-	-	**11.93**	8.95
Nitin Agarwal	-	-	-	-	**10.61**	7.39	-	-	**10.61**	7.39
Nitesh Agarwal	-	-	-	-	**12.81**	8.88	-	-	**12.81**	8.88
Mahima Agarwal	-	-	-	-	**6.70**	4.87	-	-	**6.70**	4.87
Nikhil Agarwal	-	-	-	-	**15.07**	7.36	-	-	**15.07**	7.36
Ishant Agarwal	-	-	-	-	**9.65**	4.91	-	-	**9.65**	4.91

(All amounts in Rupees million, unless stated otherwise)

Transactions during the year ended 31 March 2020	**Key Management Personnel**		**Enterprises owned/significantly influenced by key management personnel or their relatives**		**Relatives of Key Management Personnel**		**Enterprises having significant influence**		**Total**	
	For the year ended 31 March 2020	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019	**For the year ended 31 March 2020**	For the year ended 31 March 2019
Purchase of fixed assets										
Fretron Private Limited (Formerly known as Fretron LLP)	**-**	-	**1.12**	1.44	**-**	-	**-**	-	**1.12**	1.44
Sale of fixed assets										
Sakshi Agarwal	**-**	**-**	**-**	-	**-**	10.00	-	-	**-**	10.00
Expenses recovered										
CJ Logistics Corporation	**-**	-	**-**	-	**-**	-	**56.30**	32.37	**56.30**	32.37
Loan taken										
ASM (India) Investment Pvt. Ltd.	**-**	-	**7.10**	-	**-**	-	**-**	-	**7.10**	-
Loan repaid by the Group										
ASM (India) Investment Pvt. Ltd.	**-**	-	**3.00**	-	**-**	-	**-**	-	**3.00**	-
Security deposits received										
Roshan Lal Aggarwal	**2.78**	-	**-**	-	**-**	-	**-**	-	**2.78**	-
Narender Kumar Agarwal	**1.66**	-	**-**	-	**-**	-	**-**	-	**1.66**	-
Ishant Agarwal	**-**	**-**	**-**	-	**-**	1.18	**-**	-	**-**	1.18
Fretron Private Limited (Formerly known as Fretron LLP)	**-**	-	**0.94**	-	**-**	-	**-**	-	**0.94**	-

Terms and Condition of transaction with related party
(i) The sales to and purchase from related parties are made on terms equilvalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivable or payables. For the year ended 31 March 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Terms and condition of Loan to Directors & KMP
(i) The Group operates loans scheme providing loans to employees. Under the scheme, the Group offers its employees a facility to borrow the money at an average market rate of interest.

Notes:
(i) The above particulars do not include working capital loans and corporate term loans availed from banks, which are further secured by way of personal guarantee of some of the directors, relatives and some of their related entities.
(ii) Does not include Rs. 9.20 million (31 March 2019: 35.00 million) provision for incentive to be distributed among relatives of KMP.

(All amounts in Rupees million, unless stated otherwise)

38 Gratuity and other post- employment benefits plan

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

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

Statement of profit & loss account
Net employee benefit expense recognised in employee cost:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	**16.81**	14.09
Past service cost	**-**	-
Interest cost	**8.84**	8.03
(Expected return) on plan assets	**(5.01)**	(4.94)
	20.64	17.18

Remeasurement of (Gain)/loss recognised in other comprehensive income

	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	**6.28**	0.97
Actuarial changes arising from changes in experience adjustments	**0.02**	(2.30)
Return on plan assets	**0.64**	(0.18)
	6.94	(1.51)

Changes in obligation during the year ended 31 March 2020

	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening defined benefit obligation	**121.01**	106.88
Current service cost	**16.81**	14.09
Past service cost	**-**	-
Interest cost	**8.84**	8.03
Actuarial (gain) / loss	**6.30**	(1.39)
Benefits paid	**(9.37)**	(6.59)
Present value of obligation as at year end	**143.59**	121.01

Changes in plan assets during the year ended 31 March 2020

	For the year ended 31 March 2020	For the year ended 31 March 2019
Fair value of plan assets as at the beginning of the year	**66.80**	68.27
Interest income	**4.37**	5.12
Contributions by employer	**7.50**	-
Benefits paid	**(9.31)**	(6.59)
Fair value of plan assets as at the end of the year	**69.36**	66.80

Net assets / liabilities recognised in the balance sheet as at 31 March 2020

	31 March 2020	31 March 2019
Present value of obligation at the end of the year	**143.59**	121.01
Fair value of plan assets at the end of the year	**69.36**	66.80
Net liabilities / (assets) recognised in the balance sheet	**74.23**	54.21

Investment details

	As at 31 March 2020	As at 31 March 2019
Insurance policies	**100%**	100%

(All amounts in Rupees million, unless stated otherwise)

Principle actuarial assumptions

	As at 31 March 2020	As at 31 March 2019
Discount rate (per annum)	**6.79%**	**7.60%**
Expected return on plan assets (per annum)	**6.79%**	**7.60%**
Expected increase in salary costs (per annum)	**6.00%**	**6.00%**
Attrition rate	**12.00%**	**12.00%**
Mortality	**IALM 2012-14 Ultimate**	**IALM 2012-14 Ultimate**
Retirement age	**60 years**	**60 years**

Quantitative sensitivity analysis for significant assumptions is as below:

	Change in assumptions	**As at 31 March 2020**	As at 31 March 2019
Discount rate	+ 1%	**(7.59)**	(6.18)
	- 1%	**8.73**	6.95
Withdrawl rate	+ 1%	**0.41**	0.58
	- 1%	**(0.30)**	(0.66)
Expected rate of salary increase	+ 1%	**8.61**	7.01
	- 1%	**(7.70)**	(6.39)

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

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

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(All amounts in Rupees million, unless stated otherwise)

39 Contingent liabilities

	As at 31 March 2020	As at 31 March 2019
Claims against the Group not acknowledged as debts (refer note a)	**142.72**	152.47
Bank guarantee outstanding	**597.69**	731.37
Unpaid Bonus (refer note b)	**24.00**	24.00

a) In view of the large number of cases pending at various forums / courts, it is not practicable to furnish the details of each case. Based on the discussions with the solicitors / favorable decisions in similar cases / legal opinion taken by the Group, the management believes that the Group has a strong chance of success in the cases. However, the Group has created a provision of Rs. 15.12 million (31 March 2019: Rs. 15.12 million) against these contingent liabilities as a matter of abundance caution.

b) The Payment of Bonus Act, 1965 ("the Act") was amended vide the Payment of Bonus (Amendment) Act, 2015 notified on 1 January 2016. The Act, inter-alia, has been amended to take retrospective effect with effect from 1 April 2014 and accordingly the revised bonus by way of arrears related to the year ended 31 March 2015 is required to be paid to the eligible employees. Based on expert opinion obtained by the Group stay orders from various High Courts across the country against the amendment to the Payment of Bonus Act to the extent that it gives retrospective effect from 1 April 2014, the statutory bonus for financial year 2014-15 amounting to Rs. 24 million has not been recognized and treated as contingent liability in the current year as well as in the previous year. The Group will remain vigilant to watch the actual Court proceeding and clarification / notification from the Central Government and will review the accounting impact as on 31 March 2020.

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

40 The following are the particulars of the dues on account of Income Tax and Sales Tax / Value Added Tax as at 31 March 2020 that have been disputed by the Group at various levels:

Name of the statute	Nature of the dues	Amount of dues* (Rs.)	Amount deposited (Rs.)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Acts/ Value Added Tax	Sales Tax/ Value Added Tax	26.12	12.21	FY 2007-08, 2008-09 and 2010-11 to 2018-19	Upto Commissioners' Level
		39.87	22.10	FY 2008-09 to 2017-18	Commercial Tax Tribunal
		6.36	5.06	FY 2007-08 to 2009-10, 2013-14 and 2016-17 and 2017-18	High Court
Income-tax Act, 1961	Income tax	24.13	-	AY 2014-15 to 2016-17	Commissioner of Income Tax (Appeals)
	Tax Deducted at Source	0.94	-	AY 2015-16	Income Tax Appellate Tribunal
		5.82	1.01	AY 2016-17	Commissioner of Income Tax (Appeals)

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

41 Capital and other commitments

41(a) The estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amount to Rs. 16.28 million (31 March 2019: Rs. 11.89 million).

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

41(c) The Company has other commitments on accounts of incentive payable to directors in accordance with the term of Shareholder Agreement (SHA) amount to Rs 50.00 million (31 March 2019: Rs 50 million).

42a Employee stock option plan

In terms of the approval accorded by the shareholders at their Extra-Ordinary General Meeting held on 9 February 2008, the Company on 19 February 2008, had given an interest free advance of Rs. 6.00 million to TCG ESOP Trust ('the Trust'). The trust in turn purchased 600,000 equity shares of Rs. 10 each fully paid up from the Company for the purposes of granting share options to the employees of the Company. Subsequent to allotment of 600,000 shares to the trust, the Company in financial year 2007-2008 had allotted bonus in the ratio of 1:1 bonus share for each equity share held in the Company. Apart from the above advance, the Company had also given Rs. 0.20 million to the trust towards its formation etc. on 19 February 2008. The trust has refunded an amount of Rs. 6.00 million till the year ended 31 March 2013. TCG ESOP Trust holds 1,200,000 equity shares with face value of Rs 10 each. Scheme for issue of option to the employee is yet to be framed. The trust is holding entire 1,200,000 equity shares of Rs.10/-each of the Company (including 600,000 Equity Shares issued as Bonus Shares) as on 31 March 2020. The Share Holder Agreement (SHA) with CJ Logistics Corporation (which holds 50% shareholding), inter-alia, requires the Company to cancel the shares held in this ESOP trust by obtaining prior approval from NCLT (National Company Law Tribunal). Company is yet to start the process for seeking requisite approval of NCLT.

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

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(All amounts in Rupees million, unless stated otherwise)

43 Leases

Group as a lessee

The Group has lease contracts for various items of Land, Buildings, vehicles and other equipment used in its operation. Lease of building generally have lease term between 1 to 20 Years, while leases of vehicles and other equipment generally have lease term of 1 to 5 years. The Group's obligation under its leases are secured by the lessor's title to the leased asset.

The Group has certain leases of building and vehicles with less than 12 months and certain lease assets with low value. The Group applies the "short term lease" and "lease of low value asset" recognition exemption for these leases.

The following is the summary of practical expedients elected by the Group on initial application:

1. Use a single discount rate to a portfolio of leases of similar assets in similar economic environment.
2. Applied the exemption not to recognize ROU asset and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Exclude the initial direct cost from the measurement of the ROU asset at the date of initial application.
4. Applied the practical expedient to grandfather the assessment of which transaction are leases. Accordingly, Ind AS 116 is applied only to those contracts that were previously identified as lease under Ind AS 17.
5. Applied the practical expedient to account for each lease component and any associated non- lease components as a single lease components.

The changes in the carrying value of ROU assets for the year ended 31 March 2020 are as follows:

Particulars	Land	Building	Commercial Vehicles	Other Equipment	Amount
Balance as at 01 April, 2019	3.50	133.03	70.16	21.91	228.60
Additions	-	30.67	53.61	3.17	87.45
Deletion	-	(3.27)	(0.71)	-	(3.98)
Depreciation	(0.05)	(39.81)	(69.19)	(15.24)	(124.29)
Balance as at 31 March, 2020	3.45	120.62	53.87	9.84	187.78

The aggregate depreciation expense on ROU asset is included under depreciation and amortization expense in the statement of profit and loss.

The movement in lease liabilities during the year ended 31 March, 2020 are as follows:

Particulars	Amount
Balance as on 01 April, 2019	228.60
Additions during the year	87.45
Finance cost accrued during the period	22.92
Deletions	(0.33)
Payment of lease liabilities	(140.98)
Ballance as on 31 March, 2020	197.66
Of which	
Current lease liabilities	11.27
Non- Current lease liabilities	186.39

The effective interest rate for lease liabilities is 10%.
The total cash outflow for leases during the period is INR 140.98 million.

The following are the amount recognised in statement of profit or loss:

Particulars	**For the year ended 31 March 2020**
Depreciation expense on right of use assets	124.29
Interest expense on lease liabilities	22.92
Expense relating to short term lease (Included in cost of services)	75.57
Expense relating to short term lease (Included in other expense)	25.09
	247.87

Details of the contractual maturity of lease liabilities as at 31 March 2020 on an undiscounted basis are as follows:

	As at 31 March, 2020
Not later than one year	**107.83**
Later than one year but not later than five years	**107.95**
Later than five years	**28.43**

(All amounts in Rupees million, unless stated otherwise)

Group as lessor
Leases for which Group is a lessor is classified as finance or operating lease. Whenever the term of the lease transfer substantially all the risk and rewards of ownership to the lessee, the contract is classified as finance lease. All other lease are classified as operating lease.

For operating lease, rental income is recognised on a straight line basis over the term of the relevant lease. The Group has given certain commercial vehicle under operating lease arrangement, which are generally cancellable at the option of the Group.

	As at 31 March, 2020	As at 31 March, 2019
Rental Income for the year	**92.74**	56.60
Gross block of leased asset	**395.55**	260.07
Depreciation provided during the period	**23.48**	11.93
Accumulated depreciation	**190.10**	151.68
Written down value of leased asset	**205.45**	108.39

44 In respect of secured loans taken by the Group as at 31 March 2020, there has been instances where loan has been repaid by the Group fully, however the loan satisfaction letter (NOC letter) has not been issued by the Lender due to which Group is not in a position to file Form CHG-4 for satisfaction of charge.

45 The management has taken and given various premises on operating lease basis; rent / lease agreements in respect of which are yet to be entered / expired. Adjustment, if any, arising as a result of non-entering of such rent / lease agreements with the landlords / tenants, which in the opinion of the management would not be material, would be made in the year in which determined.

46 Corporate Social Responsibility (CSR)

Particulars	**For the year ended 31 March 2020**	For the year ended 31 March 2019
(a) Gross amount required to be spent	**6.97**	5.84
(b) Amount spent:		
(i) Construction/acquisition of any asset	**-**	0.08
(ii) On purpose other than(i) above	**7.45**	6.65
(c) Administrative expenses	**-**	-

47 A sum of Rs. 83.81 million (31 March 2019: Rs. 92.98 million) is appearing under 'Claims receivable' (under note 7) from insurance companies and customers as at 31 March 2020. Also, 'Balance with government authorities' (under note 8) includes an amount of Rs 23.15 million (31 March 2019: Rs. 26.42 million) receivable against deposits given at various check posts. The Group believes that these amounts are recoverable. However, in view of the fact that the pace of recovery in respect of these balances is very slow and as a matter of abundance caution, the Group has made a provision of Rs. 39.06 million and Rs. 1.50 million as at 31 March 2020 (31 March 2019: Rs. 52.33 million and Rs. 1.50 million) against these claims receivable and security deposits respectively.

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48 Business combinations

Acquisitions during the year ended 31 March 2020

Acquisition of CJ Korea Express India Private Limited

On 31 October 2019, the Group acquired 100% of the voting shares of CJ Korea Express India Private Limited ('CJK'), a non-listed company based in India. CJK is mainly engaged in the business of carriers by road, air and sea means of transportation, integrated logistics solutions and specialized logistics across multimodal transport operations.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of CJ Korea Express India Private Limited as at the date of acquisition were:

	Fair value recognised on acquisition
	Amount in Rs. million
Assets	
Property, Plant and Equipment	10.32
Long-term loans and advances	51.93
Other non-current assets	3.96
Trade receivables	249.03
Cash and bank balances	12.07
Short-term loans and advances	32.27
Other current assets	10.44
	370.02
Liabilities	
Short term borrowings	210.07
Trade payables	126.99
Other current liabilities	4.77
Short-term provisions	28.19
	370.02
Net assets at fair value*	**0.00**
Total purchase consideration paid (cash consideration paid)*	**0.00**

*Rs. 71 in absolute.

The fair value of the trade receivables amounts to Rs. 249.03 million. The gross amount of trade receivables is Rs. 256.40 million. However, none of the trade receivables is credit impaired and it is expected that the full contractual amounts can be collected.

Analysis of cash flows on acquisition:	
Transaction costs of the acquisition (included in cash flows from operating activities)	-
Net cash acquired with the subsidiary (included in cash flows from investing activities)	(12.07)
Net cash flow on acquisition	**(12.07)**

All other disclosures as required under IND AS 103 are impracticable as:

i) there were no contingent consideration arrangements entered into with the acquiree,
ii) no contingent liabilities have been recognised,
iii) there are no such transactions that are recognized separately from the acquisition of assets and assumption of liabilities in the business combination,
iv) the above business combination is not a bargain-purchase,
v) the above business combination is not achieved in stages.

(This space has been intentionally left blank)

(All amounts in Rupees million, unless stated otherwise)

49 The Group has established a comprehensive system of maintenance of information and documents are required by the transfer pricing legislation under section 92-92F of the Income Tax Act 1961. Since, the law requires existence of such information and documentation of to be contemporaneous in nature, Group is in the process of updating the documentation entered with the joint venture during the financial year and expects such records to be in existence latest by the due date under that law. The management is of the opinion that it's transaction are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

50 Carve out assets

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

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

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

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

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

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

f) As at year end, lien on 16 assets have been vacated, out of the total 25 carve-out assets. Out of these 16 vacated assets, 3 assets have been sold till the year end and remaining 13 assets have been shown as "Assets Held for sale" in the books of accounts at their carrying value, as at 31 March 2020.

51 Group information

Information about subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name of the subsidiaries	Country of incorporation	Principal activity	% equity interest	
			31 March 2020	31 March 2019
Transrail Logistics Limited	India	Transportation & logistics services	**100%**	100%
Fr8ology Private Limited	India	IT enable logistics services	**100%**	100%
Darcl Logistics Nepal Private Limited	Nepal	Transportation & logistics services	**100%**	100%
CJ Korea Express India Private Limited	India	Transportation & logistics services	**100%**	-

Entities with significant influence over the Group
CJ Logistics Corporation (Korean Inc) owns 50.00% of the equity shares in CJ Darcl Logistics Limited.

52 Statutory Group Information

Name of the entity	As at 31 March 2020							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As % of consolidated net assets	Amount in INR Million	As % of consolidated profit or loss	Amount in INR Million	As % of consolidated other comprehensive income/(loss)	Amount in INR Million	As % of consolidated total comprehensive income/(loss)	Amount in INR Million
Holding Company								
CJ Darcl Logistics Limited	**94.11%**	**3,908.70**	**91.29%**	**414.84**	**100.27%**	**(5.20)**	**91.18%**	**409.64**
Subsidiaries								
Indian								
Transrail Logistics Limited	**5.73%**	**237.93**	**8.54%**	**38.80**	**-0.27%**	**0.01**	**8.64%**	**38.81**
Fr8ology Private Limited	**0.09%**	**3.88**	**-0.05%**	**(0.24)**	**0.00%**	**-**	**-0.05%**	**(0.24)**
CJ Korea Express India Private Limited	**0.04%**	**1.69**	**0.37%**	**1.69**	**0.00%**	**-**	**0.38%**	**1.69**
Foreign								
Darcl Logistics Nepal Private Limited	**0.03%**	**1.21**	**-0.15%**	**(0.66)**	**0.00%**	**-**	**-0.15%**	**(0.66)**
	100.00%	**4,153.41**	**100.00%**	**454.43**	**100.00%**	**(5.19)**	**100.00%**	**449.24**

Name of the entity	As at 31 March 2019							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income/(loss)		Share in comprehensive income/(loss)	
	As % of consolidated net assets	Amount in INR Million	As % of consolidated profit or loss	Amount in INR Million	As % of consolidated other comprehensive income/(loss)	Amount in INR Million	As % of consolidated total comprehensive income/(loss)	Amount in INR Million
Holding Company								
CJ Darcl Logistics Limited	94.46%	3,499.06	82.75%	339.23	88.93%	0.94	82.76%	340.17
Subsidiaries								
Indian								
Transrail Logistics Limited	5.38%	199.11	17.43%	71.45	11.07%	0.12	17.41%	71.57
Fr8ology Private Limited	0.11%	4.12	-0.07%	(0.28)	0.00%	-	-0.07%	(0.28)
CJ Korea Express India Private Limited	0.00%	-	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Foreign								
Darcl Logistics Nepal Private Limited	0.05%	1.88	-0.11%	(0.45)	0.00%	-	-0.11%	(0.45)
	100.00%	3,704.17	100.00%	409.95	100.00%	1.06	100.00%	411.01

53 The outbreak of Coronavirus (COVID-19) is causing significant disturbance and slowdown of economic activity in India and across the globe. The Group has evaluated impact of this pandemic on its business operations. Based on its review and current indicators of economic conditions, there is no significant impact on its financial statements. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

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

55 Rounded off figures
Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in these financial statements have been rounded off or truncated as deemed appropriate by the management of the Group.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountant
ICAI Firm Registration No. 101049W/E300004

sd/-
per Yogesh Midha
Partner
Membership No. 094941

For and on behalf of the Board of Directors
CJ Darcl Logistics Limited

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

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

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

sd/-
Chol Hoi Kim
(Chief Financial Officer)

sd/-
Apoorva Kumar
(Company Secretary)
FCS: 4905

sd/-
Hira Lal Yadav
(AGM - Accounts)

sd/.-
Dinesh Sharma
(AGM - Accounts)

Place: New Delhi
Date: 24 September 2020

Place: Gurugram
Date: 24 September 2020