Mahindra Logistics Limited
Unit No. 3 & 4, 7th Floor, Techniplex 2,
Techniplex Complex, Veer Savarkar Marg,
Goregaon (West). Mumbai – 400 062

Tel : + 91 22 28715500
Toll Free : 1800 258 6787
Mahindralogistics.com

Regd Office
Mahindra Towers,
P. K. Kurne Chowk, Worli,
Mumbai – 400 018

CIN : L63000MH2007PLC173466

Date: 3 August 2018

To,
BSE Limited (Security Code: 540768)
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai-400 001

National Stock Exchange of India Ltd., (Symbol: MAHLOG)
Exchange Plaza, 5th Floor,
Plot No. C/1. "G" Block,
Bandra –Kurla Complex, Bandra (East)
Mumbai –400 051

Dear Sirs,

Sub: Submission of Annual Report FY2017-18 of the Company - Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

In compliance with Regulation 34 (1) of the Listing Regulations, please find enclosed Annual Report of the Company for the financial year 2017-18 prepared as per Regulation 34(2) of the Listing Regulations and other applicable laws.

All businesses stated in the Notice date 6 June 2018 were approved and adopted by the Members of the Company at the 11th Annual General Meeting (1st AGM post IPO) of the Company held on Thursday, 2 August 2018 at 3:30 p.m. (IST) held at Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

The Annual Report for the financial year 2017-18 is uploaded on the website of the Company www.mahindralogistics.com

Kindly take the above on record and acknowledge receipt of the same.

Thanking you,

Yours faithfully,
For **Mahindra Logistics Limited**

Brijbala Batwal
Company Secretary

Enclosures: As above

#AcceleratingCommerce











ANNUAL
REPORT
2017-18

Mahindra
LOGISTICS

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To read Annual Report online visit: ***http://www.mahindralogistics.com***



Introduction

Mahindra Logistics is one of India's largest 3PL logistics companies. Established as a division of Mahindra & Mahindra in 2000, it was demerged into a 100% subsidiary, Mahindra Logistics Limited in 2008. Since then, the company has grown from strength to strength acquiring clients from diverse industry verticals, using state-of-the-art technology to serve over 350 clients. Mahindra Logistics' vision is to be India's leading and most preferred logistics service providers. Mahindra Logistics' competitive advantage is that its business is asset-light, tech-enabled and customer-centric. Mahindra Logistics specialises in developing and implementing customised, technology-enabled logistics solutions based on what its diverse client base requires. Mahindra Logistics' business model is scalable and flexible and the company prides itself in offering innovative solutions to its growing customer base.



Chairman's Speech

Dear Shareholders,

We are delighted to present to you the first Annual Report of your Company - Mahindra Logistics Limited (MLL), since its Initial Public Offering (IPO). The financial year 2017-18 has been important and eventful for your Company as it successfully listed on the stock exchanges through its IPO. I am pleased to welcome all our new shareholders and thank them for their whole-hearted support to our IPO.

"MLL has started a new chapter in its journey and is excited about the business prospects."

Financial Highlights

During the financial year, MLL continued its strong performance, reporting consolidated revenues of Rs. 3,416 crore for the financial year ended FY'18, a growth of 28% in comparison to the previous year. Your Company also recorded its highest ever profits during the year under review. In FY'18, the profit after tax stood at Rs. 65 crore, registering a year-on-year increase of 42%. Our freight forwarding business has also seen a phenomenal growth during this period.

"In FY'18, Mahindra Logistics Ltd. has reported the highest turnover and profits in its history"

Non-financial Highlights

With the successful implementation of GST, your Company took possession of two multi-product, multi-user warehouses in Tauru Road, Gurgaon and Chakan, Pune. Keeping up with our continuous innovations in technology, during this period, we have developed a state-of-the-art last-mile optimisation software & account receivable management systems for high visibility, efficiency & responsiveness. Your Company strongly believes that its growth is directly linked to enhancing the skills of its workforce. We are happy to inform you that a total of 15000+ man-days of training has been carried out during this period. In addition to this, we have started training both MLL and other drivers under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY). Our target is to train 10,000 drivers across India, in FY'19.

Industry Scenario

The Indian logistics sector is large, but fragmented. According to CRISIL, the share of organised Third Party Logistics companies is around 5% of the overall market. However, the year 2017-18 was a remarkable year for the logistics sector, as many key structural reforms were rolled out which are likely to have a very significant impact on the sector.

"FY'18 has been a transformational year for the Logistics sector owing to various Government initiatives. As these reforms play out, we expect the 3PL companies to grow faster than the industry growth"

Major initiatives

a. GST is a game changer for India's economy and the logistics sector. Despite initial implementation challenges, this policy change will have a profound impact on the supply chain across industries.

b. The Logistics sector has been awarded Infrastructure status, which will prove very beneficial for the industry. In addition to this, the appointment of a Logistics Secretary and the launch of infrastructure projects like Bharat Mala, Sagar Mala, Udan, Multimodal logistics parks etc, will provide further impetus to the sector.

c. The implementation of e-way bill, a major procedural change being rolled out by the government and the initiative to set up a National Logistics Portal by the Department of Commerce will significantly enhance the efficiency and transparency within the logistics sector.

Your Company has been at the forefront when it comes to implementation of these initiatives which will provide momentum to the logistics industry. These will reduce the cost of logistics in the country and should also boost India's rank in the Logistics Performance Index (LPI). At MLL, we believe that "Move in India" is a critical requirement for "Make in India" to succeed.



Path ahead

The past year has seen more reforms and positive changes for the logistics sector than the earlier decade. Looking ahead, the industry in general and your Company in particular, are both likely to undergo significant transformation.

a. Today the logistics industry in India is highly fragmented and unorganised. However, the share of 3PL companies in the sector is poised to expand substantially, and as one of India's leading 3PL companies, we hope to play a transformational role in helping the industry become more organised.

b. Customers' expectation from 3PL companies are also poised to increase further. As customers increasingly focus on their core activities and increasingly outsource their logistics services to subject-matter experts like MLL, they will seek comprehensive and efficient solutions. This trend offers MLL the opportunity to exploit the emerging potential, and further expand and deepen our service offerings to our customers.

c. In light of these industry tailwinds, the Company plans to continue its focus on increasing our acquisition of third party non-Mahindra Group clients, as also through increased penetration across the entire client portfolio.

d. We see technology as a major enabler in our plans for growth and going forward we will continue to enhance both internal operations and customer facing processes by effectively leveraging technology.

e. At MLL, we will continue to operate on an asset-light model and strengthen our relationship with our business partners to enable continuous growth.

Rise For Good

From our employees to the society at large, we see an incredible opportunity to drive positive change for all our stakeholders, re-affirming our commitment to create a better world. In everything we do, we consciously aim to Rise for Good, a fact that is clearly evident in our purpose statement – *Accelerating Commerce, Empowering Communities to RISE.*

As part of our Corporate Social Responsibility (CSR) initiatives, your Company has undertaken projects in the areas of Rural Development, Road Safety, Health and Environment, creating substantial benefit for stakeholders and communities.

I take this opportunity to acknowledge the efforts of every one of our employees for their contribution, dedication and commitment which has resulted in MLL emerging as a preferred name in this industry. My gratitude to our clients for continuing to repose their trust in our Company. The engagement and goodwill we enjoy with all our Business Partners is an invaluable ingredient of our continued growth, and requires our special acknowledgement.

The Government and various industry bodies have played a significant role in our success with their forward-thinking policies, which have also provided further momentum to the industry.

In closing, my thanks to all our stakeholders for their undivided interest, support, faith and encouragement over the past year. We look forward to continuing our strong and enduring partnership with them to help us achieve new milestones in the year ahead.

Warm Regards,
Zhooben Bhiwandiwala

Board of Directors





Zhooben Bhiwandiwala
Chairman, Non-Executive Director

Chandrasekar Kandasamy
Non-Executive Director

Parag Shah
Non-Executive Director









Ranu Vohra
Non-Executive Independent Director

Darius Pandole
Non-Executive Independent Director

Avani Davda
Non-Executive Independent Director

Ajay Mehta
Non-Executive Independent Director





Sunish Sharma
Non-Executive Nominee Director

Key Management Team



Mehernosh Mehta
Vice President – Human Resource

Prasanna Pahade
Chief Strategy Officer

Kamal Kapoor
Vice President – Transportation

Brijbala Batwal
Company Secretary

Nikhil Nayak
Chief Financial Officer

Sushil Rathi
Chief Operating Officer

Rama Malik
Vice President People Transport Solutions

Pirojshaw Sarkari
Chief Executive Officer

Neeraj Balani
Vice President – Business Development

Shantanu Roy
Chief Information Officer

Our Purpose

ACCELERATING COMMERCE, EMPOWERING COMMUNITIES TO RISE

Logistics is an invisible thread that binds everyone. People, companies, countries can specialise in what they are good at and reach the world through us. In every parcel we move and in every trip we make, each of us strives to make a difference. This brings in prosperity for everyone. We accelerate the wheels of the economy. And we do more than this. We transform the lives we touch. Whether it's our business partners, drivers, their families or communities at large, we spread smiles with every mile.

Our Purpose Principles

Shaping the industry

We continuously set new benchmarks in our industry. We lead the way by collaborating with our customers, competitors and business partners.

Transforming lives

Logistics is an invisible thread that binds everyone. This thread helps us in transforming lives across remote geographies. We enhance our reach through our valued partners and together we work towards enriching and empowering lives. In every parcel we move and in every trip we make, each of us strives to make a difference.

Reimagining solutions

There is drive within us to offer more value to our customers. We are constantly asking "how can we do better". This is achieved through a combination of breakthrough and continuous improvements.

Earning trust

We deliver what we promise and more. We are fair, ethical and transparent. We will always walk that extra mile. Therefore, all our stakeholders trust us.

Sustaining our environment

Our world is precious, and we take utmost care of it. We consider it our responsibility to preserve this environment. Not only within us, but in our entire ecosystem.

Our Vision

'Rise to be a ₹6000 Crore logistics service provider by 2021, Delivering consistent customer experience in defined industry verticals through customised, Technology-driven solutions'

Mahindra Logistics

Supply Chain Management

- Automotive & Engineering
- Consumer & Pharma
- E-Commerce
- Bulk
- Subsidiaries
  - •LORDS Freight
  - •2x2 Logistics

People Transport Solution

LORDS: Mahindra Logistics acquired majority stake in LORDS Freight (India) Pvt. Ltd. LORDS, specializes in international logistics solutions and is based out of Mumbai with a presence in most major cities in India.

2X2: Mahindra Logistics has partnered with Indian Vehicle Carriers Logistics Ltd. (IVC) in a company called 2x2 Logistics Pvt. Ltd. 2x2 specializes in offering automotive outbound logistics solutions to four-wheeler and two-wheeler industries.

Our offerings

- Transportation
- Warehousing
- In-factory Logistics
- Freight Forwarding
- Corporate Employee Transportation

Our presence

13+ million sq. ft. warehouse space

50+ Stockyards

350+ Operating Locations

15000+ Workforce

350+ Customers

35+ In-factory Logistics



Our First Multi-User Warehouse



Business Highlights

- Successfully listed at BSE Limited and National Stock Exchange of India Limited
- Successfully crossed consolidated turnover of ₹ 3400 crores in FY 2017-18
- Achieved over ₹ 100 crores consolidated PBT (Profit Before Tax)
- Phenomenal growth in freight forwarding business
- Post successful GST implementation, took possession of two multi-product, multi-user warehouses
- Developed last-mile optimisation software & account receivable management systems for high visibility, efficiency & responsiveness
- A total of 15000+ man-days of training carried out for employees
- Conducted driver training for people, working for Mahindra Logistics & others, under Pradhan Mantri Kaushal Vikas Yojana (PMKVY)

Awards & Accolades



"3PL Achiever of the Year" Award at Global Logistics Excellence Awards in Mumbai, 2017



Rama Malik (right) gets recognized as 'Business Woman of the Year 2017' at the Future Woman Leader Summit & Awards



"The Best Indian 3PL company of the Year" by Global Logistics Excellence Awards in Mumbai, 2018



Mahindra Logistics wins ESOP Award 2017 for Project Gram Vikas



Silver Award at National Convention of QC team, Feb 2018



Motherson Automotive Technologies & Engineering awarded Mahindra Logistics as the 'Best Service Provider' for Logistics during their Global Vendor Meet, Feb 2018



Nagpur team wins Gold Award at the National Convention on Quality Concepts, Oct 2017



Mahindra Logistics Sai Dhara Warehouse in Bhiwandi was felicitated for achieving Gold Level of WAREX model - CII Institute of Logistics' Warehouse Excellence Certification, Dec 2017



Mohali team was felicitated at 'Swaraj Sales Conference', Chandigarh with a memento as Certification of Appreciation. This is a 5th consecutive year that Mahindra Logistics is receiving this award from Swaraj for our excellent service

CSR
Rise for good

Rise for Good is the Mahindra Group's call to action to do good and drive positive change for all our stakeholders. At Mahindra Logistics, we aim to make every aspect of our business sustainable to ensure a better world for future generations. From our employees to the communities, which we are a part of, we see an incredible opportunity to drive positive change for all our stakeholders, re-affirming our commitment to create a better world. In everything we do, we consciously aim to Rise for Good.







Building communities

Village Adoption of Aware & Tembha - Mahindra Logistics believes that social responsibility is a long term continual phenomenon rather than an episodic intervention. In line with this belief, we adopt villages with a scope to improve the quality of life of the village residents through initiatives in the areas of education, infrastructure development, health & nutrition, hygiene & sanitation, women empowerment, employment generation and financial inclusion programs. After the successful attempt at adopting Aware village in Thane district for a period of 3 years, we have adopted another village in 2017-18 called Tembha, which is also in the Thane district.

Employees Social Options Program (ESOPs) - We encourage our employees to volunteer for various CSR projects in the areas of education, health and environment through this program. Our employees volunteer for various projects such as developing the educational skills of adolescents, increasing awareness of HIV/AIDS, conducting health camps to provide basic medical check-ups, Swachh Bharat Abhiyaan campaigns as well as donating to orphanages and old-age homes.

Facts and Figures for Financial Year 2018:

- **No. of activities conducted: 340+**
- **No. of employees who participated: 5000+**
- **No. of man-hours put in: 30,000+**
- **No. of beneficiaries: 72,000+ people**

CSR

Nanhi Kali

Project Nanhi Kali is an initiative of the K.C. Mahindra Education Trust that Mahindra Logistics supports and contributes for. Nanhi Kali aims to ensure that every girl child in India will have access to education. MLL is supporting this noble initiative to provide primary education to the underprivileged girl child. MLL is currently supporting more than 1,700 girl students across the country through this project.



Sustainable Initiatives

Being an asset-light company, most of the assets (vehicles, warehouses) are owned by business partners. However, we take measures to educate our business partners on propagating a sustainable environment. Regular initiatives undertaken for monitoring and reducing the intensity of Green House Gas (GHG) emission are as follows:

Goods Transportation Services - Replacement of old vehicles with new ones, reduction of dry runs, increase in capacity utilization of vehicles, encouraging the use of alternative fuel (like CNG) and electric vehicles in a phased manner

Warehouse Management Services – Adoption of energy efficient measures like shifting to LED lighting, infrastructure design to facilitate natural lighting and ventilation in certain facilities.



Business Partners Program



MLL has an asset-light business model. We work with business partners who bring in various assets. We also work with business partners who provide other services.
The special Business Partners Program of MLL is aimed at engaging business partners, throughout their journey of association with the Company. The engagement starts from an on-boarding session, where the partners are made aware of MLL's systems and processes. It continues with various communication and training programs. The company takes special initiatives in providing value-added services to business partners e.g. competitive sourcing of fuel cards, vehicle procurement, insurance etc. Various initiatives for driver development and welfare are also driven through this program. To effectively run this program, MLL has a Business Partner Cell. This cell is responsible for entire life-cycle of the business partners covering engagement, development, data management, complaint management etc.

Various engagement activities undertaken by this cell are:

1. Business Partner Employee Trainings: An initiative to empower the employees of business partner in areas like communication, professionalism etc.

2. Coffee with Phil: A reward and recognition program to acknowledge the best performing business partners, wherein they are invited for personal interaction with the CEO and MLL leadership team.

3. Chai pe Charcha: A reach-out program where business partners are invited for an interaction with local leadership team.

4. MPOWER: A program by IIM – Ahmedabad, to empower and train transporters on business management. This is jointly done with Mahindra Trucks and Buses Division.

5. Business Partner Awards: A yearly event to honor the top performers among the business partners

Select partners get an opportunity to be a part of the prestigious Business Partner Council, an apex body that oversees initiatives to make the relationship between MLL and the business partner, mutually beneficial.

Driver Welfare



We, at Mahindra Logistics Limited, believe that drivers are the backbone of our company. We have genuine respect and admiration for drivers and so driver welfare is a very important agenda for the company. We create and execute various driver welfare initiatives including safety and driver training, healthcare, drivers' children's scholarships and other family welfare initiatives, restrooms and other infrastructure facilities along highways and at major loading or unloading points. ***Mahindra Logistics Limited has also taken up a goal to train 10,000 drivers across India by the end of Financial Year 2019 under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY),*** the skill certification scheme of the central government which aims to enable a large number of Indian Youth to take up industry-relevant skill training thereby helping them to secure a better livelihood.

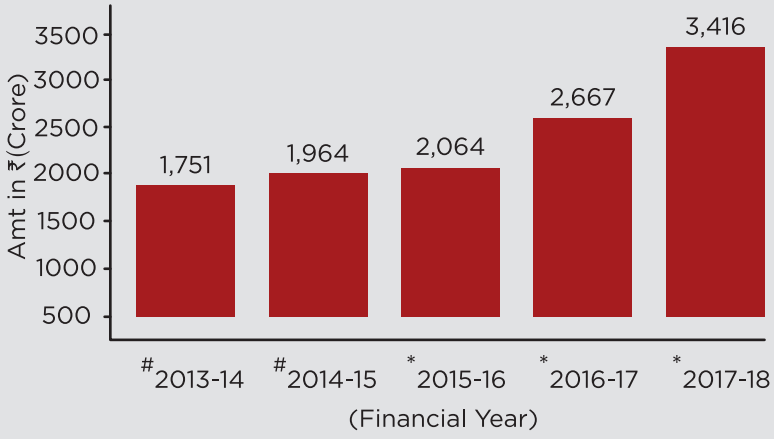




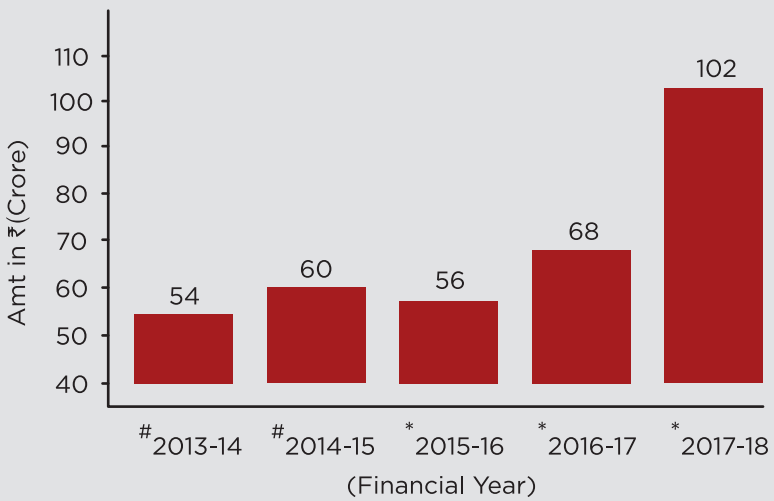


Financial Highlights

Revenue Growth



PBT (Profit Before Tax)



In accordance with IGAAP
* In accordance with IND AS

All figures are on consolidated basis



Corporate Information

Board of Directors

Mr. Zhooben Bhiwandiwala - Chairman
Mr. Chandrasekar Kandasamy
Mr. Parag Shah
Mr. Ajay Mehta
Mr. Darius Pandole
Mr. Ranu Vohra
Ms. Avani Davda
Mr. Sunish Sharma

Audit Committee

Mr. Ajay Mehta - Chairman
Mr. Chandrasekar Kandasamy
Mr. Darius Pandole
Mr. Ranu Vohra

Stakeholders' Relationship Committee

Mr. Chandrasekar Kandasamy - Chairman
Mr. Parag Shah
Mr. Darius Pandole

Nomination and Remuneration Committee

Mr. Darius Pandole - Chairman
Mr. Zhooben Bhiwandiwala
Mr. Chandrasekar Kandasamy
Mr. Parag Shah
Mr. Ajay Mehta
Mr. Ranu Vohra

Corporate Social Responsibility Committee

Mr. Parag Shah - Chairman
Mr. Chandrasekar Kandasamy
Mr. Ranu Vora

Chief Executive Officer

Mr. Pirojshaw Sarkari

Chief Financial Officer

Mr. Nikhil Nayak

Company Secretary

Ms. Brijbala Batwal

Bankers

HDFC Bank Limited
The Zoroastrian Co-operative Bank Ltd.
State Bank of India
Kotak Mahindra Bank Limited

Auditors

Deloitte Haskins & Sells LLP
Tower 3, 27 th - 32 nd Floor,
Senapati Bapat Marg,
Elphinstone Road - (West),
Mumbai – 400 013

Registrar and Share Transfer Agents

Link Intime India Private Limited
C-101, 1st floor, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083
Tel: +91 22 4918 6200,
Fax: +91 22 4918 6195
Website: www.linkintime.co.in

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present their Eleventh Annual Report on the business and operations of the Company along with the Audited Financial Statements of your Company for the year ended 31 March 2018.

A. STANDALONE FINANCIAL AND OPERATIONAL HIGHLIGHTS AND STATE OF AFFAIRS OF THE COMPANY

(₹ in crores)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Income		
Revenue from Operations	**3,220.11**	2,588.69
Other Income	**4.73**	8.96
Total Income	**3,224.84**	2,597.65
Expenses		
Employee Benefit Expenses	**219.04**	182.28
Other Expenses	**2,895.24**	2,338.52
Depreciation and Amortization Expenses	**12.85**	8.91
Finance Costs	**0.31**	0.26
Total Expenses	**3,127.44**	2,529.97
Profit/(Loss) before Tax	**97.40**	67.68
Provision for Tax	**35.21**	22.88
Profit/(Loss) after Tax	**62.19**	44.80
Other comprehensive income		
Re-measurements of the defined benefit plans – Gains/(Losses)	**(0.16)**	(0.72)
Income tax relating to items that will not be reclassified to profit or loss	**0.05**	0.25
Total Other Comprehensive Income	**(0.11)**	(0.47)
Total comprehensive income for the period	**62.08**	44.33
Balance of Profit from earlier years	**185.69**	141.36
Balance carried forward to Reserves	**247.77**	185.69
Networth	**418.90**	348.82

No material changes and commitments affecting the financial position of the Company have occurred after the end of the financial year till the date of this Report.

Performance Review

Your Company recorded revenue from operations of ₹ 3,220.11 crores for the year under review as against ₹ 2,588.69 crores in the previous year, registering a growth of 24.39%. The total comprehensive income for the current financial year is ₹ 62.08 crores (after accounting of deferred tax income of ₹ 1.53 crores) as compared to ₹ 44.33 crores in the previous year (after accounting of deferred tax income of ₹ 2.94 crores), registering an increase of 40.04%.

The Non-Mahindra Group Consolidated Supply Chain Business grew by 32% in the current year from ₹ 952.79 crores in the previous financial year to ₹ 1,257.69 crores in the current financial year. The supply chain business has been positively impacted through the acquisition of several new customer accounts. Additionally, brisk account penetration in major supply chain management customers has improved significantly, as efforts centred on operating excellence and better responsiveness.

The consolidated revenue from operations for the year stood at ₹ 3,416.12 crores as compared to ₹ 2,666.59 crores in the previous year, registering a growth of 28.11%. The consolidated EBITDA for the year under review stood at ₹ 125.61 crores, recording an increase of 46.21% over the previous year of ₹ 85.91 crores. The consolidated PAT grew by 41.58% during the year under review, from ₹ 46.10 crores in the financial year 2016-17 to ₹ 65.27 crores in the financial year 2017-18.

Dividend

In line with the Dividend Distribution Policy of the Company, your Directors are pleased to recommend a dividend of ₹ 1.50 per equity share of the face value of ₹ 10/- each (being 15% on face value) for the financial year 2017-18, payable to those Members whose names appear in the Register of Members as on Thursday, 26 July 2018.

The Register of Members and Share Transfer books of the Company will remain closed from Friday, 27 July 2018 to Thursday, 2 August 2018 (both days inclusive) for the purpose of payment of dividend.

The equity dividend outgo for the financial year 2017-18, if declared, inclusive of tax on distribution of profits would result in cash outflow of ₹ 12.86 crores.

Your Directors have not paid any Interim Dividend during the year under review. There is no unpaid Dividend of earlier years which has been transferred or is due to be transferred to the Investor Education and Protection Fund during the year under review in terms of the applicable provisions of

the Companies Act, 2013 ("Act") read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time.

The Board of your Company has decided not to transfer any amount to the General Reserves for the financial year 2017-18.

Dividend Distribution Policy

In view of listing of equity shares of the Company and in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board of Directors ("Board") approved the Dividend Distribution Policy encompassing the requirements mentioned in the said Regulation. The Dividend Distribution Policy is attached as **Annexure I** and forms part of this Annual Report and can also be accessed on the website of the Company at the weblink: http://www.mahindralogistics.com/media//pdf_files/dividenddi-e7587214c0aef68.pdf

B. CONSOLIDATED FINANCIAL STATEMENTS

As per Regulation 33 of the Listing Regulations and applicable provisions of the Act read with the Rules framed thereunder, the Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with the Act and applicable Accounting Standards along with all relevant documents and the Auditors Report form part of this Annual Report.

The Consolidated Financial Statements are also available on the website of the Company and can be accessed at the weblink: http://www.mahindralogistics.com/investor/financial-information

In accordance with Section 136 of the Act, the separate accounts in respect of each of the Subsidiaries are uploaded on the website of the Company at weblink: http://www.mahindralogistics.com/investor/financial-information and copies of the same shall be provided to Members of the Company on receipt of request from them.

Subsidiary Companies

The Company has two Indian unlisted subsidiaries. The Company does not have any joint venture(s)/associate company(ies) within the meaning of Section 2(6) of the Act. During the year under review, there were no additions/deletions in the number of subsidiaries of the Company.

Our subsidiaries primarily deal in the business of transportation and freight forwarding and continue to contribute to the overall growth of the Company. Details on performance of the subsidiaries for the financial year 2017-18 is given hereunder:

Lords Freight (India) Private Limited ("Lords")

Lords recorded a gross income of ₹ 177.78 crores for the year under review as against ₹ 66.77 crores in the previous year, registering an increase of 166.26%.

2x2 Logistics Private Limited ("2x2")

2X2 recorded gross income of ₹ 52.69 crores for the year under review as against gross income of ₹ 37.78 crores, registering a growth of 39.47%. During the year under review, 2x2 further expanded its fleet of transportation vehicles.

A report on the performance and financial position of each of the Company's subsidiaries is included in the Consolidated Financial Statements and the salient features of the Financial Statements of the subsidiaries and their contribution to overall performance of the Company as required under Section 129(3) of the Act read with the Rules, is provided in Form AOC-1 and forms part of this Annual Report.

The Board has adopted the Policy for determining Material Subsidiaries in terms with the requirements of Regulation 16(1)(c) of the Listing Regulations. The Policy as approved by the Board is uploaded on the Company's website and can be accessed at the weblink: http://www.mahindralogistics.com/media//pdf_files/policyford-9b54a78901883f4.pdf

In terms of the criteria laid down in the Policy and the Listing Regulations, the Company does not have any Material Subsidiaries as on 31 March 2018.

C. INITIAL PUBLIC OFFER

During the year under review, your Company listed its shares through an Initial Public Offer ("IPO") of 1,93,32,346 equity shares of face value of ₹ 10/- each for cash at a price of ₹ 429/- per equity share in aggregate amounting to ₹ 828.88 crores through an offer for sale by:

i. Mahindra & Mahindra Limited, the Promoters and Holding Company of your Company of 96,66,173 equity shares aggregating to ₹ 414.44 crores;

ii. Normandy Holdings Limited of 92,71,180 equity shares aggregating to ₹ 397.50 crores; and

iii. Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF 1 of 3,94,993 equity shares aggregating to ₹ 16.94 crores.

The offer included a reservation of 1,25,000 equity shares for subscription by eligible employees, out of which 1,12,710 equity shares were allotted to employees aggregating to ₹ 4.36 crores, at a discount of ₹ 42 per equity share on the offer price. The offer net of employee reservation portion ("net offer") aggregated to 1,92,07,346 equity shares. The offer and the net offer constituted 27.17% and 27.00%, respectively, of the post offer paid-up equity share capital of your Company.

The issue opened for subscription on 31 October 2017 and closed on 2 November 2017. The Company allotted/transferred 1,93,32,346 equity shares.

The subscription ratios of the IPO are given hereunder:

Category	No. of times subscribed (after considering technical rejections)
Qualified Institutional Bidder portion (excluding Anchor Investor Portion)	15.57
Retail Individual portion	5.75
Non-Institutional Bidder portion	1.83
Employee portion	0.90

The Board of your Company had constituted an IPO Committee to facilitate the IPO process. The IPO was successfully completed in compliance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time and the equity shares of your Company were listed on the BSE Limited and the National Stock Exchange of India Limited with effect from 10 November 2017.

As the Company's IPO was through an offer for sale, the Company did not receive any proceeds from the offer and the proceeds were paid to the Shareholders who offered their shares for sale. Hence the requirement of providing explanation for variation in utilisation of funds is not applicable to the Company.

Your Company became a Listed Company with effect from 10 November 2017 and consequently the Corporate Identification Number ("CIN") of your Company changed from U63000MH2007PLC173466 to L63000MH2007PLC173466.

In view of the listing of equity shares of the Company and to comply with the requirements of the Listing Regulations, the Board re-constituted the Audit Committee and Nomination and Remuneration Committee and constituted the Stakeholders Relationship Committee on 25 July 2017. The Board also re-constituted the Corporate Social Responsibility Committee.

The Board has *inter alia* adopted/amended the following statutory polices in compliance with the applicable provisions of the Act, Listing Regulations and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015:

i. Code of Conduct for Prevention of Insider Trading in Securities of Mahindra Logistics Limited;

ii. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information;

iii. Policy on determination of Materiality for disclosure of events or information (to Stock Exchanges);

iv. Indicative guidelines to ascertain materiality of events or information under the 'Policy for determination of Materiality for disclosure of events or information' (to Stock Exchanges);

v. Policy for Preservation of documents;

vi. Policy for determining Material Subsidiaries;

vii. Whistle Blower Policy/Vigil Mechanism;

viii. Board Diversity Policy;

ix. Policy on materiality of and on dealing with Related Party Transactions;

x. Familiarisation Programs for Independent Directors;

xi. a) Code of Conduct for Board;
b) Code of Conduct for Senior Management and Employees;
c) Code for Independent Directors;

xii. Archival Policy;

xiii. Dividend Distribution Policy;

xiv. Corporate Social Responsibility Policy;

xv. Policy on appointment/removal of Directors and Senior Management Personnel and remuneration of Directors and Key Managerial Personnel and other employees;

xvi. Business Responsibility Polices.

D. INVESTOR RELATIONS

Your Company continuously strives for excellence in its Investor Relations engagement with International and Domestic investors through structured conference-calls and periodic investors/analyst interactions viz. individual/group meetings, quarterly earnings calls and analyst meets from time to time to communicate details of the Company's performance, important developments and exchange of information. Your Company interacted in a number of analyst/investor meets organized by reputed Global and Domestic Broking Houses, during the year under review.

The schedule of all interactions with institutional investors, fund managers and analysts is promptly disseminated to the Stock Exchanges where equity shares of the Company are listed.

Your Company always believes in building a relationship of mutual understanding with investors/analysts and ensures that critical information about the Company is available to all the investors, by uploading all such information on the Company's website and on the website of the Stock Exchanges where equity shares of the Company are listed. The Company also uploads print and audio transcripts of investor conference-calls on the website of the Company.

E. REGISTRAR AND SHARE TRANSFER AGENTS

The IPO Committee of the Board of Directors had, vide resolution dated 13 July 2017, appointed Link Intime India Private Limited, as its Registrar and Share Transfer Agents in place of Karvy Computershare Private Limited. Contact details of Link Intime India Private Limited are provided in the Report on Corporate Governance, which forms part of this Annual Report.

F. ADOPTION OF NEW ARTICLES OF ASSOCIATION

The Investment Agreement dated 5 February 2014, as amended by amendment agreements dated 5 March 2015 and 3 August 2017 ("Investment Agreement") between Mahindra and Mahindra Limited, Normandy Holdings Limited and Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF-1 (Normandy and Kedaara are collectively referred as "Investors") and the Company formed a substantive part of the Articles of Association ("AOA") of the Company with certain special rights.

In view of the IPO of the Company, the Board with consent of the Members at their meeting held on 27 July 2017, adopted a new set of Articles of Association in place of and to the exclusion of the existing Articles of Association of the Company to comply with the requirements of the Act, make them consistent with Listing Regulations and make the Investment Agreement as aforesaid form part of the AOA (as Part II thereof).

Further in terms of the Third Amendment dated 5 October 2017 to the Investment Agreement and in view of listing of the equity shares of the Company, Part II of the AOA comprising of special Investor rights was automatically terminated and ceased to have any force from the date of listing. Consequently, all rights of the Investors have fallen away, except for the right to nominate one Investor Director, on the Board of the Company provided that this right shall (i) be subject to the approval of the Members of the Company by way of special resolution and (ii) be available for as long as the Investor holds at least 5% Equity Shares in the Company. Approval of the Members is sought at the ensuing Annual General Meeting to approve the right of the Investors to nominate one Investor Director, on the Board of the Company.

G. ALTERATION OF MEMORANDUM OF ASSOCIATION

With a view to re-align the object clause and liability clause of the Memorandum of Association of the Company with the provisions of the Act, the Members of your Company at their Extraordinary General Meeting held on 27 July 2017 approved alteration of object clause and liability clause of the Memorandum of Association of the Company.

Alteration of the Memorandum of Association of the Company did not result in change of the legal status, constitution, operations or activities of the Company.

H. ENVIRONMENT, HEALTH AND SAFETY

The Company, being a leading Third-Party Logistics (3PL) organization recognizes its employees, partners and business associates as an important asset and is committed to providing a safe and healthy work environment at all operating locations. Preventing workplace accidents is a key focus for your Company and is emphasised at all levels through constant communication and training. The Company has adopted an Environment, Health and Safety ("EHS") Policy to establish effective control measures for EHS management across all locations. The EHS policy is displayed at all prominent locations and offices and communicated to all stake holders.

The EHS policy is supported by safety management programs for Near Miss recordings, Safety Kaizen, Safety Observation tour to identify, assess and control the risks. The Company demonstrates strong leadership commitment towards EHS by the Management Safety Council, headed by the CEO of the Company. Multiple measures and actions are implemented through competency training programs like Defensive driver training, First Aid, Fire Fighting and Emergency Preparedness and Forklift driving. The first Drivers' training program under Pradhan Mantri Kaushal Vikas Yojana through National Skill Development Corporate was conducted in Pune, Maharashtra for two consecutive days with immense support from Nidan Technologies Private Limited.

To promote and sustain a strong safety culture, the Company organises various annual events like National Road Safety Week, National Safety Week, World Environment Day and Drivers' Day. The Company has also initiated ACE learning programs which contains safety and best practices related to EHS. A Safety Pledge is taken before starting meetings at offices and at work locations. The Company has established a dedicated safety team to oversee the implementation of a comprehensive driver safety culture at a PAN India level.

The Company carries out internal safety audits and external electrical audits of facilities for assessing and managing safety risks with respect to the warehousing and logistics verticals. The Company continued its commitment to improve the wellbeing of employees and contract workmen by organizing health examination camps, health check-ups, Eye check-up camps for drivers and blood donation camps. The Company is also a registered member of the National Safety Council.

I. SUSTAINABILITY

We believe that adopting sustainable practices in all our operations is not only a business imperative for us but also provides us with a competitive advantage in long run. Hence, we integrate economic progress, social responsibility and environment concerns with the objective of improving quality of life.

Being an asset-light Company, we deploy our business partners' assets to deliver services to our customers. We recognize the fact that Green House Gas ("GHG") emissions have a significant impact on the environment and in this regard the Company has instituted various initiatives for monitoring and reducing GHG emission intensity across the network of assets utilised by the Company. Specific initiatives taken in this regard are detailed in **Annexure VII** of this Report.

J. INTERNAL FINANCIAL CONTROLS

Pursuant to Rule 8(5)(viii) of the Companies (Accounts) Rules, 2014, and based on the representation received and after due enquiry, your Directors confirm that they have laid down internal financial controls with reference to the Financial Statements and these controls are adequate. The Company has also adopted policies and procedures for ensuring the orderly and efficient conduct of its business, 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.

Your Company has in place adequate internal financial controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations. Such controls have been assessed during the year under review taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India ("ICAI"). Based on the results of such assessments carried out by Management, no reportable material weakness or significant deficiencies in the design or operation of internal financial controls was observed. Regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

K. CREDIT RATING

The Company continues to enjoy a strong credit rating which denotes a high degree of safety regarding timely servicing of financial obligations. During the year under review, ICRA Limited ("ICRA") reaffirmed the long-term rating of [ICRA] AA and the short-term rating of [ICRA]A1+ assigned to the Line of Credit ("LOC") facility of ₹ 55 crores of the Company. ICRA has also assigned short-term rating of [ICRA] A1+ to the additional LOC (non-fund based) of ₹ 10 crores of the Company.

L. MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the Listing Regulations, a detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis section, which forms part of this Report.

M. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions entered during the year under review were in the ordinary course of business and on arms' length basis. In compliance with Regulation 23(4) of the Listing Regulations, the Company had sought approval of its Members, at its Extraordinary General Meeting held on 23 October 2017, for entering into material related party transaction(s), in the ordinary course and on arms' length basis with Mahindra & Mahindra Limited, the Holding Company for a period up to 31 March 2019.

In line with the aforesaid Members' approval, your Company has entered into material related party transactions i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements, with Mahindra & Mahindra Limited, the Holding Company of your Company during the year under review. These transactions were in the ordinary course of business and on arms' length basis, details of which, as required to be provided in Section 134(3)(h) of the Act, are disclosed in Form AOC – 2 as **Annexure II** and forms part of this Annual Report.

The Policy on Related Party Transactions as approved by the Board at its meeting held on 25 September 2017 pursuant to Regulation 23 of the Listing Regulations is uploaded on the Company's website and can be accessed at the weblink: http://www.mahindralogistics.com/media//pdf_files/policy-on--0e8627c4402627e.pdf

N. AUDITORS' AND AUDITORS' REPORT

Statutory Auditor

The Members of the Company had, at their 10th Annual General Meeting held on 14 August 2017, approved the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No. 117366W/W-100018) ("Deloitte") as the Statutory Auditors of the Company to hold office for a term of five years commencing from the conclusion of the 10th Annual General Meeting up to the conclusion of 15th Annual General Meeting ("AGM") of the Company to be held in the year 2022, subject to ratification at every annual general meeting as may be required under the Act from time to time.

Deloitte have provided their consent and confirmed that they meet the eligibility criteria prescribed under Section 141 of the Act read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified to act as Statutory Auditors of the Company.

Deloitte have confirmed that the firm holds a valid certificate issued by the Peer Review Board of the ICAI. They have also furnished a declaration of independence as well as their arm's length relationship with the Company and declared that they have not taken up any prohibited non-audit assignments for the Company.

The Auditors' Report for the financial year 2017-18 is unmodified i.e. it does not contain any qualification(s), reservation(s) or adverse remark(s) and forms part of this Annual Report.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of your Company has appointed M/s. Sandeep P Parekh & Co. (Certificate of Practice No. 7693), Practicing Company Secretaries as a Secretarial Auditor of the Company to conduct the secretarial audit.

The Secretarial Audit Report given by the Secretarial Auditor in Form No. MR-3 as per the provisions of Section 204 of the Act read with Rules framed thereunder for the financial year ended 31 March 2018 has been annexed to this Board Report as **Annexure III** and forms part of the Annual Report.

The said Secretarial Audit report does not contain any qualification(s), reservation(s) or adverse remark(s).

Internal Audit

Pursuant to Section 138 of the Act read with the Companies (Accounts) Rules, 2014, Mr. Mario Nazareth was appointed as the Internal Auditor of your Company for the financial year 2017-18. The Board at its meeting held on 2 May 2018 re-appointed Mr. Mario Nazareth as the Internal Auditor of your Company for the financial year 2018-19.

Cost Audit

During the year under review, provisions of cost audit as stated under Section 148 of the Act and the Companies (Audit and Auditors) Rules, 2014 were not applicable to the Company.

Reporting of frauds by Auditors

During the year under review, the Statutory Auditor and Secretarial Auditor have not reported to the Audit Committee or the Board any instances of frauds committed in the Company by its officers or employees required to be reported under Section 143(12) of the Act.

O. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

Particulars of loans given, investments made and guarantees and securities provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of loan or guarantee or security pursuant to Section 186 of the Act are given under Note No. 8 and Note No. 33 annexed to Standalone Financial Statements for the year ended 31 March 2018 and the same forms part of this Report.

P. PUBLIC DEPOSITS AND LOANS/ADVANCES

Your Company has not accepted any deposits from the public or its employees, during the year and as such no amount of principle or interest was outstanding as of the year ended 31 March 2018. There were no other deposits falling under Rule 2(1)(c) of the Companies (Acceptance of Deposits) Rules, 2014 at the beginning of the year, during the year and at the end of the year. Hence there are no deposits which are not in compliance with the requirements of chapter V of the Act.

The Company has not accepted any loans from its Directors during the year under review.

The Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Regulations 34(3) of Listing Regulations and Para A of Schedule V thereto.

Q. EMPLOYEES

Key Managerial Personnel ("KMP")

Pursuant to provisions of Sections 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following have been designated as Key Managerial Personnel of your Company:

1. Mr. Pirojshaw Sarkari, Chief Executive Officer
2. Mr. Nikhil Nayak, Chief Financial Officer
3. Ms. Brijbala Batwal, Company Secretary

There have been no changes in the KMPs of the Company, during the year under review.

Employee Stock Option Scheme ("ESOP")

Pursuant to the Board and the Members approval, your Company had instituted the MLL Key Executive Stock Option Scheme 2012 ("MLL ESOP Scheme") prior to the IPO.

In view of the IPO of the Company, as required, the Board of your Company vide resolution dated 10 July 2017, and approval of the Members through special resolution dated 11 July 2017, amended the MLL ESOP Scheme to re-align and make it compliant with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations") and relevant Guidance Note issued by ICAI and Indian Accounting Standards issued in this regard. The MLL ESOP Scheme is in compliance with the SBEB Regulations. There have been no material changes to the MLL ESOP Scheme during the year under review.

Further during the year under review, the ESOP Committee, comprising of Mr. Zhooben Bhiwandiwala, Mr. Parag Shah, Mr. Ruzbeh Irani and Mr. Sunish Sharma was dissolved with effect from 10 July 2017 and all powers exercised by the ESOP Committee were subsumed by the Nomination and Remuneration Committee of the Board in line with the SBEB Regulations.

The information as required to be disclosed under Clause 14 of the SBEB Regulations read with SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 has been uploaded on the website of the Company and can be accessed at the weblink: http://www.mahindralogistics.com/investor The said information is also provided in the Note No. 23 of the Notes to Standalone Financial Statements.

A certificate from the Company's Statutory Auditors, Deloitte Haskins & Sells LLP, in accordance with the SBEB Regulations will be placed at the ensuing AGM.

The existing MLL ESOP Scheme shall continue until all outstanding stock options (i.e. 459,360 stock options) are fully exercised. No further stock options shall be granted under the said MLL ESOP Scheme and the said Scheme shall be operational only to the extent of vesting, exercise and allotment

of shares for ESOPs granted prior to the IPO of the Company and outstanding as of date.

With a view of further inculcating an employee ownership culture, and with a view to induct and retain talents, the Company intends to implement a new employee stock option plan namely 'Mahindra Logistics Employee Restricted Stock Unit Plan 2018' ("RSU 2018"/"Plan") seeking to cover eligible employees of the Company and of its Holding Company, subject to the Members approval at the ensuing AGM.

Particulars of Employees and related disclosures

The Company had seven employees who were in receipt of remuneration of not less than ₹ 10,200,000/- during the year ended 31 March 2018 or not less than ₹ 850,000/- per month during any part of the year.

Details of employee remuneration as required under provisions of Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available for inspection at the Registered Office of the Company during working hours, 21 days before the ensuing AGM and shall be made available to any Shareholder on request. Such details are also available on your Company's website and can be accessed at the weblink: http://www.mahindralogistics.com

Disclosures with respect to the remuneration of the Directors, the KMPs and the employees of the Company as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure IV** to this Report.

R. EMPLOYEE RELATIONS

The financial year 2017-18 witnessed a positive Employee Relations scenario across the organization.

Your Company continues its efforts to propagate proactive employee centric practices. To that effect an Employee Relations framework titled "Sanjeevani" was crafted. This framework is based on four key pillars, i.e. Employee Communication, Welfare, Inclusive Participation and Development and aims to improve productivity and engagement of all our employees.

Some of the initiatives introduced under Sanjeevani include:

- "Samvaad", an employee connect program;
- Talent Development framework for ensuring development of employees at all levels;
- Works committees at locations to ensure inclusive participation of employees;
- Welfare initiatives ensuring coverage of contractual workforce under the Pradhan Mantri Beema Yojana;
- Awareness workshops on ESI and PF benefits; and
- Health camps.

During the year, your Company conducted multiple training and engagement programs covering a wide range of topics, viz. coaching skills, leadership skills, customer focus, team effectiveness, safety and environment. The Company also initiated skill building programs for contractual workers.

Significant emphasis was also laid on raising employee awareness on health and wellness through the launch of a comprehensive Employee Assistance Program (EAP), which caters to the physical, mental and emotional well-being of our employees.

Proactive and employee centric practices, a focus on transparent communication, an effective concern resolution mechanism and a firm belief that engaged employees are the most valuable assets of your Company, are the cornerstones of your Company's employee relations approach. A proactive and continuous dialogue with employees have helped your Company build trust and harmony.

The Industrial Relations scenario continued to be largely positive across all our locations. Healthy collective bargaining discussions and negotiations, resulting in timely wage settlements during the financial year 2017-18 have helped create a peaceful, healthy and collaborative work environment.

These initiatives have contributed to your Company achieving consistently high scores on employee engagement through an internal survey mechanism.

S. QUALITY

We believe in inculcating and promoting quality culture across all operations and functions.

At the organisational level, we follow 'The Mahindra Way' ("TMW"), a structured approach to promote the use of comprehensive quality management tools and techniques. This covers the entire organisation through management processes and key business processes. Yearly assessment is conducted by experts and basis the feedback received, improvements are carried out by following a PDCA (Plan-Do-Check-Act) approach.

Your Company follows continuous improvement approach in its operations. At the operating locations, our teams focus on range of initiatives for driving improvements by using techniques like 5S, process mapping, waste elimination, Six Sigma etc. We have successfully implemented 7500+ kaizens, crossed over 25+ quality circles, and completed 50+ yellow belt projects during the year under review, using advanced statistical tools.

The Company has achieved ISO 9001:2015 certification from Bureau Veritas with ZERO non-conformities for one of the largest Auto Customer.

T. BOARD & COMMITTEES

Directors Appointments/Re-appointments

On recommendation of the Nomination and Remuneration Committee ("NRC") of the Board, Mr. Ranu Vohra and Mr. Darius Pandole were appointed as Non-Executive Independent Directors, not being liable to retire by rotation, to hold office for a first term of five consecutive years commencing from 25 July 2017 upto 24 July 2022 subject to approval of the Members. The Members at their Extraordinary General Meeting held 27 July 2017 accorded their approval for the said appointments.

The Board of the Company, based on the recommendation of the NRC and results of the performance evaluation carried out by the NRC and the Board, vide resolution dated 26 March 2018 re-appointed Mr. Ajay Mehta as an Additional and Non-Executive Independent Director, not being liable to retire by rotation, for a second term of five consecutive years commencing from 27 March 2018 to 26 March 2023, subject to the approval of the Members through special resolution at the ensuing AGM.

The Board of the Company, based on the recommendation of the NRC, at its meeting held on 6 June 2018 appointed Ms. Avani Davda as an Additional and Non-Executive Independent Director, not being liable to retire by rotation, for a first consecutive term commencing from 6 June 2018 to the AGM of the Company to be held in 2022, subject to the approval of the Members through ordinary resolution at the ensuing AGM.

In terms of Section 152 of the Act, Mr. Parag Shah, retires by rotation and, being eligible, offers himself for re-appointment at the ensuing AGM.

Resignations/Cessations

During the year under review, Mr. Ruzbeh Irani, Mr. Sanjeev Aga and Mr. Anjanikumar Choudhari, Non-Executive Directors of the Company stepped down from the Board of your Company with effect from 25 July 2017. Consequently Mr. Anjanikumar Choudhari also ceased to be Chairman of the Board and Mr. Zhooben Bhiwandiwala was appointed as Chairman of the Board with effect from 25 July 2017.

Ms. Neelam Deo ceased to hold office as Non-Executive Independent Director with effect from 26 March 2018 on account of expiry of her first term.

The Board places on record its sincere gratitude and deep appreciation for the valuable contributions made by Mr. Ruzbeh Irani, Mr. Sanjeev Aga, Mr. Anjanikumar Choudhari and Ms. Neelam Deo during their respective tenures with the Company.

Declaration by Independent Directors

All Independent Directors of the Company have given written declarations and confirmed that they meet the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

Performance Evaluation

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as reviewed the performance of the Directors individually. During the year under review, the questionnaire for performance evaluation was further elaborated and made comprehensive in alignment with the guidance note on board evaluation issued by the Securities and Exchange Board of India, vide its circular dated 5 January 2017. Feedback was sought by way of a structured questionnaire 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, obligations and governance and the evaluation was carried out based on responses received from the Directors.

A separate evaluation exercise was carried out by the NRC of the Board to evaluate the performance of Individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the other Non-Executive Directors.

The outcome of the performance evaluation of the Board for the year under review was discussed by the NRC and the Board at their respective meetings. All Directors expressed satisfaction with the evaluation process.

Familiarization program for Independent Directors

Details of familiarization programs imparted to Independent Directors of the Company familiarising them on their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company and number of hours spent by each of them in terms of the requirements of the Listing Regulations are available on the Company's website and can be accessed at the weblink: http://www.mahindralogistics.com/media//pdf_files/familiariz-09f20b333216ae8.pdf

Remuneration Policy and criteria for determining attributes, qualification, independence and appointment of Directors

In line with the principles of transparency and consistency, your Company has adopted the following policies:

i. Policy on appointment and remuneration of Directors and senior management and succession planning;

ii. Policy on remuneration of the Directors, Key Managerial Personnel and Employees ("Appointment and Remuneration Policy").

In line with the Appointment and Remuneration Policy, the Independent Directors of the Company are entitled to payment of commission up to ₹ 600,000/- per annum on the basis of recommendations made by the NRC and approved by Board within the ceiling of 1% or 3% of annual net profit of the Company, as the case may be, for each of the financial years commencing from 1 April 2017. The remuneration of the Independent Directors is determined by the Board based on their performance evaluation done by the entire Board which, *inter alia*, includes their participation in the Board and Committee Meetings during the year, other responsibilities undertaken, and contributions to the deliberations of the Board and to the Company.

The Appointment and Remuneration Policy is provided in **Annexure V** and forms part of this report. The said policy is also uploaded on website of the Company and can be accessed from the weblink: http://www.mahindralogistics.com/media//pdf_files/nomination-ebe9fbadb048aed.pdf

The remuneration paid to the Directors for the financial year 2017-18 was as per the terms laid down in the said Appointment and Remuneration Policy of the Company.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Act, your Directors, based on representation from the operating management and after due enquiry, confirm that:

a. In the preparation of the annual financial statements for the year ended 31 March 2018 the applicable accounting standards have been followed and no material departures have been made from the same;

b. They had 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 on 31 March 2018 and of the profits of the Company for the financial year ended on that date;

c. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. They have prepared the annual accounts on a going concern basis;

e. They have laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and were operating effectively during the financial year ended 31 March 2018; and

f. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively throughout the financial year ended 31 March 2018.

Board Meetings and Annual General Meeting

The Board of your Company meets at least four times in a year and the gap between two Meetings does not exceed one hundred and twenty days. An annual calendar of Meetings is circulated in advance to all Directors. In case of exigencies, resolutions are passed through circulation in terms of Section 175 of the Act.

During the year ended 31 March 2018, eight Board Meetings were held and these Meetings were well attended by the Directors. The Tenth AGM of your Company was held on 14 August 2017. Details of attendance of meetings of the Board and the AGM are included in the section titled 'Report on Corporate Governance', which forms part of this Annual Report.

Meetings of Independent Directors

The Independent Directors of your Company meet at least once in a financial year without the presence of Non-Independent Directors, the CEO, and the CFO of the Company.

The Meetings are conducted to enable the Independent Directors to, *inter alia*, discuss matters pertaining to review of performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company (taking into account the views of the Non-Executive Directors) and to assess the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year, under review the Independent Directors met once on 29 January 2018 and the Meeting was attended by all Independent Directors.

Audit Committee

The Audit Committee of the Board is composed of four Non-Executive Directors, of whom three Directors (i.e. more than 2/3rd), including the Chairman are Independent in line with provisions of Section 177 of the Act read with the Rules framed thereunder and Regulation 18 of the Listing Regulations. All the Members of the Committee are financially literate and possess strong accounting and financial management knowledge.

As on 31 March 2018, the Audit Committee comprised of Mr. Ajay Mehta (Independent Director and Chairman of the Committee), Mr. Chandrasekar Kandasamy (Non-Executive Director), Mr. Ranu Vohra (Independent Director) and Mr. Darius Pandole (Independent Director).

Mr. Zhooben Bhiwandiwala and Mr. Parag Shah, Non-Executive Directors are permanent invitees to the meetings of the Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

All the recommendations made by the Audit Committee during the year under review were accepted by the Board of the Company.

Board Committees

The Board has constituted various committees in compliance with the requirements of the Act and Listing Regulations viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and voluntary committees viz. IPO Committee and MLL Key Executive Stock Option Scheme Committee. The details of composition of the said Committees, their terms of reference, meetings held and attendance of the Committee Members thereat during the financial year 2017-18 is provided in the section titled 'Report on Corporate Governance', which forms part of this Annual Report.

Compliance with Secretarial Standards

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards viz. the Secretarial Standard-1 on Board Meetings (SS-1) and Secretarial Standard-2 on General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government, and that such systems are adequate and operating effectively.

U. GOVERNANCE

Corporate Governance

The Corporate Governance Policies guide the conduct of affairs of your Company and clearly delineate the roles, responsibilities and authorities at each level of its governance structure and key functionaries involved in governance.

Your Company has in place Codes of Conduct ("the Codes") for its Directors and Senior Management Personnel and Employees. These Codes enunciate the underlying principles governing the conduct of your Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of your Company's ethos. The affirmation on the said Codes is received from the Directors and Senior Management Personnel and Employees on an annual basis.

Your Company is committed to transparency in all its dealings and places high emphasis on business ethics. A Report on Corporate Governance along with a Certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Schedule V of the Listing Regulations forms part of the Annual Report.

Vigil Mechanism/Whistle Blower Policy

The Vigil Mechanism as envisaged in the Act, the Rules prescribed thereunder and Listing Regulations, is implemented through the Company's Whistle Blower Policy, which was revised and adopted by the Board at its meeting held on 25 September 2017 to provide a mechanism for the employees and Directors of the Company to report genuine concerns and provides for adequate safeguards against victimization of persons who use such mechanism and a provision has been made to provide direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases. The scope, eligibility and other procedural aspects have been mentioned in the policy. The Whistle Blower Policy of your Company is available on the Company's website and can be accessed at the weblink: http://www.mahindralogistics.com/media//pdf_files/whistleblo-c5536963e0a165a.pdf

During the year under review, no complaints have been received by the Company and none of the Whistle Blowers were denied access to the Chairperson of Audit Committee of the Board.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a Prevention of Sexual Harassment Policy for Women in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

An Internal Complaints Committee has been set up to redress complaints regarding sexual harassment. All women employees (permanent, contractual, temporary, trainees) as well as who visit the premises of the Company for any purpose are covered under this Policy. Awareness and sensitisation programs were conducted across the Company.

During the year under review, no complaints were received alleging any instances of sexual harassment.

Business Responsibility Report

The Business Responsibility Report of your Company prepared as a good governance practise, highlighting the initiatives taken by the Company in the areas of social, environment and economic responsibilities of business for the financial year 2017-18 forms part of this Annual Report, although not statutorily required under Regulation 34(2)(f) of the Listing Regulations.

Risk Management

Your Company has developed a well-defined risk management policy which *inter alia* includes identification of elements of risk, if any, which in the opinion of the Board may seriously impact the Company. The risk management policy includes identification of key risks and their mitigation plans. Constitution of a Risk Management Committee of the Board is not mandatory for your Company. However, the Board and Audit Committees review the Risk Management framework on a quarterly basis.

V. CORPORATE SOCIAL RESPONSIBILITY AND RELATED MATTERS

Corporate Social Responsibility ("CSR")

Being part of the Mahindra Group, the Company is committed to the group's social responsibility vision to serve the communities where it operates through its various CSR activities and initiatives and Employee Social Option Programmes (ESOPs).

The Company has identified various CSR thrust areas and also laid down guiding criteria for selecting CSR projects which includes sustainability, social impact etc.

The CSR Committee monitors implementation of the Company's CSR projects through the CSR Executive Council.

While CSR programmes are identified by the CSR Committee, it also evaluates projects submitted directly by reputed NGOs. To ensure that there is a focus and maximum impact, the CSR Committee endeavours to work on fewer projects over a longer period of time so as to ensure that the outcomes of the projects can be measured.

The Company had undertaken various CSR projects in the areas of Education and Skill Development, Rural Development and Sanitation. Some of the key initiatives undertaken by the Company during the year under review are as follows:

Project to eradicate Malnutrition

As a part of village adoption exercise, your Company launched a project to combat and eradicate malnutrition at Tembha village, Thane, Maharashtra in December 2017. The Company identified malnourished children within the age group of 1 – 5 years and based on the advice of a qualified Paediatrician, distributed nutritious recipe every day to all malnourished children. The results are extremely encouraging as most of the children's weight increased with time. This process has also provided an additional source of income (for preparing the recipes and sweets) for women.

Pradhan Mantri Kaushal Vikas Yojana ("PMKVY")

The Central Government launched PMKVY, a skill certification scheme in 2015. The objective of this Scheme is to enable large number of Indian youth to undergo industry-relevant skill training which will help them in securing a better livelihood. The Company has launched a program to increase availability of trained drivers as well as to train existing drivers so as to help reduce the number of road accidents. The Company has trained 450+ drivers.

Healthcare

One of our key CSR programs, is the HIV-AIDS awareness and prevention program. This comprehensive program focuses on the communities around Nasik, Maharashtra in collaboration with MAGMO NGO. The objective of the program is to increase awareness and thus help prevention through strategic tie ups with organizations who possess the technical and capacity building capabilities to optimize our resources. We undertake these interventions through a healthcare center installed at our Nasik transport hub. More than 37,000 drivers benefited within the last 15 months. More than 600 drivers were treated for STI infection. 0.4% of the drivers were also sent for Anti-Retro Viral Therapy.

CSR Policy

The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") which is implemented by the Company. During the year under review, the Board of your Company amended the CSR Policy at its meeting held on 25 September 2017. The updated CSR Policy including a brief overview of the projects or programs undertaken can be accessed at the Company's website through the weblink: http://www.mahindralogistics.com/sustainability

CSR Committee

The Board of your Company has constituted a CSR Committee ("Committee") in compliance with the requirements of Section 135 of the Act. The role of the Committee includes formulation and recommending to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and any amendments thereto, recommendation of the amount of expenditure to be incurred on the CSR activities as enumerated in Schedule VII of the Act and referred to in the CSR Policy of the Company, as also to monitor the CSR Policy from time to time.

As of the date of this report, the Committee comprises of Mr. Parag Shah, Mr. Ranu Vohra and Mr. Chandrasekar Kandasamy. Mr. Parag Shah is Chairman of the Committee and Mr. Zhooben Bhiwandiwala, Non-Executive Director is a permanent invitee of the Committee.

During the year under review, your Company incurred a CSR Expenditure of ₹ 1.27 crores on its CSR activities as against a mandated spend of ₹ 1.24 crores. Details of the composition of the CSR Committee, CSR Policy and projects undertaken by the Company during financial year 2017-18, in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in the section titled 'Annual Report on Corporate Social Responsibility ("CSR") activities for FY 2017-18' in **Annexure VI** of this Report.

W. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to the energy conservation, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided in **Annexure VII** and form part of this report.

X. SECRETARIAL

Share Capital

The authorized share capital of your Company is ₹ 105,00,00,000/- divided into 10,50,00,000 equity shares of the face value of ₹ 10/- each.

During the year under review, in view of the Initial Public Offer of the Company all partly paid equity shares of the Company i.e. 40,774 equity shares, which were partly paid up to the extent of ₹ 2/- per share and 15,81,273 equity shares, which were partly paid up to the extent of ₹ 1/- per share, were made fully paid up pursuant to a call of ₹ 8/- per share and ₹ 9/- per share, respectively. Further your Company allotted 16,86,880 equity shares of face value of ₹ 10/- on the exercise of stock options under the MLL Key Executives Stock Option Scheme 2012 of the Company during the year under review.

Consequently, the issued, subscribed and paid-up equity share capital of your Company as on 31 March 2018 stood at ₹ 71,14,19,240 divided into 7,11,41,924 equity shares of the face value of 10/- each.

Extract of Annual Return

Pursuant to Sections 134(3)(a) and 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as on 31 March 2018 in form MGT-9 is annexed as **Annexure VIII** and forms part of this report.

Y. GENERAL

Your Directors state that no disclosures or reporting(s) are required in respect of the following items, as there were no transactions/events related to these items during the year under review:

i. Change in nature of business of the Company;

ii. Issue of equity shares with differential rights as to dividend, voting or otherwise;

iii. Issue of sweat equity shares to employees of the Company under any scheme;

iv. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future;

v. Voting rights not exercised directly by the employees and for the purchase of which or subscription to which loan was given by the Company.

Z. ACKNOWLEDGMENTS

The Board of your Company wish to convey its deep gratitude and appreciation to all the employees of the Company, for their tremendous efforts as well as their exemplary dedication and contribution to the Company's performance. We also acknowledge the invaluable support and contribution of all our business associates who continue their loyal partnership with our Company.

The Directors would also like to thank the Members, Customers, Vendors, Business Partners, Bankers, Government and all other Business Associates for their continued support extended to the Company and the Management.

On behalf of the Board of Directors

Zhooben Bhiwandiwala	**Parag Shah**
Chairman	Director
(DIN:00110373)	(DIN:00374944)

Mumbai, 6 June 2018

Annexure I

DIVIDEND DISTRIBUTION POLICY

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, ("SEBI LODR Regulations") dated 8 July 2016, makes it mandatory for the top five hundred listed entities based on their market capitalization calculated as on March 31 of every financial year to formulate a Dividend Distribution Policy.

Dividend Distribution Policy ("the Policy") establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company. The policy shall come into force with effect from the date of Listing/ 1 April 2018.

This Policy aims to ensure that the Company makes rational decision with regard to the amount to be distributed to the shareholders as dividend after retaining sufficient funds for the Company's growth, to meet its long-term objective and other purposes. It lays down various parameters which shall be considered by the Board of Directors of the Company before recommendation/declaration of dividend to its shareholders.

Dividend will be declared on per share basis on the Ordinary Equity Shares of the Company. Dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.

The Internal and external factors that shall be considered for declaration of dividend shall include the following:

Internal Factors:

i. Profitable growth of the Company and specifically, profits earned during the financial year as compared with:
   a. Previous years and
   b. Internal budgets
ii. Cash flow position of the Company
iii. Accumulated reserves
iv. Earnings stability
v. Future cash requirements for organic growth/expansion and/or for inorganic growth
vi. Brand acquisitions
vii. Current and future leverage and under exceptional circumstances, the amount of contingent liabilities
viii. Deployment of funds in short term marketable investments
ix. Long term investments
x. Capital expenditure(s) and
xi. The ratio of debt to equity (at net debt and gross debt level).

External Factors:

i. Business cycles
ii. Economic environment
iii. Cost of external financing
iv. Applicable taxes including tax on dividend
v. Industry outlook for the future years
vi. Inflation rate and
vii. Changes in the Government policies, industry specific rulings & regulatory provisions.

Apart from the above, the Board may also consider sense of shareholders' expectations while determining the rate of dividend.

The retained earnings of the Company shall be utilized in any way including the following:

i. Capital expenditure for working capital
ii. Organic and/or inorganic growth
iii. Investment in new business(es) and/or additional investment in existing business(es)
iv. Declaration of dividend
v. Capitalisation of shares
vi. Buy back of shares
vii. General corporate purposes, including contingencies
viii. The Board may consider recommending a lower payout for a given financial year, after analyzing the prospective opportunities and threats or in the event of challenging circumstances such as regulatory and financial environment.

Shareholders may not expect any dividend under certain circumstances including the following:

a. In the event of inadequacy of profits or whenever the Company has incurred losses
b. Whenever Company proposes to utilise surplus cash for buy-back of securities

c. Significantly higher working capital requirements adversely impacting free cash flow

d. Whenever it undertakes or proposes to undertake a significant expansion of business requiring higher allocation of capital

e. Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital

f. Operation of any law in force which restricts payment of dividend in particular circumstances and

g. Any restrictions and covenants contained in any agreement as may be entered with the Lenders.

Parameters that shall be adopted with regard to various classes of shares

At present, the issued and paid-up share capital of the Company comprises only of equity Shares; the Company does not have any other class of shares. As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

Disclosures

The Policy will be displayed on website of the Company and same will also be published in Annual Report of the Company.

Review

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective.

The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

Amendment

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure II

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

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

There were no contracts or arrangements or transactions entered into during the year ended 31 March 2018, which were not at arm's length basis.

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

The details of material contracts or arrangements or transactions at arm's length basis for the year ended 31 March 2018 are as follows:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Transaction value (₹ in crores)	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	Mahindra & Mahindra Limited, Holding Company	Income from services rendered	1,658.18	1 April 2017 to 31 March 2018	The related party transactions (RPTs) entered into during the year under review were in ordinary course and on arms' length basis	Since these RPTs are in ordinary course and on arms' length basis approval of the Board is not applicable. However necessary approvals were granted by the Audit Committee from time to time	NIL
		Expenses incurred (towards rent, information technology support and trainings)	2.28				
		Purchase of property and other assets	0.15				
		Reimbursements made	5.16				

On behalf of the Board of Directors

Zhooben Bhiwandiwala
Chairman

Parag Shah
Director

Mumbai, 6 June 2018

Mahindra LOGISTICS

Annexure III

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR FINANCIAL YEAR ENDED 31 MARCH 2018

[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,
Mahindra Logistics Limited
CIN: L63000MH2007PLC173466
Mahindra Towers, P K Kurne Chowk,
Worli, Mumbai, Maharashtra-400 018, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MAHINDRA LOGISTICS LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **31 March 2018**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended 31 March 2018 according to the provisions of:

(1) The Companies Act, 2013 ("the Act") and the rules made there under;

(2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and its rules;

(5) External Commercial Borrowings – Not applicable to the Company during the audit period;

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

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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not applicable to the Company during the audit period;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: Not applicable to the Company during the audit period;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: Not Applicable;

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

1. Secretarial Standards-1 & 2 issued by the Institute of Company Secretaries of India.

2. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (The Company got listed on 10 November 2017, therefore Compliances under The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are applicable from the date of listing).

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

We further report that

The Board of Directors of the Company is duly constituted. 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. We understand that Company would fill the vacancy in the position of Woman Independent Director as on date of this report, within the stipulated timelines permitted by law.

Adequate notice is given to all directors to schedule the Board Meetings and Committee 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.

As per the minutes of the meetings, duly recorded and signed by the Chairman, the decisions at the Board meeting were taken unanimously and no dissenting views have been recorded.

As informed to us, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above.

During the year under review, the major event covered was the Initial Public Offer of the Company and the Company's equity shares got listed w.e.f. 10 November 2017 with BSE Limited & The National Stock Exchange of India Limited.

For **Sandeep P Parekh & Co.,**
Company Secretaries

Sd/-
CS Sandeep P. Parekh
FCS: 7118, CP: 7693

Place: Navi Mumbai
Date : 23 April 2018

Mahindra LOGISTICS

Annexure IV

DETAILS OF REMUNERATION

Details pertaining to remuneration as required under sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary and details of the ratio of remuneration of each Director as on 31 March 2018 to the median remuneration of the employees of the Company for the financial year ended 31 March 2018 is as under:

Sr. No.	Name of Director/ KMP	Designation	Remuneration of Director/KMP for the financial year 2017-18 (₹ in crore) (Excluding perquisite value of ESOPs exercised)	Remuneration of Director/KMP for the financial year 2017-18 (₹ in crore) (Including perquisite value of ESOPs exercised)	% increase in remuneration in the financial year 2017-18 (Excluding perquisite value of ESOPs exercised)	% increase in remuneration in the financial year 2017-18 (Including perquisite value of ESOPs exercised)	Ratio of remuneration (Including perquisite value of ESOPs exercised) of each Director to median remuneration of the employees for the financial year
1	Mr. Ajay Mehta	Independent Director	0.11	0.11	57.30%	57.30%	3.57
2	Mr. Ranu Vohra	Independent Director	0.08	0.08	Refer note i	Refer note i	2.63
3	Mr. Darius Pandole	Independent Director	0.08	0.08	Refer note i	Refer note i	2.47
4	Ms. Neelam Deo	Independent Director	0.09	0.09	55.12%	55.12%	3.00
5	Mr. Pirojshaw Sarkari	Chief Executive Officer	1.94	3.36	16.64%	101.74%	—
6	Mr. Nikhil Nayak	Chief Financial Officer	0.78	1.48	11.11%	111.68%	—
7	Ms. Brijbala Batwal	Company Secretary	0.15	0.15	1100.00%	1100.00%	—

Notes:

i. Mr. Ranu Vohra and Mr. Darius Pandole were appointed as Independent Directors with effect from 25 July 2017. Hence percentage increase in remuneration is not reported as they were holding directorship for the part of financial year 2017-18;

ii. The remuneration of Independent Directors covers sitting fees and commission and is within the overall limits approved by the Shareholders of the Company;

iii. Non-Executive Non-Independent Directors are not paid any remuneration;

iv. For the purpose of computation of median remuneration only permanent employees on the payrolls of the Company during the financial year 2017-18 have been considered;

v. Mr. Anjanikumar Choudhari, Mr. Ruzbeh Irani and Mr. Sanjeev Aga, Non-Executive and Non-Independent Directors, ceased to be Directors with effect from 25 July 2017. They were not paid any sitting fees or commission during the financial year 2017-18.

1. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:** The median remuneration of permanent employees of the Company for the financial year 2017-18 was ₹ 3.14 lakhs and the ratio of remuneration of each Director to the median remuneration of the permanent employees of the Company for the financial year 2017-18 is provided in table above.
2. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:** Provided in table above.
3. **Percentage increase in the median remuneration of employees in the financial year:** In the financial year under review, there was an increase of 4.60% in the median remuneration of permanent employees.
4. **Number of permanent employees on the rolls of Company:** There were 3004 permanent employees on the rolls of Company as on 31 March 2018.
5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** The average percentage increase in the salaries of employees other than the Managerial Personnel in the last financial year i.e. 2017-18 was 10.09%.

   The Company did not have any Managing Director, Whole-time Director or Manager during the financial year 2017-18. Hence comparison of the percentage increase in salaries of employees with that of managerial remuneration for the last financial year i.e. 2017-18 is not applicable to the Company.

   The remuneration of employees excludes perquisite value of ESOPs exercised during the year under review. The remuneration increase of employees of the Company is dependent on the Company's performance as a whole, individual's performance and also market benchmarks.
6. **Affirmation that the remuneration is as per the remuneration policy of the Company:** It is hereby affirmed that the remuneration paid is as per the Company's Policy for Remuneration to the Directors, Key Managerial Personnel and other Employees.

On behalf of the Board of Directors

Zhooben Bhiwandiwala
Chairman

Parag Shah
Director

Mumbai, 6 June 2018

Annexure V

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT AND SUCCESSION PLANNING

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

"Board" means Board of Directors of the Company.

"Company" means Mahindra Logistics Limited.

"Employee" means employee of the Company including employees in the Senior Management Team of the Company.

"Key Managerial Personnel" (KMP) refers to Key Managerial Personnel as defined under Section 203 of the Companies Act, 2013 and includes:

(i) Managing Director, Whole time Director or Manager;
(ii) Chief Executive Officer (CEO);
(iii) Chief Financial Officer (CFO); and
(iv) Company Secretary (CS).

"Nomination and Remuneration Committee" (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

"Senior Management" means personnel of the Company who are members of its Core Management Team excluding Board of Directors comprising of all members of management including the functional heads.

I. APPOINTMENT OF DIRECTORS

1. The NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and independence of Director.
2. All Board appointments will be based on merit, in the context of the skills, experience, independence and knowledge, for the Board as a whole to be effective.
3. Ability of the candidates to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making.
4. Adherence to the Code of Conduct and highest level of Corporate Governance in letter and in sprit by the Independent Directors.

Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non-adherence to the applicable policies of the company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

The NRC shall identify persons who are qualified to become directors and who may be appointed in senior management team in accordance with the criteria laid down as under.

Senior Management Personnel are appointed or promoted and removed/relieved with the authority of MD/WTD/CEO based on the business need and the suitability of the candidate.

KEY MANAGERIAL PERSONS (KMPs)

Appointments of KMPs shall be recommended by the NRC and approved by the Board.

II. SUCCESSION PLANNING

Board:

The successors for the Independent Directors shall be identified by the NRC at least one quarter before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

The successors for the Executive Director(s) shall be identified by the NRC amongst the senior management team or through external sources as the Board may deem fit.

The NRC will accord due consideration for the expertise and other criteria required for the successor.

The Board may also decide not to fill the vacancy caused at its discretion.

Senior Management Personnel:

A good succession-planning program aims to identify high growth individuals, train them and feed the pipelines with new talent. It will ensure replacements for key job incumbents in KMPs and senior management positions in the organization. We have a process of identifying Hi-pots and critical positions. Successors are mapped for these positions at the following levels:

- Ready now
- Ready in 1 to 2 years
- Ready in 2 to 5 years
- Ready in more than 5 years

In order to ensure talent readiness as per laddered approach.

A. REMUNERATION POLICY FOR EMPLOYEES AND KEY MANAGERIAL PERSONNEL

Overall Intent of Compensation Policy

At Mahindra Logistics Ltd. (MLL) we want our employees to understand and appreciate their role in providing value to the business. On its part, the organization recognizes that its success depends upon the skills, competencies and performance of its employees. We also believe that the way in which we compensate, reward and recognize as well as promote our employees is a crucial factor in achieving our business and financial objectives. Towards achievement of these objectives, we promote an entrepreneurial, team-based performance and result oriented culture.

Objectives of the Compensation Policy –

- To attract, motivate and retain employees by compensating them competitively, based on periodic comparison with other companies in relevant industries.
- To provide an overall package of remuneration and benefits which addresses the normal requirements of employees and their families.
- To align levels of compensation with the expected output of employees in terms of role responsibility, skills and experience.
- To link elements of compensation with performance of each individual as well as the business.

Compensation Strategy

The compensation will include all statutory and other retirement benefits. We will regularly track market trends in terms of compensation levels and practices in relevant industries through participation in structured surveys and informal consultation with a select group of comparable organizations. This information will be used to internally review our compensation policies and levels.

- Our package of remuneration and benefits will be designed to provide a degree of flexibility to individual officers to structure key benefits in a way that best suits individual personal and family requirements.
- Recognizing the need for long-term security
- Broad bands of compensation levels will be equitably defined for each grade to reflect levels of responsibility and provide a template when recruiting new employees.
- A pre-determined portion of remuneration of Managers & above employees will be linked directly to the annual performance of each individual and the business. This proportion will vary for each grade as per the levels of responsibility.

Compensation Structure

The compensation structure consists of two categories of elements, summarized below. The details of each are given in subsequent parts.

A. Total Cost to Company

This category consists of elements of compensation that are considered as 'Cost to Company', which includes Fixed Pay & Variable pay.

B. Reimbursements & Benefits

In addition to the above, the company provides certain other reimbursements and benefits. These are applicable to all or certain grades based on business requirements and articulated in the HR policy manual. These are, therefore, kept outside the calculation of Cost to Company. These consist of the following:

1. Group Mediclaim (Hospitalization) insurance policy
2. Group Personal Accident insurance policy
3. Group Term Life policy
4. Workmen Compensation policy
5. Mobile Reimbursement policy
6. Cellular phone handset policy
7. Laptops and data card policy
8. Transfer Relocation allowance policy

Current Levels & Designations

Level	Title
01	CEO
02	COO/Senior Vice President
03	CFO/Vice President
04	Senior General Manager/General Manager
05	Deputy General Manager
06	Senior Manager
07	Manager
08	Deputy Manager
09	Senior Executive
10	Executive
MT	Management Trainee
GT	Graduate Trainee
FTC	Fixed Term Contract

Hiring Process

For hiring talent from the market, MLL has an Employee Requisition process which has the Job description, candidate profile, grade and the Budgeted CTC. The candidate is given

an offer with a maximum increase of 20% on present CTC. Any increase proposed above 20% of CTC for DGM & above position, an approval is taken from CEO. Any increase proposed above 30% of CTC for Senior Manager & below positions, an approval is taken from CEO.

Payment of Salary

Salaries are credited to (company nominated) employee's salary bank account. A salary slip detailing the total of pay and the various deductions made is also provided. Salary gets credited to the bank between last day of the current month to 7th day of the subsequent month.

Annual Increments/Promotions

Based on annual performance appraisals, competency evaluation and Bell curve guidelines, the permanent employees are given ratings on a 5 point scale and applicable increment percentage on CTC is applicable to derive the revised compensation. Promotion criteria is based movement to a higher responsibility and consistently rated Expectations Surpassed/Superior. For promotions an additional increment is also added.

Appraisal year is April to March. Employees joined till 1st February are eligible for Annual increments effective 1st August and new joinees from 2nd February will be eligible for increments prorated in the next appraisal cycle.

Fixed Term Contract (FTC) Employees

Based on Customer requirement, Fixed Term Contract (FTC) employees are recruited mainly for Operations. The Employment Term of these employees is for one year and it is renewed based on the Customer Agreement for further period. In case of closure of the Customer Agreement, we try to accommodate these employees in other projects based on the requirement else their services are terminated as per the clause mentioned in their appointment letter.

Compensation structure and components of compensation for FTC employees depends on the Location and Customer requirement. Basic Salary, Provident Fund and Bonus are the mandatory components of the compensation structure, whereas House Rent Allowance, Conveyance Allowance, Child Education Allowance, Bonus, Canteen Allowance, Skill Allowance, Attendance Bonus, Production Incentive are paid on the basis of available budgets for the respective customer.

FTC employees are covered under:

(a) Employee State Insurance (ESI) or Workmen Compensation (WC) based on the location.

(b) Group Mediclaim (Hospitalization) insurance policy.

(c) Group Personal Accident insurance policy.

(d) Group Term Life policy.

For annual increments for FTC's we have 2 cycles of annual increment – 1st October and 1st April depending on the customer agreement contracts.

Policy on loans/advances to employees

To meet an urgent and specific need of a Permanent and FTC employees, company provides salary advances. The specific needs are hospitalization of self, spouse, children & dependent parents and for payment of housing deposit and children school admission fees in case of transfer of an employees for business requirement. An amount up to three month's monthly gross salary for Permanent employee and an amount up to one month's monthly gross salary for FTC employee who have completed one year is paid as salary advance. The salary advance is recovered in maximum 12 installments. No interest is charged on these salary advances. The salary advances are adjusted against the Mediclaim settlement, if the same are paid for hospitalization. The complete outstanding amount is recovered from employee's full & final settlement, in case of resigned employee. Perquisite is charged to employee as per Income Tax Act.

Policy for Non-Executive Directors including Independent Directors

The Nomination and Remuneration Committee shall decide the basis for determining the compensation, both fixed and variable, to the Non-Executive Directors including Independent Directors whether as commission or otherwise and recommend the same to the Board. The Committee shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Companies Act, 2013 and such other factors as the committee may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the shareholders resolution.

Executive Directors

The remuneration to Chairman & Managing Director, if any and Executive Director(s), if any, shall be recommended by NRC to the Board. The remuneration may consist of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the shareholders resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually by the NRC based on their performance.

Key Managerial Personnel (KMPs)

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Board shall approve the terms and conditions of appointment including the remuneration of KMPs at the time of their appointment.

The appointment and remuneration, of Chief Executive Officer **("CEO")** should be approved by the Board on the basis of recommendation made by the NRC. The appointment of Chief Financial Officer **("CFO")** should be approved by the Audit Committee after assessing the qualifications, experience and background, etc. of the candidate, wherever applicable. Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Board shall approve the appointment and remuneration of CFO at the time of their appointment after seeking the inputs from the Audit Committee and recommendation of the NRC. Any revision in the remuneration of the CEO or the CFO shall be approved by NRC.

The terms of appointment and remuneration of the Company Secretary shall be approved by the Board and further revisions, if any, shall be as approved by any Director/ CEO/CFO.

The remuneration shall be consistent with the Competitive position of the salary for similar positions in the industry and their qualifications, experience, roles and responsibilities. The remuneration to directors, KMP's and senior management involves balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company its goals.

Annexure VI

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR FY 2017-18

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Corporate Social Responsibility vision of the Company is to serve and give back to the communities within which it works. We believe that responsible business practices include being responsible for our business processes, services, engaging in responsible relations with employees, customers and the community. Hence for the Company, CSR goes beyond just adhering to statutory and legal compliances, and creates social and environmental value.

The CSR thrust areas for the Company are community welfare, rural development, education, livelihood training and vocational skills, public health and environmental conservation. Brief of the activities conducted in each of these areas is as under:

BUILDING COMMUNITIES:

Communities are the backbone of Indian economy. The Company conducts various community development activities in pockets of villages, slums in backward areas and with driver community. Our activities comprise of Scholarship and Grants to children for higher education, Health & Eye check-up, Road Safety Trainings, Pradhan Mantri Kaushal Vikas Yojana ("PMKVY") Skill Development trainings under Central Government scheme, Yoga and Meditation sessions, Seat belt and highway signages campaign, Sanitation and rest room facilities, health insurance, HIV/AIDS awareness including testing and treatment, Family welfare, Celebration of various festivals with social messages.

RURAL DEVELOPMENT:

The Company supports rural development activities by adopting new villages, every three years and undertaking developmental activities like renovation of schools and Anganwadies, implementation of water supply projects. Promoting girl education, school stationary, vocational trainings, competitive sports, clothes to children, etc. We also distribute bicycles to the tribal girls to enable them to continue their studies, conduct counselling sessions for school dropouts and organize educational trips for village girls to motivate girl education. The Company also distributes food grains, groceries for eradicating hunger, poverty and malnutrition, conducts healthcare, sanitation, eye check-up camps and distribution of spectacles. We also conduct tree plantation and Swachh Bharat Abhiyan campaigns, installed play equipment in school ground, distributed computers and laptops. To drive women empowerment the Company conducts tailoring classes for ladies having sewing machines. Family welfare programs, along with festivals and international days (Women's Day, Mother's Day etc.) celebrations, driving social messages are conducted regularly.

EMPLOYEES SOCIAL OPTION PROGRAMMES:

The Company's employees are encouraged to volunteer for various CSR projects in the areas of education, health and environment through the Employee Social Options Program (ESOPs). Some of the projects to which the employees have extended their volunteering efforts are skill development of youth, HIV/AIDS awareness and basic treatments, health camps, cancer awareness sessions, support to orphanages, destitute homes, senior citizens, tree plantations, Swachh Bharat Abhiyan, infrastructure development and wall painting of schools and providing rest room facilities for the communities etc.

DISASTER RELIEF AND REHABILITATION:

The Company provides consistent and timely support for relief and rehabilitation initiatives in those parts of India which are affected by natural calamities by either contributing to the Prime Minister's or Chief Minister's Relief Fund or by directly engaging in rebuilding communities. In keeping with the RISE philosophy, the Company continues to drive positive change to enable people and communities to "*RISE FOR GOOD*".

PROJECT NANHI KALI:

Nanhi Kali is an initiative of the K.C. Mahindra Education Trust that the Company supports and contributes for Nanhi Kali aims to ensure that every girl child in India will have access to education. The Company support this noble initiative of providing primary education to the underprivileged girl child. The Company has supported more than 1,700 girl students across the country through this project.

The statistics of CSR activities conducted, employee's participation, man hour spent and beneficiaries during the financial year 2017-18, is as under:

(Value in nos.)

CSR Project	Activities conducted	Employee Participation	Employee Manhours	Beneficiaries
Nanhi Kali	1	—	—	1,776
Gram Vikas	37	461	5,260	15,361
Samantar	238	3,070	17,307	52,357
ESOP Projects (Sehat, Swacch Bharat, Green Guardian)	65	1,628	8,474	9,694
Total	**341**	**5,159**	**31,041**	**79,188**

In financial year 2017-18 over 6000 trees were planted.

Corporate Social Responsibility (CSR) Policy

Weblink to the CSR Policy:
http://www.mahindralogistics.com/sustainability

2. The Composition of the CSR Committee as on date of this report:

The CSR Committee of the Board as on date of this report comprises of the following Board Members:

a. Mr. Parag Shah (Chairman, Non-Executive Director)
b. Mr. Ranu Vohra (Member, Independent Director)
c. Mr. Chandrasekar Kandasamy (Member, Non-Executive Director)

3. Average Net Profit of the Company for last three financial years: ₹ 61.98 crores

4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above): ₹ 1.24 crores

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: ₹ 1.24 crores.

(b) Amount unspent, if any: NIL

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

(₹ in crores)

S. No.	CSR project or activity identified	Sector in which the project is covered (As in Schedule VII)	Projects or programs. (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs-wise	Amount spent on the project or programs. Subheads: (1) Direct expenditure on projects and programs (2) Overheads	Cumulative expenditure from 1 April 2014 up to end of the reporting period	Amount spent: Direct or through implementing agency
1	Nanhi Kali	Provides educational support (material and academic) to underprivileged girls in India	PAN India	0.62	0.62	2.11	Through implementing agency*
2	Gram Vikas	Rural Development (Village adoption)	Thane, Maharashtra	0.20	0.21	0.78	Direct
3	Samantar	Several Driver welfare programs including conduct of health camps, providing safe drinking water, safety training, etc.	Maharashtra, Uttarakhand, Telangana, Tamil Nadu, Delhi, Gujarat, Karnataka, Haryana, Assam, West Bengal	0.22	0.19	0.72	Direct
4	Gyan-deep	Education & special education, employment enhancing vocational skills & livelihood enhancement projects	Maharashtra, Uttarakhand, Telangana, Tamil Nadu, Delhi, Gujarat, Karnataka, Haryana, Assam, West Bengal	0.10	0.15	0.44	Direct
5	ESOP Projects (Sehat, Swacch Bharat, Green Gurdian)	Healthcare education, awareness programs conducted in community, cleanliness drive, tree plantation, environmental sustainability	Maharashtra, Uttarakhand, Telangana, Tamil Nadu, Delhi, Gujarat, Karnataka, Haryana, Assam, West Bengal	0.10	0.10	0.13	Direct
	Total			**1.24**	**1.27**	**4.18**	

* Details of implementing agency: The K. C. Mahindra Education Trust – founded by Late K. C. Mahindra in 1953 promotes literacy and higher learning in the country. Since its inception, the trust has promoted education by way of scholarships and grants to deserving and needy students. The Trust has facilitated social and economic development through creating a literate, enlightened and empowered population. The trust is registered as a public Charitable Trust under the Bombay Public Trusts Act, 1950 and has its office at Cecil Court, Mahakavi Bhushan Marg, Mumbai-400001.

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:

Not Applicable since the Company has spent on CSR projects and activities which fall within the purview of Schedule VII of the Companies Act, 2013, in excess of the limit of 2% of average net profits of previous three financial years as stated in Section 135 of the Companies Act, 2013 and rules framed thereunder.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:

The implementation and monitoring of CSR policy is in compliance with the CSR objectives and Policy of the Company.

Parag Shah
Chairman – CSR Committee

Pirojshaw Sarkari
Chief Executive Officer

Mumbai, 6 June 2018

Mahindra LOGISTICS

Annexure VII

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

(Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies Accounts) Rules, 2014)

A. CONSERVATION OF ENERGY

a. The steps taken or impact on conservation of energy: The operations of your Company are not energy intensive. However, the Company has taken a very comprehensive approach to encourage energy efficiency in its operations starting with continuous awareness amongst employees, explaining the environment related challenges in business and solutions. The Company has identified resource efficiency and Green House Gas ('GHG') emission reduction, as key material issues and has in place various processes stated below in this regard.

In the Goods Transportation and People Transport Solutions the following actions are being taken:

a. Higher percentage of new and CNG vehicles in the fleet;
b. Shifting to rail transport;
c. Deployment of Electric and CNG vehicles.

The Initiatives in the Warehouses and Offices are:

a. Energy efficiencies through LED lighting, Warehouse designs for natural lighting and ventilation;
b. Reduction in water use through employee awareness, implementing water efficient measures addressing pipe leakages, installing water aerators etc.;
c. Automation of transactions with customers.

These efforts have resulted in:

a. Initiatives taken by teams through Kaizen at warehouses resulting in reduction in energy and costs;
b. Process efficiencies resulting in lesser delays in dispatch and therefore increased customer satisfaction;
c. Process efficiencies resulting in lesser dry runs and therefore leading to lower emissions and cost efficiencies for customers;

b. The steps taken by the Company for utilizing alternate sources of energy: Explained at point a above.

c. The capital investment on energy conservation equipment's: During the year under review, the Company has not incurred any capital investment on energy conservation equipments.

B. TECHNOLOGY ABSORPTION

a. The efforts made towards technology absorption:

Technology is integral to our business and operations. We have focused significantly on technologies which have enabled us to offer cost-efficient and customized logistics solutions to our clients. On several occasions, we have developed innovative solutions to address complex challenges which are unique to our clients' industries. During the period under review, the Company has successfully implemented/initiated following technology upgradation for business transformation:

1. SARAL (Simulated Analysis for Route and Load Optimization): An advanced last mile route and load optimization engine that enable us to optimize last mile transportation services (Milk-run services) provided to various customers thereby reducing cost of operations by minimizing trips and at the same time increasing the load factor keeping the Customer SLAs intact;
2. Bill.hub: An internally designed, developed and supported accounts' payable management system that enables us to reduce the days payable outstanding ("DPO") by digitizing the Business Associate billing process. It provides transparency to our Business Associates for invoices raised and status of payment thereof, thus resulting in increased levels of Business Associates satisfaction;
3. Asset Management System: An asset tracking solution that tracks and traces assets of the Company thereby giving us better visibility on our assets across all locations and leading to optimal utilization of our assets.

b. The benefits derived like product improvement, cost reduction, product development or import substitution:

The efforts taken by the Company towards technology development and absorption help us effectively manage our pan-India operations, maintain operational and fiscal controls, and support our efforts to enhance client service levels. Network optimization, route optimization, asset choice, and manpower and cost optimization are the key outcomes of these solutions design systems and processes.

c. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): The Company has not imported any technology during the period of last three years.

d. The expenditure incurred on Research and Development: There was no expenditure incurred on research and development during the year under review.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO (in terms of actual inflow and outflow)

(₹ in crores)

Foreign Exchange earnings and outgo	For the Financial Year ended 31 March 2018	For the Financial Year ended 31 March 2017
Total Foreign Exchange Earned	Nil	Nil
Total Foreign Exchange Outgo	12.08*	0.10

* ₹ 2.15 crores out of the total foreign exchange outgo was incurred for IPO purpose which was recovered from Selling Shareholders in view of offer for sale.

On behalf of the Board of Directors

Zhooben Bhiwandiwala
Chairman

Parag Shah
Director

Mumbai, 6 June 2018

Mahindra LOGISTICS

ANNEXURE VIII

EXTRACT OF ANNUAL RETURN

FORM NO. MGT-9

As on financial year ended on 31 March 2018

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS

1.	**CIN**	L63000MH2007PLC173466 (Post Listing) U63000MH2007PLC173466 (Pre-Listing)
2.	**Registration Date**	24 August 2007
3.	**Name of the Company**	Mahindra Logistics Limited
4.	**Category/Sub-category of the Company**	Public Company-Limited by shares / Non-Government Company
5.	**Address of the Registered office & contact details**	Mahindra Towers, P K Kurne Chowk, Worli, Mumbai 400 018. Tel : +91 22 2490 1441 Fax: +91 22 2490 0833 E-mail: cs.mll@mahindra.com Website: www.mahindralogistics.com
6.	**Whether listed company**	Yes (w.e.f. 10 November 2017)
7.	**Name, Address & contact details of the Registrar and Transfer Agent, if any.**	Link Intime India Private Limited SEBI Registration No.: INR000004058 Address: 101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400 083 Telephone number: +91 22 4918 6000 Fax number: + 91 22 4918 6060 E-mail id: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Supply Chain Management	4912, 4923, 5120, 5210	89.43
2.	People Logistics	4922	10.57

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and registered office address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	Mahindra & Mahindra Limited Gateway Building, Apollo Bunder, Mumbai-400 001	L65990MH1945PLC004558	Holding Company	58.77	2(46)
2.	2x2 Logistics Private Limited Mahindra Tower, P K Kurne Chowk, Worli, Mumbai-400 018	U63000MH2012PTC237062	Subsidiary Company	55.00	2(87)(ii)
3.	Lords Freight (India) Private Limited Unit no. 511, 5th Floor, Crescent Business Park, Samitha Complex, Safedpul, Sakinaka, Andheri (East), Mumbai-400 072	U63030MH2011PTC216628	Subsidiary Company	60.00	2(87)(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 [As on 1 April 2017]				No. of Shares held at the end of the year [As on 31 March 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares of the Company	Demat	Physical	Total	% of Total Shares of the Company	
A. Promoters									
(1) Indian									
(a) Individual/HUF	–	–	–	–	–	–	–	–	–
(b) Central Govt	–	–	–	–	–	–	–	–	–
(c) State Govt(s)	–	–	–	–	–	–	–	–	–
(d) Bodies Corporate	51,478,424	6	51,478,430	74.12	41,812,257	0	41,812,257	58.77	(15.35)
(e) Banks/FI	–	–	–	–	–	–	–	–	–
(f) Any other Partners Enterprise	1,622,047	0	1,622,047	2.34	1,622,047	0	1,622,047	2.28	(0.06)
Sub Total (A) (1)	**53,100,471**	**6**	**53,100,477**	**76.46**	**43,434,304**	**0**	**43,434,304**	**61.05**	**(15.41)**
(2) Foreign	–	–	–	–	–	–	–	–	–
(a) NRI Individuals	–	–	–	–	–	–	–	–	–
(b) Other Individuals	–	–	–	–	–	–	–	–	–
(c) Bodies Corporate	–	–	–	–	–	–	–	–	–
(d) Any other	–	–	–	–	–	–	–	–	–
Sub Total (A) (2)	–	–	–	–	–	–	–	–	–
TOTAL (A)	**53,100,471**	**6**	**53,100,477**	**76.46**	**43,434,304**	**0**	**43,434,304**	**61.05**	**(15.41)**
B. Public Shareholding									
1. Institutions	–	–	–	–	–	–	–	–	–
(a) Mutual Funds	–	–	–	–	5,517,461	0	5,517,461	7.76	7.76
(b) Banks/Financial Institutions	–	–	–	–	5,218	0	5,218	0.01	0.01
(c) Central Government	–	–	–	–	–	–	–	–	–
(d) State Govt(s)	–	–	–	–	–	–	–	–	–
(e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
(f) Insurance Companies	–	–	–	–	–	–	–	–	–
(g) FIIs	–	–	–	–	–	–	–	–	–
(h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
(i) Others (specify)	–	–	–	–	–	–	–	–	–
– Alternate Investment Funds	668,304	–	668,304	0.96	823,101	0	823,101	1.16	0.20
– Foreign Portfolio Investors	–	–	–	–	7,194,438	0	7,194,438	10.11	10.11
Sub-total (B)(1):	**668,304**	**–**	**668,304**	**0.96**	**13,540,218**	**0**	**13,540,218**	**19.04**	**18.08**
2. Non-Institutions									
a) Bodies Corporate									
(i) Indian	–	–	–	–	–	–	–	–	–
(ii) Overseas	–	–	–	–	1,581,920	0	1,581,920	2.22	2.22
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	3,257,501	8,577	3,266,078	4.59	4.59
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	22,988,51	83,466	2,382,317	3.35	3.35

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 April 2017]				No. of Shares held at the end of the year [As on 31 March 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares of the Company	Demat	Physical	Total	% of Total Shares of the Company	
c) Others (specify)									
– Non-Resident Indians	–	–	–	–	104,601	–	104,601	0.15	0.15
– HUFs	–	–	–	–	206,972	–	206,972	0.29	0.29
– Foreign Nationals	–	–	–	–	–	–	–	–	–
– Clearing Members	–	–	–	–	210,431	–	210,431	0.30	0.30
– Trusts	–	–	–	–	–	–	–	–	–
– Foreign Bodies	–	–	–	–	–	–	–	–	–
– Foreign Company	15,686,263	–	15,686,263	22.58	6,415,083	–	6,415,083	9.02	(13.57)
Sub-total (B)(2):	**15,686,263**	**–**	**15,686,263**	**22.58**	**14,075,359**	**92,043**	**14,167,402**	**19.91**	**(2.67)**
Total Public (B)	**16,354,567**	**–**	**16,354,567**	**23.54**	**27,615,577**	**92,043**	**27,707,620**	**38.95**	**15.41**
C. Shares held by Custodian for GDRs & ADRs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Grand Total (A+B+C)	**69,455,038**	**6**	**69,455,044**	**100.00**	**71,049,881**	**92,043**	**71,141,924**	**100.00**	**–**

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year [As on 1 April 2017]			No. of Shares held at the end of the year [As on 31 March 2018]			% change in share-holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Mahindra & Mahindra Limited	51,478,324	74.12	–	41,812,157	58.77	–	(15.35)
2.	Mahindra Engineering and Chemical Products Ltd#	100	0.00	–	100	–	–	0.00
3.	Partners Enterprise#	1,622,047	2.34	–	1,622,047	2.28	–	(0.06)
4.	Mahindra & Mahindra Limited jointly with Mr. Zhooben Bhiwandiwala *	1	0.00	–	–	–	–	–
5.	Mahindra & Mahindra Limited jointly with Mr. K .Chandrasekar *	1	0.00	–	–	–	–	–
6.	Mahindra & Mahindra Limited jointly with Mr. Parag Shah *	1	0.00	–	–	–	–	–
7.	Mahindra & Mahindra Limited jointly with Mr. Ruzbeh Irani *	1	0.00	–	–	–	–	–
8.	Mahindra & Mahindra Limited jointly with Mr. Narayan Shankar *	1	0.00	–	–	–	–	–
9.	Mahindra & Mahindra Limited jointly with Mr. S. V. Rao *	1	0.00	–	–	–	–	–
	Total	**53,100,477**	**76.46**	**–**	**43,434,304**	**61.05**	**–**	**(15.41)**

* The joint holders with Mahindra & Mahindra Limited are employees of Mahindra & Mahindra Limited and their names were added for complying with the statutory provisions.

\# Forms part of promoter group of the Company.

(iii) Change in Promoters' Shareholding

Particulars	Date	Reason	No. of Shares held at the beginning of the year [As on 1 April 2017]		Increase/ (Decrease) in No. of Shares	Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
Mahindra & Mahindra Limited			51,478,324	74.12			
	20 July 2017	Transfer			6	51,478,330	74.04*
	8 November 2017	Transfer: Initial Public Offer through offer of sale			(9,666,173)	41,812,157	58.77
Mahindra Engineering and Chemical Products Ltd	–	–	100	–	–	100	–
Partners Enterprise	–	–	1,622,047	2.34	–	1,622,047	2.28
Mahindra & Mahindra Limited jointly with Mr. Zhooben Bhiwandiwala	20 July 2017	Transfer	1	–	(1)	–	–
Mahindra & Mahindra Limited jointly with Mr. K. Chandrasekar	20 July 2017	Transfer	1	–	(1)	–	–
Mahindra & Mahindra Limited jointly with Mr. Parag Shah	20 July 2017	Transfer	1	–	(1)	–	–
Mahindra & Mahindra Limited jointly with Mr. Ruzbeh Irani	20 July 2017	Transfer	1	–	(1)	–	–
Mahindra & Mahindra Limited jointly with Mr. Narayan Shankar	20 July 2017	Transfer	1	–	(1)	–	–
Mahindra & Mahindra Limited jointly with Mr. S. V. Rao	20 July 2017	Transfer	1	–	(1)	–	–

* As per Share Capital as on 20 July 2017

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 Shareholders	No. of Shares held at the beginning of the year [As on 1 April 2017]		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/(Decrease)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date of change	No. of shares increased/ (decreased)	No. of shares	% of total shares of the Company
1.	Normandy Holdings Limited	15,686,263	22.58				
	Transfer – Initial public offer through offer for sale			8 Nov 2017	(9,271,180)		
	At the end of the year					6,415,083	9.02
2.	Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF-1*	668,304	0.96				
	Transfer – Initial public offer through offer for sale			8 Nov 2017	(394,993)		
	At the end of the year					273,311	0.38

Sr. No.	For each of the Top 10 Shareholders	No. of Shares held at the beginning of the year [As on 1 April 2017]		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/(Decrease)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date of change	No. of shares increased/ (decreased)	No. of shares	% of total shares of the Company
3.	Goldman Sachs India Limited	–	–				
	Transfer/Allotment in IPO			8 Nov 2017	1,507,797		
	At the end of the year					1,507,797	2.12
4.	DSP Blackrock Equity & Bond Fund	–	–				
	Transfer/Allotment in IPO			8 Nov 2017	866,654	866,654	1.22
	Purchase			24 Nov 2017	169,974	1,036,628	1.46
	Purchase			1 Dec 2017	41,461	1,078,089	1.51
	Purchase			15 Dec 2017	157,659	1,235,748	1.74
	Purchase			22 Dec 2017	49,372	1,285,120	1.81
	Purchase			12 Jan 2018	122,390	1,407,510	1.98
	Purchase			19 Jan 2018	91,111	1,498,621	2.11
	At the end of the year					1,498,621	2.11
5.	Amundi Funds SBI FM Equity India	–	–				
	Transfer/Allotment in IPO			8 Nov 2017	879,656	879,656	1.24
	Purchase			24 Nov 2017	120,344	1,000,000	1.41
	Purchase			1 Dec 2017	59,970	1,059,970	1.49
	Purchase			8 Dec 2017	40,030	1,100,000	1.55
	Purchase			2 Mar 2018	18,500	1,118,500	1.57
	Purchase			9 Mar 2018	81,500	1,200,000	1.69
	Purchase			23 Mar 2018	100,000	1,300,000	1.83
	At the end of the year					1,300,000	1.83
6.	Reliance Capital Trustee Co. Ltd – A/c Reliance Small Cap Fund	–	–				
	Transfer/Allotment in IPO			8 Nov 2017	1,209,350	1,209,350	1.70
	Purchase			9 Feb 2018	46,676	1,256,026	1.77
	At the end of the year					1,256,026	1.77
7.	HDFC Trustee Company Limited – HDFC Capital Builder Fund	–	–				
	Transfer/Allotment in IPO			8 Nov 2017	938,949	938,949	1.32
	Purchase			24 Nov 2017	6,400	945,349	1.33
	Purchase			29 Dec 2017	31,000	976,349	1.37
	Purchase			12 Jan 2018	75,000	1,051,349	1.48
	Sale			16 Mar 2018	(42,000)	1,009,349	1.42
	At the end of the year					1,009,349	1.42
8.	Akash Bhanshali	–	–				
	Transfer/Allotment in IPO			8 Nov 2017	373,192	373,192	0.52
	Purchase			24 Nov 2017	132,429	505,621	0.71
	Purchase			8 Dec 2017	123,298	628,919	0.88
	Purchase			15 Dec 2017	353,817	982,736	1.38
	Purchase			22 Dec 2017	797	983,533	1.38
	At the end of the year					983,533	1.38

Sr. No.	For each of the Top 10 Shareholders	No. of Shares held at the beginning of the year [As on 1 April 2017]		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/(Decrease)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Date of change	No. of shares increased/ (decreased)	No. of shares	% of total shares of the Company
9.	First State Investments ICVC – Stewart Investors Indian Subcontinent Fund	–	–				
	Transfer/Allotment in IPO			8 Nov 2017	520,991	520,991	0.73
	Purchase			22 Dec 2017	72,863	593,854	0.83
	Purchase			29 Dec 2017	58,182	652,036	0.92
	At the end of the year					652,036	0.92
10.	First State Investments ICVC – Stewart Investors Global Emerging Markets Sustainability Fund	–	–				
	Transfer/Allotment in IPO			8 Nov 2017	621,975	621,975	0.87
	Purchase			9 Mar 2018	27,469	649,444	0.91
	At the end of the year					649,444	0.91
11.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Small And Midcap Fund	–	–				
	Transfer/Allotment in IPO			8 Nov 2017	536,112	536,112	0.75
	At the end of the year					536,112	0.75

** Not in the list of top 10 Shareholders as on 31 March 2018 but was one of the top 10 Shareholders as on 1 April 2017*

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (1 April 2017)		Increase/ (Decrease) in No. of Shares	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. Pirojshaw Sarkari	–	–			
	29 July 2017: ESOP allotment			193,029	193,029	0.27
	6 December 2017: Sale of shares acquired through ESOPs			(30,000)	163,029	0.23
	7 December 2017: Sale of shares acquired through ESOPs			(30,000)	133,029	0.19
2.	Mr. Nikhil Nayak	–	–			
	29 July 2017: ESOP allotment			95,607	95,607	0.13
	4 December 2017: Sale of shares acquired through ESOPs			(3,000)	92,607	0.13
	5 December 2017: Sale of shares acquired through ESOPs			(7,000)	85,607	0.12
	6 December 2017: Sale of shares acquired through ESOPs			(10,000)	75,607	0.11
	6 December 2017: Market purchase			1,000	76,607	0.11

V. INDEBTEDNESS

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

(₹ in crores)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in crores)

SN	Particulars of Remuneration Name Designation	Name of MD/WTD/Manager		Total Amount
1	Gross Salary			
	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	–	–	–
	Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–
	Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission – as % of profit – others, specify	–	–	–
5	Others, please specify	–	–	–
	Total (A)	**–**	**–**	**–**
	Ceiling as per the Act	5% of the net profits of the Company		

B. Remuneration to other Directors (financial year 2017-18):

(₹ in crores)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Ajay Mehta	Ms. Neelam Deo	Mr. Ranu Vohra	Mr. Darius Pandole	
1	Independent Directors					
	Fee for attending Board Committee Meetings	0.05	0.03	0.04	0.04	0.16
	Commission (for F.Y. 17-18)	0.06	0.06	0.04	0.04	0.20
	Others, please specify					
	Total (1)	**0.11**	**0.09**	**0.08**	**0.08**	**0.36**
2	Other Non-Executive Directors					
	Fee for attending Board Committee Meetings	–	–	–	–	–
	Commission	–	–	–	–	–
	Others, please specify	–	–	–	–	–
	Total (2)	**–**	**–**	**–**	**–**	**–**
	Total (B)=(1+2)	**0.11**	**0.09**	**0.08**	**0.08**	**0.36**
	Total Managerial Remuneration (A+B)	**0.11**	**0.09**	**0.08**	**0.08**	**0.36**
	Overall Ceiling as per the Act	1% of the Net Profit of the Company				**0.62**

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

(₹ in crores)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. Pirojshaw Sarkari (CEO)	Mr. Nikhil Nayak (CFO)	Ms. Brijbala Batwal (CS)	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1.87	0.75	–	2.62
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	–	–	0.00
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	–	–	–	–
2	Stock Option*	1.42	0.70	–	2.12
3	Sweat Equity	–	–	–	–
4	Commission – as % of profit – others, specify	–	–	–	–
5	Others, (Contribution to Provident Fund)	0.07	0.03	–	0.10
6	Others (Professional Fees)	–	–	0.15	0.15
	Total	**3.36**	**1.48**	**0.15**	**4.99**

* Amount indicates perquisite value of ESOPs exercised during the year.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
B. DIRECTORS					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
C. OTHER OFFICERS IN DEFAULT					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

On behalf of the Board of Directors

Zhooben Bhiwandiwala
Chairman

Parag Shah
Director

Mumbai, 6 June 2018

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Mahindra Logistics Limited (hereinafter referred to as "the Company", "We", "Our") is one of India's largest* Third Party Logistics ('3PL") solutions provider in the Indian logistics industry which was estimated at ₹ 6,40,000 crores in Fiscal 2017, according to a report titled "Report of supply chain and 3PL potential in India, freight forwarding and corporate people transportation services" dated 31 July 2017, prepared by CRISIL Research (hereinafter referred to as "CRISIL Report"). We believe that our competitive advantage is our "asset-light" business model pursuant to which assets necessary for our operations such as vehicles and warehouses are owned or provided by a large network of business partners. Our technology enabled, "asset-light" business model allows for scalability of services as well as the flexibility to develop and offer customized logistics solutions across a diverse set of industries. We operate in two distinct business segments, Supply Chain Management (**"SCM"**) and People Transport Solutions (**"PTS"**).

Our SCM business: We offer customized and end-to-end logistics solutions and services including transportation and distribution, warehousing, in-factory logistics and value-added services to our clients. We operate through a pan-India network comprising 25 city offices and over 350 client and operating locations. We have a large network of over 1,000 business partners providing us vehicles, warehouses and other assets and services. We manage over 13.0 million square feet of warehousing space spread across our pan-India network of multi-user warehouses, built-to-suit warehouses, stockyards, network hubs and cross-docks. We operate in-factory stores and line-feed at over 35 manufacturing locations. Our "asset-light" business model along with our solutions design capabilities enables us to serve over 200 domestic and multinational companies operating in several industry verticals in India, including automotive, engineering, consumer goods, pharmaceuticals, e-commerce and bulk. We have sourced or developed our customized technology systems to provide innovative and cost-efficient solutions to improve transparency and visibility for our clients.

Our PTS business: We provide technology-enabled people transportation solutions and services across India to over 100 domestic and multinational companies operating in the information technology (**"IT"**), information technology-enabled services (**"ITeS"**), business process outsourcing, financial services, consulting and manufacturing industries. We offer our services through a fleet of vehicles provided by a large network of over 500 business partners. We operate in 11 cities with over 120 clients and operating locations across India.

** On the basis of annual revenues*

Our Subsidiaries

Lords Freight (India) Private Limited, subsidiary of the Company, provides international freight forwarding services for exports and imports, customs brokerage operations, project cargo services and charters.

2X2 Logistics Private Limited, another subsidiary of the Company, provides logistics and transportation services to OEMs to carry finished automobiles from the manufacturing locations to stockyards or directly to the distributors through specially designed vehicles.

INDUSTRY OVERVIEW AND TRENDS

Overview of the Indian economy

India has been declared the sixth largest economy in the world with a GDP of USD 2.6 trillion in 2017, as per the report released by Indian Monetary Fund (**"IMF"**). After growth slowed sharply for much of last year, India regained its status as the world's fastest-growing major economy in the quarter ending December 2017. The slowdown was mainly driven by the after effects of demonetization and implementation of Goods and Services Tax (GST) in July last year. But the impact of these moves has now almost faded. For the next fiscal year, GDP growth is expected to average 7.5 percent, slightly lower than IMF's forecast of 7.8 percent.

Salient trends in the Indian logistics industry

Indian logistics industry to grow at a Compound Annual Growth Rate (CAGR) of approximately 13.0% to ₹ 9,20,000 crores in Fiscal 2020

According to Press Information Bureau (**"PIB"**), as at May 2017, India's logistics cost as a percentage of GDP is 13-14%. According to the CRISIL Report, the Indian logistics industry comprising segments such as road freight, rail freight, coastal freight, warehousing, cold chain and container freight stations and inland container depots (**"CFS/ICD"**) is estimated at ₹ 6,40,000 crores in Fiscal 2017. This is expected to grow at a CAGR of approximately 13.0% to ₹ 9,20,000 crores by Fiscal 2020. The industry is dominated by transportation, which accounts for approximately 88%, and its share is expected to remain high over the next 3-4 years.

The Indian Government's increased focus on infrastructure

The CRISIL Report estimates investments of approximately ₹ 10,30,000 crores in roads (national highways, state roads and rural roads) between Fiscals 2018 and 2022. In case of railways, the investment numbers are estimated at ₹ 6,70,000 crores between Fiscals 2016 and 2020. Significant

investments by the Indian Government to improve rail and road infrastructure are expected to improve the overall logistics scenario across India.

Integrated network development will promote use of multi-modal transportation

The Indian Government is working towards developing an integrated, multi-modal logistics and transport policy for optimum and efficient utilization of all modes of transport and is also promoting schemes such as *Sagarmala* and inland waterways.

Multi-modal transportation is the combination of different means of transport such as roads, railways, waterways and aviation. Therefore, the Indian Government's move to shift traffic from road to rail and ships through dedicated freight corridors (**"DFCs"**), inland waterways and the Sagarmala Project, would help in development of infrastructure in other networks, leading to traffic movement towards more cost-efficient modes.

A simplified tax regime will lower costs, provide an opportunity for outsourcing and an opportunity for organized service providers

The Indian Government implemented a centralized goods and services tax (**"GST"**) in July 2017, to replace the existing tax regime (excise, service and value-added taxes). The implementation of GST is important for growth in road freight, because tax efficiency was a Company's primary concern while setting up its distribution network, instead of logistics costs or customer service. The result was the creation of multiple inefficient stocking and distribution locations in each state. The GST enables companies to aggregate state-based warehouses into one large, regional warehouse that would offer cost and operational efficiency in large markets. As logistical inefficiency and primary transport costs decline, the hub-and-spoke model is expected to proliferate, which results in improved service levels.

It is anticipated that implementation of GST will result in most business decisions being focused on supply chain efficiency and not on state-wise tax benefits. This in turn, may lead to an increase in business opportunities for organized service providers operating large sized warehouses in key geographies. The sector may also witness emergence of other warehousing hubs which will prove effective for pan-India logistic service providers.

3PL service providers: One-stop shop for logistics end-users

In view of the diversity in geographic conditions, consumer habits, and infrastructure across India, Indian companies need to enhance the efficiency of their supply chain operations. A 3PL capable of offering end-to-end services may then become a single vendor for complete outsourcing by companies who choose to focus on their core activities of production, sales and marketing, while all logistics services can be provided by a 3PL.

3PL market in India to grow at a CAGR of 19-21% by Fiscal 2020

The CRISIL Report has estimated the 3PL market in India at ₹ 32,500-33,500 crores in Fiscal 2017, which is expected to grow at a CAGR of 19-21% to reach ₹ 57,000-58,000 crores by Fiscal 2020.

The share of 3PL in the overall logistics spend of the segments stated below is expected to increase from approximately 21% in Fiscal 2017 to approximately 25% in Fiscal 2020.

Sector	3PL market size in Fiscal 2017	3PL market size in Fiscal 2020	CAGR between Fiscals 2017 to 2020
	(₹ crores)	(₹ crores)	(%)
Automotive components	10,800 – 11,200	16,500 – 17,000	14 – 16
Cars and UVs	6,600 – 6,800	11,900 – 12,100	20 – 22
Commercial vehicles and tractors	2,500 – 2,700	3,300 – 3,500	8 -10
Two and three wheelers	5,400 – 5,600	8,100 – 8,300	13 – 15
Engineering	300 – 500	600 – 800	20 – 22
E-commerce	5,900 – 6,200	13,500-14,000	30 – 32
Consumer durables and FMCG	2,000 – 2,200	3,900 – 4,300	24 – 26
Pharmaceuticals	2,200 – 2,400	2,900 – 3,100	8 – 10
Bulk	800 – 1,000	1,000 – 1,200	6 – 8
Organized retail	2,700 – 2,900	6,000 – 6,200	29 – 31
Telecom	20 – 40	20 – 40	–

It is anticipated that sectors such as automobiles, e-commerce, consumer goods, organized retail and engineering are expected to have high 3PL growth potential.

In E-commerce and the organized retail vertical, the strong growth prospects of the end-user industries represent a significant opportunity for 3PL service providers.

PTS industry to reach a market size of ₹ 8,500 – 9,500 crores in Fiscal 2020

PTS businesses have been gradually increasing over the past few years and have gained significance, driven by the growth in IT and ITeS sectors.

The CRISIL Report projects the PTS industry to grow at a CAGR of 8.5-9.5% to ₹ 8,500 – 9,500 crores in Fiscal 2020, driven by the IT and ITeS sectors. The industry was estimated to have grown to ₹ 6,500 – 7,500 crores in Fiscal 2017.

Freight forwarding market to increase at a CAGR of 8-9%

The freight forwarding market in India is dependent on the volume of exports and imports. The CRISIL Report estimated the freight forwarding market to be ₹ 71,000 crores in Fiscal 2017. Over the next three years, the CRISIL Report expects the freight forwarding market to grow at a CAGR of 8-9% to ₹ 89,000-90,000 crores in Fiscal 2020.

Road freight to continue to occupy a significant share

The CRISIL Report expects road-freight traffic to increase at a CAGR of 7-9% in billion tonnes per kilometer terms, trailing the rail-freight traffic growth which is expected to be at a CAGR of 9-11% between Fiscals 2016 and 2021.

OPPORTUNITIES AND THREATS

Our financial condition and results of operations are affected by numerous factors. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations.

Effects of GST implementation and other Government policies

The government has implemented GST in July 2017, to replace multiple taxes with a comprehensive indirect tax on the manufacture, sale and consumption of goods and services at a national level. Under the erstwhile tax structure, most of our clients maintained small warehouses in every state which resulted in high inventory costs and other overheads. Our clients are now making their storage and transportation decisions based on logistical efficiencies instead of their tax efficiency. They are planning to aggregate state-based warehouses into large, regional warehouses.

CRISIL anticipates that unorganized operators will not be able to provide the required services and this may result in consolidation of the Indian logistics industry. The GST regime will provide large organized 3PL players an opportunity to offer value-added services. We intend to work in close coordination with certain existing clients who intend to re-design their storage, logistics and related arrangements as well as target new clients by offering them our services. We are also in the process of setting up additional large format, multi-user warehouses in certain strategic, well-connected locations.

Over the last several months, the government has acted to simplify GST rules and make compliance easier. The Forward Charge Mechanism option is expected to benefit the Transportation sector. Recently the government has rolled out the E-way Bill, which will increase transparency, make permit requirements uniform in India, and enable seamless movement of goods within and across states. In addition, several initiatives by the government to improve logistics infrastructure in the country such as Sagarmala, multi-modal logistics parks, and regional airports in small towns/cities bode well for the sector. The government has given the logistics industry 'Infrastructure Status', which will help reduce the cost of logistics in India. The government has also formed a department of logistics under the Commerce Ministry, and appointed a Special Secretary, Logistics, with the objective of making the sector more efficient. Government initiatives and regulations are making it easier to run logistics and trucking businesses in India. This is helping attract large investments to the sector. Competition from both domestic and multi-national 3PLs is likely to increase.

Our relationship with the Mahindra Group and clients operating in the automotive industry

Entities within the Mahindra Group together constituted our largest client group. Share of revenues from the Group over the years has been as under:

Percentage of revenues from the Mahindra Group:

2016-17	2017-18
53.96%	54.56%

In addition to contributing significantly to our business, our association with the Mahindra Group also lends us the credibility which has assisted us in building long-standing relationships with a large number of clients and business partners, outside the Mahindra Group (hereinafter referred to as "external clients"). The experience we have gained in working with the Mahindra Group clients operating across different industry verticals has enabled us to understand the requirements and preferences of our external clients. We can further leverage learnings from serving Mahindra Group clients, to grow our business. On the other hand, not getting contracts from external clients will impact our business.

Since a significant portion of our revenues emanate from Mahindra & Mahindra Ltd, automotive majors and other clients in the automotive industry, several of these clients also account

for the revenues we earned from our automotive industry vertical. Contribution of automotive sector to our revenues has been as under:

Percentage of revenues from the Automotive Sector

2016-17	2017-18
60.84%	61.89%

Our business is significantly influenced by the performance of automotive industry. According to the CRISIL Report, the 3PL market for automobiles (including automotive components) is expected to grow at a CAGR of approximately 14-16% until 2020. Due to our dependence on Mahindra & Mahindra Ltd. and the automotive sector, any downturn in the sector will impact our revenues.

Macroeconomic conditions in India and 3PL logistics industry growth

The demand for logistics services is significantly affected by, and highly dependent on, the general level of commercial activity and economic conditions in India. India is expected to remain the fastest growing major economy and become the fifth largest economy in the world by Fiscal 2020.

CRISIL estimates that the size of the Indian logistics industry will grow at a CAGR of approximately 13.0% to ₹ 9,20,000 crores in Fiscal 2020 from ₹ 6,40,000 crores in Fiscal 2017. CRISIL Research has estimated that the size of the 3PL market in India will grow at a CAGR of approximately 19-21% by Fiscal 2020 based on the current market share of 3PL service providers in various sectors. CRISIL expects the share of 3PL in the overall logistics market to increase from approximately 5% in Fiscal 2017 to approximately 7% by Fiscal 2020.

During periods of economic downturn, many companies reduce their logistics spend and we may also experience increased competitive pricing pressure. Any significant economic downturns, such as those in 2008 and 2009, in India or in the global markets could adversely affect our businesses and clients and contractual counterparties, especially if such a slowdown were to be continued and prolonged.

Our network of business partners

We operate on the basis of an "asset-light" business model where we work with our business partners who provide us with the assets necessary for our operations such as vehicles, warehouses and other equipment as well as manpower. We have created a large network of business partners. We work closely with over 1,500 business partners across our SCM and PTS businesses. Our success depends, in part, on our ability to continue to expand our network of business partners consistent with the growth in the number of clients we serve. We believe that access to a large fleet of vehicles through our business partners enables us to provide flexibility, scalability and coverage of a large number of routes. On the other hand, any non-availability or delays in obtaining vehicles and other related equipment through our business partners may negatively impact our business. Our success also depends on our ability to negotiate prices with our business partners.

Competition

We operate in a very competitive industry, dominated by a large number of unorganized players. Many segments within the logistics industry are highly commoditized and have low barriers to entry or exit, leading to a market with a very high degree of fragmentation. We have, and may continue to face, competition from other organized and unorganized 3PL or people transport providers (including our business partners). Our competitors may attract our clients by matching or exceeding what we offer. Among other things, our competitors may:

- reduce, or offer discounts on, their prices to gain business; matching their prices may limit our ability to maintain our operating margins or growth rate; or
- benefit from greater economies of scale if they are larger than us and operating efficiencies such as a broader logistics network, a wider range of services, larger brand recognition or greater financial resources than we do, and may be able to devote greater resources to pricing and promotional programs.

Certain other competitive factors include, among others, the development of an operational model or technology which is similar or superior to ours by a competitor and the entry of global logistics players in the industry segments we operate in.

Summary of how 3PL are positioned vis-à-vis smaller, unorganized players.

Edge of large, organized 3PL over smaller, unorganized player	Deterrents to 3PL growth in India
With GST implementation and an increasing trend to outsource logistics, larger organized 3PL service providers are expected to enjoy a distinctive edge over their smaller, unorganized counterparts as set out below: • Pan-India presence • Better scalability and flexibility • Solution driven capability • Technology driven implementation • Cost-effective solutions • Professional management and brand	Customers limit outsourcing contracts to more routine, commoditized services, instead of more innovative, strategic services due to, among others, the following factors: • Fragmentation in the industry • Companies may be reluctant to outsource business functions such as logistics due to the critical role of logistics to a company's business activities • Companies may lack awareness of how a 3PL can add value in the overall supply chain

SEGMENT WISE PERFORMANCE

Revenue from rendering of services includes two principal businesses: (i) Supply Chain Management Business, and (ii) People Transport Solutions business.

Set forth below is a table illustrating the breakdown of our consolidated revenue from operations, across the business segments that we operate in, for the periods indicated.

Segments	Fiscal 2018		Fiscal 2017	
	Amount	Percentage of total revenue from operations	Amount	Percentage of total revenue from operations
	(₹ crores)	(%)	(₹ crores)	(%)
SCM business	3,075.65	90.03	2,371.54	88.94
PTS business	340.47	9.97	295.05	11.06
Revenue from operations	3,416.12	100.00	2,666.59	100.00

Set forth below is a breakdown of percentage of revenue from operations with respect to our products and services. Goods transportation services continues to be the largest contributor to revenues.

Service offerings	Fiscal 2018	Fiscal 2017
	(%)	(%)
Transportation	77.78	75.93
Warehousing and other related activities	11.62	12.37
People logistics	9.97	11.06
Others	0.63	0.64
Total	**100.00**	**100.00**

BUSINESS STRATEGY

We intend to continue to focus on the strategies set out below:

Continue to grow share of our business from external clients

Over the years, we have capitalized on our expertise and have expanded our operations to add external clients. We believe that this has contributed in reducing our dependence on business from the Mahindra Group clients. We plan to continue to focus on increasing share of our business from external clients.

Focus on large revenue clients by providing integrated, end-to-end solutions and continue to provide additional services to existing clients

We intend to continue using our asset light model to acquire large revenue clients and provide them with integrated, end-to-end solutions to address all their logistics requirements. This gives our clients flexibility and scalability in their operations along with cost efficiencies. We expect that focusing on a few clients will allow us to manage and allocate our resources efficiently and enhance our ability to provide customized solutions. We also believe that this approach will result in increased revenues and a higher rate of renewal of contracts and will allow us to continue to grow our business. However, this approach may result in certain dependence on a limited number of clients in certain industry verticals.

Additionally, we will also continue to expand our relationships with our existing clients by offering additional logistics services to them. For instance, we enhanced our relationship with a large engineering multinational company by providing multi-modal transportation for their after-market business. Subsequently, we serviced their medical equipment distribution on a pan-India basis.

Continue to diversify our revenues from industry verticals such as consumer goods, pharmaceuticals, e-commerce and bulk

One of our key business strategies is to diversify our presence across industry verticals such as e-commerce, consumer goods, engineering and pharmaceuticals which have experienced significant growth in recent periods, and are expected to continue to grow significantly in the future.

We believe that our presence in other industry verticals has helped us, and will continue to help us, diversify our operations beyond the automotive industry. For instance, we are one of the largest 3PL service partners to a leading e-commerce company. Going forward, we intend to continue to enhance our competitiveness in these high growth industry verticals and further grow our revenues.

Continue to focus on enhancements in technology

We believe that our control tower and technological capabilities play a key role in helping us effectively manage our pan-India operations, maintain operational and fiscal controls, and enhance client service levels. We have made consistent investments in technology over the past several years. In addition to investments in software systems and digitization, we have invested in building the capabilities of our technology team, which now has experts in domains such as usability engineering, solution consulting, analytics, product management and infrastructure management.

We intend to continue to develop our technology systems to increase transparency, improve operating efficiencies, and strengthen our competitive position. In all our businesses we are taking steps to ingrain technology in processes. Going forward, we plan to focus on the areas set out below:

- Enhancements to our transportation management systems including last mile route and load optimization capabilities
- Digitization of internal processes (e.g. implementation of an advanced human resources management system, accounts receivable/payable management systems)
- Implementation of advanced warehouse management systems (e.g. Oracle Log Fire) at our warehouses
- Implementation of “internet of things (IoT)” projects in certain operations
- Work with startups to develop a cloud based platform for handling end to end transport desk outsourcing operations for the PTS business
- Analytics to improve operating efficiencies

We may develop these technologies ourselves or outsource development to third party vendors. We are actively assessing opportunities to work with logistics technology start-ups, either by incubating them, or partnering with them. We may consider acquiring technologies to help us achieve our digitization objectives.

Leveraging on the changing logistics industry dynamics, particularly with implementation of GST

We believe that aligning our business strategy with the implementation of GST will be a significant factor for growth and profitability of our business in the near future. CRISIL anticipates that unorganized operators will not be able to provide the required services and this may result in consolidation of the Indian logistics industry.

In this regard we have recently designed and launched a GST solution for our existing and new clients. This solution will carry out network redesign and optimization, identify strategic warehouse locations, provide transportation and distribution solutions to meet market imperatives and increase data visibility.

Continue to establish new multi-user warehouses

In order to take advantage of the business expansion opportunities offered by GST, we intend to obtain leasehold or license rights over large, multi-user, integrated warehouses in certain specific well-connected locations. An example of a warehouse which will embody this new strategy is our recently set up warehouse in Gurugram which is well connected to several manufacturing and consumption clusters in India and has an aggregate warehousing space of 191,000 square feet. We are also in the process of setting up additional large format, multi-user warehouses in certain strategic locations on a long-term lease basis. We will have the capability to provide technology based warehousing and value-added services from these multi-user warehouses.

RISKS AND CONCERNS

The Company is committed to recognizing and managing the risks it is exposed to, both internal and external, and has put in place mechanisms to handle the same proactively and efficiently. The Company also recognizes that these risks could adversely affect its ability to create value for all stakeholders, and has taken steps to mitigate the same.

The major risks to which the Company is exposed to are:

1. The Company depends significantly on clients in the automotive industry and is highly dependent on the performance of the automotive industry. The Company has taken steps to diversify into other industry segments, and over time has reduced its dependence on the automotive industry.

2. The Company depends on a limited number of clients including its parent and promoter, Mahindra & Mahindra Limited and other Mahindra Group entities. This exposes the Company to a high risk of client concentration. The Company continues to take steps to create a larger base of customers. In addition, it uses technology and innovation to achieve cost efficiencies for customers, which results in long term relationships with them.

3. The Company operates in a highly competitive industry, dominated by a large number of unorganized players. Many segments within the logistics industry are highly commoditized and have low barriers to entry or exit, leading to a market with a very high degree of fragmentation. Increased competition from other organized and unorganized third party logistics or people transport

providers may lead to a reduction in revenues, profit margin and a loss of market share. To mitigate this, the Company creates value through integrated technology based solutions, transport network based solutions, and skill development of its employees.

4. We have an "asset-light" business model pursuant to which we outsource a large part of our operations to independent contractors for specific services, resulting in the engagement of a large pool of contract labor. As a result, compliance obligations of the Company with diverse and complex laws and regulations are significant. Failure to comply with the same exposes the Company to various implications – financials and otherwise. Also, some of these laws are subject to different interpretations, which makes compliance difficult. The Company is committed to comply with all statutory obligations as applicable to it from time to time.
5. The assets necessary for our operations such as vehicles, warehouses and manpower are owned or arranged by our business partners. We depend on our business partners for adequate and timely supply of such assets for our operations. Any shortage of such assets may result in additional costs. As a mitigation plan, the Company continues to develop multiple business partners for every region, including developing different commercial models to attract business partners.
6. We deploy a large number of workers at our in-factory stores and line-feed and warehouse operations. These operations may get impacted by labor unionization, unrest, and strikes. If labor issues are not resolved in a timely manner, they could limit our ability to serve our clients, and may impact our business.
7. We serve the supply chain logistics and people transport requirements of our clients in India. The demand for our services is highly dependent on the general level of economic activity and economic conditions in India. Our business and operations may be affected by fluctuations in performance of the Indian economy and general economic activity in India.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The management of the Company is committed to ensure effective internal control systems commensurate with the size and the complexity of the business. The Company has established adequate and effective internal controls to achieve its compliance and reporting objectives. The controls are deployed through various policies and procedures. These policies and procedures are periodically revisited to ensure that they remain updated with the changes in the business environment. Polices and processes are regularly tested by internal and statutory auditors. Suggestions to further strengthen polices and processes or to make them more effective are shared with respective process owners and changes are made. The Company continues to invest in various IT initiatives to automate controls to the extent possible, in order to minimize errors and lapses. The audit committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements have been prepared in compliance with the requirements of the Companies Act 2013. The Company has adopted Indian Accounting Standard (IND AS) from 1 April 2016.

The consolidated financial statements have been prepared in compliance with applicable IND AS 110 and are presented in a separate section.

Standalone Financial information

1. Share Capital

   The authorized share capital of the Company is ₹ 105 crores divided into 105,000,000 shares of ₹ 10 each. The paid up capital of the Company as at the end of the year is at ₹ 71.14 crores compared to ₹ 68 crores as at the end of the previous year. The increase is on account of issue of 1,686,880 equity shares on account of conversion of options granted under the Key Executive Stock Option Scheme into equity shares and also 40,774 equity shares being made fully paid up from ₹ 2 per share to ₹ 10 per share and 1,581,273 equity shares being made fully paid up from ₹ 1 per share to ₹ 10 per share during the year.

2. Retained Earnings

   The retained earnings i.e. surplus in the statement of profit and loss as at 31 March 2018 is at ₹ 247.77 crores compared to ₹ 185.69 crores as at 31 March 2017.

3. Borrowings

   The Company continues to remain debt free as at 31 March 2018.

4. Property, Plant and Equipment and Other intangible assets

   The property, plant and equipment and other intangible assets is at ₹ 31.63 crores as at 31 March 2018 compared to ₹ 28.64 crores as at 31 March 2017. The Company follows the asset light model for carrying out its operations and the capital expenditure incurred during the year of ₹ 16.55 crores was mainly on account of purchase of material handling equipment for warehousing services and other IT equipment and software.

5. Trade Receivables

   Trade receivables as at 31 March 2018 is at ₹ 487.68 crores which is 15.14% of the Company's Revenue from Operations compared to ₹ 400.26 crores as at 31 March 2017, which was 15.46% of the Revenue from Operations.

6. Results of Operations

Revenue from Operations

The Company is engaged in providing integrated logistics services in two distinct segments i.e. Supply Chain Management (SCM) and People Transport Solutions (PTS). Revenue from Operations increased to ₹ 3,220.11 crores in the year ended 31 March 2018 from ₹ 2,588.69 crores in the year ended 31 March 2017, registering an increase of 24.39%. Revenue from the SCM segment grew by 25.55% whereas the PTS segment grew by 15.39%.

Other Income:

Other income mainly comprises of interest income from deposits, dividend from units of mutual funds, gain on sale of units of mutual funds, sundry balances/provision written back etc. Decrease in other income from ₹ 8.96 crores in the year ended 31 March 2017 to ₹ 4.73 crores in the year ended 31 March 2018 was mainly due to a reduction in investible surplus fund and lower interest rates compared to last year.

Total Expenses:

Employee benefit expenses includes salaries and wages including bonus, contribution to provident and other funds, gratuity, staff welfare etc. Employee benefit expense as a percentage of revenue from operations reduced to 6.80% from 7.04% in the previous year. The increase in absolute value is mainly due to an increase in headcount and also annual increments.

Depreciation and Amortization expenses increase is mainly due to the impact of capitalization of assets in the previous year and also due to additions in the current year.

Other expenses at 89.91% of revenue from operations in the current year as compared to 90.34% in the previous year mainly includes freight and related expenses, labor and related expenses, warehouse and related expenses, rent, professional expenses, travelling expenses, etc.

Profit before tax for the year ended March 2018 is at ₹ 97.40 crores compared to ₹ 67.88 crores in the year ended 31 March 2017 registering a growth of 43.91%. Similarly, Profit after tax is at ₹ 62.19 crores in the year ended 31 March 2018 compared to ₹ 44.80 crores in the year ended 31 March 2017, registering a growth of 38.82% over the previous year.

Consolidated Financial Information

The consolidated financials include financials of the Company and two of its subsidiaries i.e. Lords Freight (India) Private Limited and 2X2 Logistics Private Limited. Consolidation of financial statements of the Company and its two subsidiaries is done, on a line by line basis, by adding together items like assets, liabilities, income, expenses after eliminating intercompany transactions in accordance with IND AS 110 on "consolidated financial statements". The consolidated financial statements are presented in a separate section.

The consolidated Revenue from Operations is ₹ 3,416.12 crores in the year ended 31 March 2018 as against ₹ 2,666.59 crores in the year ended 31 March 2017 registering a growth of 28.10%. Consolidated Profit after tax is at ₹ 65.27 crores compared to ₹ 46.10 crores registering a growth of 41.58%. Profit after tax for the year attributable to non-controlling interest is at ₹ 1.26 crores as against ₹ 0.48 crores in the previous year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The strategic purpose of Human Resources is to be a catalyst and a change agent for creating the Human Capital transformation required to ensure sustained business outperformance, while simultaneously addressing the needs of its multiple stakeholders (starting with customers and employees). In the long run, the ultimate metric for success is continuous improvement in competence, productivity and margins.

The Company being a 3PL Service provider, is a people intensive organization with more than 15,000 employees (on rolls & off rolls) spread across 350 plus operating sites across India. Our inherent belief and conviction is that people are our greatest asset. The employer employee relationship can be characterized as fair, just, trusting and caring. The strength, growth and progress of our Company is dependent entirely on our people. Our systems, processes and technology would mean nothing without sincere and motivated people.

It is of prime importance for us that our employees are involved, engaged and happy. We focus on career growth and development of every individual by providing opportunities to harness and develop their strengths.

In the overall architecture, a key strategic initiative that needs mentioning is the Talent Development Framework, that focuses on building employee capabilities across levels. The first pillar of this framework is the 'I-Coach Program' that develops senior management as coaches to groom young talent in the Company. The second pillar is the 'Leadership Achievement Program' for leaders at middle management level which focuses on building core capabilities centring around customer service excellence and team management. The third pillar 'Sandhaan' focuses on building capability of our Account Delivery Managers on finance and team management. At the executive level, the Talent Development Framework focuses on building two critical competencies of Workplace Communication Skills and Customer Service Excellence. We are committed and shall continue to invest, build capability and provide our employees the exposure and opportunities to grow.

Driving Diversity and Inclusion in the organization and creating a pipeline of female leaders was identified as a key focus area in the Financial Year 2017-18. A five year road map identifying the key initiatives such as diversity hiring, talent development, sensitization workshops, etc., that would facilitate creating a diverse and inclusive workforce was presented to the Diversity & Inclusion Council. For the year ended 31 March 2018, the focus was to improve gender diversity and the organization has taken concrete steps in increasing hiring female employees, creating awareness and sensitization regarding being more inclusive at the workplace and Prevention of Sexual Harassment through classroom programs and videos.

It is important for us as an organization to ensure our employees are engaged and motivated to deliver their best at work and therefore it is essential we understand the pulse of our people. Customized engagement surveys viz. a) MCARES for officers; and b) engagement survey for workmen, have been administered and based on the findings of the survey, various strategic interventions are rolled out and impact of these interventions is measured. We are happy to inform that the engagement scores coming out of these surveys have seen consistent improvement in the last few years and it would be our endeavour to sustain the engagement levels in the coming years. The organization is committed to strengthening the relationship with employees across levels through the Sanjeevani framework, a proactive approach to employee relations with a focus on four critical levers- Communication, Inclusive Participation, Welfare and Capability Building to engage with our employees through initiatives such as Works Committee, HR Connect meetings, skill building programs, rewards and recognition, festival celebrations and health check-ups. An 'open door policy' and constant dialogue to create win-win situations, have helped the Company build trust, harmony and a collaborative work environment. As an organization, it is also important to us that our employees receive basic facilities at their workplace to improve productivity and reduce distractions. The Hygiene and Infrastructure Committee is responsible for creation and implementation of policies related to facilities, hygiene and infrastructure to provide our employees basic facilities and infrastructure across the country.

Cautionary Statement

Statements in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied. Several factors could make a significant difference to the Company's operations. These include economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which Company does not have any direct control.

Report on Corporate Governance

Company's Philosophy on Corporate Governance

Corporate governance reflects Company's culture, policies, relationship with its stakeholders, its commitment to values and its ethical business conduct. At Mahindra Logistics Limited ("the Company"), we firmly believe that our corporate governance practices live up to the legacy of the Mahindra Group and are comparable with the best practices in the Industry. It is our firm conviction that good corporate governance emerges from the application of best management practices and compliance with the laws coupled with integrity, transparency, accountability and business ethics and hence we follow fair, transparent and ethical governance processes and practices embedded into the culture of our organisation and the Mahindra Group, which ensures that the interest of all the stakeholders are considered in a balanced and transparent manner.

The Company also believes that sound corporate governance is critical to enhance and retain investor trust and hence continues to strengthen its governance principles to generate long term value for its stakeholders on a sustainable basis, thus ensuring ethical and responsible leadership both at the Board and Management levels.

A report on the Company's compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, is given hereunder.

The Listing Regulations became applicable to the Company with effect from 10 November 2017, i.e. the date when the equity shares of the Company got listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). The information stated herein pertains to the financial year 2017-18.

I. BOARD OF DIRECTORS

The Board of Directors of your Company ("Board") comprises of all Non-Executive Directors, who are highly experienced professionals drawn from diverse fields, possessing experience in general corporate management, international operations, cross border merger and acquisitions, start-ups, banking, finance, audit, private equity, investment banking, investor relations, economics and other allied fields which enables them to contribute effectively to the Company and enhance the quality of the Board's decision-making process.

The Board is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties.

Mr. Zhooben Bhiwandiwala is the Chairman of the Board and Mr. Pirojshaw Sarkari is the Chief Executive Officer of the Company.

All Independent Directors on the Board of your Company have confirmed that they meet the criteria of independence as mentioned in Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 ("Act"). The maximum tenure of Independent Directors is in compliance with the provisions of the Act and the Listing Regulations.

None of the Directors of your Company are inter-se related to each other or hold any equity shares of the Company.

A. Composition of the Board

The Board of your Company was re-constituted on 25 July 2017 in conformity with Regulation 17 of the Listing Regulations to comprise of eight directors, of which four directors, including one women director, were independent.

The composition of the Board of your Company represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

As on the date of this report, the Board of your Company comprises of seven Members, three of which are Independent Directors, three are Non-Executive Directors and one is a Non-Executive Nominee Director.

None of the Directors of your Company is a Director in more than twenty companies (including ten public companies) or acting as an Independent Director in more than seven listed companies, or three listed companies in case he serves as a Whole-time Director in any listed company. Further, none of the Directors on the Board is a Member of more than ten Committees and Chairman of more than five Committees, across all the Indian public limited companies in which he is a Director.

The names and categories of Directors and the number of Directorships and Committee positions held by them in companies as on 31 March 2018 are given below.

Name of Directors	Category of Non-Executive Director	Director Identification Number (DIN)	Total number of Directorships*, Committee Chairmanships and Memberships@ of public limited companies as on 31 March 2018		
			Directorships	Committee Chairmanships	Committee Memberships
Mr. Zhooben Bhiwandiwala, Chairman #	Non-Independent ^	00110373	7	1	1
Mr. Chandrasekar Kandasamy	Non-Independent	01084215	9	1	4
Mr. Parag Shah	Non-Independent	00374944	10	—	1
Mr. Ajay Mehta	Independent	07102804	3	2	1
Mr. Darius Pandole	Independent	00727320	4	—	3
Mr. Ranu Vohra	Independent	00153547	1	—	1
Mr. Sunish Sharma	Non-Independent Nominee ~	00274432	3	—	—

* Excludes private limited companies, foreign companies and companies registered under Section 8 of the Act and government bodies and includes directorship in your Company.

@ Committees considered are Audit Committee and Stakeholders' Relationship Committee of public limited companies including that of your Company. Committee Membership(s) and Chairmanship(s) are counted separately.

Mr. Zhooben Bhiwandiwala was appointed as Chairman of the Board w.e.f. 25 July 2017.

^ Mr. Zhooben Bhiwandiwala is an employee of Mahindra & Mahindra Limited, Promoter of the Company.

~ Mr. Sunish Sharma represents equity Investors: Normandy Holdings Limited and Kedaara Capital Alternative Investment Fund Kedaara Capital AIF 1

B. Director(s) seeking re-appointment

In terms of Section 152 of the Act, Mr. Parag Shah, Non-Executive Director of the Company is liable to retire by rotation and being eligible for re-appointment at the ensuing Annual General Meeting ("AGM") of your Company, has offered himself for re-appointment.

The Board, based on the recommendation of the Nomination and Remuneration Committee ("NRC") and results of the performance evaluation carried out by the NRC and the Board, vide resolution dated 26 March 2018, re-appointed Mr. Ajay Mehta as an Additional and Non-Executive Independent Director, not being liable to retire by rotation, for a second term of five (consecutive) years commencing from 27 March 2018 to 26 March 2023, subject to the approval of the Members through special resolution at the ensuing AGM.

The Company has received a notice from a Member under Section 160 of the Act proposing the candidature of Mr. Ajay Mehta as Director. The Board of your Company has recommended the re-appointment of Mr. Ajay Mehta as Non-Executive Independent Director of the Company at the ensuing AGM.

Brief profile and other relevant details of Mr. Parag Shah and Mr. Ajay Mehta in terms of the provisions of the Listing Regulations are given hereunder:

Mr. Parag Shah

Mr. Parag Shah is a Non-Executive Director of your Company. He holds a Bachelor's degree in Science (Computer Engineering) from the Illinois Institute of Technology. He is also a graduate of the General Management Program of the Harvard Business School. He joined the Mahindra Group as the Chief Executive Officer of Officemartindia Limited in 2000 and has held various positions within the Mahindra Group including directorships across several companies. He is currently the Managing Partner and Co-Head of Mahindra Partners Division. He has extensive experience in building new businesses, start-ups, turn arounds, joint ventures and mergers and acquisitions across the Mahindra Group. He is also affiliated with various non-governmental organizations such as Sabarkanta Relief Samiti and S&G Charitable Trust. He was also a founder Director of "Executives Without Borders", an NGO based in USA. He was recognized by the Economic Times and Spencer Stuart as India's Top 40 Business Leaders under the age of 40 years.

He has also been featured by India Today as 'Leaders of Tomorrow'. He is on the Executive Committee of several industry bodies such as CII – National Committee on Solar, TiE-Mumbai. He has also been a member of FICCI - Solar Energy Task Force Committee, the India Israel forum and CII National Committee on Private Equity & Venture Capital. Mr. Parag Shah has been on the Board of the Company since 28 April 2009.

Mr. Parag Shah does not hold any equity shares of the Company and is not related to any of the Directors of the Company.

List of Companies/Committees where Mr. Parag Shah holds directorship and chairmanship/membership respectively as on 31 March 2018 is given hereunder:

List of Directorships in Indian companies*	Chairman in the Committees of the Board of companies in which he is a Director*	Membership in the Committees of the Board of companies in which he is a Director*
– Mahindra Logistics Limited – Mahindra Intertrade Limited – Mahindra Susten Private Limited – Mahindra Vehicle Manufacturers Limited – The Indian and Eastern Engineer Company Private Limited – PSL Media & Communications Limited – Mahindra Retail Private Limited – Lords Freight (India) Private Limited – Mahindra Namaste Limited – Mahindra Consulting Engineers Limited – Retail Initiative Holdings Limited – Mahindra Marine Private Limited – CJ Industries Private Limited	– Mahindra Logistics Limited: Corporate Social Responsibility Committee	– Mahindra Logistics Limited: i Nomination and Remuneration Committee ii Stakeholders Relationship Committee – Mahindra Susten Private Limited: i MSPL ESOP Committee ii Finance and Accounts Audit Committee (Non-mandatory Committee) – Mahindra Vehicle Manufacturers Limited: Nomination and Remuneration Committee

* includes positions held in your Company

Mr. Ajay Mehta

Mr. Ajay Mehta is an Independent Director in your Company. He is a fellow member of the Institute of Chartered Accountants of India. He holds a Bachelor's degree in Law from Government Law College, University of Mumbai and a Bachelor's degree in Commerce from the University of Mumbai. He has over 33 years of experience and practices in the fields of taxation, auditing, accounting and finance. He is a Partner in Rajendra Shah and Associates, Chartered Accountants which provides consultancy services to the Government of Maharashtra for its information technology company Maharashtra Information Technology Corporation Limited. His firm is also on the panel of the Maharashtra Cooperative Societies Audit Panel. He is also the proprietor of Ajay Mehta & Company, Chartered Accountants. He has audited several nationalized banks and companies. He also provides services to various non-governmental organizations. Mr. Ajay Mehta has been on the Board of the Company since 27 March 2015.

Mr. Ajay Mehta does not hold any equity shares of the Company and is not related to any of the Directors of the Company.

List of Companies/Committees where Mr. Ajay Mehta holds directorship and chairmanship/membership respectively as on 31 March 2018 is given hereunder:

List of Directorships in Indian companies*	Chairman in the Committees of the Board of companies in which he is a Director*	Membership in the Committees of the Board of companies in which he is a Director*
– Mahindra Logistics Limited – Mahindra Steel Service Centre Limited – Mahindra Retail Private Limited	– Mahindra Logistics Limited: Audit Committee – Mahindra Retail Private Limited: Audit Committee	– Mahindra Logistics Limited: Nomination and Remuneration Committee – Mahindra Steel Service Centre Limited: i. Nomination and Remuneration Committee ii. Audit Committee – Mahindra Retail Private Limited: Nomination and Remuneration Committee

* includes positions held in your Company

C. Board Procedure

Conduct of Board and Committee Meeting(s) of the Company is in compliance with the applicable provisions of the Act, Secretarial Standard on the Meetings of the Board of Directors as prescribed by the Institute of Company Secretaries of India, as amended from time to time ("SS-1") and the Listing Regulations. A detailed Agenda of the Meeting(s), setting out the business to be transacted thereat, supported by detailed explanatory notes of the Board and of the Committee Meeting(s) is circulated at least seven days in advance to the Directors, except in case of Board/Committee meetings held at shorter notice, in compliance with Section 173 of the Act and the SS-1. A soft copy of the said Agenda(s) together with notes is also uploaded on the Board Portal to provide web-based solution to the Directors, which also acts as a document repository. The Directors are also provided the facility of video conferencing, except for restricted items, to enable them to participate effectively in the Meeting(s), as and when required. In case of any exigency, resolutions are passed by circulation, in compliance with Section 175 of the Act and the SS-1.

To enable the Board to discharge its responsibilities effectively and take informed decisions, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company apprise the Board at every Meeting on the overall performance of the Company, followed by presentations. The presentations made to the Board include reports on subsidiary company performance, functional presentations on Human Resource, Information Technology, Marketing and Public Relations functions etc. of the Company and also include a review of key sales wins, sales pipeline, awards and recognitions, business vertical wise financial performance, key ratios, major expenses, receivables etc.

The Board and respective Committees also, inter alia, periodically review strategy and business plans, annual operating and capital expenditure budget(s), investment and exposure limit(s), compliance report(s) of all laws applicable to the Company as well as steps taken by your Company to rectify instances of non-compliances, if any, major legal issues, minutes of the meetings of Committees of the Board and of the Board of subsidiary companies, significant transactions and arrangements entered into by unlisted subsidiary companies, if any, approval of quarterly/half-yearly/annual financial results, significant labour problems, if any, safety, investors' grievances, major accounting provisions and write-offs, transactions pertaining to corporate restructuring, details of any joint ventures or collaboration agreements, information on recruitment of Senior officers one level below the Board/CEO, corporate social responsibility plans and spends etc. in addition to the information required under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations.

The Board sets annual performance objectives, oversees the actions and results of the management and monitors the effectiveness of the Company's governance practices for enhancing the stakeholder value. The Board also reviews, on a quarterly basis, related party transactions, status of borrowings, loans, investments and guarantees given, the Company's risk management framework, foreign exchange position, report on compliance under Code of Conduct for Prevention of Insider Trading adopted by the Company pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Action Taken Reports on the decisions taken/suggestions made at previous meetings are placed at the subsequent meeting of the Board/Committee for its review.

Apart from the CEO and the CFO of the Company, the Board and Committee Meetings are attended by the functional heads, whenever required and the Company Secretary of the Company acts as the Secretary to the Board and its Committees.

D. Number of Board Meetings and attendance of the Directors thereat and at the previous Annual General Meeting

The Board meets at regular intervals and the gap between two consecutive meetings does not exceed one hundred and twenty days. During the year ended 31 March 2018, eight Board Meetings were held on 28 April 2017, 13 June 2017, 25 July 2017, 25 September 2017, 16 October 2017, 3 November 2017, 1 December 2017 and 29 January 2018. These Meetings were well attended by the Directors and necessary quorum was present at all meetings. The 10th AGM of your Company was held on 14 August 2017.

Details of attendance of Directors at Board Meetings held during the year under review and the previous AGM is as under:

Names of Non-Executive Directors	Number of Board meetings attended during the year	Attendance at previous AGM held on 14 August 2017
Mr. Zhooben Bhiwandiwala	7	No
Mr. Chandrasekar Kandasamy	7	Yes
Mr. Parag Shah	8	Yes
Mr. Ajay Mehta	8	Yes
Mr. Darius Pandole#	5	No
Mr. Ranu Vohra#	6	No
Mr. Sunish Sharma	4	Yes
Ms. Neelam Deo@	*7*	*No*
Mr. Anjanikumar Choudhari^*	*3*	*Not Applicable*
*Mr. Ruzbeh Irani**	*2*	*Not Applicable*
*Mr. Sanjeev Aga**	*2*	*Not Applicable*

\# Appointed as Independent Director for first term with effect from 25 July 2017;
@ Ceased to be Independent Director with effect from 26 March 2018;
^ Ceased to be Chairman of the Board with effect from 25 July 2017;
* Ceased to be Non-Executive Director with effect from 25 July 2017.

E. Meeting of Independent Directors

The Independent Directors of your Company meet at least once in a financial year without the presence of Non-Independent Directors, the CEO and the CFO of the Company. These Meetings are conducted to enable the Independent Directors, inter alia, discuss matters pertaining to review of performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company (taking into account the views of the other Non-Executive Directors) and to assess the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors of the Company met once during the year under review on 29 January 2018 and the Meeting was well attended by all Independent Directors.

F. Codes of Conduct

The Board of your Company has laid down two separate Codes of Conduct, one for the Board Members and the other for Senior Management and Employees of the Company. The Company has also adopted a Code for Independent Directors which is a guide to professional conduct for Independent Directors of the Company pursuant to Section 149(8) and Schedule IV of the Act. These Codes have been posted on the Company's website http://www.mahindralogistics.com/investor/governance.

All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the respective Codes. As required by Regulation 34 of the Listing Regulations, Mr. Pirojshaw Sarkari, CEO of the Company, has given a declaration stating that Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct of Board of Directors and Code of Conduct for Senior Management and Employees, respectively which is annexed at the end of this Report.

The Senior Management of your Company have made disclosures to the Board confirming that there are no material financial and commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

G. CEO/CFO Certification

As required under Regulation 17(8) and 33 of the Listing Regulations, the CEO and the CFO of the Company have jointly certified to the Board regarding the Financial results/ statements, internal controls and other matters, on quarterly, half-yearly and annual basis.

H. Board Evaluation

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as reviewed the performance of the Directors individually. During the year under review, the questionnaire for performance evaluation was further elaborated and made comprehensive in alignment with the guidance note on Board evaluation issued by the Securities and Exchange Board of India, vide its circular dated 5 January 2017. Feedback was sought by way of a structured questionnaire 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, obligations and governance etc. and the evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the NRC of the Board to evaluate the performance of Individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the other Non-Executive Directors.

The outcome of the performance evaluation of the Board for the year under review was discussed by the NRC and the Board at their meetings. The Directors expressed their satisfaction with the evaluation process.

I. Familiarization Programme for Directors

The Board of your Company has, at its meeting held on 25 September 2017, adopted a Familiarization programme for its Independent Directors in terms of Regulation 25(7) of the Listing Regulations.

The Company imparts various familiarization programmes, on a regular basis, for its Directors including Independent Directors such as induction programmes, business model overview, site visits, presentation on industry overview and outlook, competition update, business, financial and operational performance update at the Board Meetings, regulatory updates, presentations on internal financial controls, roles and responsibilities of the Independent Directors etc.

Pursuant to Regulation 46 of the Listing Regulations, details of the familiarization programmes imparted to Independent Directors of the Company are available on the Company's website and can be accessed at the web link: http://mahindralogistics.com/pdf/Familiarization-Programs-for-Independent-Directors-2017-18.pdf

II. COMMITTEES OF THE BOARD

A. Audit Committee

The Audit Committee of the Company constituted as per the provisions of Section 177 of the Act was re-constituted during the year under review on 25 July 2017 to meet the requirements of Regulation 18 of the Listing Regulations. As on 31 March 2018,

the Committee comprises of four Non-Executive Directors, of whom three Directors (i.e. more than 2/3rd) including the Chairman are Independent.

All the Members of the Committee are financially literate and possess strong accounting and financial management knowledge. Mr. Zhooben Bhiwandiwala and Mr. Parag Shah, Non-Executive Directors are permanent invitees to the meetings of the Committee. The Company Secretary of the Company acts as the Secretary to the Committee. The Statutory Auditors and Internal Auditors are also invited to attend the Audit Committee meetings, when their respective reports are being presented to the Committee.

During the financial year 2017-18, the Committee met four times i.e. on 28 April 2017, 25 September 2017, 1 December 2017 and 29 January 2018. Details of the composition of the Committee as on 31 March 2018, changes therein during the year under review and attendance of the Committee Members at the Committee Meetings is as given hereunder:

Names of Audit Committee Members	Category of Non-Executive Directors	Position held	Changes during the year under review	Number of meetings attended
Mr. Ajay Mehta	Independent Director	Chairman^	—	4
Mr. Chandrasekar Kandasamy	Non-Independent Director	Member*	—	3
Mr. Ranu Vohra	Independent Director	Member	Appointed with effect from 25 July 2017	3
Mr. Darius Pandole	Independent Director	Member	Appointed with effect from 25 July 2017	3
Ms. Neelam Deo	*Independent Director*	*Member*	*Ceased with effect from 25 July 2017*	*1*

^ Appointed as Chairman of the Committee on 25 July 2017

* Mr. Chandrasekar Kandasamy was Chairman of the Committee up to 25 July 2017

During the year under review, the terms of reference of the Audit Committee were enhanced in line with the requirements of the Listing Regulations. Besides having access to all the required information from and within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory Auditors and the Internal Auditors and the Board of the Company.

All items listed in Part C of Schedule II of the Listing Regulations are covered in the terms of reference. Terms of reference of the Audit Committee includes:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;
3. Reviewing the financial statements with respect to its unlisted subsidiary(ies), in particular investments made by such subsidiary(ies);
4. Along with the management, reviewing annual and quarterly financial results/statements and auditor's report thereon before submission to the Board for approval;
5. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
6. Approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;
7. Evaluation of internal financial controls and risk management systems;
8. Along with the management, reviewing the performance of statutory and internal auditors, and the adequacy of internal control systems;
9. Reviewing the adequacy of the internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
10. Discussion with internal auditors of any significant findings and follow up there on.

The Committee is empowered to, review and recommend to the Board the terms of appointment and remuneration of the Internal Auditor and the Chief Financial Officer of the Company, review the functioning of the Whistle Blower Policy/Vigil Mechanism including those prescribed under Regulation 18(2)(c) of the Listing Regulations. The Committee also reviews, on quarterly basis, related party

transactions, status of borrowings availed, loans, investments and guarantees given, risks and the Report on compliance under Code of Conduct for Prevention of Insider Trading adopted by the Company pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

As per Regulation 18 of the Listing Regulations and SS-1, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. Mr. Ajay Mehta, Chairman of the Committee was present at the 10th AGM of the Company held on 14 August 2017.

B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") of the Board constituted in compliance with the requirements of Section 178 of the Act was re-constituted on 25 July 2017 to meet the requirements of Regulation 19 of the Listing Regulations.

As on 31 March 2018, the Committee comprised of six Directors, half of which including the Chairman are Independent Directors. All Members of the Committee are Non-Executive Directors and Mr. Sunish Sharma, Non-Executive Nominee Director is a permanent invitee to the Committee.

The Committee met three times during the year under review i.e. on 28 April 2017, 25 July 2017 and 25 September 2017.

Details of the composition of the Committee as on 31 March 2018, changes therein during the year under review and attendance of the Committee Members at the Committee meetings is as given hereunder:

Names of NRC Committee Members	Category of Non-Executive Directors	Position held	Changes during the year under review	Number of Committee Meetings attended
Mr. Darius Pandole	Independent	Chairman	Appointed as Member and designated Chairman with effect from 25 July 2017	1
Mr. Ajay Mehta	Independent	Member	—	3
Mr. Ranu Vohra	Independent	Member	Appointed with effect from 25 July 2017	1
Mr. Zhooben Bhiwandiwala	Non-Independent	Member	Appointed with effect from 25 July 2017	2
Mr. Chandrasekar Kandasamy	Non-Independent	Member	Appointed with effect from 25 July 2017	1
Mr. Parag Shah	Non-Independent	Member	Appointed with effect from 25 July 2017	2
Mr. Sanjeev Aga	*Non-Independent*	*Member*	*Ceased with effect* from *25 July 2017*	*1*
Ms. Neelam Deo	*Independent*	*Member*	*Ceased with effect* from *25 July 2017*	*2*
Mr. Anjanikumar Choudhari	*Non-Independent*	*Member*	*Ceased with effect* from *25 July 2017*	*1*

The terms of reference of the NRC are in line with regulatory requirements mandated in the Act and Part D of Schedule II of the Listing Regulations. Terms of reference of the Committee includes:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

   The Nomination and Remuneration Committee, while formulating the above policy, should ensure that –

   i. The level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

   ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   iii. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

2. Formulation of criteria for evaluation of Independent Directors and the Board;

3. Devising a policy on Board diversity;

4. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance (including Independent Director);

5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Directors; and

6. Carrying out any other functions required to be undertaken by the Nomination and Remuneration Committee under applicable law and as may be delegated by the Board.

The Committee also administers the Company's Employee Stock Option ("ESOP") Scheme viz. MLL Key Executive Stock Option Scheme-2012 w.e.f. 10 July 2017 and takes appropriate decisions in terms of the said Scheme.

The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director and recommended to the Board a Policy relating to the appointment and remuneration for the Directors, Key Managerial Personnel and other employees.

The NRC Committee has approved the evaluation process, methodology, framework and criteria for evaluation of performance of Independent Directors, Committees of the Board, the Board as a whole and the Chairperson. Basis the approved framework, the performance evaluation of all Directors was carried out during the year under review.

As per Section 178(7) of the Act, Regulation 19 of the Listing Regulations and SS-1, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. Mr. Parag Shah, Member of the Committee was present, on behalf of the Chairman of the Committee, at the 10th AGM of the Company held on 14 August 2017.

C. Stakeholders' Relationship Committee

Pursuant to the provisions of Section 178(5) of the Act and Regulation 20 of the Listing Regulations, the Board on 25 July 2017, constituted the Stakeholders' Relationship Committee ("SRC"). The composition of the SRC satisfy the requirements of Section 178 of the Act and Regulation 20 of Listing Regulations.

The Committee comprises of three Directors, all of which including the Chairman are Non-Executive Directors. The Company Secretary of the Company acts as Secretary of the said Committee.

Details of the composition of the Committee as on 31 March 2018 is given hereunder. There were no changes in the composition of the Committee. No committee meetings were held during the year under review, as one matter was dealt through circular resolution in terms of Section 175 of the Act.

Names of SRC Committee Members	Category of Non-Executive Directors	Position held
Mr. Chandrasekar Kandasamy	Non-Independent	Chairman
Mr. Parag Shah	Non-Independent	Member
Mr. Darius Pandole	Independent	Member

The role and terms of reference of the Committee covers all the areas as contemplated under Regulation 20 read with part D of Schedule II of the Listing Regulations and Section 178 of the Act as applicable. The Committee deals with matters relating to transfer/transmission of shares, issue of duplicate certificates and monitors the redressal of Shareholder grievances. The terms of reference of the Committee includes the following:

1. Considering and resolving grievances of Shareholders', debenture holders and other security holders;
2. Redressal of grievances of the security holders of the Company, including complaints in respect of allotment of Equity Shares, transfer of Equity Shares, non-receipt of declared dividends, annual reports, balance sheets of the Company, etc.;
3. Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
4. Issue of duplicate certificates and new certificates on split/ consolidation/renewal, etc.; and
5. Carrying out any other functions required to be undertaken by the Stakeholders Relationship Committee under applicable law.

With a view to expedite the process of share transfers, necessary authorities' have been delegated to the Compliance Officer of the Company.

As per Section 178(7) of the Act and SS-1, the Chairman of the Committee or, in his absence, any other Member of the Committee authorised by him in this behalf shall attend the General Meetings of the Company. The Chairman of the Committee Mr. Chandrasekar Kandasamy attended the 10th AGM of the Company held on 14 August 2017.

In view of the listing of the Company's equity shares on the Stock Exchanges, during the period from the date of listing i.e. 10 November 2017 up to 31 March 2018, the Company received 57 complaints from its Shareholders and other investors in connection with the IPO of the Company pertaining to not unblocking of funds, non-receipt of refund amount/non-receipt / non-allotment of shares, all of which were satisfactorily resolved and there were no pending complaints as on 31 March 2018.

Ms. Brijbala Batwal, Company Secretary of the Company is designated as compliance officer of the Company pursuant to Regulation 6 of the Listing Regulations.

D. Corporate Social Responsibility ("CSR") Committee

Consequent to changes in the Board composition during the year under review, the Corporate Social Responsibility Committee ("CSR Committee") of the Board was re-constituted in compliance with the provisions of Section 135 of the Act, to comprise of Mr. Parag Shah, Mr. Ranu Vohra and Ms. Neelam Deo. Mr. Parag Shah is Chairman of the Committee and Mr. Zhooben Bhiwandiwala, Non-Executive Director is a permanent invitee of the Committee.

Ms. Neelam Deo also ceased to be Member of the Committee, consequent to cessation of directorship. The Board at its meeting held on 11 April 2018 re-constituted the CSR Committee for co-option of Mr. Chandrasekar Kandasamy as a member of the Committee in place of Ms. Neelam Deo.

During the year under review, the Committee met once on 28 April 2017. Details of the composition of the Committee as on date of this report, changes therein during the year under review and attendance of the Committee Members at the Committee meetings is as given hereunder:

Name of CSR Committee Members	Category of Non-Executive Directors	Designation	Changes during the year under review	Number of Committee Meetings attended
Mr. Parag Shah	Non-Independent	Chairman	Appointed with effect *from* 25 July 2017	Not Applicable
Mr. Ranu Vohra	Independent	Member	Appointed with effect *from* 25 July 2017	Not Applicable
Mr. Chandrasekar Kandasamy	Non-Independent	Member	Appointed with effect *from* 11 April 2018	Not Applicable
Ms. Neelam Deo	*Independent*	*Member*	*Appointed with effect from 25 July, 2017 and ceased with effect from 26 March 2018*	*Not Applicable*
Mr. Ajay Mehta	*Independent*	*Member*	*Ceased with effect from 25 July 2017*	*1*
Mr. Ruzbeh Irani	*Non-Independent*	*Member*	*Ceased with effect from 25 July 2017*	*1*
Mr. Sanjeev Aga	*Non-Independent*	*Member*	*Ceased with effect from 25 July 2017*	*—*

The role of the CSR Committee includes formulation and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and any amendments thereto, recommending the amount of expenditure to be incurred on the CSR activities as enumerated in Schedule VII of the Act and referred to in the CSR Policy of the Company, as also to monitor the CSR Policy from time to time.

The Board at its meeting held on 11 April 2018 inter alia, enhanced the scope and terms of reference of the Committee to *inter alia* formulate and recommend to the Board, for its approval and implementation, the Business Responsibility Policy(ies), periodical assessment of Business Responsibility ("BR") performance of the Company and review the draft BR Report/mapping of the principles contained in the National Voluntary Guidelines to the disclosures made in the Sustainability Report, if any and recommending the same to the Board for its approval and for inclusion of the same in the Annual Report of the Company in accordance with Regulation 34(2)(f) of the Listing Regulations and the SEBI Circular CIR/CFD/CMD/10/2015 dated 4 November 2015 and SEBI/HO/CFD/CMD/CIR/P/2017/10 dated 6 February, 2017.

The updated CSR Policy for the Company is displayed on the Company's website and can be accessed from the weblink: http://www.mahindralogistics.com/sustainability

E. Risk Management Committee

Risk Management Committee is required to be constituted by the top 100 listed companies determined based on market capitalisation, as at the end of the immediate previous financial year as per Regulation 21 of the Listing Regulations. Your Company does not fall under the top 100 listed companies based on market capitalisation as on 31 March 2018, and hence is not statutorily required to constitute a Risk Management Committee.

However, the Board and the Audit Committee comprehensively reviews the Risk Management framework including significant risks, if any, and steps taken to mitigate the same, on quarterly basis.

F. MLL Key Executive Stock Option Scheme Committee

The Board of your Company had constituted a MLL Key Executive Stock Option Scheme Committee ("ESOP Committee") to administer and implement the MLL Key Executive Stock Option Scheme 2012.

During the year under review, the ESOP Committee, comprising of Mr. Zhooben Bhiwandiwala, Mr. Parag Shah, Mr. Ruzbeh Irani and Mr Sunish Sharma, Directors of the Company was dissolved w.e.f 10 July 2017 and on dissolution, all powers then exercised by the ESOP Committee were vested with the NRC in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

There was no change in composition of the ESOP Committee during the year under review and no ESOP Committee meetings were held during the period from 1 April 2017 to 10 July 2017 as matters were dealt through circular resolutions in terms of Section 175 of the Act.

G. IPO COMMITTEE

An IPO Committee of the Board was constituted on 13 June 2017, *inter alia* to facilitate completion of various pre and post issue formalities and to decide upon and approve all activities in connection with the IPO of the Company.

As on 31 March 2018, the IPO Committee comprises of four Non-Executive Non-Independent Directors. There was no change in composition of the IPO Committee during the year under review.

The Committee met twice on 3 August 2017 and 8 November 2017 and other necessary matters were dealt and approved through circulation in terms of Section 175 of the Act. Details of the composition of the Committee as on 31 March 2018 and attendance of the Committee Members at the Committee meetings is given hereunder:

Names of IPO Committee Members	Category of Non-Executive Directors	Position held	Number of Committee Meetings attended
Mr. Zhooben Bhiwandiwala	Non-Independent	Member	2
Mr. Parag Shah	Non-Independent	Member	2
Mr. Chandrasekar Kandasamy	Non-Independent	Member	2
Mr. Sunish Sharma	Non-Independent	Member	2

The terms of reference of the IPO Committee *inter alia* includes handling all matters related to the IPO of the Company such as appointment of various intermediaries including book running lead managers, registrar to the offer, underwriters, legal counsels and bankers to the Offer, to negotiate, finalise and to execute various agreements such as offer agreement, escrow agreements and syndicate agreement, to make applications to statutory and other authorities from time to time, determination of the price band and the offer price and other aspects related thereto such as settlement of all questions, difficulties or doubts with regards to the offer and any such matters incidental to the same.

III. REMUNERATION OF DIRECTORS

A. Pecuniary Relationship of Non-Executive Directors

All the Directors of your Company are Non-Executive Directors. Apart from reimbursement of expenses incurred in the discharge of their duties, receipt of sitting fees and commission to Independent Directors, none of the Non-Executive Directors of your Company have any other material pecuniary relationships with the Company.

The Non-Executive Non-Independent Directors of your Company are not paid any remuneration in the form of salary, benefits, bonuses, incentives (including reimbursement of expenses incurred in the discharge of their duties, sitting fees and commission) from the Company.

B. Remuneration Policy

Your Company has a well-defined Policy for Remuneration of the Directors, Senior Management, Key Managerial Personnel and other Employees encompassing *inter-alia* the criteria for making payments to Non-Executive Directors, Key Managerial Personnel and other employees ("Remuneration Policy"). Based on the recommendations made by the NRC, the Remuneration Policy was amended and approved by the Board of your Company at its Meeting held on 25 September 2017. The revised Policy as approved by the Board is available on the website of the Company and can be accessed at http://www.mahindralogistics.com/media//pdf_files/nomination-ebe9fbadb048aed.pdf

The NRC while deciding the basis for determining the remuneration, both fixed and variable to the Independent Directors, takes into consideration various factors such as Independent Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Act and Listing Regulations and such other factors as the NRC may consider deem fit.

C. Remuneration to Directors

Pursuant to the approval granted by the Shareholders of the Company at the 15th Extraordinary General Meeting held on 27 July 2017, the Independent Directors of the Company are entitled to commission, in addition to sitting fees and reimbursement of expenses incurred for attending meetings of the Board of the Company and its committees thereof, of up to ₹ 6,00,000/- (Rupees Six Lakhs Only) per annum, either equally or in such proportion as may be recommended by Nomination and Remuneration Committee and approved by the Board, on such criteria as may be determined by them, further subject to aggregate amount of commission being within the ceiling of 1% or 3% of annual net profit, if any, of the Company for the financial year, as the case may be, computed in accordance with the provisions of Section 197 read with Section 198 of the Act or as may be prescribed by the Act or Rules framed thereunder from time to time, for each of the financial year commencing from 1 April 2017.

The sitting fees paid to each Independent Director is ₹ 50,000/- (Rupees Fifty Thousand Only) for every Meeting of the Board and ₹ 30,000/- (Rupees Thirty Thousand Only) for every Audit Committee and Nomination and Remuneration Committee Meeting. The sitting fees for every Meeting of Stakeholders' Relationship Committee is ₹ 5,000/- (Rupees Five Thousand Only). In respect of the CSR Committee, no sitting fee is paid as the sitting fee has been waived by the Members of the CSR Committee during the year under review.

Apart from reimbursement of expenses incurred in the discharge of their duties, sitting fees and commission, none of the Independent Directors of your Company have any other material pecuniary relationships or transactions with the Company, its subsidiaries, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year which would affect their independence, judgement or decision-making abilities.

During the year under review, the following Independent Directors were paid commission of ₹ 10.00 lakhs for financial year 2016-17 as provided hereunder:

(₹ in Lakhs)

Name of Independent Directors	Commission for FY 2016-17 paid during the year under review
Mr. Ajay Mehta	5.00
Ms. Neelam Deo	5.00
Total	**10.00**

The details of sitting fees and commission (subject to applicable taxes) payable to Independent Directors for the year ended 31 March 2018 is as under:

(₹ in Lakhs)

Independent Director	Mr. Ajay Mehta	Mr. Darius Pandole	Ms. Neelam Deo	Mr. Ranu Vohra
Sitting Fees	5.20	3.70	3.40	4.20
Commission	6.00	4.05	6.00	4.05
Total	**11.20**	**7.75**	**9.40**	**8.25**

There is no provision for payment of severance fees or pension to Directors of the Company.

D. Stock Options to Directors

The Company has not granted any Employee Stock Options to its Independent Directors. Further no Employee Stock Options have also been granted to Non-Executive Non-Independent Directors of your Company.

IV. GENERAL BODY MEETINGS

Details of Annual General Meetings and Special Resolutions passed

Details of the last three AGMs of the Company and the special resolutions passed therein is as under:

Year	Day, Date	Time (IST)	Venue	Special Resolutions passed thereat
2015	Tuesday, 4 August 2015	10.00 a.m.	1A & 1B, 4th Floor, Techniplex-1, Veer Savarkar Flyover, Goregaon (West), Mumbai-400 062	To approve payment of commission to the Non-Executive Independent Directors.
2016	Friday, 29 July 2016	2.30 p.m.	4th Floor, Techniplex Complex, Veer Savarkar Flyover, Goregaon (West), Mumbai-400 062	No special resolution was passed.
2017	Monday, 14 August 2017	11.00 a.m.	Mahindra Towers, P K Kurne Chowk, Worli, Mumbai-400 018.	No special resolution was passed.

During the financial year 2017-18, the Company has not passed any special resolutions through postal ballot.

V. MEANS OF COMMUNICATION

Your Company, from time to time and as may be required, communicates with its Shareholders and investors through multiple channels of communications such as dissemination of information on the website of the Stock Exchanges, press releases, annual reports and uploading relevant information on the Company's website.

The unaudited quarterly and half-yearly financial results are announced within forty-five days of the close of the quarter/half year. The annual audited financial results and statements together with the 4th quarter results are announced within sixty days from the end of the financial year as required under the Listing Regulations. The aforesaid financials results are announced to the Stock Exchanges within the statutory time period from the conclusion of the Board Meeting(s) at which these are considered and approved.

Your Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part 'A' of Schedule III of the Listing Regulations including material information having a bearing on the performance/ operations of the Company and other price sensitive information, if any. All information is filed electronically on BSE Corporate & Listing Centre (Listing Centre), online portal of BSE and on NSE Electronic Application Processing System (NEAPS), the online portal of NSE.

The Senior Management team of the Company also conducts conference calls and meets with institutional investors/analysts on the results published, after Board meetings. Presentations are also made to international and domestic institutional investors and analysts. These presentations and related disclosures which are required to be disseminated on the Company's website under the Listing Regulations have been uploaded on the website of the Company, viz: http://www.mahindralogistics.com and as per the Archival Policy of the Company would be hosted on the website for a minimum period of five years from the date of respective disclosures. These presentations are also uploaded on the website of the Stock Exchanges where shares of the Company are listed. The Company also follows the best practice of uploading the print and audio transcript of the conference calls on the website of the Company. The Annual Report of the Company, the quarterly/half yearly financial results and the annual audited financial statements and the official news releases of the Company are also disseminated on the Company's website.

The financial results are also published in Business Standard (in English) and Sakal (in Marathi), which are national and local dailies respectively. These are not sent individually to the Shareholders.

The Company's website link, http://www.mahindralogistics.com/investor contains all information as prescribed under the Act and the Listing Regulations, including details of the contact persons and Registrar & Transfer Agent of the Company, shareholding pattern, policies etc.

VI. GENERAL SHAREHOLDER INFORMATION

A. 11th Annual General Meeting

Date : Thursday, 2 August 2018;
Time : 3:30 p.m. (IST);
Venue : Hall of Culture, Nehru Centre,
Dr. Annie Besant Road,
Worli, Mumbai-400 018.

B. CIN Number

Post Listing: L63000MH2007PLC173466

Pre-Listing: U63000MH2007PLC173466

C. i. Registered Office:

Mahindra Towers,
P.K. Kurne Chowk,
Worli, Mumbai-400 018.

ii. Corporate Office:

1A & 1B, 4th Floor, Techniplex 1,
Techniplex Complex,
Veer Savarkar Flyover,
Goregaon (West), Mumbai-400 062.

D. Financial Year of the Company

The financial year of the Company comprises of period of 12 months from 1 April to 31 March.

E. Date of book closure and dividend payment

Book closure for Dividend will be from Friday, 27 July 2018 to Thursday 2 August 2018, both days inclusive and the dividend, if declared shall be paid/dispatched on or after Friday, 3 August 2018.

F. Listing of Equity Shares on Stock Exchanges

Your Company's equity shares are listed on BSE and NSE with effect from 10 November 2017. In terms of Regulation 14 of the Listing Regulations, the requisite listing fees have been paid in full to both the Stock Exchanges for financial years 2017-18 and 2018-19.

G. Stock Code / Symbol / ISIN

Name of Stock Exchange	BSE Limited	National Stock Exchange of India Limited
Address of Stock Exchange	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001	Exchange Plaza, C-1, "G" Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051
Stock Code/Symbol	540768	MAHLOG
Type of security	Equity Shares	
ISIN	INE766P01016	

H. Market price data

The monthly high and low stock quotations of the equity shares of the Company on BSE and NSE during the period 10 November 2017# to 31 March 2018 was as under:

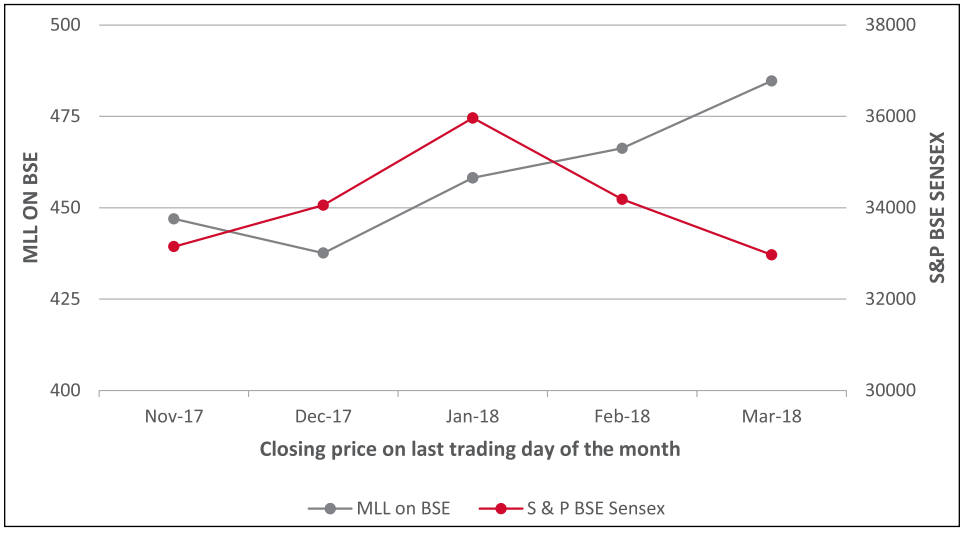
(₹ in INR)

Month and Year	NSE		BSE	
	High	Low	High	Low
November 2017	461.25	405.10	460.00	405.00
December 2017	472.00	418.00	470.50	419.85
January 2018	559.90	438.20	558.90	438.00
February 2018	480.00	441.20	490.00	441.20
March 2018	539.00	456.00	536.00	451.00

Equity shares of the Company got listed on BSE and NSE w.e.f. 10 November 2017.

I. Stock Performance

The performance of your Company's equity shares relative to BSE Sensex and NSE Nifty for the relevant period is given below:





J. Registrar and share transfer agents

In view of the Initial Public Offer of the Company, the IPO Committee of the Board had vide resolution dated 13 July 2017 appointed Link Intime India Private Limited, as its Registrar and Transfer Agents in place of Karvy Computershare Private Limited. Contact details of Link Intime India Private Limited are given below:

Link Intime India Private Limited

SEBI Registration No.	:	INR000004058
Address	:	101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai-400 083
Telephone number	:	022 - 4918 6000
Fax number	:	022 - 4918 6060
E-mail id	:	rnt.helpdesk@linkintime.co.in
Website	:	https://linkintime.co.in

K. Share transfer system

Trading in equity shares of the Company through recognized Stock Exchanges is permitted in dematerialized form. Shares sent for transfer in physical form, if any, are registered and returned within a period of fifteen days from the date of receipt of requisite documents, provided the documents are valid and complete in all respect. With a view to expedite the process of share transfers, the Compliance Officer of the Company is authorised to approve physical transfers of not more than 10,000 equity shares per transfer, transmission requests based on succession certificate or probate or letters of administration or legal representation without any limits and transmission requests up to ₹ 500,000/- in case of absence of succession certificate or probate or letters of administration or legal representation based on affidavit and indemnity bond in prescribed formats.

The Stakeholders' Relationship Committee considers transfer/transmission proposals beyond the aforesaid limits, requests for issue of duplicate share certificates, attends to investor grievances etc.

L. Distribution of Shareholding as of 31 March 2018:

Shares range	Number of Shareholders	Number of shares held	% of Shareholding
1 to 500	66,480	27,26,637	3.83
501 to 1000	351	260,047	0.37
1001 to 2000	139	198,951	0.28
2001 to 3000	51	129,020	0.18
3001 to 4000	30	108,428	0.15
4001 to 5000	25	117,225	0.17
5001 to 10000	43	335,565	0.47
10000 and above	106	67,266,051	94.55
Total	**67,225**	**71,141,924**	**100.00**

M. Dematerialisation of shares and liquidity

As of 31 March 2018, 71,049,881 shares (99.87 percent) of total paid-up equity capital were held in electronic form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's equity shares are traded in the electronic form. The market lot of your Company is one Share. Trading of equity shares of your Company is permitted only in dematerialised form. The public shareholding as on 31 March 2018 was 38.95% and the stock is liquid.

N. Outstanding Global Depository Receipts (GDRs)/American Depository Receipts (ADRs)/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants. There are no convertible instruments outstanding as on 31 March 2018.

O. Commodity price risk, foreign exchange risk and hedging activities

The Company is not dealing in commodities and hence disclosure relating to commodity price risks and hedging thereof is not applicable.

P. Site locations:

Details of office locations of the Company is provided hereunder:

Northern Region

Delhi (Gurugram)
Lower Ground and Ground Floor,
AIHP Tower, 249G, Udyog Vihar,
Phase-4, Gurugram-122 015

Noida
Logix Techno Park, Tower B,
Sector 127, Noida,
Uttar Pradesh-201 301

Southern Region

Bengaluru
No. 104, 4th floor, Infantry Techno Park, Infantry Road,
Shivajinagar,
Bengaluru-560 001

Chennai
Mahindra Towers, #17 & 18,
Pattulos Road,
Chennai-600 002

Hyderabad
6-3-1089/F, II Floor, RVR Towers,
Reliance Foot Print,
Rajbhavan Road,
Somajiguda-500 082

Coimbatore
306, Shop No C2,
Sathy Main Road,
Sivandhapuram,
Coimbatore-641 035

Western Region

Jaipur
1st Floor, Mahindra Towers,
24-26, Durga Vihar Colony,
Tonk Road,
Jaipur-302 018

Ahmedabad
Bunglow No. 12,
N.C Marg, Opp Police Stadium,
Shahibaug, Ahmedabad,
Gujarat-380 004

Mumbai
Techniplex Complex
Techniplex No 1, 2nd and 4th Floor,
Techniplex No 2, 7th and 9th Floor,
Goregaon West, Mumbai-400 063

Mumbai
Old Excise Building, Opposite Cafe 4*4, Yellow gate,
Kandivali-East,
Mumbai-400 101

Pune
Sai Chambers, Wakadewadi,
Pune-411 005

Eastern Region

Patna
J.J Complex. 3rd Floor,
East Boring Canal Road,
Patna-800 001

Kolkata
7-KYD Street, 4th Floor
Kolkata- 700 016; and

31, Chowringhee, 1st Floor,
Kolkata-700 016

Q. Address for correspondence:

Shareholders may correspond with the Company's Registrar and Transfer Agent viz. Link Intime India Private Limited at the address mentioned hereinabove in respect of all matters relating to transfer/dematerialisation of shares, payment of dividend and any other query relating to Equity Shares of the Company including change of address, change in bank details etc.

Your Company also has designated cs.mll@mahindra.com as an exclusive e-mail id for Investors for the purpose of registering complaints and the same has been displayed on the Company's website.

For all investor related matters, **Ms. Brijbala Batwal**, Company Secretary of the Company can also be contacted at:

Mahindra Logistics Limited
Mahindra Towers,
P K Kurne Chowk,
Worli, Mumbai-400 018.
E-mail: cs.mll@mahindra.com
Tel: +91 22 2871 5500 /+91 22 2490 1441;
Fax: +91 22 2490 0833.

Your Company can also be visited at its website:
http://www.mahindralogistics.com

VII. OTHER DISCLOSURES

A. Policy on Materiality of and dealing with Related Party Transactions

Your Company has formulated a Policy on Materiality of and dealing with Related Party Transactions which specifies the manner of entering into related party transactions and other related matters. This policy has also been posted on website of the Company and can be accessed through the web link: http://www.mahindralogistics.com/media//pdf_files/policy-on--0e8627c4402627e.pdf The Board and Audit Committee review the Related Party transactions on quarterly basis.

B. Disclosures of transactions with Related Parties

During the financial year 2017-18, there were no materially significant transactions or arrangements entered into between the Company and its Promoters, Directors or their Relatives or the management, subsidiary companies, etc. that may have potential conflict with the interest of the Company at large.

All related party transactions entered during the year under review were in the ordinary course of business and on arms' length basis. In line with Regulation 23(4) of the Listing Regulations, the Company had sought approval of its Shareholders at its Extraordinary General Meeting held on 23 October 2017 for entering into material related party transaction(s) in the ordinary course and on arms' length basis with Mahindra & Mahindra Limited, the holding Company of your Company for a period up to 31 March 2019. In line with the said Shareholders' approval, your Company has entered into material related party transactions i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements, with Mahindra & Mahindra Limited, the holding Company of the Company during the year under review.

Your Company has not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Regulations 34(3) Listing Regulations and Schedule V thereto applicable to the Holding Company/Subsidiary companies/Associate companies and firms/companies in which directors are interested in terms of Para A of Schedule V of the Listing Regulations during the year under review.

Detailed related party transactions of the Company during the year under review are presented in note number 33 of the Financial Statements in the Annual Report.

C. Disclosure of Accounting Treatment in preparation of Financial Statements

The Company has adopted Indian Accounting Standard (Ind AS) with effect from 1 April 2016. Accordingly, the Financial Statements of the Company, both on standalone and consolidated basis, have been prepared in accordance with Ind AS per Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 and other applicable provisions of the Act.

D. Code for Prevention of Insider Trading Practices

The Company has formulated and adopted the 'Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information' and 'Code of Conduct for Prevention of Insider Trading in Securities of Mahindra Logistics Limited' ("Insider Trading Code") in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("SEBI Insider Regulations").

The Insider Trading Code has been formulated to regulate, monitor and ensure reporting of trading by the Employees and Connected Persons designated on the basis of their functional role in the Company, towards achieving compliance with the SEBI Insider Regulations and is designed to maintain the highest ethical standards of trading in Securities of the Company by persons to whom the said code is applicable. The Insider Trading Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with securities of the Company and cautions them of the consequences of violations.

Mr. Nikhil Nayak, the Chief Financial Officer of the Company has been designated as Compliance officer and Chief Investor Relations Officer, for dealing with dissemination of information and disclosure of Unpublished Price Sensitive Information and regulating, monitoring, trading and report on trading by the Insiders as required under the SEBI Insider Regulations.

During the year, the Company has laid down systems and processes in connection therewith and has taken several initiatives to increase awareness amongst designated employees and other employees on the provisions of the Company's Insider Trading Code and the SEBI Insider Regulations which included dissemination of frequently asked questions, do's and don'ts, educative e-mail series, SMSs etc.

E. Whistleblower Policy/Vigil Mechanism Policy

The Vigil Mechanism as envisaged in the Act and the Rules prescribed thereunder and the Listing Regulation is implemented through the Whistleblower Policy to provide for adequate safeguards against victimisation of Employees and Directors of the Company who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee, in appropriate and exception cases.

As such the Whistleblower Policy provides for protected disclosure and protection to the Whistleblower. All Employees and Directors of the Company can make the Protected Disclosure through an e-mail to or any other mechanism as prescribed in the said Policy.

During the year under review, no personnel has been denied access to the Audit Committee.

The Whistleblower Policy of the Company is available on the website of the Company and can be accessed at the web link: http://www.mahindralogistics.com/media//pdf_files/whistleblo-c5536963e0a165a.pdf

F. Subsidiary Companies and Policy for determining "material" subsidiaries

Regulation 16 of the Listing Regulations defines a "material subsidiary" to mean a subsidiary whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

As per this definition, the Company did not have any material subsidiary during the year under review and as on 31 March 2018.

The subsidiaries of the Company function independently, with an adequately empowered Board and adequate resources. For more effective governance, the minutes of Board Meetings of subsidiaries of the Company are placed before the Board of the Company for their review at every quarterly Meetings. Further Mr. Ajay Mehta, Independent Director of the Company also holds office of Independent Director on the Board of Lords Freight (India) Private Limited, non-material subsidiary of the Company with effect from 27 April 2018.

The other requirements of Regulation 24 of the Listing Regulations with regard to Corporate Governance requirements for Subsidiary Companies have been complied with by the Company.

Your Company has formulated a Policy for determining Material Subsidiaries as defined in Regulation 16 of the Listing Regulations. This policy is also posted on website of the Company and can be accessed through web link: http://www.mahindralogistics.com/media//pdf_files/policyford-9b54a78901883f4.pdf

VIII. OTHER DISCLOSURES:

1. Compliance with Mandatory requirements

Your Company has complied with all the mandatory requirements of the Listing Regulations including Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the Listing Regulations and paras (2) to (10) mentioned in part 'C' of Schedule V of the Listing Regulations during the year under review.

The vacancy caused in the office of Women Independent Director on the Board of the Company consequent to cessation of Ms. Neelam Deo with effect from 26 March 2018 will be filled by the Board within the timelines prescribed under Regulation 25 of the Listing Regulations and Section 149 of the Act.

Necessary information as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the Listing Regulations as applicable to the Company has been disclosed in this Report.

2. Compliance with Non-mandatory requirements

The status of compliance with non-mandatory recommendations of Part E of Schedule II of the Listing Regulations is provided below:

a. **Unmodified Audit Report:** During the year under review, there was no audit qualification in your Company's standalone or consolidated financial statements. Your Company continues to adopt best practices to ensure regime of unmodified financial statements.

b. **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee.

c. **Separate posts of Chairperson and Chief Executive Officer:** The office of the Chairperson and the CEO of the Company are separately held. Mr. Zhooben Bhiwandiwala is the Non-Executive Chairman of the Company and Mr. Pirojshaw Sarkari is the CEO.

3. Details of non-compliance, etc.

Your Company has complied with all the requirements of regulatory authorities. During the last three years, there were no instances of non-compliances by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or any statutory authority, on any matter related to the capital markets.

Compliance certificate from Deloitte Haskins & Sells LLP, the Statutory Auditors of the Company, and confirming compliance with the conditions of Corporate Governance as specified under Schedule V (E) of the Listing Regulations is annexed to this Report.

4. Management Discussion and Analysis

Management Discussion and Analysis in terms of the Listing Regulations has been attached to the Board's report and forms part of the Annual Report.

5. Risk Management Framework

Your Company has developed a well-defined risk management framework which *inter alia* includes identification of key risks which, in the opinion of the Board, materially impacts the Company and may threaten its existence. The Risk framework is reviewed by the Board and Audit Committee on a quarterly basis at its respective meetings.

IX. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

In terms with Regulation 39(4) read with Schedule VI of the Listing Regulations, the Company opened separate Demat Suspense Account of the Company and there are no shares lying unclaimed as on 31 March 2018. Details of unclaimed shares credited to the demat suspense account during the period from 10 November 2017 (date of listing of shares of the Company) to 31 March 2018 and requests processed therein during the said period is as follows:

Beginning of the period		No. of Shareholders who approached for transfer	No. of Shareholders to whom Shares were transferred	End of the year	
No. of Shareholders	No. of shares			No. of Shareholders	No. of shares
4	136	4	136	0	0

Further all dues to non-allottees of the Initial Public Offer of the Company have been refunded by the Company and there is NIL balance of shares in the unclaimed shares escrow demat account opened by the Company.

Mumbai, 2 May 2018.

DECLARATION ON CODES OF CONDUCT

As required by Regulation 34(3) read with Schedule V(D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Members
Mahindra Logistics Limited

I, the undersigned, hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed Compliance with the Codes of Conduct laid down and adopted by the Company in this regard, during the year ended 31 March 2018.

Pirojshaw Sarkari
Chief Executive Officer

Mumbai, 2 May 2018

CERTIFICATE

To,
The Members,
Mahindra Logistics Limited

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated September 28, 2017.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Mahindra Logistics Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and Clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Sd/-
Kedar Raje
Partner
(Membership No. 102637)

Mumbai, 2 May, 2018

Mahindra LOGISTICS

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1.	**Corporate Identity Number (CIN) of the Company**	: L63000MH2007PLC173466
2.	**Name of the Company**	: Mahindra Logistics Limited (hereinafter referred to as "MLL" or "the Company")
3.	**Registered address**	: Mahindra Towers, P K Kurne Chowk, Worli, Mumbai-400 018
4.	**Website**	: www.mahindralogistics.com
5.	**E-mail id**	: cs.mll@mahindra.com
6.	**Financial Year reported**	: 2017-18
7.	**Sector(s) that the Company is engaged in (industrial activity code-wise)**	: 1. Supply Chain Management – 4912, 4923, 5120, 5210 2. People Logistics – 4922
8.	**List three key products/ services that the Company manufactures/provides (as in balance sheet)**	: 1. Goods Transportation Services; 2. Warehouse Management Services; 3. People Logistics (People Transport Solutions)
9.	**Total number of locations where business activity is undertaken by the Company**	
	a. Number of International Locations	: NIL
	b. Number of National Locations	: The Company has 13 office locations across the country.
10.	**Markets served by the Company – Local/State/ National/International**	National.

Section B: Financial Details of the Company

1.	**Paid up Capital (INR in crore)**	: 71.14
2.	**Total Turnover (INR in crore)**	: 3224.84
3.	**Total profit after taxes (INR in crore)**	: 62.19
4.	**Total Spending on Corporate Social Responsibility (CSR) in INR and as percentage of profit after tax (%)**	: 1.27 crore (representing 2.04% of the profit after tax)
	List of activities in which expenditure in 4 above has been incurred	: a. Providing primary education to underprivileged girl children in India by contributing to Project 'Nanhi Kalhi'. b. Building Communities by way of village adoption programs which includes development of school infrastructure, providing education, health care, several driver welfare initiatives etc. c. Social interventions through Employee volunteering in the areas of education, health and environment.

Section C: Other Details

Does the Company have any Subsidiary Company/ Companies?	:	Yes. The Company has two subsidiaries as of March 31, 2018. 1. 2X2 Logistics Private Limited 2. Lords Freight (India) Private Limited.
Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) :	:	Yes. Both the Subsidiary Companies have their respective Governance policies, as are statutorily required and they do participate in some of the BR initiatives of MLL.
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	:	Yes. The Company's suppliers and vendors are appointed keeping in mind their ability to participate and support the BR initiatives of the Company. Percentage of such Suppliers and Vendors is less than 30%.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a. Details of Director/Directors responsible for BR for implementation of the BR policy / policies

DIN Number	: 00374944
Name	: Mr. Parag Shah
Designation	: Non-Executive Director

b. Details of BR Head:

DIN Number (if applicable)	: Not Applicable
Name	: Mr. Ravi Begur
Designation	: Senior General Manager
Telephone number	: + 91 22 28795201
e-mail id	: begur.ravi@mahindra.com

2. Principle-wise (as per NVGs) BR Policy/policies

The Company has in place a Business Responsibility Policy ("BR Policy") addressing the following 9 principles as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs), Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and SEBI Circular CIR/CFD/CMD/10/2015 dated 4 November 2015, duly approved by Board. The BR Policy is operationalized and supported by various other policies, codes, guidelines and manuals of the Company.

Principle 1 ("P1"): Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2 ("P2"): Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3 ("P3"): Businesses should promote the wellbeing of all employees.

Principle 4 ("P4"): Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5 ("P5"): Businesses should respect and promote human rights.

Principle 6 ("P6"): Business should respect, protect, and make efforts to restore the environment.

Principle 7 ("P7"): Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8 ("P8"): Businesses should support inclusive growth and equitable development.

Principle 9 ("P9"): Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a. Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1: Ethics and Transparency	P2: Product Responsibility	P3: Wellbeing of employees	P4: Responsiveness to Stakeholders	P5: Respect Human Rights	P6: Environmental Responsibility	P7: Public Policy advocacy	P8: Support inclusive Growth	P9: Engagement with Customers
1	Do you have a policy/policies for BRR	Y	y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	*Y	*Y	@Y	@Y	*Y	*Y	*Y	*Y	@Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	#Y	#Y	#Y	#Y	#Y	#Y	#Y	#Y	#Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	The Code of Conduct for Directors & For Senior Management & employees of the Company, the Whistle Blower Policy, Corporate Social Responsibility ("CSR") Policy and Sustainability Policy are uploaded on website of the Company and can be accessed at http://www.mahindralogistics.com All other policies related to BR are uploaded on the intranet and shared with relevant external stakeholders wherever deemed fit.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA $	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The execution of the BR policies is overseen through internal processes, and Management and Board oversight.								

Notes:

* Policies have evolved over a period of time by taking inputs from the concerned internal stakeholders and the Code of Conduct of the Mahindra Group and the Company;

@ Policies have evolved from surveys and feedbacks from the concerned stakeholders;

The policies are in line with applicable laws and national standards, where ever applicable/available. Some policies are also aligned to GRI-G4, an International Sustainability Reporting framework.

$ This question is not applicable for influencing public and regulatory policy.

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) – Not Applicable

3. Governance related to BR:

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year:

Since the equity shares of the Company got listed on stock exchanges with effect from 10 November 2017, the BRR related performance was reviewed by the Board along with the 2017-18 Annual Report, for the first time. Going forward, BR performance would be reviewed on a periodic basis.

b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the 1st BRR, in compliance with the Regulation 34 of the Listing Regulations and SEBI Circular CIR/CFD/CMD/10/2015 dated 4 November 2015, prepared by the Company on voluntary basis as a good governance practice. The Company has in the past been reporting its Sustainability performance as a part of the GRI Report published by the Holding Company viz. Mahindra & Mahindra Limited. The last report was for 2015-16 which can be viewed at http://www.mahindra.com/resources/pdf/sustainability/Mahindra-Sustainability-Report-2015-16.pdf

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company has based its Policy in this regard on the Mahindra Group Code of Conduct which defines a governance structure and promotes the principles of ethics, transparency & good governance within the organization and external stakeholders. The Company has defined Code of Conduct for Directors as well as for all senior management and employees of the Company which covers issues, inter alia, related to ethics and bribery. The Code also covers all dealings of the Company with its business partners and other stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the period 10 November 2017 up to 31 March 2018, 57 complaints were received from shareholders relating to the Company's IPO for matters including non-unblocking of funds under ASBA, non-allotment of shares etc., all of which have been attended to and satisfactorily resolved upto 31 March 2018.

During financial year 2017-18, no complaints were received from any other stakeholder for issues related to Principle 1.

Principle 2: Businesses should provide goods & services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The top 3 services provided by the Company are:

i. Goods Transportation Services;
ii. Warehouse Management Services;
iii. People Transport Solutions

2. For each such product/service, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Being an asset-light Company, we deploy our business partners' assets to deliver services to our customers. Despite this we have instituted various initiatives for monitoring and reducing Green House Gas (GHG) emission intensity as explained below:

– Goods Transportation Services: Replacement of old vehicles with new vehicles, reduction of dry runs for vehicles, increase in capacity utilization of vehicles, deployment of alternative fuel vehicles (like CNG) and electric vehicles in a phased manner where possible and progressive shift to rail transport from road transport.

– Warehouse Management Services: Implemented energy efficient measures like shifting to LED lighting, infrastructure design to facilitate natural lighting and ventilation in certain facilities.

– People Transport Solutions: Replacement of old vehicles with new vehicles, reduction of dry runs for vehicles, increase in capacity utilization of vehicles and deployment of alternative fuel vehicles like CNG and electric vehicles in a phased manner, where possible.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Being a Service Provider, the major suppliers of the Company are fleet operators and contractors

(Business Partners) who provide various services to the Company. All our Business Partners are screened based on the Company's 'Dealing with Suppliers/Vendors Policy' which covers high quality service standards, compliance with EHS standards/regulations, as well as labor, employee and human rights related regulations. Hence, the Company's sourcing of the services is sustainable and responsible.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company's approach in supplier/vendor selection for our business has been to deploy local and small service providers in our operations to the maximum extent possible. Some of the specific aspects of this are represented below:

Goods Transport Services – deployment of drivers and driver-cum-owners in the Intra city distribution of goods, is done from local communities/rural areas.

Warehouse Management Services – deployment of employees in our warehouse/line feed operations, is done from the local communities that are close to the site of operations.

People Transport Solutions – mostly drivers and driver-cum-owners deployed in people transport solutions are from the local communities/rural areas of the region in which the operations are performed.

Our internal business processes and practices are designed to ensure that the interest of these stakeholders is well protected. All drivers are provided road safety trainings. Further regular health programs are conducted, and in certain geographies, awareness on HIV is imparted. Further details are provided under Principle 8.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Being an asset-light Company, we do not own the majority of the assets used in our operations. Despite this, our endeavor in future is to institute processes for monitoring and recycling waste generated through our operations in a phased manner.

Principle 3: Businesses should provide wellbeing of employees

Please indicate the

1.	Total number of employees	15585*
2.	Total number of employees hired on temporary/third party contractual/casual basis. :	10703**
3.	Number of permanent women employees. :	242
4.	Number of permanent employees with disabilities :	1
5.	Do you have an employee association that is recognized by management? :	No#
6.	What percentage of your permanent employees is members of this recognized employee association? :	Not applicable

* Includes employees on Company payroll, Fixed Term Contract and third-party contract payrolls;

** All third party contractual employees;

\# Fixed Term Contract employees have formed a recognised employee association, of which 18.64% employees are Members.

Our employees are our biggest assets. The growth and progress of our Company is dependent entirely on our people. Our systems, processes and technology would mean nothing without sincere and motivated people. We focus on the career growth and development of every individual and look for an ideal situation that helps in harnessing and developing their strengths. This ensures that both the individual and the Company benefit from the strengths and competencies of our people. In order to ensure that the employee's strengths and competencies are leveraged appropriately, we have a host of initiatives that are launched across the organization.

Sanjeevani – the Employee Relations framework focuses on creating an inclusive environment and building capability of employees across all levels by focusing on four critical levers of Communication, Inclusive Participation, Employee Welfare and Capability Building and Growth.

Our talent development framework focusses on developing behavioral skills and to foster an environment of innovation and self-belief to help our employees achieve their goals. We believe that it is only when an inclusive eco-system encompassing a diverse workforce is created that we can drive positive change at the workplace. Aligned to this philosophy, the Company has launched various initiatives to create an inclusive work environment and also identified change agents to champion the initiatives.

MCares – is an employee survey program to understand the views and feedback from all employees at an organization level. This is to evaluate the score of Employee as a Promoter for the organization.

7. Please indicate the Number of complaints relating to child labor, forced labor, involuntary labor, and sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labor/forced labor/ involuntary labor	—	—
2.	Sexual harassment	—	—
3.	Discriminatory employment	—	—

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees : 85%
(b) Permanent Women Employees : 100%
(c) Casual/Temporary/Contractual Employees : 73%
(d) Employees with Disabilities : 100%

Principle 4: Businesses should respect the interest of, and be responsive towards all stakeholders, especially those that are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has identified its Customers, Vendors, and Employees, Investors, Regulators and Local communities as key stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company has identified and designed products specifically for improving livelihood through education, skills based training etc., specifically targeted at disadvantaged and marginalized stakeholders.

Since we understand the difficulties and challenges faced by drivers especially in terms of their 'quality of life' as well as work-life balance, 'Project Samantar' has been designed which addresses issues of health, road safety, children's education, and most importantly enhances their pride in the profession and thereby their self-esteem.

Through the 'Gram Vikas' program we have been systematically adopting villages and providing holistic support and solutions to help them improve their standard of living. This is done through health/education support, scholarships, tree plantations drives, women's empowerment programs etc.

Marginalized and vulnerable communities are also identified and developmental initiatives are taken through the Employee Social Options scheme (ESOPs), a Group employee volunteering program. Initiatives are conducted pan-India, which covers assistance to orphanages/old age homes, tribal school children, tree plantation, Swachh Bharat Abhiyan and blood donation camps etc.

Principle 5: Businesses should respect and promote Human Rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Besides the Human Rights aspects being covered in the Business Responsibility Policy, the Company has a separate Policy for Human Rights in Economic Decision-making, and the adherence to the said policy is part of the agreements/contracts executed with all business partners.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints have been received in financial year 2017-18 in connection with Human Rights violations.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Yes, the Company has a Sustainability Policy which covers responsibility to the environment. The Company encourages sustainability initiatives across its subsidiary companies also.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Being part of the Mahindra Group, the Company is aligned to the Group Sustainability framework, which is integrated in our strategy. Under environment, the Company has identified Resource efficiency and GHG Emission reduction, as key material issues. This has been integrated in the Company's Enterprise Risk Management Framework.

Targets have been taken for improving performance under each parameter and incorporated in the Company's Sustainability Road Map, which is periodically tracked and monitored.

A report on energy use, under Scope 1, scope 2 & scope 3 emissions, and water efficiencies are monitored and reported as a part of the Mahindra Group Sustainability Report. The last published report was for the year 2015-16 and can be accessed on the weblink: http://www.mahindra.com/resources/pdf/sustainability/Mahindra-Sustainability-Report-2015-16.pdf

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Yes. As mentioned in point 2 above.

4. **Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   No. The Company does not have any CDM project.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.**

   The Company has taken a very comprehensive approach to encourage energy efficiency in its operations by creating continuous awareness amongst employees and explaining the environment related challenges in business and solutions. At the operating level, various processes were put in place.

   In the Goods Transportation and People Transport Solutions the following actions are being taken

   a. Higher percentage of new and CNG vehicles in the fleet;
   b. Shifting to rail transport;
   c. Deployment of Electric and CNG vehicles.

   The Initiatives in the Warehouses and Offices are:

   a. Energy efficiencies through LED lighting, Warehouse designs for natural lighting and ventilation;
   b. Reduction in water use through employee awareness, implementing water efficient measures addressing pipe leakages, installing water aerators etc.;
   c. Automation of transactions with customers.

   Above measures have resulted in:

   a. Reduction in energy and costs due to initiatives taken by teams through Kaizen at warehouses;
   b. Process efficiencies resulting in lesser delays in dispatch and therefore increased customer satisfaction;
   c. Process efficiencies resulting in lesser dry runs and therefore leading to lower emissions and cost efficiencies for customers.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   NIL

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. **Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   Yes. The Company is the member of Confederation of Indian Industries (CII), The Associated Chambers of Commerce and Industry of India (ASSOCHAM), The National Association of Software and Services Companies (NASSCOM) and the Indian Bank Association (IBA).

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   Yes. The Company actively participates in CII's National Committee on Logistics, which essentially covers the universe in which all logistics companies operate in India. Through this Committee, important projects cutting across the entire industry, to drive positive change at the industry level on environmental social and governance aspects. e.g. Standardization - covering racking, handling, trucking and palletization, etc., are taken.

   The Company has also advocated for input credit availment under Goods and Services Tax ("GST") for the Rent-a-Cab services, which benefits all players in this business.

Principle 8: Businesses should support inclusive growth and equitable development.

At MLL, we respect and appreciate a diverse workforce that provides a wide range of abilities, experience, knowledge, and strengths. We strive to create an environment responsive to different cultures and groups, in all our interactions- with employees, customers, visitors, suppliers, contractors, shareholders, investors, and the communities we operate in. We are committed to create and leverage the strengths of a diverse talent pool.

We appreciate individual differences by creating an inclusive and participative environment. The individual differences can include but are not restricted to ethnicity, gender, age, physical abilities, family status, religious beliefs, perspectives, experiences and other ideologies.

While doing all of the above, we help in empowering communities to rise. Whether it is through building the lives of our driver partners and their community, or sustaining the environment, whether it is uplifting the basic necessities of a village by providing clean drinking water or by creating awareness on hygiene and safety, we strive to walk the extra mile and help in building societies with equitable development.

1. Does the Company have specified programs/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. Being part of the Mahindra Group, the Company has been aligned to its CSR vision since inception. The Company's CSR focuses on youth, girl-child and development of rural communities, on improving the quality of life for the driver community, in the domains of health, sanitation, education, skilling and environment.

The major initiatives undertaken during financial year 2017-18 were:

A. Contributing to Project 'Nanhi Kali' which was initiated in 1996 by the K. C. Mahindra Education Trust (KCMET) with the aim of providing primary education to underprivileged girl children in India. The program provides educational and material support to underprivileged girls from poor urban, remote rural and conflict afflicted communities across India. The interventions in every community is planned by setting up a 'Village Education Committee' which is sensitized on the importance of girl child education and other resultant benefits that accrue therefrom. One of the important matrices monitored is school attendance, which reflects a positive trend. During the financial year 2017-18, 1776 girls were supported through the Company's contribution.

B. The following programs were undertaken towards Driver welfare:

1. Project Samantar – A holistic Driver welfare program, designed to improve the working conditions of the driver community. A need assessment is done through Driver Welfare Forums comprising of Business Partners, field experts and NGOs, to ensure that the program design is impactful. The actual programs are structured after brainstorming for challenges faced by drivers. which are categorized under three pillars:

i. Providing facilities: in terms of restrooms, en-route sanitation, drinking water, medical checkups, HIV/AIDS clinic etc.

ii. Dignity & Respect: Awareness programs launched to educate all employees and security personnel to treat the driver with respect at the time of their entry and exit from our operating sites. Encourage drivers to discuss issues and challenges with senior personnel through programs like "Chai-Pe-Charcha", celebrate festivals at operating sites, and engage with their families by greeting them on their anniversaries and supporting their children's education by giving scholarships.

iii. Skills development in terms of a) Awareness campaigns on, importance of wearing seat belts, following road signage, personal hygiene, etc. b) Safety Training, c) Defensive Driving training, d) Vehicle maintenance, e) Mobile friendliness, etc.

2. A certification program under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) has also been initiated, which focuses on providing driving skills training to the youth wherein the prior competencies of candidates are assessed and on successful completion, the candidates receive a monetary reward, mark sheet and Government certificate.

3. In collaboration with Save Life Foundation, specific trainings were conducted to train long haul truck drivers. The program includes a post assessment test with certifications.

The outcomes of the above programs during the year are as follows.

Programs	Outcomes
Total No. of Drivers who benefitted under Project Samantar	42,768
No of initiatives	204
Facilities provided	7 Porta cabins for drivers while they wait during loading/unloading, and 650 restrooms pan India in collaboration with other corporates
Youth trained under PMKVY	461 (Passing success rate 94%)
No. of drivers trained through Save Life Foundation	331

C. Gram Vikas – A Village adoption program with holistic interventions over a period of 3 years, to spur economic, infrastructure and human development. In order to ensure long term impact, only one village is adopted at a time. The program covers aspects of health & sanitation, malnutrition, education, youth development, women's empowerment, support to the farmer community and infrastructure development like roads, rain water harvesting facilities etc. The village is chosen for adoption on basis of a baseline data which shows the level of basic amenities in the village, in terms of safe drinking water, healthcare & education facilities, basic infrastructure like housing, drainage systems, and level of social discrimination. 'Aware' village in Maharashtra's Thane district, was the first to be adopted in 2013.

An impact assessment was carried out by an external research institute, which rated the interventions in developing infrastructure for education, and civil amenities as 'High', Vocational training to villagers as 'Medium' and access to water and tree plantations as 'Low'.

Based on the learnings of this assessment, the Company adopted Tembha Village, in Shahapur block, Thane District in 2017. This is also expected to be a 3-year project after which the actual impact will be assessed.

During financial year 2017-18, in Tembha village the developmental activities undertaken include:

- For better access to education, renovation of schools and Anganwadies, construction of water supply project. Promoting girl's education, school stationary, vocational trainings, competitive sports, distribution of clothes, etc. were undertaken. Play equipment were installed in school grounds and personal computers were provided for children in higher classes.
- To make school dropouts self-sufficient, programs like counselling sessions, educational trips, distribution of bicycles etc. were conducted.
- To address hunger and mal-nutrition, programs like distribution of food grains & groceries, healthcare/ sanitation awareness, eye checkup camps were conducted.
- To promote a healthy environment, infrastructure for access to clean water, tree plantation drives, Swachh Bharat Abhiyan campaigns, and family welfare programs, along with festival celebration with social messages were carried out.
- To drive women's empowerment tailoring classes for ladies having sewing machines were started.

D. The Company also encourages employees to volunteer under Mahindra ESOPs (Employee Social Option Programs). Under this program, employees have participated in projects like assisting destitute homes, orphanages, old age homes etc., health camps, tree plantations, blood donation, HIV awareness and the Swachh Bharat Abhiyan.

During financial year 2017-18, 5,154 employees participated in the ESOPs, contributing 30,996 employee hours, as against participation of 3,418 employees and 15,358 employee hours in the previous year, thus abiding by the Group credo "Rise for Good".

2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The programs stated above are either implemented directly or through NGOs having an established track record like SAVALI NGO and MAGMO NGO. The Company contributes part of its CSR funds to 'Nanhi Kali', which is jointly managed by the K. C. Mahindra Education Trust and Naandi Foundation.

3. Have you done any impact assessment of your initiative?

During the year an impact assessment of Aware village under the Gram Vikas program and Samantar including the Driver's Welfare Program were carried out through an external research institute. For Project Nanhi Kali, 3rd party assessments are regularly done at the Group level.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company's contribution for the financial year 2017-18, to community development projects through its CSR initiatives amounted to ₹ 1.27 Crores. Details of investments in some of the major initiatives are as follows:

Project	Amount (₹ in crores)
Nanhi Kali	0.62
Driver welfare programs	0.34
Village adoption	0.21
Employee Volunteerism	0.10

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

All programs are monitored and evaluated for progress by dedicated in-house teams. Proper evaluation of NGOs is done before assigning any projects for implementation. The in-house teams regularly interact with target social groups and the implementation partners to ensure that the projects are implemented within the desired time and are effective.

Monthly reports of all CSR activities are presented to the CSR committee. During the year under review, an independent verification of all programs was also carried out by an external agency. The reports and independent verification reflect that the development initiatives are successfully adopted by the community.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   The status of the customer complaints received during financial year 2017-18 is as follows:

Complaints under	No. of Complaints Received	No. of Complaints Resolved	No. of Complaints pending	% of complaints pending
Goods Transport Services and Warehouse Management Services	175	163	12	7
People Transport Solutions (PTS)	44	44	—	—
Total	**219**	**207**	**12**	**6**

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

   Not Applicable.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   NIL

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   The Company annually carries out Customer Survey – The CaPS (Customer as a Promoter Score), through an external agency. A list of customers with whom the Company has had business relationship is prepared and shared with the agency. The agency interacts with the Customers, through a random selection. Customer satisfaction report for the Company as a whole and for each of our business verticals is provided.

Mahindra LOGISTICS

Independent Auditor's Report to the Members of Mahindra Logistics Limited

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

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

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

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

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the Directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018 from being appointed as a Director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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.

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
Partner
(Membership No. 102637)

Mumbai, May 02, 2018

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

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

Management's Responsibility for Internal Financial Controls

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 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 based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 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 and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting 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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
Partner
(Membership No. 102637)

Mumbai, May 02, 2018

Annexure "B" to the Independent Auditor's Report

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

(i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment.

b. The Company has a program of verification of Property, Plant and Equipment to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deed comprising the immovable property of land is held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year within the meaning of the provisions of Sections 73 and 76 or any other relevant provisions of the Companies Act, 2013. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.

(vi) Having regard to the nature of Company's business/activities, reporting under clause (vi) CARO 2016 is not applicable.

(vii) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion:

a. The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess, Goods and Service Tax and other material statutory dues as applicable to it with the appropriate authorities.

b. As at March 31, 2018, the following are the particulars of dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Value Added Tax matters that have not been deposited on account of any dispute:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount Relates (FY)	Amount involved (₹ in crores)
Income-Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2008-09	0.78
Income-Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2009-10	0.60
Income-Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2010-11	0.48
Income-Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2011-12	4.84
Income-Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2012-13	8.80
Income-Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2013-14	3.71
Service Tax Laws	Service Tax	High Court	2001-02	0.44
Service Tax Laws	Service Tax	High Court	2002-03	0.31
Service Tax Laws	Service Tax	Commissioner of Appeals – Mumbai Zone - 1	2004-05	0.16
Service Tax Laws	Service Tax	Commissioner of Appeals – Mumbai Zone - 1	2005-06	0.31
Service Tax Laws	Service Tax	Commissioner of Appeals – Mumbai Zone - 1	2006-07	0.49
Service Tax Laws	Service Tax	Commissioner Customs, Central Excise and Service Tax, Nagpur	2008-09	0.91
Service Tax Laws	Service Tax	Commissioner Customs, Central Excise and Service Tax, Nagpur	2009-10	1.79

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the Amount Relates (FY)	Amount involved (₹ in crores)
Maharashtra Value Added Tax Act	Value Added Tax	Assistant Commissioner	2009-10	2.35
Bihar Value Added Tax Act	Value Added Tax	Joint Commissioner – Commercial Tax	2013-14	0.02

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures and hence reporting under clause (viii) of the Order is not applicable to the Company.

(ix) During the year the Company came out with an Initial Public Offer of its Equity Shares through offer for sale by its shareholders and hence reporting under clause (ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanation given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanation given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or Directors of its subsidiaries or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
Partner
(Membership No. 102637)

Mumbai, May 02, 2018

Mahindra LOGISTICS

Standalone Balance Sheet as at 31st March, 2018

₹ in Crores

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
I. NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	**30.09**	26.78
(b) Capital Work-in-Progress		**0.55**	0.69
(c) Intangible Assets	5	**0.99**	1.17
(d) Financial Assets			
(i) Investments	6	**12.96**	11.86
(ii) Other Financial Assets	9	**14.21**	10.26
(e) Deferred Tax Assets (Net)	10	**13.05**	11.52
(f) Income Tax Assets (Net)	13	**81.46**	52.10
(g) Other Assets	11	**19.91**	6.74
SUB-TOTAL		**173.22**	121.12
II. CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	6	**50.05**	58.04
(ii) Trade Receivables	7	**487.68**	400.26
(iii) Cash and Cash Equivalents	12	**65.36**	49.32
(iv) Loans	8	**—**	25.00
(v) Other Financial Assets	9	**82.43**	54.25
(b) Other Assets	11	**51.62**	59.12
SUB-TOTAL		**737.14**	645.99
III. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	14	**1.91**	1.91
TOTAL ASSETS		**912.27**	769.02
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	15	**71.14**	68.00
(b) Other Equity	16	**347.76**	280.82
SUB-TOTAL		**418.90**	348.82
LIABILITIES			
I. NON-CURRENT LIABILITIES			
(a) Other Financial Liabilities	18	**—**	0.02
(b) Provisions	19	**14.33**	12.71
SUB-TOTAL		**14.33**	12.73
II. CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables	17	**455.89**	390.05
(ii) Other Financial Liabilities	18	**4.65**	4.86
(b) Provisions	19	**3.00**	3.21
(c) Other Liabilities	20	**15.50**	9.35
SUB-TOTAL		**479.04**	407.47
TOTAL EQUITY AND LIABILITIES		**912.27**	769.02

The accompanying notes 1 to 37 are an integral part of the Financial Statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kedar Raje
Partner

Place: Mumbai
Date: 2nd May, 2018

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Zhooben Bhiwandiwala
Chairman
DIN:00110373

Nikhil Nayak
Chief Financial Officer

Brijbala Batwal
Company Secretary

Parag Shah
Director
DIN:00374944

Pirojshaw Sarkari
Chief Executive Officer

Standalone Statement of Profit and Loss for the year ended 31st March, 2018

₹ in Crores

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
INCOME			
I. Revenue from Operations	21	**3,220.11**	2,588.69
II. Other Income	22	**4.73**	8.96
III. Total Income (I + II)		**3,224.84**	2,597.65
IV. EXPENSES			
(a) Employee benefits expense	23	**219.04**	182.28
(b) Finance costs	24	**0.31**	0.26
(c) Depreciation and amortisation expense	4&5	**12.85**	8.91
(d) Other expenses	25	**2,895.24**	2,338.52
Total Expenses		**3,127.44**	2,529.97
V. Profit before tax (III - IV)		**97.40**	67.68
VI. Tax Expense			
(1) Current tax	26	**36.74**	25.82
(2) Deferred tax	26	**(1.53)**	(2.94)
Total Tax Expense		**35.21**	22.88
VII. Profit After Tax (V - VI)		**62.19**	44.80
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans – Losses		**(0.16)**	(0.72)
(ii) Income tax relating to items that will not be reclassified to profit or loss		**0.05**	0.25
Total Other Comprehensive Income		**(0.11)**	(0.47)
IX. Total comprehensive income for the year (VII + VIII)		**62.08**	**44.33**
X. Earnings per equity share (Face Value ₹ 10/- per share)			
(1) Basic (in ₹)	27	**8.87**	6.59
(2) Diluted (in ₹)	27	**8.78**	6.51

The accompanying notes 1 to 37 are an integral part of the Financial Statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kedar Raje
Partner

Place: Mumbai
Date: 2nd May, 2018

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Zhooben Bhiwandiwala
Chairman
DIN:00110373

Parag Shah
Director
DIN:00374944

Nikhil Nayak
Chief Financial Officer

Pirojshaw Sarkari
Chief Executive Officer

Brijbala Batwal
Company Secretary

Mahindra LOGISTICS

Standalone Statement of Changes in Equity for the year ended 31st March, 2018

₹ in Crores

(a) Equity Share Capital

Particulars	Number of shares	Equity share capital
Balance as at 1st April, 2017	**6,94,55,044**	**68.00**
Changes in equity share capital during the year		
Exercise of employee stock options	16,86,880	1.69
Partly paid share made fully paid up	—	1.45
Balance as at 31st March, 2018	**7,11,41,924**	**71.14**

(b) Other Equity

Particulars	Reserves & Surplus			Total
	Securities premium reserve	Equity-settled employee benefits reserve	Retained earnings	
Balance as at 1st April, 2017	**92.67**	**2.46**	**185.69**	**280.82**
– Addition to Securities premium reserve	5.82	—	—	5.82
– Addition to equity settled employee benefit reserve	—	1.70	—	1.70
– Deletion to equity settled employee benefit reserve	—	(2.66)	—	(2.66)
Total Comprehensive income for the year				
– Profit for the year	—	—	62.19	62.19
– Actuarial gain/(loss) transferred to retained earnings	—	—	(0.11)	(0.11)
Balance as at 31st March, 2018	**98.49**	**1.50**	**247.77**	**347.76**

The accompanying notes 1 to 37 are an integral part of the Financial Statements.

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kedar Raje
Partner

Place: Mumbai
Date: 2nd May, 2018

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Zhooben Bhiwandiwala
Chairman
DIN:00110373

Parag Shah
Director
DIN:00374944

Nikhil Nayak
Chief Financial Officer

Pirojshaw Sarkari
Chief Executive Officer

Brijbala Batwal
Company Secretary

Standalone Statement of Cash Flows for the year ended 31st March, 2018

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
A. Cash flows from operating activities		
Profit before tax for the year	**97.40**	67.68
Adjustments for:		
Loss on disposal of property, plant and equipment	**0.06**	0.11
Provision for expected credit loss recognised on trade receivables	**2.94**	2.45
Bad debts/advances written off	**4.42**	1.68
Provision for doubtful advances	**(1.86)**	0.62
Depreciation and amortisation expense	**12.85**	8.91
Finance Charges	**0.31**	0.26
Dividend Income	**(0.37)**	(0.53)
Interest Income	**(2.78)**	(6.87)
Profit on sale of mutual funds	**(0.56)**	(0.54)
Employees Compensation expense (ESOP)	**1.70**	0.71
Operating profit before working capital changes	**114.11**	74.48
Movements in working capital:		
Increase in trade and other receivables	**(120.88)**	(222.62)
Increase in trade and other payables	**75.31**	167.11
Cash generated from operations	**68.54**	18.97
Income taxes paid	**(66.09)**	(52.97)
Net cash generated by/(used in) operating activities	**2.45**	(34.00)
B. Cash flows from investing activities		
Payment to acquire current investments	**(1,801.92)**	(1,561.85)
Proceeds from sale of current investments	**1,810.47**	1,572.43
Investment in subsidiary	**(1.10)**	(1.65)
Repayment received of ICD given	**25.00**	—
Dividend income	**0.37**	0.53
Interest income	**3.80**	6.87
Payment to acquire property, plant and equipment & other intangible assets	**(29.41)**	(15.41)
Proceeds from disposal of property, plant and equipment	**0.39**	0.08
Net cash generated by investing activities	**7.60**	1.00

Mahindra LOGISTICS

Standalone Statement of Cash Flows for the year ended 31st March, 2018

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
C. Cash flows from financing activities		
Interest paid	**(0.31)**	(0.26)
Issue of Share Capital	**3.14**	—
Share premium received	**3.16**	—
Net cash generated by/(used in) financing activities	**5.99**	(0.26)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**16.04**	(33.26)
Cash and cash equivalents at the beginning of the year	**49.32**	82.58
Cash and cash equivalents at the end of the year	**65.36**	49.32
Components of cash and cash equivalents		
Cash/Cheques on hand	**0.27**	0.54
With Banks – on Current account/Balance in Cash Credit Accounts	**65.09**	48.78
	65.36	49.32

Notes:

1. The above Cash Flow Statement has been prepared under the Indirect Method set out in 'IND AS 7 – Statement of Cash Flows'.
2. Figures in bracket indicates cash outflow.

The accompanying notes 1 to 37 are an integral part of the Financial Statements.

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kedar Raje
Partner

Place: Mumbai
Date: 2nd May, 2018

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Zhooben Bhiwandiwala
Chairman
DIN:00110373

Nikhil Nayak
Chief Financial Officer

Brijbala Batwal
Company Secretary

Parag Shah
Director
DIN:00374944

Pirojshaw Sarkari
Chief Executive Officer

Notes accompanying Financial Statements

1. Corporate information

Mahindra Logistics Limited is a public limited company incorporated on 24th August, 2007 under the Companies Act, 1956. The address of its registered office are disclosed in the introduction to the Annual Report. The Company is a 3PL service provider mainly engaged in transportation warehousing, supply chain management and people logistics services.

The financial statements for the year ended 31st March, 2018 are approved for issue in accordance with a resolution of the directors on 2nd May, 2018.

In the reporting financial year, the Company has completed Initial Public Offer (IPO) of 19,332,346 Equity Shares of ₹ 10/- each at an offer price of ₹ 429/- per Equity Share aggregating to ₹ 828.88 Crores (net of employee discount), through an offer for sale by (i) Mahindra and Mahindra Limited of 9,666,173 equity shares (ii) Normandy Holdings Limited of 9,271,180 equity shares and (iii) Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF 1 of 394,993 equity shares. The Equity Shares of the Company were listed on 10th November, 2017 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

2. Significant accounting policies

2.1. Statement of compliance

The financial statements have been prepared in accordance Indian Accounting Standard as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act'). The financial statements are separate financial statements.

2.2. Basis of preparation and presentation

The financial statements have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statement is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are prepared in Indian Rupee(INR) and denominated in crores.

The principal accounting policies are set out below.

2.3. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.4. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.4.1. Rendering of services

Incomes from logistics services rendered are recognised on the completion of the services as per the terms of contract. Revenue is recognized at the fair value of consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

2.4.2. Dividend and interest income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.4.3. Sale of Goods

Sale of products are recognised when the products are dispatched which coincides with the transfer of risk and rewards to the buyer of products. Sales are exclusive of sales tax/ Goods and Service Tax & sales returns.

2.5. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Certain arrangements convey a right to use an asset in return for a payment or series of payments. At inception of the arrangement, the Company determines whether such an arrangement is or contains a lease and seperates the consideration into those for the lease and those for the other elements. The lease component is accounted as per Company's accounting policies on leasing transactions.

The Company's significant operating leasing arrangements are in respect of office premises, warehouse, warehouse equipments and IT related equipments. Lease rentals are recognised as per the terms of lease.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

2.6. Foreign currencies

i. Initial recognition

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency of Indian Rupees (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

ii. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

a. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

2.7. Borrowing costs

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue in the year of incurrence.

2.8. Employee benefits

2.8.1. Retirement benefit costs and termination benefits

i. **Defined Contribution Plan:**

Company's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

ii. **Defined Benefits Plan:**

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.8.2. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.9. Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note no. 23.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.10. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.10.1. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.10.2. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.10.3. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.11. Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the assets carrying amount or recognised as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and 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 Statement of profit and loss during the reporting period in which they are incurred.

Depreciation on tangible assets is charged by the Straight Line Method (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of:

i. Certain items of Plant & Machinery individually costing more than ₹ 5,000 - over their useful lives ranging from 2 years to 10 years as estimated by the Company and also based on the contractual arrangements wherever applicable.

ii. Certain items of Plant & Machinery individually costing less than ₹ 5,000 shall be depreciated over a period of 1 year.

iii. Mobile Phones (included in Office equipment) in 2 years.

iv. Motor Cars (included in vehicles) in 5 years.

v. Assets capitalised which are attached to the leasehold office premises shall be depreciated upto 75% of its value over the lease period assuming a realisable value of 25% after the end of original lease period.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.12. Intangible assets

2.12.1. Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.12.2. Useful lives of intangible assets

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

2.13. Impairment of tangible and intangible assets

The management of the Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognised immediately in profit or loss.

2.14. Provisions, Contingent liabilities & Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.14.1. Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

A contingent asset is disclosed where an inflow of economic benefits is probable.

2.15. Financial instruments

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

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

2.16. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.16.1. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

(i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

(ii) the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer Note 2.16.4

Investments in subsidiaries: All investments in subsidiaries are valued at cost.

All other financial assets are subsequently measured at fair value.

2.16.2. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

2.16.3. Financial assets at Fair value through Profit and Loss

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial

asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2.16.4. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss 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 Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.16.5. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.16.6. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.17. Financial liabilities and equity instruments

2.17.1. Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.17.2. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.17.3. Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

2.17.4. Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.18. Segment Accounting

The CEO monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment. Segment performance is measured based on profit or loss and is measured consistently with profit or loss in financial statements.

2.18.1. Identification of Operating Segments

The operating segments have been identified based on its services and has two reportable segments, as follows:

i. **Supply Chain Management** – Goods Transportation service including warehouse management service.

ii. **People Logistics** – People Transportation Service.

2.18.2. Accounting of Operating Segments

Accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenues and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis and inter-segment revenue and expenses, have been included under "Unallocated Corporate Expenses/Eliminations".

2.19. Earnings Per Share

Basic and diluted earnings per share is computed 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, in accordance with Ind AS 33.

3 (a). Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Useful lives of Property, plant and equipment

As described in note 2.11 above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

(ii) Defined Benefit Plans

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases, mortality rates and attrition rate. 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.

(iii) Fair Value of financial assets and liabilities and investments

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

3 (b). Recent Accounting Pronouncements

Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115 – 'Revenue from Contracts with Customers' and consequential amendments to various Ind AS standards. The amended Rules also notified amendments to Ind AS 12 – 'Income Taxes', Ind AS 21 – 'The Effect of Changes in Foreign Exchange Rates'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB). The amendments are effective from accounting periods beginning from 1st April, 2018.

Ind AS 115 – 'Revenue from Contracts with Customers':

This standard establishes a single comprehensive model for accounting of revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition guidance under Ind AS 11 *Construction Contracts* and Ind AS 18 *Revenue.* The Company is currently assessing the impact of application of Ind AS 115 on Company's financial statements.

Amendment to Ind AS 12 – 'Income Taxes':

The amendments clarify the requirement for recognising deferred tax assets on unrealised losses on debt instruments that are measured at fair value. The amendment also clarify certain other aspects of accounting for deferred tax assets. The changes will not have any material impact on the financial statements of the Company.

Amendment to Ind AS 21 – 'The Effect of Changes in Foreign Exchange Rates':

This amendment clarifies translation of advance payments denominated in foreign currency into functional currency at the spot rate on the day of payment. The guidance aims to reduce diversity in practice. The changes will not have any material impact on the financial statements of the Company.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 4 – Property, Plant and Equipment

Year ended 31st March, 2018

₹ in Crores

Description of Assets	Plant and Machinery	Office Equipment	Furniture & Fittings	Vehicles	Total
A. Cost					
Balance as at 1st April, 2017	20.42	16.35	9.49	1.66	47.92
a) Additions	4.33	6.64	4.60	0.27	15.84
b) Less: Disposals/adjustments	(0.32)	(0.28)	(0.63)	(0.33)	(1.56)
Balance as at 31st March, 2018	**24.43**	**22.71**	**13.46**	**1.60**	**62.20**
B. Accumulated depreciation					
Balance as at 1st April, 2017	9.75	7.61	3.25	0.53	21.14
a) Depreciation expense for the year	4.15	4.66	2.91	0.24	11.96
b) Less: Disposals/adjustments	(0.22)	(0.21)	(0.24)	(0.32)	(0.99)
Balance as at 31st March, 2018	**13.68**	**12.06**	**5.92**	**0.45**	**32.11**
C. Net carrying amount (A-B)	**10.75**	**10.65**	**7.54**	**1.15**	**30.09**

Year ended 31st March, 2017

Description of Assets	Plant and Machinery	Office Equipment	Furniture & Fittings	Vehicles	Total
A. Cost					
Balance as at 1st April, 2016	14.85	12.32	6.34	1.38	34.89
a) Additions	4.44	5.56	3.29	1.03	14.32
b) Less: Disposals/adjustments	1.13	(1.53)	(0.14)	(0.75)	(1.29)
Balance as at 31st March, 2017	**20.42**	**16.35**	**9.49**	**1.66**	**47.92**
B. Accumulated depreciation					
Balance as at 1st April, 2016	5.68	5.23	2.04	1.15	14.10
a) Depreciation expense for the year	3.22	3.54	1.30	0.09	8.15
b) Less: Disposals/adjustments	0.85	(1.16)	(0.09)	(0.71)	(1.11)
Balance as at 31st March, 2017	**9.75**	**7.61**	**3.25**	**0.53**	**21.14**
C. Net carrying amount (A-B)	**10.67**	**8.74**	**6.24**	**1.13**	**26.78**

Note:

i) The estimated amount of contracts remaining to be executed on capital account and not provided for is as follows:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Contracts remaining to be executed on capital account	**2.75**	1.40

Note No. 5 – Intangible Assets

₹ in Crores

Computer Software	Year ended 31st March, 2018	Year Ended 31st March, 2017
A. Cost		
a) Balance as at 1st April, 2017	**12.63**	11.09
b) Additions	**0.71**	1.54
Balance as at 31st March, 2018	**13.34**	12.63
B. Accumulated ammortisation		
a) Balance as at 1st April, 2017	**11.46**	10.70
b) Amortisation expense for the year	**0.89**	0.76
Balance as at 31st March, 2018	**12.35**	11.46
C. Net carrying amount (A-B)	**0.99**	**1.17**

Note:

i) The estimated amount of contracts remaining to be executed on capital account and not provided for is as follows:

Particulars	Year ended 31st March, 2018	Year Ended 31st March, 2017
Contracts remaining to be executed on capital account	**2.80**	0.01

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 6 – Investments

₹ in Crores

Particulars	Year ended 31st March, 2018			Year ended 31st March, 2017		
	Quantity	Amount Current	Amount Non Current	Quantity	Amount Current	Amount Non Current
I. COST						
Unquoted Investments (fully paid)						
— Investments in Equity Instruments of Subsidiaries						
i) Equity Shares of 2x2 Logistics Private Limited of ₹ 10 each fully paid up	**49,55,500**	**—**	**4.96**	38,55,500	—	3.86
ii) Equity Shares of LORDS Freight India Private Limited of ₹ 10 each fully paid up	**14,17,509**	**—**	**8.00**	14,17,509	—	8.00
Total Unquoted Investments		**—**	**12.96**		—	11.86
TOTAL INVESTMENTS CARRIED AT COST [I]		**—**	**12.96**		—	11.86
II. FAIR VALUE THROUGH PROFIT AND LOSS (FVTPL)						
A. Quoted Investments (fully paid)						
Investments in Mutual Funds		**50.05**	**—**		58.04	—
Total Quoted Investments		**50.05**	**—**		58.04	—
TOTAL INVESTMENTS CARRIED AT FVTPL [II]		**50.05**	**—**		58.04	—
Of the above, investments designated at FVTPL		**—**	**—**		—	—
Of the above, investments held for trading		**50.05**	**—**		58.04	—
Other investments carried at FVTPL		**—**	**—**		—	—
TOTAL INVESTMENTS (I) + (II)		**50.05**	**12.96**		58.04	11.86
TOTAL IMPAIRMENT VALUE OF INVESTMENTS (III)		**—**	**—**		—	—
TOTAL INVESTMENTS CARRYING VALUE (I) + (II) - (III)		**50.05**	**12.96**		58.04	11.86
Other disclosures						
Aggregate amount of quoted investments		**50.05**	**—**		58.04	—
Aggregate amount of Market value of investments		**50.05**	**—**		58.04	—
Aggregate amount of unquoted investments		**—**	**12.96**		—	11.86
Aggregate amount of impairment in value of investments		**—**	**—**		—	—

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 7 – Trade receivables

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Unsecured, considered good	**487.68**	400.26
Doubtful	**11.64**	8.70
	499.32	408.96
Less: Allowance for Credit Losses	**11.64**	8.70
Total	**487.68**	400.26

Notes:

i) Refer Note 28 (III) for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

ii) The company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected credit loss provision for all trade receivables. The company has expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

iii) Trade Receivables are hypothecated to Banks against working capital facility.

Note No. 8 – Loans

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Loan to related party		
Unsecured, considered good	—	25.00
Total	—	25.00

Note:

i) Refer Note 28 (III) for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 9 – Other financial assets

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-Current	Current	Non-Current
Financial assets at amortised cost				
a) Bank Deposit				
i. Under lien with Government authority with more than 12 months of original maturity	**—**	**0.01**	—	#
ii. Bank Deposit with more than 12 months original maturity	**—**	**—**	8.00	—
Total	**—**	**0.01**	8.00	—
b) Security Deposits				
i. Unsecured, considered good	**10.46**	**13.24**	6.54	10.20
ii. Doubtful	**0.22**	**—**	—	—
Less: Allowance for Losses	**(0.22)**	**—**	—	—
Total	**10.46**	**13.24**	6.54	10.20
c) Other items				
i. Interest Accrued	**0.01**	**—**	1.03	—
ii. Accrued Sales	**71.30**	**—**	37.71	—
iii. Equity Shares of Zoroastrian Cooperative Bank Ltd	**—**	**0.01**	—	0.01
iv. National Savings Certificate	**—**	**0.01**	—	0.01
v. other receivables	**0.66**	**0.94**	0.97	0.04
Total	**71.97**	**0.96**	39.71	0.06
Total (a+b+c)	**82.43**	**14.21**	54.25	10.26

# denotes amount less than ₹ 50,000

Note No. 10 – Deferred Tax Assets

Movement in deferred tax balances

₹ in Crores

Particulars	Year ended 31st March, 2018			Year ended 31st March, 2017		
	Opening Balance	Recognised in Profit and Loss	Closing Balance	Opening Balance	Recognised in Profit and Loss	Closing Balance
A. Tax effect of items constituting deferred tax liabilities						
a) VAT allowance	**1.08**	**0.01**	**1.09**	1.08	—	1.08
b) Deposits received	**0.01**	**(0.01)**	**—**	0.02	(0.01)	0.01
c) Mutual Funds	**0.01**	**0.01**	**0.02**	0.02	(0.01)	0.01
Total	**1.10**	**0.01**	**1.11**	1.12	(0.02)	1.10
B. Tax effect of items constituting deferred tax assets						
a) Property, Plant and Equipment	**2.07**	**1.43**	**3.50**	1.77	0.30	2.07
b) Employee benefits	**5.51**	**0.55**	**6.06**	4.87	0.64	5.51
c) Allowances for credit losses	**4.10**	**0.42**	**4.52**	3.04	1.06	4.10
d) ESOP Expenses	**0.88**	**(0.88)**	**—**	—	0.88	0.88
e) Others	**0.06**	**0.02**	**0.08**	0.02	0.04	0.06
Total	**12.62**	**1.54**	**14.16**	9.70	2.92	12.62
Net Tax Asset/(Liabilities) (B-A)	**11.52**	**1.53**	**13.05**	8.58	2.94	11.52

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 11 – Other assets

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-Current	Current	Non-Current
A. Capital advances				
a) For Capital work in progress	**—**	**0.23**	—	0.39
b) For Intangible asset	**—**	**12.92**	—	0.04
Total (A)	**—**	**13.15**	—	0.43
B. Advances other than capital advances				
a) Advances to suppliers – considered good	**45.03**	**—**	53.43	—
b) Advances to suppliers – considered doubtful	**1.07**	**—**	3.15	—
c) Balances with government authorities (other than income taxes)	**2.97**	**6.16**	1.95	5.72
d) Prepaid Expenses	**2.18**	**0.60**	2.63	0.59
e) Advances to employees (refer note (a) below)	**1.44**	**—**	1.11	—
Total (B)	**52.69**	**6.76**	62.27	6.31
Total (A+B)	**52.69**	**19.91**	62.27	6.74
Less: Provision for doubtful advances	**(1.07)**	**—**	(3.15)	—
Total (C)	**(1.07)**	**—**	(3.15)	—
TOTAL (A+B+C)	**51.62**	**19.91**	59.12	6.74

Note:

a) Advances given to employees are as per the Company's policy and are not required to be disclosed u/s 186(4) of Companies Act, 2013.

Note No. 12 – Cash and Cash Equivalents

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
A. Cash and cash equivalents		
a) Balances with banks	**40.09**	21.78
b) Cheques, drafts on hand	**0.27**	0.54
c) Bank deposits with original maturity of less than 3 months	**25.00**	27.00
Total	**65.36**	49.32

Note:

i) Cash Credit facilities are repayable on demand and carry interest based on applicable rate plus agreed spreads and/or negotiated rates. The rates of interest during the period ranged between 8.45% to 11.00%.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 13 – Income Tax Assets (Net)

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advance Income Tax/TDS Receivable (Net)	**81.46**	52.10
Total	**81.46**	52.10

Note No. 14 – Non-Current Assets classified as held for sale

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Land held for sale	**1.91**	1.91
Total	**1.91**	1.91
Liabilities associated with assets held for sale	**—**	—

Notes:

i) During the financial year 2011-2012, cost of land situated at Sembiya Manali Village, Ponneri Taluka, Tiruvallore District, amounting to ₹ 1.89 Crores and related development costs of the land amounting to ₹ 0.02 Crores was classified as Non-Current Asset held for sale.

ii) Being a non-core asset, the management decided to sell the land. The Company is looking for a prospective buyer including advertisements through print media. The property is available for immediate sale in its present condition.

Note No. 15 – Equity Share Capital

₹ in Crores

Particulars	Year ended 31st March, 2018		Year ended 31st March, 2017	
	No. of shares	Amount	No. of shares	Amount
A. Authorised:				
a) Equity shares of ₹ 10 each with voting rights	**10,50,00,000**	**105.00**	10,50,00,000	105.00
Total	**10,50,00,000**	**105.00**	10,50,00,000	105.00
B. Issued, Subscribed and Fully Paid:				
a) Equity shares of ₹ 10 each with voting rights	**7,11,41,924**	**71.14**	6,78,32,997	67.83
Total	**7,11,41,924**	**71.14**	6,78,32,997	67.83
C. Issued, Subscribed and Partly Paid:				
a) Equity shares of ₹ 10 each with voting rights ₹ 2 paid up	**—**	**—**	40,774	0.01
b) Equity shares of ₹ 10 each with voting rights ₹ 1 paid up	**—**	**—**	15,81,273	0.16
Total	**—**	**—**	16,22,047	0.17
Total (B+C)	**7,11,41,924**	**71.14**	6,94,55,044	68.00

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 15 – Equity Share Capital (contd.)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars		Opening Balance	Fresh Issue	Other Changes#	Closing Balance
A. Equity Shares with Voting rights					
a) Year ended 31st March, 2018	**No. of Shares**	**6,94,55,044**	**16,86,880**	**—**	**7,11,41,924**
	Amount	**68.00**	**1.69**	**1.45**	**71.14**
b) Year ended 31st March, 2017	No. of Shares	6,12,77,860	81,77,184	—	6,94,55,044
	Amount	59.82	8.18	—	68.00
B. 0.001% Non Cumulative fully paid Compulsory Convertible Preference of ₹ 50 each					
a) Year ended 31st March, 2018	**No. of Shares**	**—**	**—**	**—**	**—**
	Amount	**—**	**—**	**—**	**—**
b) Year ended 31st March, 2017	No. of Shares	81,77,184	—	(81,77,184)	—
	Amount	40.89	—	(40.89)	—

During the year 1,581,273 partly paid-up Equity Shares of ₹ 1 each and 40,774 partly paid-up Equity Shares of ₹ 2 each were made fully paid-up on 7th July, 2017.

(i) Rights, preferences and restrictions attached to equity shares.

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended 31st March, 2017, 81,77,184 0.001% Non cumulative compulsory convertible preference shares have been converted into 81,77,184 fully paid up equity shares

(ii) Details of shares held by Holding Company / and their Subsidiaries

Name of shareholder	As at 31st March, 2018	As at 31st March, 2017
a) Holding Company		
— Mahindra & Mahindra Limited	**4,18,12,157**	—
b) Subsidiaries of Holding Company		
— Mahindra Engineering and Chemical Products Limited	**100**	—

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
A. Equity shares with voting rights				
a) Mahindra & Mahindra Limited	**4,18,12,157**	**58.77%**	5,14,78,330	74.12%
b) Normandy Holdings Limited	**64,15,083**	**9.02%**	1,56,86,263	22.58%

Note:

i) For details of shares reserved or issuance under options, please refer note no 23.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 16 – Other Equity

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Securities premium reserve	**98.49**	92.67
Equity-settled employee benefits reserve	**1.50**	2.46
Retained earnings	**247.77**	185.69
Total	**347.76**	280.82

Movement in Reserves

Particulars	As at 31st March, 2018	As at 31st March, 2017
(A) Securities Premium Reserve		
Balance as at the beginning of the year	**92.67**	59.96
Add: Additions during the year	**5.82**	32.71
Less: Deletion during the year	**—**	—
Balance as at the end of the year	**98.49**	92.67
(B) Equity-settled Employee benefits reserve		
Balance as at the beginning of the year	**2.46**	1.75
Add: Additions during the year	**1.70**	0.71
Less: Deletion during the year	**(2.66)**	—
Balance as at the end of the year	**1.50**	2.46
(C) Retained Earnings		
Balance as at the beginning of the year	**185.69**	141.36
Add: Profit for the year	**62.19**	44.80
Less: Actuarial gain/(loss) for the year	**(0.11)**	(0.47)
Balance as at the end of the year	**247.77**	185.69

Nature and purpose of other reserves:

Securities Premium Reserve:

Securities premium account is created when shares are issued at premium. The reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Equity-settled employee benefits reserve:

Equity settled employee benefit reserve represents reserve towards the premium for the equity shares to be issued against the options granted.

Retained earnings:

Retained earnings represents the accumulated surplus. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

Note: The Board of Directors at its meeting held on 2nd May, 2018 have recommended a payment of final dividend of ₹ 1.50 (Rupee one and paise fifty only) per equity share of face value of ₹ 10 each for the year ended 31st March, 2018. The same amounts to ₹ 12.86 crores including dividend distribution tax of ₹ 2.19 crores.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 17 – Trade Payables

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Due to Micro and Small Enterprises	—	—
Trade payable — Other than Micro and Small Enterprises	**455.89**	390.05
Total	**455.89**	390.05

Notes:

i) Trade Payables are payables in respect of the amount due on account of goods purchased or services availed in the normal course of business.

ii) Based on the information available with the Company, no trade payables have been registered as 'supplier' within the meaning of 'Micro Small & Medium Enterprises Development Act, 2006 as on 31st March 2018. This has been relied upon by the auditors.

Note No. 18 – Other Financial Liabilities

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-Current	Current	Non-Current
Other Financial Liabilities Measured at Amortised Cost				
(a) Security Deposits	**3.55**	—	3.36	0.02
(b) Other liabilities				
— Creditors for capital supplies/services	**1.10**	—	1.50	—
Total	**4.65**	—	4.86	0.02

Note No. 19 – Provisions

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits				
Provision for leave encashment	**3.00**	**14.33**	3.21	12.71
Total	**3.00**	**14.33**	3.21	12.71

Note No. 20 – Other Liabilities

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-Current	Current	Non-Current
A. Advances received from customers	**0.08**	—	—	—
B. Unearned Income on discounted deposits	—	—	0.09	—
C. Statutory dues				
a) Taxes Payable	**9.56**	—	4.64	—
b) Employee Liabilities	**1.97**	—	1.77	—
D. Post-employment Benefit — Gratuity Liability	**3.89**	—	2.85	—
Total	**15.50**	—	9.35	—

Note: For disclosures related to employee benefits, refer note 32.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 21 – Revenue from Operations

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Revenue from rendering of services	**3,219.85**	2,588.27
(b) Other operating revenue	**0.26**	0.42
Total	**3,220.11**	2,588.69

Note No. 22 – Other Income

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) **Interest Income**		
i. Financial assets carried at amortised cost	**2.35**	5.86
ii. Other assets	**0.43**	1.01
(b) **Dividend Income**		
i. From mutual funds at FVTPL	**0.37**	0.53
ii. Other investments	**#**	#
(c) **Miscellaneous Income**		
i. Net gain/(loss) arising on financial assets carried at FVTPL	**0.56**	0.54
ii. Net gain/(loss) arising on financial liabilities carried at amortised cost	**0.09**	0.14
iii. Other income	**0.93**	0.88
Total	**4.73**	8.96

# denotes amount less than ₹ 50,000

Note No. 23 – Employee Benefits Expense

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Salaries and wages, including bonus	**184.62**	154.10
(b) Contribution to provident and other funds	**11.47**	9.14
(c) Gratuity	**3.73**	2.13
(d) Equity-settled share-based payments	**1.70**	0.71
(e) Staff welfare expenses	**17.52**	16.20
Total	**219.04**	182.28

Notes:

(i) Salaries and wages includes salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service.

(ii) Contribution to provident fund and other funds includes contributions to other funds like superannuation fund, ESIS etc. pertaining to employees.

(iii) Share based payment

The Company has introduced a MLL – Key Executives Stock Option Scheme, 2012 ("Plan") as approved at its Board Meeting held on 27th April, 2012 and subsequently amended on 5th February, 2014, 27th October, 2015 and 3rd August, 2017. The plan provides that eligible employees and the Partners' Enterprise [Formerly, Mahindra Partners Employees Options Trust (the Trust)] as defined in the Plan are granted options to acquire equity shares of the Company that vests in a graded manner. The vested options can be exercised within a specified period from the date on which the shares of the Company get listed on a recognized stock exchange or on happening of an event as specified in the Plan. The number of options granted is calculated in accordance with the performance – based formula approved by the Board as recommended by the then ESOP committee.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(iv) Information in respect of options outstanding:

Particulars	As at 31st March, 2018				
	Number of Shares	Grant Date	Expiry Date	Exercise Price	Fair value at Grant Date
Equity Settled					
Option 6	459,360	10-07-17	10-07-21	87.28	44.96

Particulars	As at 31st March, 2017				
	Number of Shares	Grant Date	Expiry Date	Exercise Price	Fair value at Grant Date
Equity Settled					
Option 1	1,016,006	25-06-12	30-06-21	13.90	9.04
Option 2	29,931	02-11-12	30-06-21	13.90	8.84
Option 3	144,633	14-10-13	30-06-21	23.38	16.08
Option 4	533,203	27-10-15	30-06-21	44.30	26.83
Option 5	73,608	03-08-16	30-06-21	52.76	35.50

(v) Movement in Share Options

Particulars	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Number of Shares	Weighted average exercise price	Number of Shares	Weighted average exercise price
(a) The number and weighted average exercise prices of share options outstanding at the beginning of the year	**17,97,381**	**25.27**	19,29,889	23.64
(b) Granted during the year	**4,59,360**	**87.28**	73,608	52.76
(c) Forfeited during the year	**1,10,501**	**30.10**	2,06,116	19.79
(d) Exercised during the year	**16,86,880**	**24.96**	—	—
(e) Expired during the year	—	—	—	—
(f) Outstanding at the end of the year	**4,59,360**	**87.28**	17,97,381	25.27
(g) Exercisable at the end of the year	**4,59,360**	**87.28**	17,97,381	25.27
(h) Remaining contractual life (no of days)	—	**1,195**	—	1,552

(vi) The inputs used in the measurement of the fair values at grant date of the employee stock option plans(ESOPs) were as follows.

Particulars/Grant Date	25-06-12	02-11-12	14-10-13	27-10-15	03-08-16	10-07-17
Share price at grant date	13.90	13.90	23.38	44.30	52.76	87.28
Exercise price	13.90	13.90	23.38	44.30	52.76	87.28
Expected volatility (weighted-average)	38.88%	38.88%	52.62%	54.03%	76.78%	58.27%
Expected life / Option life (weighted-average)	9.02	8.66	7.69	5.83	4.91	4.00
Expected dividends yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate (based on government bonds)	8.12%	8.54%	9.14%	8.19%	7.26%	6.72%

(vii) The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

(viii) Expected volatility has been based on an evaluation of annual volatility of peer group prevailing in the year of grant.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 24 – Finance Cost

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest expense on unwinding of deposits	**0.11**	0.15
Interest expense on Cash Credit	**0.20**	0.11
Total	**0.31**	0.26

Note:

(i) Analysis of Interest Expenses by Category

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest Expenses		
(a) On Financial Liability at Amortised Cost	**0.31**	0.26
(b) On Financial Liabilities at FVTPL	**—**	—
Total	**0.31**	0.26

Note No. 25 – Other Expenses

₹ in Crores

Particulars			Year ended 31st March, 2018	Year ended 31st March, 2017
(a)	Freight and other related expense		**2,551.06**	2,060.76
(b)	Labour and other related expense		**184.40**	139.84
(c)	Rent including lease rentals		**63.45**	39.26
(d)	Warehouse and related expense		**24.13**	26.53
(e)	Legal and other professional costs		**16.16**	27.72
(f)	Hire and Service Charges		**12.86**	10.80
(g)	Travelling and Conveyance Expenses		**11.61**	8.00
(h)	Provision for expected credit loss on trade receivables		**2.94**	2.45
(i)	(Reversal)/provision for doubtful advances		**(1.86)**	0.62
(j)	Power and Fuel		**4.78**	3.33
(k)	Expenditure on Corporate Social Responsibility (CSR)		**1.27**	1.16
(l)	Advertisement		**0.70**	0.64
(m)	Net loss on sale of property, plant and equipments		**0.06**	0.11
(n)	Repairs and maintenance:			
	(i) Buildings	0.55		0.45
	(ii) Machinery	3.13		2.00
	(iii) Others	2.82		2.30
			6.50	4.75
(o)	Auditors remuneration and out-of-pocket expenses:			
	(i) As Auditors	0.23		0.09
	(ii) For Taxation matters	—		0.02
	(iii) For Other services	0.25		0.08
	(iv) For reimbursement of expenses	0.01		—
			0.49	0.19
(p)	Other expenses:			
	(i) Miscellaneous Expenses	12.27		10.68
	(ii) Loss arising on derecognition of financial assets – Bad debts/advances written off	4.42		1.68
			16.69	12.36
	Total		**2,895.24**	2,338.52

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 26 – Current Tax and Deferred Tax

(a) Income Tax recognised in Profit & Loss

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
A. **Current Tax:**		
(a) In respect of current year	**36.71**	25.81
(b) In respect of prior years	**0.03**	0.01
Total	**36.74**	25.82
B. **Deferred Tax:**		
In respect of current year	**(1.53)**	(2.94)
Total	**(1.53)**	(2.94)
Total (A+B)	**35.21**	22.88

(b) Income tax recognised in Other Comprehensive Income

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
A. **Current Tax:**		
Remeasurement of defined benefit obligations	**0.05**	0.25
Total	**0.05**	0.25
B. **Deferred Tax:**		
Total	**—**	—
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**0.05**	0.25
Income taxes related to items that will be reclassified to profit or loss	**—**	—
Total	**0.05**	0.25

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Profit Before tax	**97.40**	67.68
(b) Income Tax using the Company's domestic tax rate #	**33.71**	23.42
(c) Change in tax rate	**(0.13)**	—
(d) Expenses not allowed for tax purpose	**1.90**	0.65
(e) Deferred tax credit on ESOP	**—**	(0.88)
(f) Exempt Income for tax purpose	**(0.13)**	(0.19)
(g) Deduction under Income Tax (u/s 80G)	**(0.11)**	(0.11)
	35.24	22.89
(h) Adjustments recognised in the current year in relation to the current tax of prior years	**(0.03)**	(0.01)
Income tax expense recognised in profit or loss	**35.21**	22.88

Note:

The tax rate used in reconciliations above is the corporate tax rate of 30% (plus surcharge and cess as applicable) on taxable profits under Income Tax Act, 1961.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 26 – Current Tax and Deferred Tax (Contd.)

(d) Amounts on which deferred tax asset has not been created:

Deferred tax assets have not been recognised in respect of following items since it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Unused Tax losses (capital in nature)	**10.29**	10.29
Total	**10.29**	10.29

Note: The unrecognised tax losses carried forward will expire entirely in FY 2019-2020.

Note No. 27 – Earnings Per Share

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
A. Basic Earnings Per Share (in ₹) (face value ₹ 10/- per share)	**8.87**	6.59
B. Diluted Earnings Per Share (in ₹) (face value ₹ 10/- per share)	**8.78**	6.51

Notes:

(i) Basic Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Profit for the year attributable to owners of the Company	**62.19**	44.80
Profit for the year used in the calculation of basic earnings per share	**62.19**	44.80
Weighted average number of equity shares	**70,145,454**	67,999,279
Earnings per share from continuing operations – Basic (in ₹)	**8.87**	6.59

(ii) Diluted Earnings Per Share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective years.

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Profit for the year used in the calculation of basic earnings per share	**62.19**	44.80
(b) Add: adjustments on account of dilutive potential equity shares	**—**	—
Profit for the year used in the calculation of diluted earnings per share	**62.19**	44.80

(iii) Reconciliation of weighted average number of equity shares

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Weighted average number of equity shares used in the calculation of Basic EPS	**70,145,454**	67,999,279
Add: Effect of ESOPs	**692,256**	859,729
Weighted average number of equity shares used in the calculation of Diluted EPS	**70,837,710**	68,859,008
Earnings per share from continuing operations – Diluted (in ₹)	**8.78**	6.51

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 28 – Financial Instruments

I. Capital management Policy

(a) The Company's capital management objectives are:

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

— to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

(b) For the purpose of Company's capital management, capital includes issued share capital, equity and all other equity reserves. The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(c) The following table shows the components of capital:

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Equity	**418.90**	348.82
Total	**418.90**	348.82

Note:

The above capital management disclosures are based on the information provided internally to key management personnel.

II. Categories of financial assets and financial liabilities

Particulars	As at 31st March, 2018			
	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
(a) Other Financial Assets	**14.21**	**—**	**—**	**14.21**
Total	**14.21**	**—**	**—**	**14.21**
B. Current Assets				
(a) Investments	**—**	**50.05**	**—**	**50.05**
(b) Trade Receivables	**487.68**	**—**	**—**	**487.68**
(c) Cash and Bank Balances	**65.36**	**—**	**—**	**65.36**
(d) Loans	**—**	**—**	**—**	**—**
(e) Other Financial Assets	**82.43**	**—**	**—**	**82.43**
Total	**635.47**	**50.05**	**—**	**685.52**
C. Non-current Liabilities				
(a) Other Financial Liabilities	**—**	**—**	**—**	**—**
Total	**—**	**—**	**—**	**—**
D. Current Liabilities				
(a) Trade Payables	**455.89**	**—**	**—**	**455.89**
(b) Other Financial Liabilities	**4.65**	**—**	**—**	**4.65**
Total	**460.54**	**—**	**—**	**460.54**

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Particulars	As at 31st March, 2017			
	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
(a) Other Financial Assets	10.26	—	—	10.26
Total	10.26	—	—	10.26
B. Current Assets				
(a) Investments	—	58.04	—	58.04
(b) Trade Receivables	400.26	—	—	400.26
(c) Cash and Bank Balances	49.32	—	—	49.32
(d) Loans	25.00	—	—	25.00
(e) Other Financial Assets	54.25	—	—	54.25
Total	528.83	58.04	—	586.87
C. Non-current Liabilities				
(a) Other Financial Liabilities	0.02	—	—	0.02
Total	0.02	—	—	0.02
D. Current Liabilities				
(a) Trade Payables	390.05	—	—	390.05
(b) Other Financial Liabilities	4.86	—	—	4.86
Total	394.91	—	—	394.91

III. Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

(A) Credit risk management

Trade receivables and deposits

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Credit exposure is controlled by counterparty credit period which is monitored through an approved policy.

(ii) Trade receivables consist of a large number of customers, spread across diverse industries and places across India.

(iii) Apart from two large customers of the Company, the Company does not have significant credit risk exposure to any single customer. Concentration of credit risk related to a single Company did not exceed 15% of trade receivables at the end of the year.

(iv) The Company applies the simplified approach in providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable.

(v) There is no change in estimation techniques or significant assumptions during the reporting year.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(vi) **The loss allowance for expected credit losses for trade receivables for different ageing periods is as follows:**

Particulars	As at 31st March, 2018			
	Not due	Less than 6 months past due	More than 6 months past due	Total
(a) Gross carrying amount	317.93	151.56	29.83	499.32
(b) Loss allowance provision	5.45	2.81	3.38	11.64

Particulars	As at 31st March, 2017			
	Not due	Less than 6 months past due	More than 6 months past due	Total
(a) Gross carrying amount	268.06	123.00	17.90	408.96
(b) Loss allowance provision	5.06	2.43	1.21	8.70

(vii) **Reconciliation of loss allowance provision for Trade Receivables**

₹ in Crores

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
(a) Balance as at beginning of the year	8.70	6.25
(b) Impairment losses recognised in the year based on lifetime expected credit losses		
— On receivables originated during the year	1.22	0.33
— Other receivables	1.72	3.85
(c) Impairment losses reversed / written back	—	1.73
(d) Balance at end of the year	11.64	8.70

(viii) During the year, the Company has made write off of ₹ 2.14 crores (Previous year ₹ 1.36 crores) of trade receivables and NIL (Previous year Rs 0.15 crores) of deposits given. These trade receivables and deposits are not subject to enforcement activity.

Investment in Mutual Funds

The Company has investments of ₹ 50.05 crores as at 31st March, 2018 (As at 31st March 2017, ₹ 58.04 crores) in growth oriented mutual funds which have not been impaired till date.

Cash and Cash equivalents

As at 31st March 2018, the Company holds cash and cash equivalents of ₹ 65.36 crores (As at 31st March 2017 Rs 49.32 crores). The cash and cash equivalents are held with banks with good credit rating.

(B) Liquidity risk management

(i) The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(ii) **Maturities of financial liabilities**

Table showing maturity profile of financial liabilites:

Particulars	As at 31st March, 2018			
	Less than 1 year	1-3 years	3 years to 5 years	5 years and above
(A) Non-derivative financial liabilities				
(a) Trade Payables	455.89	—	—	—
(b) Security Deposits	3.55	—	—	—
(c) Creditors for capital supplies	1.10	—	—	—
Total	460.54	—	—	—

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Particulars	As at 31st March, 2017			
	Less than 1 year	1-3 years	3 years to 5 years	5 years and above
(A) Non-derivative financial liabilities				
(a) Trade Payables	390.05	—	—	—
(b) Security Deposits	3.36	0.02	—	—
(c) Creditors for capital supplies	1.50	—	—	—
Total	394.91	0.02	—	—

The above table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.
The contractual maturity is based on the earliest date on which the Company may be required to pay.

(iii) **Financing arrangements**

The Company has access to following undrawn borrowing facilities at the end of the reporting year:

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) **Secured Cash credit facility**		
— Expiring within one year	**58.00**	53.00
— Expiring beyond one year	**—**	—
(b) **Secured Sales Invoice facility***		
— Expiring within one year	**—**	—
— Expiring beyond one year	**—**	—
(c) **Bank Guarantees***		
— Expiring within one year	**—**	—
— Expiring beyond one year	**3.99**	4.56

* These limits are as a sub-limit of secured cash credit facility.

(iv) **Maturities of financial assets**

Table showing maturity profile of financial assets

Particulars	As at 31st March, 2018			
	Less than 1 Year	1-3 years	3 years to 5 years	5 years and above
Non-derivative financial assets				
Trade Receivables	**487.68**	**—**	**—**	**—**
Security Deposits	**10.68**	**8.72**	**4.81**	**0.36**
Loan to related party	**—**	**—**	**—**	**—**
Others	**71.97**	**0.97**	**—**	**—**
Total	**570.33**	**9.69**	**4.81**	**0.36**

Particulars	As at 31st March, 2017			
	Less than 1 year	1-3 years	3 years to 5 years	5 years and above
Non-derivative financial assets				
Trade Receivables	400.26	—	—	—
Security Deposits	6.54	9.44	1.17	—
Loan to related party	25.00	—	—	—
Others	47.71	0.06	—	—
Total	479.51	9.50	1.17	—

The above table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(C) Market Risk Management

The Company does not have significant market risk at the respective reporting dates.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 29 – Fair Value Measurement

(a) Fair Valuation Techniques and Inputs used – recurring Items

Financial assets/ financial liabilities measured at Fair value	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	As at 31st March 2018	As at 31st March 2017				
(A) Financial assets						
(a) Investments						
(i) Mutual fund investments	**50.05**	58.04	Level 1	Quoted Market Prices	NA	NA

As at the reporting date, the Company does not have any financial liability measured at fair values.

(b) Fair value of financial assets and financial liabilities that are measured at amortised cost:

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
(A) Financial assets				
Financial assets carried at Amortised Cost				
(i) Loans to related parties	**—**	**—**	25.00	25.00
(ii) Trade and other receivables	**487.68**	**487.68**	400.26	400.26
(iii) Deposits given	**23.70**	**23.67**	16.74	16.97
(iv) Cash and cash equivalents	**65.36**	**65.36**	49.32	49.32
(v) Others	**72.94**	**72.94**	47.77	47.77
Total	**649.68**	**649.65**	539.09	539.32
(B) Financial liabilities				
Financial liabilities held at amortised cost				
(i) Deposits received	**3.55**	**3.55**	3.38	3.44
(ii) Trade and other payables	**455.89**	**455.89**	390.05	390.05
(iii) Creditors for capital supplies	**1.10**	**1.10**	1.50	1.50
Total	**459.44**	**459.44**	393.43	393.49

Note No. 30 – Segment information

(i) The management of the Company has chosen to organise the Company on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the group.

(ii) Specifically, the Company's reportable segments and the type of product or service from which they derive income are:

(a) Supply Chain Management (SCM) – Goods Transportation service, including warehouse management service.

(b) People Logistics Solutions (PTS) – People Transportation service.

(iii) The CEO monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(iv) The segmental disclosures are as follows :

Particulars	As at 31st March, 2018				
	SCM	PTS	Total Segments	Elimination	Total
Revenue					
I. External customers	**2,879.64**	**340.47**	**3,220.11**	**—**	**3,220.11**
II. Intersegment revenue	**—**	**—**	**—**	**—**	**—**
Total revenue	**2,879.64**	**340.47**	**3,220.11**	**—**	**3,220.11**
Results					
I. Segment Result	**204.78**	**31.63**	**236.41**	**—**	**236.41**
Less: Finance Costs					**(0.31)**
Unallocated corporate income net of unallocated expenses					**(138.70)**
Profit before tax					**97.40**
Income Taxes					**(35.21)**
Profit after tax					**62.19**
Other information					
Segment Assets	**560.92**	**98.67**	**659.59**	**—**	**659.59**
Unallocated Corporate Assets					**252.68**
Total Assets					**912.27**
Segment Liabilities	**395.26**	**41.78**	**437.04**	**—**	**437.04**
Unallocated Corporate Liabilities					**56.33**
Total Liabilities					**493.37**
Capital Expenditure	**13.05**	**12.34**	**25.39**	**—**	**25.39**
Depreciation and Amortisation expense	**8.66**	**0.36**	**9.02**	**—**	**9.02**

Particulars	As at 31st March, 2017				
	SCM	PTS	Total Segments	Elimination	Total
Revenue					
I. External customers	2,293.64	295.05	2,588.69	—	2,588.69
II. Intersegment revenue	—	—	—	—	—
Total revenue	2,293.64	295.05	2,588.69	—	2,588.69
Results					
I. Segment Result	160.45	29.36	189.81	—	189.81
Less: Finance Costs					(0.26)
Unallocated corporate income net of unallocated expenses					(121.87)
Profit before tax					67.68
Income Taxes					(22.88)
Profit after tax					44.80
Other information					
Segment Assets	450.41	78.98	529.39	—	529.39
Unallocated Corporate Assets					239.63
Total Assets					769.02
Segment Liabilities	334.93	35.24	370.17	—	370.17
Unallocated Corporate Liabilities					50.03
Total Liabilities					420.20
Capital Expenditure	10.90	0.83	11.73	—	11.73
Depreciation and Amortisation expense	4.29	0.37	4.66	—	4.66

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Other disclosures :

(a) Unallocable Expenditure/Assets:

(i) Finance income and costs, fair value gains and losses on financial assets and indirect expenses are not allocated to individual segments as the underlying instruments are managed on an entity basis.

(ii) Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on an entity basis.

(iii) The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 2.18.

There is no difference between segment profit as reviewed by CEO and the profit before tax as appearing in the financial statements.

(v) Geographic information

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Revenue from external customers		
India	3,220.11	2,588.69
Outside India	—	—
Revenue from operations as per statement of profit or loss	**3,220.11**	2,588.69

(vi) Segment Assets

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
India	**659.59**	529.39
Outside India	**—**	—
Total	**659.59**	529.39

(vii) Capital Expenditure

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
India	**25.39**	11.73
Outside India	**—**	—
Total	**25.39**	11.73

(viii) Revenue from major products and services :

The following is an analysis of the Company's revenue from continuing operations from its major products and services:

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Transportation	**2,460.78**	1,946.68
Warehousing & other related activities	**396.93**	329.95
People Logistics	**340.47**	295.05
Total	**3,198.18**	2,571.68

The revenues of the Company from holding company and group of customers under common control of the holding company amounts to 57.46% (Previous year: 55.00%) for the year ended 31st March, 2018 of its total revenues.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 31 – Leases

Operating Lease

(i) The Company has entered into operating lease arrangements for commercial premises. The leases are non-cancellable and are for period as specified in the agreement and may be renewed based on mutual agreement of the parties.

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(i) Future Non-Cancellable minimum lease commitments		
(a) not later than one year	**11.54**	10.85
(b) later than one year and not later than five years	**8.15**	2.73
(c) later than five years	**—**	—
(ii) Expenses recognised in the Statement of Profit and Loss		
(a) Minimum Lease Payments	**63.00**	38.79

Note No. 32 – Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund, Superannuation Fund and other funds aggregating ₹ 11.47 crore (2017: ₹ 9.14 crore) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

(a) The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

(b) Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

(1) Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The funds of the defined benefit plans are held with LIC.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

(2) Change in bond yields

A decrease in government bond yields will increase plan liabilities.

(3) Inflation risk

Defined benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

(4) Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

(c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

₹ in Crores

Particulars	Valuation	
	As at 31st March, 2018	As at 31st March, 2017
(a) Discount rate(s)	**7.70%**	6.82%
(b) Expected rate(s) of salary increase	**8.00%**	8.00%
(c) Mortality rate during employment	**IALM(2006-08) Ultimate**	IALM(2006-08) Ultimate

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(d) Defined benefit plans – as per actuarial valuation

₹ in Crores

Particulars	Funded Plan - Gratuity	
	As at 31st March, 2018	As at 31st March, 2017
I. Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
(a) Current Service Cost	**3.05**	1.97
(b) Past service cost and (gains)/losses from settlements	**0.48**	—
(c) Net interest expense	**0.20**	0.16
Components of defined benefit costs recognised in profit or loss	**3.73**	2.13
Remeasurement on the net defined benefit liability		
(a) Return on plan assets (excluding amount included in net interest expense)	**(0.22)**	(0.02)
(b) Actuarial (gains)/loss arising from changes in financial assumptions	**(1.12)**	0.81
(c) Actuarial (gains)/loss arising from changes in demographic assumptions	**—**	(0.29)
(d) Actuarial (gains)/loss arising from experience adjustments	**1.50**	0.22
Components of defined benefit costs recognised in other comprehensive income	**0.16**	0.72
Total	**3.89**	2.85
II. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
(a) Present value of defined benefit obligation	**(13.76)**	(9.52)
(b) Fair value of plan assets	**9.87**	6.67
(c) Surplus/(Deficit)	**(3.89)**	(2.85)
(d) Current portion of the above	**(3.89)**	(2.85)
(e) Non current portion of the above	**—**	—
III. Change in the obligation during the year ended 31st March		
(a) Present value of defined benefit obligation at the beginning of the year	**9.52**	6.61
(b) Add/(Less) on account of Scheme of Arrangement/Business		
(c) Transfer		
(d) Expenses Recognised in Profit and Loss Account		
– Current Service Cost	**3.05**	1.97
– Past Service Cost	**0.48**	—
– Interest Expense (Income)	**0.65**	0.53
(e) Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
– Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	**(1.12)**	0.81
ii. Demographic Assumptions	**—**	(0.29)
iii. Experience Adjustments	**1.50**	0.22
(f) Benefit payments	**(0.32)**	(0.33)
(g) Present value of defined benefit obligation at the end of the year	**13.76**	9.52

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

₹ in Crores

Particulars	Funded Plan - Gratuity	
	As at 31st March, 2018	As at 31st March, 2017
IV. Change in fair value of assets during the year ended 31st March		
(i) Fair value of plan assets at the beginning of the year	**6.67**	4.58
(ii) Expenses Recognised in Profit and Loss Account		
– Expected return on plan assets	**0.45**	0.36
(iii) Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
– Actual Return on plan assets in excess of the expected return	**0.22**	0.03
(iv) Contributions by employer (including benefit payments recoverable)	**2.85**	2.03
(v) Benefit payments	**(0.32)**	(0.33)
(vi) Fair value of plan assets at the end of the year	**9.87**	6.67
V. The Major categories of plan assets		
– Insurance Funds	**9.87**	6.67
VI. Actuarial assumptions		
(a) Discount rate	**7.70%**	6.82%
(b) Expected rate of return on plan assets	**7.70%**	6.82%
(c) Attrition rate	**9.00%**	9.00%

(e) The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption	Changes in assumption	Impact on defined benefit obligation			
		As at 31st March, 2018		As at 31st March, 2017	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
(a) Discount rate	1.00%	**12.64**	**15.05**	8.80	10.36
(b) Salary growth rate	1.00%	**15.00**	**12.65**	10.29	8.83
(c) Rate of employee turnover	1.00%	**13.64**	**13.87**	9.40	9.64

Notes:

(i) The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

(ii) The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous year.

(iii) The weighted average duration of the defined benefit obligation as at 31st March, 2018 is 8 years.

(f) Maturity profile of defined benefit obligation:

The tables include both discounted value as well as unwinding of interest.

Particulars	2018	2017
Within 1 year	**1.36**	0.82
1-2 years	**1.10**	0.76
2-3 years	**1.29**	1.03
3-4 years	**1.31**	1.32
4-5 years	**1.58**	1.68
5-10 years	**6.60**	11.06
More than 10 years	**19.70**	—

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

(g) Plan Assets

The fair value of Company's plan asset by category are as follows:

Particulars	As at 31st March, 2018	As at 31st March, 2017
Asset category:		
(a) Cash and cash equivalents	—	—
(b) Debt instruments (quoted)	—	—
(c) Debt instruments (unquoted)	—	—
(d) Equity instruments (quoted)	—	—
(e) Deposits with Insurance companies	**9.87**	6.67
	100%	100%

(h) Experience Adjustments:

Particulars	Gratuity				
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
1. Defined Benefit Obligation	**(13.76)**	(9.52)	(6.60)	(4.80)	(3.30)
2. Fair value of plan assets	**9.87**	6.67	4.58	4.17	3.70
3. Surplus/(Deficit)	**(3.89)**	(2.85)	(2.02)	(0.63)	0.40
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**1.50**	0.22	0.18	(0.36)	0.08
5. Experience adjustment on plan assets [Gain/(Loss)]	**0.22**	0.03	0.02	0.10	(0.06)

(i) The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

(j) The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(k) The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Note No. 33 – Related Party Transactions

(i) List of Related Parties:

₹ in Crores

(a) Holding Company	Mahindra & Mahindra Limited (w.e.f 10th November 2017)
(b) Entities having joint control:	1. Mahindra & Mahindra Limited (upto 9th November 2017) 2. Normandy Holdings Limited (upto 9th November 2017) 3. Kedaara Alternate Investment Funds (AIF) (upto 9th November 2017)
(c) Subsidiary Companies:	1. Lords Freight (India) Private Limited 2. 2X2 Logistics Private Limited
(d) Fellow Subsidiaries *	1. Bristlecone India Limited 2. Epc Industrie Limited 3. Mahindra Auto Steel Pvt. Ltd. 4. Mahindra Defence Systems Ltd. 5. Mahindra Susten Pvt. Ltd. 6. Gromax Agri Equipment Limited (Formerly known as Mahindra Gujarat Tractor Limited - name changed w.e.f. 24.08.2017) 7. Mahindra Intertrade Ltd.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 33 – Related Party Transactions (continued)

(i) List of Related Parties: (continued)

	8. Mahindra Marine Pvt. Ltd. 9. Mahindra Truck & Buses Ltd. 10. Mahindra Heavy Engines Ltd. 11. Mahindra Electric Mobility Limited 12. Mahindra Retail Pvt. Ltd. 13. Mahindra Steel Service Centre Ltd. 14. Mahindra Agri Solution Ltd. 15. Mahindra Two Wheelers Ltd. 16. Mahindra Greenyard Pvt. Ltd 17. Mahindra Vehicle Manufacturers Ltd. 18. NBS International Ltd. 19. Orizonte Business Solutions Limited 20. Mahindra Integrated Business Solutions Pvt. Ltd. 21. Defence Land Systems India Limited (ceased to be a related party from 18th October, 2017) 22. Mahindra Defence Naval Systems Limited (Formerly known as Mahindra Defence Naval Systems Private Limited - name changed w.e.f. 05.03.2018). 23. Mahindra First Choice Services Limited 24. Mahindra Holiday & Resorts India Limited 25. Mahindra Insurance Brokers Limited 26. Mahindra & Mahindra Financial Services Limited 27. Mahindra Integrated Township Limited 28. Mahindra Sona Limited (ceased to be a related party w.e.f 16th December, 2016).
(e) Other Related Parties	1. Classic Legend Pvt. Ltd. 2. Mahindra Tsubaki Conveyor Systems Private Ltd. 3. Tech Mahindra Ltd. 4. Mahindra Cie Automotive Limited 5. Mahindra Internet Commerce Private Limited (ceased to be a related party from 22nd March, 2017) 6. Mahindra Sanyo Special Steel Private Limited
(f) Key Management Personnel	1. Pirojshaw Sarkari (C.E.O.)

* in view of listing of company's shares in Stock Exchange, the status of companies changed from other related parties to fellow subsidiaries w.e.f. 10th November, 2017.

(ii) Details of transaction between the Company and its related parties are disclosed below:

Particulars	Holding Company	Entities having joint control	Subsidiaries	Fellow subsidiaries	Other related parties
Nature of transactions with Related Parties					
(a) Purchase of property and other assets.....	**0.13** —	**0.02** —	**—** —	**0.05** —	**0.08** (0.09)
(b) Rendering of services	**729.35** —	**928.83** (1,260.54)	**(0.01)** (0.87)	**49.31** —	**106.05** (136.78)
(c) Receiving of services	**1.52** —	**0.76** (1.36)	**33.31** (25.08)	**1.93** —	**1.42** (1.39)
(d) Reimbursements made to parties.....	**2.84** —	**2.32** (4.41)	**0.01** (0.06)	**—** —	**0.02** (0.04)

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 33 – Related Party Transactions (continued)

(ii) Details of transaction between the Company and its related parties are disclosed below: (continued)

Particulars	Holding Company	Entities having joint control	Subsidiaries	Fellow subsidiaries	Other related parties
(e) Reimbursements received from parties	**—**	**—**	**0.21**	**0.12**	**0.04**
	—	(0.02)	(0.16)	—	(0.46)
(f) Loans/Deposits given	**—**	**—**	**—**	**—**	**—**
	—	—	—	—	(10.00)
(g) Loans/Deposits refunded back	**—**	**—**	**—**	**—**	**25.00**
	—	—	—	—	(12.00)
(h) Interest Income on inter-corporate deposits	**—**	**—**	**—**	**—**	**1.51**
	—	—	—	—	(2.47)
(i) Bad & doubtful debts recognised in respect of dues from related parties	**—**	**—**	**—**	**—**	**0.29**
	—	(0.05)	—	—	(0.51)
Balances Outstanding with Related Parties					
(a) Trade payables	**3.36**	**—**	**3.53**	**0.27**	**0.02**
	—	(4.94)	(2.26)	—	(0.33)
(b) Trade receivables	**79.83**	**—**	**0.13**	**15.04**	**6.97**
	—	(49.32)	(0.89)	—	(21.80)
(c) Loans & advances given	**—**	**—**	**—**	**—**	**—**
	—	—	—	—	(25.00)
(d) Provision of bad & doubtful debts related to amount due from related parties	**0.12**	**—**	**—**	**0.11**	**0.20**
	—	(0.14)	—	—	(0.48)

(a) All the outstanding balances, whether receivables or payables are unsecured.

(b) Related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.

Particulars	Holding Company	Entities having joint control	Subsidiaries	Fellow subsidiaries	Other related parties
Nature of transactions with Related Parties					
(a) Purchase of property and other assets					
Mahindra & Mahindra Limited	**0.13**	**0.02**	**—**	**—**	**—**
	—	—	—	—	—
Mahindra Integrated Business Solutions Pvt. Ltd.	**—**	**—**	**—**	**0.05**	**0.08**
	—	—	—	—	—
Bristlecone India Limited	**—**	**—**	**—**	**—**	**—**
	—	—	—	—	(0.09)
(b) Rendering of services					
Mahindra & Mahindra Limited	**729.35**	**928.83**	**—**	**—**	**—**
	—	(1,260.54)	—	—	—
Mahindra Vehicle Manufacturers Ltd.	**—**	**—**	**—**	**36.30**	**44.57**
	—	—	—	—	(67.24)
Tech Mahindra Ltd.	**—**	**—**	**—**	**—**	**39.33**
	—	—	—	—	(17.91)
Lords Freight (India) Private Limited	**—**	**—**	**(0.01)**	**—**	**—**
	—	—	0.87	—	—
2X2 Logistics Private Limited	**—**	**—**	**0.01**	**—**	**—**
	—	—	—	—	—

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 33 – Related Party Transactions (continued)

Particulars	Holding Company	Entities having joint control	Subsidiaries	Fellow subsidiaries	Other related parties
(c) Receiving of services					
Mahindra & Mahindra Limited	**1.52**	**0.76**	**—**	**—**	**—**
	—	(1.36)	—	—	—
Orizonte Business Solutions Limited	**—**	**—**	**—**	**1.82**	**1.14**
	—	—	—	—	(1.15)
Mahindra Retail Pvt. Ltd.	**—**	**—**	**—**	**—**	**0.18**
	—	—	—	—	(0.05)
2X2 Logistics Private Limited	**—**	**—**	**33.25**	**—**	**—**
	—	—	(24.98)	—	—
Mahindra Integrated Business Solutions Pvt. Ltd.	**—**	**—**	**—**	**—**	**—**
	—	—	—	—	(0.17)
(d) Reimbursements made to parties					
Mahindra & Mahindra Limited	**2.84**	**2.32**	**—**	**—**	**—**
	—	(4.41)	—	—	—
Classic Legend Pvt. Ltd.	**—**	**—**	**—**	**—**	**0.02**
	—	—	—	—	—
Lords Freight (India) Private Limited	**—**	**—**	**0.01**	**—**	**—**
	—	—	(0.06)	—	—
2X2 Logistics Private Limited	**—**	**—**	**—**	**—**	
	—	—	—	—	
Mahindra Vehicle Manufacturers Ltd.	**—**	**—**	**—**	**—**	**—**
	—	—	—	—	(0.03)
Defence Land Systems India Limited	**—**	**—**	**—**	**—**	**—**
	—	—	—	—	(0.01)
(e) Reimbursements received from parties					
Mahindra & Mahindra Limited	**—**	**—**	**—**	**—**	**—**
	—	(0.02)	—	—	—
Mahindra Intertrade Ltd.	**—**	**—**	**—**	**0.08**	**—**
	—	—	—	—	—
Mahindra Steel Service Centre Ltd.	**—**	**—**	**—**	**0.03**	**—**
	—	—	—	—	—
Mahindra Retail Pvt. Ltd	**—**	**—**	**—**	**—**	**0.04**
	—	—	—	—	(0.19)
Lords Freight (India) Private Limited	**—**	**—**	**0.15**	**—**	**—**
	—	—	(0.11)	—	—
2X2 Logistics Private Limited	**—**	**—**	**0.06**	**—**	**—**
	—	—	(0.05)	—	—
Bristlecone India Limited	**—**	**—**	**—**	**—**	**—**
	—	—	—	—	(0.18)
(f) Loans/Deposits given					
Mahindra Retail Pvt. Ltd	**—**	**—**	**—**	**—**	**—**
	—	—	—	—	(10.00)
(g) Loans/Deposits refunded back					
Mahindra Retail Pvt. Ltd	**—**	**—**	**—**	**—**	**25.00**
	—	—	—	—	—
Mahindra Internet Commerce Private Limited	**—**	**—**	**—**	**—**	**—**
	—	—	—	—	(12.00)

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 33 – Related Party Transactions (continued)

Particulars	Holding Company	Entities having joint control	Subsidiaries	Fellow subsidiaries	Other related parties
(h) Interest Income on inter-corporate deposits					
Mahindra Retail Pvt. Ltd.	—	—	—	—	**1.51**
	—	—	—	—	(2.34)
(i) Bad & doubtful debts recognised in respect of dues from related parties					
Mahindra & Mahindra Limited	—	—	—	—	—
	—	(0.05)	—	—	—
Mahindra Cie Automotive Limited	—	—	—	—	**0.29**
	—	—	—	—	(0.04)
Mahindra Steel Service Centre Ltd.	—	—	—	—	—
	—	—	—	—	(0.06)
Mahindra Sanyo Special Steel Private Limited	—	—	—	—	—
	—	—	—	—	(0.05)
Mahindra Internet Commerce Private Limited	—	—	—	—	—
	—	—	—	—	(0.22)

(iii) Compensation of key managerial personnel

The remuneration of key managerial personnel during the year was as follows:

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Short-term employee benefits	**1.93**	1.67
Issue of ESOP Shares during the year	**1.42**	—

(i) The remuneration of key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The separate actuarial valuation figures are not available for key managerial personnel.

(iv) Disclosure required under section 186(4) of the Companies Act, 2013 for Loans given

Name	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Mahindra Retail Pvt. Limited	—	10.00

Above inter corporate loans have been given for general business purposes for meeting their working capital requirements

Note No. 34 – Contingent liabilities and commitments

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Contingent liabilities (to the extent not provided for)		
Claims against the Company not acknowledged as debt		
(a) VAT	**7.76**	7.60
(b) Service Tax	**4.27**	4.00
(c) Income Tax	**24.85**	24.85
(d) Other matters	**9.99**	4.78

Notes:

(i) The Company does not expect any reimbursement in respect of the above contingent liability.

(ii) It is not practicable to estimate the timings of cash outflows, if any, in respect of maters at (a) to (d) above, pending resolution of appellate/ court proceedings.

Notes to the Standalone Financial Statements for the year ended 31st March, 2018

Note No. 35 – The year end foreign currency exposures that have not been hedged by a derivative instrument or forward contracts are given below:

Particulars	Currency	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
		Value in foreign currency	Value in Rupees (crores)	Value in foreign currency	Value in Rupees (crores)
Trade Receivables	USD	Nil		—	—
Trade Payables	USD	Nil		20,250	0.13

Note No. 36

The financial Statements of the company for the year ended 31st March, 2017 were audited by erstwhile auditors, whose audit report dated 28th April, 2017 expressed an unmodified opinion.

Note No. 37

Previous year number have been regrouped/reclassified wherever necessary.

Independent Auditor's Report to the Members of Mahindra Logistics Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Mahindra Logistics Limited** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making 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 Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

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 the other auditors on separate financial statements of the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 86.61 Crore as at March 31, 2018, total revenues of ₹ 230.47 Crore and net cash outflows amounting to ₹ 0.19 Crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated

Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries, referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

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

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including 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 relevant 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 prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, none of the Directors of the Group companies, is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”, which is based on the auditors’ reports of the Parent, subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Kedar Raje
Partner
(Membership No. 102637)

Mumbai, May 02, 2018

Annexure "A" to the Independent Auditor's Report

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

Report on the Internal Financial Controls Over Financial Reporting 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 Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **Mahindra Logistics Limited** (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, 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 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 and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, 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 system over financial reporting of the Parent, and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the criteria for internal financial control over financial reporting established by the respective companies 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 aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kedar Raje
Partner
Membership No. 102637

Mumbai, May 02, 2018

Mahindra LOGISTICS

Consolidated Balance Sheet as at 31st March, 2018

₹ in Crores

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
I. NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	**60.49**	55.95
(b) Capital Work-in-Progress		**0.55**	0.69
(c) Goodwill on consolidation		**4.33**	4.33
(d) Intangible Assets	5	**1.07**	1.23
(e) Financial Assets			
(i) Other Financial Assets	9	**14.36**	10.39
(f) Deferred Tax Assets (Net)	10	**14.11**	13.19
(g) Income Tax Assets (Net)	13	**86.76**	54.42
(h) Other Assets	11	**20.18**	6.74
SUB-TOTAL		**201.85**	146.94
II. CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	6	**50.05**	58.04
(ii) Trade Receivables	7	**520.04**	412.07
(iii) Cash and Cash Equivalents	12	**66.03**	50.18
(iv) Loans	8	**—**	25.00
(v) Other Financial Assets	9	**85.30**	56.66
(b) Other Assets	11	**60.82**	66.01
SUB-TOTAL		**782.24**	667.96
III. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	14	**1.91**	1.91
TOTAL ASSETS		**986.00**	816.81
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	15	**71.14**	68.00
(b) Other Equity	16	**348.46**	279.68
Equity attributable to owners		**419.60**	347.68
Equity attributable to non-controlling interests		**6.95**	4.78
SUB-TOTAL		**426.55**	352.46
LIABILITIES			
I. NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	17	**18.07**	19.77
(ii) Other Financial Liabilities	18	**—**	0.02
(b) Provisions	19	**14.77**	13.07
SUB-TOTAL		**32.84**	32.86
II. CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	17	**8.12**	8.24
(ii) Trade Payables	21	**486.31**	399.29
(iii) Other Financial Liabilities	18	**13.11**	11.17
(b) Provisions	19	**3.27**	3.30
(c) Other Liabilities	20	**15.80**	9.49
SUB-TOTAL		**526.61**	431.49
TOTAL EQUITY AND LIABILITIES		**986.00**	816.81

The accompanying notes 1 to 38 are an integral part of the Financial Statements

In terms of our report attached.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kedar Raje
Partner

Place: Mumbai
Date: 2nd May, 2018

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Zhooben Bhiwandiwala
Chairman
DIN:00110373

Parag Shah
Director
DIN:00374944

Nikhil Nayak
Chief Financial Officer

Pirojshaw Sarkari
Chief Executive Officer

Brijbala Batwal
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

₹ in Crores

Particulars	Note No.	For the year ended 31st March, 2018	For the year ended 31st March, 2017
INCOME			
I. Revenue from operations	**22**	**3,416.12**	2,666.59
II. Other Income	**23**	**5.88**	9.65
III. Total Income (I + II)		**3,422.00**	2,676.24
IV. EXPENSES			
(a) Employee benefits expense	**24**	**229.12**	188.30
(b) Finance costs	**25**	**3.77**	3.49
(c) Depreciation and amortisation expense	**4&5**	**19.73**	14.60
(d) Other expenses	**26**	**3,067.27**	2,402.03
Total Expenses		**3,319.89**	2,608.42
V. Profit before tax (III - IV)		**102.11**	67.82
VI. Tax Expense			
(1) Current tax	**27**	**37.76**	26.10
(2) Deferred tax	**27**	**(0.92)**	(4.38)
Total Tax Expense		**36.84**	21.72
VII. Profit after tax (V- VI)		**65.27**	46.10
VIII. Profit/(loss) for the year		**65.27**	46.10
IX. Profit/(loss) for the year attributable to:			
Owners of the Company		**64.01**	45.62
Non controlling interests		**1.26**	0.48
X. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans – Losses		**(0.13)**	(0.68)
(ii) Income tax relating to items that will not be reclassified to profit or loss		**0.05**	0.26
Total other comprehensive income		**(0.08)**	(0.42)
XI. Other comprehensive income for the year attributable to:			
Owners of the Company		**(0.09)**	(0.44)
Non Controlling Interests		**0.01**	0.02
Total comprehensive income for the year (VIII + X)		**65.19**	45.68
XII. Total comprehensive income for the year attributable to:			
Owners of the Company		**63.92**	45.18
Non controlling interests		**1.27**	0.50
XIII. Earnings per equity share (Face Value ₹ 10/- per share)			
(1) Basic (in ₹)	**28**	**9.13**	6.71
(2) Diluted (in ₹)	**28**	**9.04**	6.62

The accompanying notes 1 to 38 are an integral part of the Financial Statements

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
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Chief Executive Officer

Mahindra LOGISTICS

Consolidated Statement of Changes in Equity for the year ended 31st March, 2018

₹ in Crores

(a) Equity Share Capital

Particulars	Number of shares	Equity share capital
Balance as at 1st April, 2017	**6,94,55,044**	**68.00**
Changes in equity share capital during the year		
Exercise of employee stock options	16,86,880	1.69
Partly paid share made fully paid up	—	1.45
Balance as at 31st March, 2018	**7,11,41,924**	**71.14**

(b) Other Equity

Particulars	Reserves & Surplus			Total	Non-controlling interest	Total other equity
	Securities premium reserve	Equity-settled employee benefits reserve	Retained earnings			
Balance as at 1st April, 2017	**92.67**	**2.46**	**184.55**	**279.68**	**4.78**	**284.47**
– Issue of shares to shareholder having non-controlling interests	—	—	—	—	0.90	0.90
– Addition to Securities premium reserve	5.82	—	—	5.82	—	5.82
– Addition to equity settled employee benefit reserve	—	1.70	—	1.70	—	1.70
– Deletion to equity settled employee benefit reserve	—	(2.66)	—	(2.66)	—	(2.66)
Total comprehensive income for the year						
– Profit for the year	—	—	64.01	64.01	1.26	65.27
– Actuarial gain/(loss) transferred to retained earnings	—	—	(0.09)	(0.09)	0.01	(0.08)
Balance as at 31st March, 2018	**98.49**	**1.50**	**248.47**	**348.46**	**6.95**	**355.42**

The accompanying notes 1 to 38 are an integral part of the Financial Statements

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
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Kedar Raje
Partner

Place: Mumbai
Date: 2nd May, 2018

For and on behalf of the Board of Directors
Mahindra Logistics Limited

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Chief Executive Officer

Brijbala Batwal
Company Secretary

Consolidated Statement of Cash Flows for the year ended 31st March, 2018

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. Cash flows from operating activities		
Profit before tax for the year	**102.11**	67.82
Adjustments for:		
Loss on disposal of property, plant and equipment	**0.11**	0.11
Provision for expected credit loss (Net)	**3.20**	2.99
(Reversal)/Provision for doubtful advances	**(1.86)**	0.62
Bad debts/advances written off	**5.25**	1.85
Depreciation and amortisation expense	**19.73**	14.60
Finance Charges	**3.77**	3.49
Dividend Income	**(0.37)**	(0.53)
Interest Income	**(2.79)**	(7.04)
Profit on sale of mutual funds	**(0.56)**	(0.54)
Employees Compensation expenses (ESOP)	**1.70**	0.71
Operating profit before working capital changes	**130.29**	84.08
Movements in working capital:		
Increase in trade and other receivables	**(145.11)**	(234.50)
Decrease in trade and other payables	**96.81**	168.86
Cash generated from operations	**81.99**	18.44
Income taxes paid	**(70.05)**	(52.62)
Net cash generated by/(used in) operating activities	**11.94**	(34.18)
B. Cash flows from investing activities		
Payment to acquire current investments	**(1,801.92)**	(1,561.85)
Proceeds from sale of current investments	**1,810.47**	1,572.43
Repayment received from ICD given	**25.00**	—
Dividend Income	**0.37**	0.53
Interest income	**3.34**	8.58
Payment to acquire property, plant and equipment & other intangible assets	**(37.59)**	(23.21)
Proceeds from disposal of property, plant and equipment	**0.39**	0.08
Net cash generated by/(used in) investing activities	**0.06**	(3.44)

Mahindra LOGISTICS

Consolidated Statement of Cash Flows for the year ended 31st March, 2018

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
C. Cash flows from financing activities		
Issue of Share Capital	**4.04**	1.35
Share premium received	**3.16**	—
Proceeds from borrowings	**7.56**	11.14
Repayment of borrowings	**(7.25)**	(4.98)
Interest paid	**(3.66)**	(3.34)
Net cash generated by/(used in) financing activities	**3.85**	4.17
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**15.85**	(33.45)
Cash and cash equivalents at the beginning of the year	**50.18**	83.63
Cash and cash equivalents at the end of the year	**66.03**	50.18
Components of cash and cash equivalents		
Cash/Cheques on hand	**0.68**	0.90
With Banks – on Current Account/Fixed Deposit/Balance in Cash Credit Accounts	**65.35**	49.28
	66.03	50.18

Notes:

1. The above Cash Flow Statement has been prepared under the Indirect Method set out in 'Ind AS 7 – Statement of Cash Flows'.
2. Figures in bracket indicates cash outflow.

The accompanying notes 1 to 38 are an integral part of the Financial Statements

In terms of our report attached.
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Kedar Raje
Partner

Place: Mumbai
Date: 2nd May, 2018

For and on behalf of the Board of Directors
Mahindra Logistics Limited

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Company Secretary

Notes accompanying Consolidated Financial Statements for the year ended 31st March, 2018

1. Corporate information

Mahindra Logistics Limited is a public limited company incorporated in India on 24th August, 2007 under the Companies Act, 1956. The address of its registered office are disclosed in the introduction to the Annual Report. The Group is a domestic 3PL service provider mainly engaged in transportation warehousing, supply chain management, international freight forwarding and people logistics services.

The Consolidated financial statements for the year ended 31st March, 2018 were approved for issue in accordance with a resolution of the directors on 2nd May, 2018.

In the reporting financial year, the Company has completed Initial Public Offer (IPO) of 1,93,32,346 Equity Shares of ₹ 10/- each at an offer price of ₹ 429/- per Equity Share aggregating to ₹ 828.88 Crores (net of employee discount), through an offer for sale by (i) Mahindra and Mahindra Limited of 96,66,173 equity shares (ii) Normandy Holdings Limited of 92,71,180 equity shares and (iii) Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF 1 of 3,94,993 equity shares. The Equity Shares of the Company were listed on 10th November, 2017 on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

2. Significant accounting policies

2.1 Basis of preparation and presentation of the Consolidated Ind AS Financial Statements

(a) These consolidated financial statements have been prepared in accordance Indian Accounting Standard as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act 2013 (the 'Act'). The financial statements are consolidated financial statements.

(b) These Consolidated Ind AS Financial Statement have been prepared on accrual basis and the historical cost basis as a going concern except for certain financial instruments that are measured at fair values or at amortised cost, wherever applicable, at the end of reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Financial Statements is determined on such basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Consolidated Financial Statement are prepared in Indian Rupee (INR) and denominated in crores.

The principal accounting policies are set out below.

2.2 Basis of consolidation

These Consolidated Financial Statements incorporate the Financial Statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Subsidiaries are consolidated on a line-by-line basis from the date the control is transferred to the Group. They are deconsolidated from the date that control ceases.

The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the Financial Statement of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 Goodwill

Goodwill arising on an acquisition of a business is carried at cost, less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

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 directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.4 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

2.5.1 Rendering of services

Incomes from logistics services rendered are recognised on the completion of the services as per the terms of contract. Revenue is recognized at the fair value of consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

2.5.2 Dividend and interest income

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5.3 Sale of Goods

Sale of products are recognised when the products are despatched which coincides with the transfer of risk and rewards to the buyer of products. Sales are exclusive of sales tax/Goods and service tax & sales returns.

2.6 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Certain arrangements convey a right to use an asset in return for a payment or series of payments. At inception of the arrangement, the group determines whether such an arrangement is or contains a lease and separates the consideration into those for the lease and those for the other elements. The lease component is accounted as per group's accounting policies on leasing transactions.

The Group's significant operating leasing arrangements are in respect of office premises, warehouse, warehouse equipments and IT related equipments. Lease rentals are recognised as per the terms of lease.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

2.7 Foreign currencies

i. Initial recognition

In preparing the Financial Statement of the Group, transactions in currencies other than the group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

ii. Conversion

a. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

b. Non-monetary items, if any are measured in terms of historical cost denominated in a foreign currency, are reported in Indian Rupee using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

The Group accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

a. Realized gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

b. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

2.8 Borrowing costs

Borrowing Cost that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue in the year of incurrence.

2.9 Employee benefits

2.9.1 Retirement benefit costs and termination benefits

i. Defined Contribution Plan:

Group's contributions paid/payable during the year to the Superannuation Fund, ESIC, Provident Fund and Labour Welfare Fund are recognised in the Consolidated Statement of Profit and Loss.

ii. Defined Benefits:

For defined retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.9.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

2.10 Share-based payment arrangements

Equity-settled share-based payments to employees and others are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note no. 24.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.11.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statement's and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.11.3 Current and deferred tax for the year

Current and deferred tax are recognised in consolidated profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.12 Property, plant and equipment

All Property, plant and equipments are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Subsequent costs are included in the assets carrying amount or recognised as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and 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 Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation on tangible assets is charged by the Straight Line Method (SLM) in accordance with the useful lives specified in Part – C of Schedule II of the Companies Act, 2013 on a pro-rata basis except in the case of:

i. Certain items of Plant & Machinery individually costing more than ₹ 5,000 - over their useful lives ranging from 2 years to 10 years as estimated by the Company and also based on the contractual arrangements wherever applicable.

ii. Certain items of Plant & Machinery individually costing less than ₹ 5,000 shall be depreciated over a period of 1 year.

iii. Mobile Phones (included in office equipment) in 2 years.

iv. Motor Cars (included in vehicles) in 5 years.

v. Assets capitalised which are attached to the leasehold office premises shall be depreciated upto 75% of its value over the lease period assuming a realisable value of 25% after the end of original lease period.

vi. Horse portion of a Vehicle is depreciated over five years based on the management experience of handling similar kind of asset.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.13 Intangible assets

2.13.1 Intangible assets acquired separately

The useful lives of intangible assets are assessed as either finite or infinite. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.13.2 Useful lives of intangible assets

The expenditure incurred is amortised over three to ten financial years equally commencing from the year in which the expenditure is incurred.

2.14 Impairment of tangible and intangible assets other than goodwill

The management of the Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and recognised in the Consolidated Statement of Profit and Loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost. A reversal of an impairment loss is recognised immediately in profit or loss.

2.15 Provisions, Contingent liabilities & Contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

A contingent asset is disclosed where an inflow of economic benefits is probable.

2.16 Financial instruments

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

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

2.17 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.17.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii. the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer Note 2.17.4

Investments in subsidiaries: All investments in subsidiaries are valued at cost.

All other financial assets are subsequently measured at fair value.

2.17.2 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.17.3 Financial assets at Fair value through Profit and Loss

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

2.17.4 Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss 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 Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.17.5 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.17.6 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.18 Financial liabilities and equity instruments

2.18.1 Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.18.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2.18.3 Compound financial instruments

The component parts of compound financial instruments (convertible instruments) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

2.18.4 Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.19 Segment Accounting

The CEO monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment. Segment performance is measured based on profit or loss and is measured consistently with profit or loss in Financial Statements.

2.19.1 Identification of Operating Segments:

The operating segments have been identified based on its services and has two reportable segments, as follows:

i. **Supply Chain Management** – Goods Transportation service including warehouse management services and freight forwarding etc.

ii. **People Logistics Solutions** – People Transportation service.

2.19.2 Accounting of Operating Segments:

Accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenues and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis and inter-segment revenue and expenses, have been included under "Unallocated Corporate Expenses/Eliminations".

2.20 Earnings Per Share

Basic and diluted earnings per share is computed 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 as prescribed in Ind AS 33.

3 (a). Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Useful lives of property, plant and equipment

As described in Note 2.12 above, the Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

(ii) Defined benefit plans

The cost of the defined benefit plans and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These include the determination of discount rate, future salary increases, mortality rates and attrition rate. 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.

(iii) Fair Value of financial assets and liabilities and investments

The Group measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

3 (b). Recent Accounting Pronouncements

Standards issued but not yet effective

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115 – 'Revenue from Contracts with Customers' and consequential amendments to various Ind AS standards. The amended Rules also notified amendments to Ind AS 12 – 'Income Taxes', Ind AS 21 – 'The Effect of Changes in Foreign Exchange Rates. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB). The amendments are effective from accounting periods beginning from 1st April, 2018.

Ind AS 115 – 'Revenue from Contracts with Customers':

This standard establishes a single comprehensive model for accounting of revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition guidance under Ind AS 11 ***Construction Contracts*** and Ind AS 18 *Revenue*. The Group is currently assessing the impact of application of Ind AS 115 on Company's financial statements.

Amendment to Ind AS 12 – 'Income Taxes':

The amendments clarify the requirement for recognising deferred tax assets on unrealised losses on debt instruments that are measured at fair value. The amendment also clarify certain other aspects of accounting for deferred tax assets. The changes will not have any material impact on the financial statements of the Company.

Amendment to Ind AS 21 – 'The Effect of Changes in Foreign Exchange Rates':

This amendment clarifies translation of advance payments denominated in foreign currency into functional currency at the spot rate on the day of payment. The guidance aims to reduce diversity in practice. The changes will not have any material impact on the financial statements of the Company.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 4 – Property, Plant and Equipment

As at 31st March, 2018

₹ in Crores

Description of Assets	Plant and Machinery	Office Equipment	Furniture, Fixtures and Equipments	Vehicles	Total
A. Cost					
Balance as at 1st April, 2017	20.42	16.99	10.13	37.38	**84.92**
a) Additions	4.34	6.89	4.61	8.14	**23.98**
b) Less: Disposals/adjustments	(0.32)	(0.33)	(0.72)	(0.33)	**(1.70)**
Balance as at 31st March, 2018	**24.44**	**23.55**	**14.02**	**45.19**	**107.20**
B. Accumulated depreciation					
Balance as at 1st April, 2017	9.75	8.13	3.46	7.63	**28.97**
a) Depreciation expense for the year	4.15	4.75	2.97	6.96	**18.83**
b) Less: Disposals/adjustments	(0.22)	(0.26)	(0.29)	(0.32)	**(1.09)**
Balance as at 31st March, 2018	**13.68**	**12.62**	**6.14**	**14.27**	**46.71**
C. Net carrying amount (A-B)	**10.76**	**10.93**	**7.88**	**30.92**	**60.49**

As at 31st March, 2017

Description of Assets	Plant and Machinery	Office Equipment	Furniture, Fixtures and Equipments	Vehicles	Total
A. Cost					
Balance as at 1st April, 2016	14.85	12.91	6.96	26.25	60.97
a) Additions	4.44	5.61	3.31	11.88	25.24
b) Less: Disposals/adjustments	1.13	(1.53)	(0.14)	(0.75)	(1.29)
Balance as at 31st March, 2017	**20.42**	**16.99**	**10.13**	**37.38**	**84.92**
B. Accumulated depreciation					
Balance as at 1st April, 2016	5.68	5.65	2.19	2.73	16.25
a) Depreciation expense for the year	3.22	3.64	1.36	5.61	13.83
b) Less: Disposals/adjustments	0.85	(1.16)	(0.09)	(0.71)	(1.11)
Balance as at 31st March, 2017	**9.75**	**8.13**	**3.46**	**7.63**	**28.97**
C. Net carrying amount (A-B)	**10.67**	**8.86**	**6.67**	**29.75**	**55.95**

Notes:

i) The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2018 is ₹ 2.75 crores (as at 31st March, 2017, ₹ 1.40 crores).

ii) As at 31st March, 2018 Vehicles with the carrying amount of ₹ 29.54 crores have been pledged to secure borrowings of the Group. Refer Note 17.

Note No. 5 – Intangible Assets

As at 31st March, 2018

₹ in Crores

Description of Assets	Computer Software
A. Cost	
a) Balance as at 1st April, 2017	**12.77**
b) Additions	**0.74**
Balance as at 31st March, 2018	**13.51**
B. Accumulated amortisation	
a) Balance as at 1st April, 2017	**11.54**
b) Amortisation expense for the year	**0.90**
Balance as at 31st March, 2018	**12.44**
C. Net carrying amount (A-B)	**1.07**

As at 31st March, 2017

Description of Assets	Computer Software
A. Cost	
a) Balance as at 1st April, 2016	11.23
b) Additions	1.54
Balance as at 31st March, 2017	12.77
B. Accumulated amortisation	
a) Balance as at 1st April, 2016	10.77
b) Amortisation expense for the year	0.77
Balance as at 31st March, 2017	11.54
C. Net carrying amount (A-B)	1.23

Note:

i) The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2018 is ₹ 2.80 crores (as at 31st March, 2017 ₹ 0.01 crores)

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 6 – Investments

₹ in Crores

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Quantity	Amount Current	Amount Non-Current	Quantity	Amount Current	Amount Non-Current
I. FAIR VALUE THROUGH PROFIT AND LOSS (FVTPL)						
A. Quoted Investments (fully paid)						
Investments in Mutual Funds	—	**50.05**	—	—	58.04	—
Total Quoted Investments	—	**50.05**	—	—	58.04	—
TOTAL INVESTMENTS CARRIED AT FVTPL [I]	—	**50.05**	—	—	58.04	—
Of the above, investments designated at FVTPL	—	—	—	—	—	—
Of the above, investments held for trading	—	**50.05**	—	—	58.04	—
Other investments carried at FVTPL	—	—	—	—	—	—
TOTAL INVESTMENTS	—	**50.05**	—	—	58.04	—
Other disclosures						
Aggregate amount of quoted investments.....	—	**50.05**	—	—	58.04	—
Aggregate amount of Market value of investments	—	**50.05**	—	—	58.04	—
Aggregate amount of impairment in value of investments ..	—	—	—	—	—	—

Note No. 7 – Trade receivables

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Trade receivables		
(a) Unsecured, considered good.....	**520.04**	412.07
(b) Doubtful	**12.60**	9.40
	532.64	421.47
Less: Allowance for excepted credit losses	**12.60**	9.40
Total	**520.04**	412.07

Notes:

i) Refer Note 29 (iii) for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

ii) The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected credit loss provision for all trade receivables. The company has expected credit losses based on a provision matrix which uses historical credit loss experience of the Company.

iii) Trade Receivables amounting to ₹ 499.32 of the Holding company are hypothecated to Banks against working capital facility.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 8 – Loans

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Loan to related parties		
a) Unsecured, considered good	—	25.00
Total	—	25.00

Note:

i) Refer Note 29(iii) for disclosures related to credit risk, impairment under expected credit loss model and related disclosures.

Note No. 9 – Other financial assets

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-Current	Current	Non-Current
Financial assets at amortised cost				
a) Bank Deposit				
i. Under lien with Government authority with more than 12 months of original maturity	—	**0.01**	—	#
ii. Bank Deposit with more than 12 months original maturity	—	—	8.00	—
Total	—	**0.01**	8.00	—
b) Security Deposits				
i. Unsecured, considered good	**10.94**	**13.38**	6.88	10.32
ii. Doubtful	**0.22**	—	—	—
Less: Allowance for Losses	**(0.22)**	—	—	—
Total	**10.94**	**13.38**	6.88	10.32
c) Other items				
i. Interest Accrued	**0.01**	—	1.03	—
ii. Accrued Sales	**73.58**	—	39.72	—
iii. National Savings Certificate	—	**0.01**	—	0.01
iv. Equity Shares of Zoroastrian Cooperative Bank Ltd	—	**0.02**	—	0.02
v. Other receivables	**0.77**	**0.94**	1.03	0.04
Total	**74.36**	**0.97**	41.78	0.07
Total (a+b+c)	**85.30**	**14.36**	56.66	10.39

Note:

# denotes amount less than ₹ 50,000

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 10 – Deferred Tax Assets

Movement in deferred tax balances

As at 31st March, 2018

₹ in Crores

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
A. Tax effect of items constituting deferred tax liabilities				
a) VAT allowance	**1.08**	**0.01**	**—**	**1.09**
b) Property, Plant and Equipment	**2.27**	**0.17**	**—**	**2.44**
c) Deposits received	**0.01**	**(0.01)**	**—**	**—**
d) Mutual Funds	**0.01**	**0.01**	**—**	**0.02**
Total	**3.37**	**0.18**	**—**	**3.55**
B. Tax effect of items constituting deferred tax assets				
a) Property, Plant and Equipment	**2.10**	**1.43**	**—**	**3.53**
b) Employee benefits	**5.64**	**0.56**	**—**	**6.20**
c) Allowances for credit losses	**4.33**	**0.47**	**—**	**4.80**
d) ESOP Expenses	**0.88**	**(0.88)**	**—**	**—**
e) Income tax Loss	**3.22**	**(0.80)**	**—**	**2.42**
f) MAT Credit	**0.33**	**0.30**	**—**	**0.63**
g) Others	**0.06**	**0.02**	**—**	**0.08**
Total	**16.56**	**1.10**	**—**	**17.66**
Net Tax Asset/(Liabilities) (B-A)	**13.19**	**0.92**	**—**	**14.11**

As at 31st March, 2017

₹ in Crores

Particulars	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
A. Tax effect of items constituting deferred tax liabilities				
a) VAT allowance	1.08	—	—	1.08
b) Property, Plant and Equipment	1.16	1.11	—	2.27
c) Deposits received	0.02	(0.01)	—	0.01
d) Mutual Funds	0.02	(0.01)	—	0.01
Total	2.28	1.09	—	3.37
B. Tax effect of items constituting deferred tax assets				
a) Property, Plant and Equipment	1.78	0.32	—	2.10
b) Employee benefits	4.98	0.65	0.01	5.64
c) Allowances for credit losses	3.09	1.24	—	4.33
d) ESOP Expenses	—	0.88	—	0.88
e) Income tax Loss	1.17	2.05	—	3.22
f) MAT Credit	0.04	0.29	—	0.33
g) Others	0.02	0.04	—	0.06
Total	11.08	5.47	0.01	16.56
Net Tax Asset/(Liabilities) (B-A)	8.80	4.38	0.01	13.19

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 11 – Other assets

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-Current	Current	Non-Current
A. Capital advances				
a) For Capital work in progress	**—**	**0.23**	—	0.39
b) For Intangible asset	**—**	**12.92**	—	0.04
Total (A)	**—**	**13.15**	—	0.43
B. Advances other than capital advances				
a) Advances to suppliers – considered good	**45.37**	**—**	53.95	—
b) Advances to suppliers – considered doubtful	**1.07**	**—**	3.15	—
c) Balances with government authorities (service tax, VAT etc.)	**2.97**	**6.16**	2.10	5.72
d) Prepaid Expenses	**3.05**	**0.60**	3.25	0.59
e) Advances to employees #	**1.44**	**—**	1.11	—
f) Other receivables	**7.94**	**0.27**	5.56	—
Total (B)	**61.84**	**7.03**	69.12	6.31
C. Consumables Tyres	**0.05**	**—**	0.04	—
Total (A+B+C)	**61.89**	**20.18**	69.16	6.74
Less: Provision for doubtful advances	**(1.07)**	**—**	(3.15)	—
Total (D)	**(1.07)**	**—**	(3.15)	—
TOTAL (A+B+C+D)	**60.82**	**20.18**	66.01	6.74

Note:

Advances given to employees are as per the Company's policy and are not required to be disclosed u/s 186(4) of Companies Act, 2013.

Note No. 12 – Cash and Cash Equivalents

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
A. Cash and cash equivalents		
a) Balances with banks	**40.35**	22.28
b) Cheques, drafts on hand	**0.59**	0.69
c) Cash on hand	**0.09**	0.21
d) Bank deposits with original maturity of less than 3 months	**25.00**	27.00
Total	**66.03**	50.18

Note:

i) Cash Credit facilities are repayable on demand and carry interest based on applicable rate plus agreed spreads and/or negotiated rates. The rates of interest during the year ranged between 8.15% to 12.50% p.a.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 13 – Income Tax Assets (Net)

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Advance Income Tax/TDS Receivable (Net)	**86.76**	54.42
Total	**86.76**	54.42

Note No. 14 – Non-Current Assets classified as held for sale

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Land held for sale	**1.91**	1.91
Total	**1.91**	1.91
Liabilities associated with assets held for sale	**—**	—

Notes:

i) During the financial year 2011-2012, cost of land situated at Sembiya Manali Village, Ponneri Taluka, Tiruvallore District, amounting to ₹ 1.89 Crores and related development costs of the land amounting to ₹ 0.02 Crores was classified as Non-Current Asset held for sale.

ii) Being a non-core asset, the management decided to sell the land. The Group is looking for a prospective buyer through advertisements including print media. The property is available for immediate sale in its present condition.

Note No. 15 – Equity Share Capital

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares	Amount	No. of shares	Amount
A. Authorised:				
a) Equity shares of ₹ 10 each with voting rights	**10,50,00,000**	**105.00**	10,50,00,000	105.00
Total	**10,50,00,000**	**105.00**	10,50,00,000	105.00
B. Issued, Subscribed and Fully Paid:				
a) Equity shares of ₹ 10 each with voting rights	**7,11,41,924**	**71.14**	6,78,32,997	67.83
Total	**7,11,41,924**	**71.14**	6,78,32,997	67.83
C. Issued, Subscribed and Partly Paid:				
a) Equity shares of ₹ 10 each with voting rights ₹ 2 paid up	**—**	**—**	40,774	0.01
b) Equity shares of ₹ 10 each with voting rights ₹ 1 paid up	**—**	**—**	15,81,273	0.16
Total	**—**	**—**	16,22,047	0.17
Total (B+C)	**7,11,41,924**	**71.14**	6,94,55,044	68.00

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 15 – Equity Share Capital (contd.)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

Particulars		Opening Balance	Fresh Issue	Other Changes#	Closing Balance
A. Equity Shares with Voting rights					
a) Year ended 31st March, 2018	**No. of Shares**	**6,94,55,044**	**16,86,880**	**—**	**7,11,41,924**
	Amount	**68.00**	**1.69**	**1.45**	**71.14**
b) Year ended 31st March, 2017	No. of Shares	6,12,77,860	81,77,184	—	6,94,55,044
	Amount	59.82	8.18	—	68.00
B. 0.001% Non-Cumulative fully paid Compulsory Convertible Preference of ₹ 50 each					
a) Year ended 31st March, 2018	**No. of Shares**	**—**	**—**	**—**	**—**
	Amount	**—**	**—**	**—**	**—**
b) Year ended 31st March, 2017	No. of Shares	81,77,184	—	(81,77,184)	—
	Amount	40.89	—	(40.89)	—

Note:

During the year 15,81,273 partly paid-up Equity Shares of ₹ 1 each and 40,774 partly paid-up Equity Shares of ₹ 2 each were made fully paid-up on 7th July, 2017.

Rights, preferences and restrictions attached to equity shares.

The Group has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended 31st March, 2017, 81,77,184 0.001% Non cumulative compulsory convertible preference shares have been converted into 81,77,184 fully paid up equity shares.

(ii) Details of shares held by Holding Company / and their Subsidiaries

Name of shareholder	As at 31st March, 2018	As at 31st March, 2017
a) Holding Company		
— Mahindra & Mahindra Limited	**4,18,12,157**	—
b) Subsidiaries of Holding Company		
— Mahindra Engineering and Chemical Products Limited	**100**	—

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2018		As at 31st March, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
A. Equity shares with voting rights				
a) Mahindra & Mahindra Limited	**4,18,12,157**	**58.77%**	5,14,78,330	74.12%
b) Normandy Holdings Limited	**64,15,083**	**9.02%**	1,56,86,263	22.58%

Note:

i) For details of shares reserved or issuance under options, please refer note no 24.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 16 – Other Equity

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Securities premium reserve	**98.49**	92.67
Retained earnings	**248.47**	184.55
Equity-settled employee benefits reserve	**1.50**	2.46
Non-Controlling Interest	**6.95**	4.78
Total	**355.41**	284.46

Movement in Reserves

Particulars	As at 31st March, 2018	As at 31st March, 2017
(A) Retained Earnings		
Balance as at the beginning of the year	**184.55**	139.37
Add: Profit for the year	**64.01**	45.62
Less: Actuarial gain for the year	**(0.09)**	(0.44)
Balance as at the end of the year	**248.47**	184.55
(B) Securities Premium Reserve		
Balance as at the beginning of the year	**92.67**	59.96
Add: Additions during the year	**5.82**	32.71
Less: Deletion during the year	**—**	—
Balance as at the end of the year	**98.49**	92.67
(C) Equity-settled Employee benefits reserve		
Balance as at the beginning of the year	**2.46**	1.75
Add: Additions during the year	**1.70**	0.71
Less: Deletion during the year	**(2.66)**	—
Balance as at the end of the year	**1.50**	2.46

Nature and purpose of other reserves:

Retained earnings:

Retained earnings represents the accumulated surplus. The reserve can be distributed/utilised by the Company in accordance with the Companies Act, 2013.

Securities Premium Reserve:

Securities premium account is created when shares are issued at premium. The reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Equity-settled employee benefits reserve:

Equity settled employee benefit reserve represents reserve towards the premium for the equity shares to be issued against the options granted.

Note: The Board of Directors at its meeting held on 2nd May, 2018 have recommended a payment of final dividend of ₹ 1.50 (Rupee one and paise fifty only) per equity share of face value of ₹ 10 each for the year ended 31st March, 2018. The same amounts to ₹ 12.86 crores including dividend distribution tax of ₹ 2.19 crores.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 17 – Borrowings

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-Current	Current	Non-Current
A. Secured Borrowings				
(a) Loans repayable on demand				
(1) from Banks	**2.73**	**—**	3.27	—
(b) Term Loan				
(1) from Banks	**—**	**18.07**	—	3.74
(2) from related party	**—**	**—**	—	16.03
Total Secured Borrowings	**2.73**	**18.07**	3.27	19.77
B. Unsecured Borrowings				
(1) from Banks	**5.39**	**—**	4.40	—
(2) from other parties	**—**	**—**	0.57	—
Total Unsecured Borrowings	**5.39**	**—**	4.97	—
Total Borrowings	**8.12**	**18.07**	8.24	19.77

Notes:

i. Secured borrowing for working capital from banks is in the nature of Cash Credit facility against trade receivables.
ii. Unsecured borrowing for working capital from banks is in the nature of overdraft facility.
iii. Working capital facilities has been availed at the rate of interest ranging from 8.15% to 12.50% p.a.
iv. Term Loan has been secured by way of hypothecation of the related vehicle and to be paid in 57 equal monthly instalments.
v. Term Loan has been availed at the rate of interest ranging from 8.15 % p.a to 8.40 % p.a.

Note No. 18 – Other Financial Liabilities

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-Current	Current	Non-Current
Other Financial Liabilities Measured at Amortised Cost				
(a) Security Deposits	**3.57**	**—**	3.36	0.02
(b) Current maturities of Long-term debts				
— From banks	**8.44**	**—**	1.20	—
— From related party	**—**	**—**	5.11	—
(c) Other liabilities				
— Creditors for capital supplies/services	**1.10**	**—**	1.50	—
Total	**13.11**	**—**	11.17	0.02

Note No. 19 – Provisions

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits				
(a) Provision for leave encashment	**3.25**	**14.56**	3.29	12.86
(b) Post-Employment Benefit Gratuity Liability	**0.02**	**0.21**	0.01	0.21
Total	**3.27**	**14.77**	3.30	13.07

Note:

The provision for employee benefits includes annual leave and vested long service leave entitlements accrued and gratuity liability for the employees. For other disclosures, refer note 33 on employee benefit plans.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 20 – Other Liabilities

₹ in Crores

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Current	Non-Current	Current	Non-Current
A. Advances received from customers	**0.08**	**—**	0.01	—
B. Unearned Income on discounted deposits	**—**	**—**	0.09	—
C. Statutory dues				
a) Taxes Payable	**9.76**	**—**	4.72	—
b) Employee Liabilities	**2.07**	**—**	1.82	—
D. Post-employment Benefit — Gratuity Liability	**3.89**	**—**	2.85	—
Total	**15.80**	**—**	9.49	—

Note: For disclosures related to employee benefits, refer note 33.

Note No. 21 – Trade Payables

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Due to Micro and Small Enterprises	**—**	—
Trade payable — Other than Micro and Small Enterprises	**486.31**	399.29
Total	**486.31**	399.29

Notes:

i) Trade Payables are payables in respect of the amount due on account of goods purchased or services availed in the normal course of business.

ii) Based on the information available with the Group, no trade payables have been registered as 'supplier' within the meaning of 'Micro Small & Medium Enterprises Development Act, 2006, as on 31st March, 2018. This has been relied upon by the auditors.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 22 – Revenue from Operations

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Revenue from rendering of services	**3,415.86**	2,666.16
(b) Other operating revenue	**0.26**	0.43
Total	**3,416.12**	2,666.59

Note No. 23 – Other Income

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Interest Income		
— On Financials Assets at Amortised Cost	**2.35**	5.86
— Other Assets	**0.44**	1.18
(b) Dividend Income		
— from Mutual fund at Fair Value through Profit or Loss	**0.37**	0.53
— from other investments	**#**	#
(c) Miscellaneous Income		
— Net gain/(loss) arising on financial assets carried at FVTPL	**0.56**	0.54
— Net gain/(loss) arising on financial liabilities carried at amortised cost	**0.09**	0.14
— Gain on exchange fluctuation	**0.94**	0.29
— Other income	**1.13**	1.11
Total	**5.88**	9.65

# denotes amount less than ₹ 50,000

Note No. 24 – Employee Benefits Expense

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Salaries and wages, including bonus	**193.97**	159.55
(b) Contribution to provident and other funds	**11.83**	9.35
(c) Gratuity	**3.86**	2.21
(d) Equity-settled share-based payments	**1.70**	0.71
(e) Staff welfare expenses	**17.76**	16.48
Total	**229.12**	188.30

Notes:

(i) Salaries and wages includes salaries, wages, bonus, compensated absences and all other amounts payable to employees in respect of services rendered as per their employment terms under a contract of service.

(ii) Contribution to provident fund and other funds includes contributions to other funds like superannuation fund, ESIS etc. pertaining to employees.

(iii) **Share based payment**

The Company has introduced a MLL – Key Executives Stock Option Scheme, 2012 ("Plan") as approved at its Board Meeting held on 27th April, 2012 and subsequently amended on 5th February, 2014, 27th October, 2015 and 3rd August, 2017. The plan provides that eligible employees and the Partners' Enterprise (formerly, known as Mahindra Partners Employees Options Trust (the Trust)) as defined in the Plan are granted options to acquire equity shares of the Company that vests in a graded manner. The vested options can be exercised within a specified period from the date on which the shares of the Company get listed on a recognized stock exchange or on happening of an event as specified in the Plan. The number of options granted is calculated in accordance with the performance- based formula approved by the Board as recommended by the then ESOP committee.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

(iv) **Information in respect of options outstanding:**

Particulars	As at 31st March, 2018				
	Number of Shares	Grant Date	Expiry Date	Exercise Price	Fair value at Grant Date
Equity Settled					
Option 6	4,59,360	10-07-17	10-07-21	87.28	44.96

Particulars	As at 31st March, 2017				
	Number of Shares	Grant Date	Expiry Date	Exercise Price	Fair value at Grant Date
Equity Settled					
Option 1	10,16,006	25-06-12	30-06-21	13.90	9.04
Option 2	29,931	02-11-12	30-06-21	13.90	8.84
Option 3	1,44,633	14-10-13	30-06-21	23.38	16.08
Option 4	5,33,203	27-10-15	30-06-21	44.30	26.83
Option 5	73,608	03-08-16	30-06-21	52.76	35.50

(v) **Movement in Share Options**

Particulars	For the year ended 31 March, 2018		For the year ended 31 March, 2017	
	Number of Shares	Weighted average exercise price	Number of Shares	Weighted average exercise price
(a) The number and weighted average exercise prices of share options outstanding at the beginning of year	**17,97,381**	**25.27**	19,29,889	23.64
(b) Granted during the year	**4,59,360**	**87.28**	73,608	52.76
(c) Forfeited during the year	**1,10,501**	**30.10**	2,06,116	19.79
(d) Exercised during the year	**16,86,880**	**24.96**	—	—
(e) Expired during the year	—	—	—	—
(f) Outstanding at the end of the year	**4,59,360**	**87.28**	17,97,381	25.27
(g) Exercisable at the end of the year	**4,59,360**	**87.28**	17,97,381	25.27
(h) Remaining contractual life (no of days)		**1,195**		1,552

(vi) **The inputs used in the measurement of the fair values at grant date of the employee stock option plans(ESOPs) were as follows.**

Particulars/Grant Date	25-06-12	02-11-12	14-10-13	27-10-15	03-08-16	10-07-17
Share price at grant date	13.90	13.90	23.38	44.30	52.76	87.28
Exercise price	13.90	13.90	23.38	44.30	52.76	87.28
Expected volatility (weighted-average)	38.88%	38.88%	52.62%	54.03%	76.78%	58.27%
Expected life / Option life (weighted-average)	9.02	8.66	7.69	5.83	4.91	4.00
Expected dividends yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate (based on government bonds)	8.12%	8.54%	9.14%	8.19%	7.26%	6.72%

(vii) The fair value of the employee share options has been measured using the Black-Scholes Option Pricing Model. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

(viii) Expected volatility has been based on an evaluation of annual volatility of peer group prevailing in the year of grant.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 25 – Finance Cost

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Interest expense on cash credit	**1.08**	0.55
(b) Interest expense on Term loans	**2.58**	2.79
(c) Interest expense on unwinding of deposits	**0.11**	0.15
Total	**3.77**	3.49

(i) Analysis of Interest Expenses by Category

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interest Expenses		
(a) On Financial Liability at Amortised Cost	**3.77**	3.49
(b) On Financial Liabilities at FVTPL	**—**	—
Total	**3.77**	3.49

Note No. 26 – Other Expenses

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Freight and other related expense	**2,678.50**	2,093.95
(b) Labour and other related expense	**187.15**	142.12
(c) Rent including lease rentals	**64.52**	39.91
(d) Warehouse and related expense	**24.13**	26.53
(e) Legal and Other professional costs	**17.20**	28.47
(f) Hire and service charges	**12.86**	10.80
(g) Travelling and Conveyance expenses	**12.72**	8.53
(h) Vehicle running expense	**12.81**	9.79
(i) Provision for expected credit loss on trade receivables	**3.20**	2.99
(j) (Reversal)/provision for doubtful advances	**(1.86)**	0.62
(k) Power and Fuel	**23.89**	16.10
(l) Expenditure on Corporate Social Responsibility (CSR)	**1.27**	1.16
(m) Advertisement	**0.70**	0.64
(n) Net loss on sale of property, plant and equipments	**0.11**	0.11
(o) Repairs and maintenance:		
(i) Buildings	**0.55**	0.45
(ii) Machinery	**6.78**	3.69
(iii) Others	**3.00**	2.42
	10.33	6.56
(p) Auditors remuneration and out-of-pocket expenses:		
(i) As Auditors	**0.27**	0.12
(ii) For Taxation matters	**—**	0.03
(iii) For Other services	**0.25**	0.09
(iv) For reimbursement of expenses	**0.01**	—
	0.53	0.24
(q) Other expenses:		
(i) Miscellaneous Expenses	**13.96**	11.66
(ii) Loss arising on derecognition of financial assets – Bad debts/advances written off	**5.25**	1.85
	19.21	13.51
Total	**3,067.27**	2,402.03

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 27 – Current Tax and Deferred Tax

(a) Income Tax recognised in Profit & Loss

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. **Current Tax:**		
(a) In respect of current year	**37.73**	26.09
(b) In respect of prior years	**0.03**	0.01
Total	**37.76**	26.10
B. **Deferred Tax:**		
(a) In respect of current year	**(0.92)**	(4.38)
Total	**(0.92)**	(4.38)
Total (A+B)	**36.84**	21.72

(b) Income tax recognised in Other Comprehensive Income

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. **Current Tax:**		
Remeasurement of defined benefit obligations	**0.05**	0.25
	0.05	0.25
B. **Deferred Tax:**	**—**	0.01
Total	**—**	0.01
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**0.05**	0.26
Total	**0.05**	0.26

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Profit Before tax	**102.11**	67.82
(b) Income Tax using the Company's domestic tax rate #	**35.23**	23.49
(c) Change in tax rate	**(0.07)**	—
(d) Expenses not allowed for tax purpose	**1.92**	0.66
(e) Deferred tax credit on ESOP	**—**	(0.88)
(f) Exempt Income for tax purpose	**(0.13)**	(0.19)
(g) Deduction under Income tax (u/s 80G)	**(0.11)**	(0.11)
(h) Tax impact on Business Loss	**—**	(1.23)
	36.84	21.74
(i) Adjustments recognised in the current year in relation to the current tax of prior years	**—**	(0.01)
Income tax expense recognised In profit or loss	**36.84**	21.72

Note:

The tax rate used in reconciliations above is the corporate tax rate of 30% (plus surcharge and cess as applicable) on taxable profits under Income Tax Act, 1961.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 27 – Current Tax and Deferred Tax (Contd.)

(d) Amounts on which deferred tax asset has not been created:

Deferred tax assets have not been recognised in respect of following items since it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom.

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Unused Tax losses (capital in nature)	**10.29**	10.29
Total	**10.29**	10.29

Note: The unrecognised tax losses carried forward will expire entirely in FY 2019-2020.

Note No. 28 – Earnings Per Share

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. Basic Earnings Per Share (in ₹) (face value ₹ 10/- per share)	**9.13**	6.71
B. Diluted Earnings Per Share (in ₹) (face value ₹ 10/- per share)	**9.04**	6.62

Notes:

(i) Basic Earnings Per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Profit for the year attributable to owners of the Group	**64.01**	45.62
(b) Less: Preference dividend and tax thereon	**—**	—
Profit for the year used in the calculation of basic earnings per share	**64.01**	45.62
Weighted average number of equity shares	**7,01,45,454**	6,79,99,279
Earnings per share from continuing operations – Basic (in ₹)	**9.13**	6.71

(ii) Diluted Earnings Per Share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving the effect of the dilutive potential ordinary shares for the respective years.

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Profit for the year used in the calculation of basic earnings per share	**64.01**	45.62
(b) Add: adjustments on account of dilutive potential equity shares	**—**	—
Profit for the year used in the calculation of diluted earnings per share	**64.01**	45.62

(iii) Reconciliation of weighted average number of equity shares

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Weighted average number of equity shares used in the calculation of Basic EPS	**7,01,45,454**	6,79,99,279
(b) Add: Effect of ESOPs	**6,92,256**	8,59,729
Weighted average number of equity shares used in the calculation of Diluted EPS	**7,08,37,710**	6,88,59,008
Earnings per share from continuing operations – Diluted (in ₹)	**9.04**	6.62

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 29 – Financial Instruments

i. Capital management Policy

(a) The Group's capital management objectives are:

— to ensure the Group's ability to continue as a going concern.

— to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

(b) For the purpose of Group's capital management, capital includes issued share capital, equity as well as preference and all other equity reserves. The Group monitors capital on the basis of the carrying amount of equity as presented on the face of the statement of financial position. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(c) The following table shows the components of capital:

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
Equity	**419.60**	347.68
Total	**419.60**	347.68

Note:

The above capital management disclosures are based on the information provided internally to key management personnel.

ii. Categories of financial assets and financial liabilities

Particulars	As at 31st March, 2018			
	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
(a) Other Financial Assets	**14.36**	**—**	**—**	**14.36**
Total	**14.36**	**—**	**—**	**14.36**
B. Current Assets				
(a) Investments	**—**	**50.05**	**—**	**50.05**
(b) Trade Receivables	**520.04**	**—**	**—**	**520.04**
(c) Cash and Bank Balances	**66.03**	**—**	**—**	**66.03**
(d) Loans	**—**	**—**	**—**	**—**
(e) Other Financial Assets	**85.30**	**—**	**—**	**85.30**
Total	**671.37**	**50.05**	**—**	**721.42**
C. Non-current Liabilities				
(a) Borrowings	**18.07**	**—**	**—**	**18.07**
(b) Other Financial Liabilities:				
— Security Deposits	**—**	**—**	**—**	**—**
Total	**18.07**	**—**	**—**	**18.07**
D. Current Liabilities				
(a) Borrowings	**8.12**	**—**	**—**	**8.12**
(b) Trade Payables	**486.31**	**—**	**—**	**486.31**
(c) Other Financial Liabilities	**13.11**	**—**	**—**	**13.11**
Total	**507.54**	**—**	**—**	**507.54**

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Particulars	As at 31st March, 2017			
	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
(a) Other Financial Assets	10.39	—	—	10.39
Total	10.39	—	—	10.39
B. Current Assets				
(a) Investments	—	58.04	—	58.04
(b) Trade Receivables	412.07	—	—	412.07
(c) Cash and Bank Balances	50.18	—	—	50.18
(d) Loans	25.00	—	—	25.00
(e) Other Financial Assets	56.66	—	—	56.66
Total	543.91	58.04	—	601.95
C. Non-current Liabilities				
(a) Borrowings	19.77	—	—	19.77
(b) Other Financial Liabilities:				
— Security Deposits	0.02	—	—	0.02
Total	19.79	—	—	19.79
D. Current Liabilities				
(a) Borrowings	8.24	—	—	8.24
(b) Trade Payables	399.29	—	—	399.29
(c) Other Financial Liabilities	11.17	—	—	11.17
Total	418.70	—	—	418.70

iii. Financial Risk Management Framework

The Group's activities expose it to a variety of financial risks: credit risk and liquidity risk. In order to manage the aforementioned risks, the Group operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

(A) Credit risk management

Trade receivables and deposits

(i) Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Credit exposure is controlled by counterparty credit period which is monitored through an approved policy.

(ii) Trade receivables consist of a large number of customers, spread across diverse industries and places across India.

(iii) Apart from two large customers of the Group, the Group does not have significant credit risk exposure to any single customer. Concentration of credit risk related to a single Group did not exceed 15% of trade receivables at the end of the year.

(iv) The Group's applies the simplified approach in providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Group's has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Group's and individual receivable specific provision where applicable.

(v) There is no change in estimation techniques or significant assumptions during the reporting year.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

(vi) **The loss allowance for trade receivables using expected credit loss for different ageing periods is as follows:**

Particulars	As at 31st March, 2018			
	Not due	Less than 6 months past due	More than 6 months past due	Total
(a) Gross carrying amount	**333.44**	**167.49**	**31.71**	**532.64**
(b) Loss allowance provision	**5.63**	**2.97**	**4.00**	**12.60**

Particulars	As at 31st March, 2017			
	Not due	Less than 6 months past due	More than 6 months past due	Total
(a) Gross carrying amount	274.10	129.30	18.07	421.47
(b) Loss allowance provision	5.16	2.50	1.74	9.40

(vii) **Reconciliation of loss allowance provision for Trade Receivables**

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Balance as at beginning of the year	**9.40**	6.41
(b) Impairment losses recognised in the year based on lifetime expected credit losses		
— On receivables originated during the year	**1.80**	0.33
— Other receivables	**1.72**	4.51
(c) Impairment losses reversed / written back	**(0.32)**	(1.85)
(d) **Balance at end of the year**	**12.60**	9.40

(viii) During the year, the Group has made write off of ₹ 2.97 crores (Previous year ₹ 1.53 crores) of trade receivables and NIL (Previous year ₹ 0.15 crores) of deposits given. These trade receivables and deposits are not subject to enforcement activity.

Investment in Mutual Funds

The Group has investments of ₹ 50.05 crores as at 31st March, 2018 (As at 31st March, 2017 ₹ 58.04 crores) in growth oriented mutual funds which have not been impaired till date.

Cash and Cash equivalents

As at 31st March, 2018, the Company holds cash and cash equivalents of ₹ 66.03 crores (As at 31st March, 2017 ₹ 50.18 crores). The cash and cash equivalents are held with banks with good credit rating.

(B) Liquidity risk management

(i) The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

(ii) **Maturities of financial liabilities**

Table showing maturity profile of financial liabilities:

Particulars	As at 31st March, 2018			
	Less than 1 year	1-3 years	3 years to 5 years	5 years and above
(A) Non-derivative financial liabilities				
(a) Trade Payables	**486.31**	**—**	**—**	**—**
(b) Borrowings	**16.56**	**15.76**	**2.31**	**—**
(c) Security Deposits	**3.57**	**—**	**—**	**—**
(d) Other Financial liabilities	**1.10**	**—**	**—**	**—**
Total	**507.54**	**15.76**	**2.31**	**—**

Particulars	As at 31st March, 2017			
	Less than 1 year	1-3 years	3 years to 5 years	5 years and above
(A) Non-derivative financial liabilities				
(a) Trade Payables	399.29	—	—	—
(b) Borrowings	14.55	14.74	5.03	—
(c) Security Deposits	3.36	0.02	—	—
(d) Other Financial liabilities	1.50	—	—	—
Total	418.70	14.76	5.03	—

The above table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.
The contractual maturity is based on the earliest date on which the Group may be required to pay.

(iii) **Financing arrangements**

The Group has access to following undrawn borrowing facilities at the end of the reporting year:

₹ in Crores

Particulars	As at 31st March, 2018	As at 31st March, 2017
(a) Secured Cash credit facility		
— Expiring within one year	**66.27**	54.73
(b) Bank Guarantees*		
— Expiring beyond one year	**3.99**	4.56
(c) Unsecured Bank Overdraft facility		
— Expiring within one year	**1.61**	0.60

* These limits are as a sub-limit of secured cash credit facility.

(iv) **Maturities of financial assets**

Table showing maturity profile of financial assets

Particulars	As at 31st March, 2018			
	Less than 1 year	1-3 years	3 years to 5 years	5 years and above
Non-derivative financial assets				
Trade Receivables	**520.04**	**—**	**—**	**—**
Security Deposits	**10.68**	**8.72**	**4.81**	**0.36**
Loan to related party	**—**	**—**	**—**	**—**
Others	**74.36**	**0.98**	**—**	**—**
Total	**605.08**	**9.70**	**4.81**	**0.36**

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Particulars	As at 31st March, 2017			
	Less than 1 year	1-3 years	3 years to 5 years	5 years and above
Non-derivative financial assets				
Trade Receivables	412.07	—	—	—
Security Deposits	6.54	9.56	1.17	—
Loan to related party	25.00	—	—	—
Others	49.78	0.07	—	—
Total	493.39	9.63	1.17	—

The above table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(C) Market Risk Management

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the Group's exposure to market risk or the methods in which they are managed or measured.

Currency Risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group's exposure to currency risk relates primarily to the Group's operating activities when transactions are denominated in a different currency from the Group's functional currency.

The Unhedged & carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows:

Particulars	Currency	As at 31st March, 2018	As at 31st March, 2017
Trade Receivables	USD	**2,00,151**	2,73,882
	EUR	**3,052**	48,169
	SGD	**3,447**	1,161
	GBP	**2,259**	1,484
	HKD	**353**	—
Trade Payables	USD	**23,36,828**	2,55,988
	HKD	**48,81,189**	4,00,047
	EUR	**1,16,214**	51,486
	GBP	**70,675**	27,408
	SGD	**12,423**	2,86,198
	CAD	**3,092**	186
	DKK	**10,967**	—
	CHF	**634**	1,698
	AUD	**—**	7,942
	SEK	**35,360**	6,156
	NOK	**2,822**	2,822

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

The following tables demonstrate the sensitivity to a reasonably possible change in major currencies' exchange rates, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Currency	Change in rate	Effect on profit before tax	Effect on pre-tax equity
As at 31st March, 2018	**USD**	**+10%**	**1.39**	**1.39**
	USD	**-10%**	**(1.39)**	**(1.39)**
	HKD	**+10%**	**0.40**	**0.40**
	HKD	**-10%**	**(0.40)**	**(0.40)**
	EUR	**+10%**	**9.14**	**0.09**
	EUR	**-10%**	**(9.14)**	**(0.09)**
	GBP	**+10%**	**6.31**	**0.06**
	GBP	**-10%**	**(6.31)**	**(0.06)**
As at 31st March, 2017	USD	+10%	0.04	0.04
	USD	-10%	(0.04)	(0.04)
	SGD	+10%	(0.13)	(0.13)
	SGD	-10%	0.13	0.13
	HKD	+10%	(0.02)	(0.02)
	HKD	-10%	0.02	0.02

Interest Risk

The following tables demonstrate the sensitivity to a reasonably possible change in Interest rates, with all other variables held constant.

Particulars	Name of borrowing	Type of interest	Rate of interest	Loan amount outstanding	Increase in Base Rate(p.a.)	Sensitivity Impact on P&L (pre-tax)	Decrease in Base Rate(p.a.)	Sensitivity Impact on P&L (pre-tax)
As at 31st March, 2018	**Cash Credit**	**Floating**	**8.85%**	**2.73**	**1.00%**	**(0.03)**	**1.00%**	**0.03**
	Overdraft	**Floating**	**8.15%**	**5.39**	**1.00%**	**(0.05)**	**1.00%**	**0.05**
As at 31st March, 2017	Cash Credit	Floating	8.65%	3.27	1.00%	(0.03)	1.00%	0.03
	Overdraft	Floating	8.45%	4.40	1.00%	(0.04)	1.00%	0.04

Note No. 30 – Fair Value Measurement

(a) Fair Valuation Techniques and Inputs used – recurring items

Financial assets/ financial liabilities measured at Fair value	Fair value: As at 31st March 2018	Fair value: As at 31st March 2017	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
(A) Financial assets						
Investments						
(i) Mutual fund investments	**50.05**	58.04	Level 1	Quoted Market Prices	NA	NA
Total	**50.05**	58.04				

As at reporting date, the Group does not have any financial liability measured at fair values.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

(b) Fair value of financial assets and financial liabilities that are measured at amortised cost:

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
(A) Financial assets				
Financial assets carried at Amortised Cost				
(i) Loans to related parties	**—**	**—**	25.00	25.00
(ii) Trade and other receivables	**520.04**	**520.04**	412.07	412.07
(iii) Deposits given	**24.32**	**24.29**	17.20	17.43
(iv) Cash and cash equivalents	**66.03**	**66.03**	50.18	50.18
(v) Others	**75.34**	**75.34**	49.85	49.85
Total	**685.73**	**685.70**	554.30	554.53
(B) Financial liabilities				
Financial liabilities held at amortised cost				
(i) Borrowings	**34.63**	**35.04**	34.32	32.66
(ii) Deposits received	**3.57**	**3.57**	3.38	3.44
(iii) Trade and other payables	**486.31**	**486.31**	399.29	399.29
(iv) Other financial liabilities	**1.10**	**1.10**	1.50	1.50
Total	**525.61**	**526.02**	438.49	436.89

Note No. 31 – Segment information

(i) The management of the Group has chosen to organise the Group on the basis of nature of services. No operating segments have been aggregated in arriving at the reportable segments of the group.

(ii) Specifically, the Group's reportable segments and the type of product or service from which they derive income are:

(a) Supply Chain Management (SCM) – Goods Transportation service, including warehouse management service and freight forwarding activity etc.

(b) People Logistics Solutions (PTS) – People Transportation service.

(iii) The CEO monitors the operating results of the business segments separately for the purpose of making decisions about the allocation of resources and performance assessment.

(iv) **The segmental disclosures are as follows :**

Particulars	For the year ended 31st March, 2018				
	SCM	PTS	Total Segments	Elimination	Total
Revenue					
I. External customers	**3,075.65**	**340.47**	**3,416.12**	**—**	**3,416.12**
II. Intersegment revenue	**—**	**—**	**—**	**—**	**—**
Total revenue	**3,075.65**	**340.47**	**3,416.12**	**—**	**3,416.12**

Particulars	For the year ended 31st March, 2018				
	SCM	PTS	Total Segments	Elimination	Total
Results					
I. Segment Result	**226.32**	**31.63**	**257.95**	**—**	**257.95**
Less: Finance Costs					**(3.77)**
Unallocated corporate income net of unallocated expenses					**(152.07)**
Profit before tax					**102.11**
Income Taxes					**(36.84)**
Profit after tax					**65.27**
Other information					
Segment Assets	**643.28**	**98.67**	**741.95**	**—**	**741.95**
Unallocated Corporate Assets	**—**	**—**	**—**	**—**	**244.05**
Total Assets	**643.28**	**98.67**	**741.95**	**—**	**986.00**
Segment Liabilities	**461.34**	**41.78**	**503.12**	**—**	**503.12**
Unallocated Corporate Liabilities	**—**	**—**	**—**	**—**	**56.33**
Total Liabilities	**461.34**	**41.78**	**503.12**	**—**	**559.45**
Capital Expenditure	**21.23**	**12.34**	**33.57**	**—**	**33.57**
Depreciation and Amortisation expense	**15.54**	**0.36**	**15.90**	**—**	**15.90**

Particulars	For the year ended 31st March, 2017				
	SCM	PTS	Total Segments	Elimination	Total
Revenue					
I. External customers	2,371.54	295.05	2,666.59	—	2,666.59
II. Intersegment revenue	—	—	—	—	—
Total revenue	2,371.54	295.05	2,666.59	—	2,666.59
Results					
Segment Result	171.84	29.36	201.20	—	201.20
Less: Finance Costs					(3.49)
Unallocated corporate income net of unallocated expenses					(129.89)
Profit before tax					67.82
Income Taxes					(21.72)
Profit after tax					46.10
Other information					
Segment Assets	505.66	78.98	584.64	—	584.64
Unallocated Corporate Assets	—	—	—	—	232.17
Total Assets	505.66	78.98	584.64	—	816.81
Segment Liabilities	379.01	35.24	414.25	—	414.25
Unallocated Corporate Liabilities	—	—	—	—	50.10
Total Liabilities	379.01	35.24	414.25	—	464.35
Capital Expenditure	17.56	0.83	18.39	—	18.39
Depreciation and Amortisation expense	9.98	0.37	10.35	—	10.35

Other disclosures :

(i) Finance income and costs, fair value gains and losses on financial assets and indirect expenses are not allocated to individual segments as the underlying instruments are managed on a group basis.

(ii) Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

(iii) The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2.19.

There is no difference between segment profit as reviewed by CEO and the profit before tax as appearing in the financial statements.

(v) **Geographic information**

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Revenue from external customers		
India	3,401.52	2,656.89
Outside India	14.60	9.70
Total revenue per statement of profit or loss	**3,416.12**	2,666.59

(vi) **Segment Assets**

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
India	**740.57**	582.42
Outside India	**1.38**	2.22
Total	**741.95**	584.64

(vii) **Capital Expenditure**

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
India	**33.57**	18.39
Outside India	**—**	—
Total	**33.57**	18.39

(viii) **Revenue from major products and services :**

The following is an analysis of the Group's revenue from continuing operations from its major products and services:

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Transportation	**2,656.77**	2,024.80
Warehousing & other related activities	**396.93**	329.95
People Logistics	**340.47**	295.05
Total	**3,394.17**	2,649.80

The revenues of the Company from holding company and group of customers under common control of the holding company amounts to around 54.55% (Previous year: 54.00%) of its total revenues during the year ended 31st March, 2018.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 32 – Leases

Operating Lease

(i) The Group has entered into operating lease arrangements for commercial premises. The leases are non-cancellable and are for period as specified in the agreement and may be renewed based on mutual agreement of the parties.

₹ in Crores

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(i) Future Non-Cancellable minimum lease commitments		
(a) not later than one year	**11.80**	11.15
(b) later than one year and not later than five years	**8.18**	3.24
(c) later than five years	**—**	—
(ii) Expenses recognised in the Statement of Profit and Loss		
(a) Minimum Lease Payments	**64.07**	39.44

Note No. 33 – Employee benefits

(a) Defined Contribution Plan

The Group's contribution to Provident Fund, Superannuation Fund and other funds aggregating ₹ 11.83 crores (2017: ₹ 9.35 crores) has been recognised in the Statement of Profit or Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

(a) The Group operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Group makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

(b) Though its defined benefit plans the Group is exposed to a number of risks, the most significant of which are detailed below:

(i) **Asset volatility**

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The funds of the defined benefit plans are held with LIC.

As the plans mature, the Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

(ii) **Change in bond yields**

A decrease in government bond yields will increase plan liabilities.

(iii) **Inflation risk**

Defined benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, caps on the level of inflationary increases are in place to protect the plan against extreme inflation).

(iv) **Life expectancy**

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Group's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

(c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Funded Plan - Gratuity		Unfunded Plan - Gratuity	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
(a) Discount rate(s)	**7.70%**	6.82%	**7.60% to 7.70%**	6.82% to 8%
(b) Expected rate(s) of salary increase	**8.00%**	8.00%	**6% to 8%**	6% to 8%
(c) Average longevity	**IALM(2006-08) Ultimate**	IALM(2006-08) Ultimate	**IALM(2006-08) Ultimate**	IALM(2006-08) Ultimate

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

(d) Defined benefit plans – as per actuarial valuation

₹ in Crores

Particulars	Funded Plan - Gratuity		Unfunded Plan - Gratuity	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
I. Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:				
(a) Service Cost	—	—	—	—
(b) Current Service Cost	**3.05**	1.97	**0.11**	0.06
(c) Past Service Cost and (gains)/losses from settlements	**0.48**	—	—	—
(d) Net interest expense	**0.20**	0.16	**0.02**	0.02
Components of defined benefit costs recognised in profit or loss	**3.73**	2.13	**0.13**	0.08
(a) Remeasurement on the net defined benefit liability	—	—	—	—
(b) Return on plan assets (excluding amount included in net interest expense)	**(0.22)**	(0.02)	—	—
(c) Actuarial gains and loss arising from changes in demographic assumptions	—	(0.29)	—	—
(d) Actuarial gains and loss arising from changes in financial assumptions	**(1.12)**	0.81	**(0.02)**	0.02
(e) Actuarial gains and loss arising from experience adjustments	**1.50**	0.22	**(0.01)**	(0.06)
Components of defined benefit costs recognised in other comprehensive income	**0.16**	0.72	**(0.03)**	(0.04)
Total	**3.89**	2.85	**0.10**	0.04
II. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March				
(a) Present value of defined benefit obligation	**(13.76)**	(9.52)	**(0.23)**	(0.22)
(b) Fair value of plan assets	**9.87**	6.67	—	—
(c) Surplus/(Deficit)	**(3.89)**	(2.85)	**(0.23)**	(0.22)
(d) Current portion of the above	**(3.89)**	(2.85)	**(0.02)**	(0.01)
(e) Non-current portion of the above	—	—	**(0.21)**	(0.21)
III. Change in the obligation during the year ended 31st March				
(a) Present value of defined benefit obligation at the beginning of the year	**9.52**	6.61	**0.22**	0.20
(b) Add/(Less) on account of Scheme of Arrangement/ Business	—	—	—	—
(c) Transfer	—	—	—	—
(d) Expenses Recognised in Profit and Loss Account				
– Current Service Cost	**3.05**	1.97	**0.11**	0.06
– Past Service Cost	**0.48**	—	—	—
– Interest Expense (Income)	**0.65**	0.53	**0.02**	0.02

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

₹ in Crores

Particulars	Funded Plan - Gratuity		Unfunded Plan - Gratuity	
	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
(e) Recognised in Other Comprehensive Income Remeasurement gains/(losses)				
– Actuarial Gain/(Loss) arising from:				
i. Demographic Assumptions	—	(0.29)	—	—
ii. Financial Assumptions	**(1.12)**	0.81	**(0.02)**	0.02
iii. Experience Adjustments	**1.50**	0.22	**(0.01)**	(0.06)
(f) Benefit payments	**(0.32)**	(0.33)	**(0.09)**	(0.02)
(g) Present value of defined benefit obligation at the end of the year	**13.76**	9.52	**0.23**	0.22
IV. Change in fair value of assets during the year ended 31st March				
(i) Fair value of plan assets at the beginning of the year	**6.67**	4.58	—	—
(ii) Expenses Recognised in Profit and Loss Account				
– Expected return on plan assets	**0.45**	0.36	—	—
(iii) Recognised in Other Comprehensive Income Remeasurement gains/(losses)				
– Actual Return on plan assets in excess of the expected return	**0.22**	0.03	—	—
(iv) Contributions by employer (including benefit payments recoverable)	**2.85**	2.03	—	—
(v) Benefit payments	**(0.32)**	(0.33)	—	—
(vi) Fair value of plan assets at the end of the year	**9.87**	6.67	—	—
V. The Major categories of plan assets				
– Insurance Funds	**9.87**	6.67	—	—
VI. Actuarial assumptions				
(a) Discount rate	**7.70%**	6.82%	**7.60% to 7.70%**	6.82% to 7.34%
(b) Expected rate of return on plan assets	**7.70%**	6.82%	**7.70%**	6.82%
(c) Attrition rate	**9.00%**	9.00%	**0% to 12.00%**	2.00% to 9.00%

(e) The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption	Changes in assumption	Impact on defined benefit obligation			
		As at 31st March, 2018		As at 31st March, 2017	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
(a) Discount rate	1.00%	**12.63**	**15.05**	8.79	10.37
(b) Salary growth rate	1.00%	**15.00**	**12.66**	10.30	8.82
(c) Rate of employee turnover	1.00%	**13.63**	**13.87**	9.40	9.64

(i) The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

(ii) The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous year.

(iii) The weighted average duration of the defined benefit obligation as at 31st March, 2018 is 8 years.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

(f) Plan Assets

Particulars	As at 31st March, 2018	As at 31st March, 2017
The fair value of Company's plan asset by category are as follows:		
Asset category:		
(a) Cash and cash equivalents	—	—
(b) Debt instruments (quoted)	—	—
(c) Debt instruments (unquoted)	—	—
(d) Equity instruments (quoted)	—	—
(e) Deposits with Insurance companies	**9.87**	6.67
Allocation	**100%**	100%

(g) Maturity profile of defined benefit obligation:

The tables shown below include both discounted value as well as unwinding of interest.

Particulars	As at 31st March, 2018	As at 31st March, 2017
Within 1 year	**1.38**	0.83
1-2 years	**1.10**	0.76
2-3 years	**1.38**	1.04
3-4 years	**1.31**	1.33
4-5 years	**1.58**	1.71
5-10 years	**6.73**	11.13
More than 10 years	**19.73**	—

(h) Experience Adjustments:

	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
1.	Defined Benefit Obligation	**(14.00)**	(9.75)	(6.81)	(4.80)	(3.30)
2.	Fair value of plan assets	**9.87**	6.67	4.58	4.17	3.70
3.	Surplus/(Deficit)	**(4.13)**	(3.08)	(2.23)	(0.63)	0.40
4.	Experience adjustment on plan liabilities [(Gain)/Loss]	**1.49**	0.16	0.18	(0.36)	0.08
5.	Experience adjustment on plan assets [Gain/(Loss)]	**0.22**	0.03	0.02	0.10	(0.06)

(i) The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

(j) The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(k) The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 34 – Related Party Transactions

(i) List of Related Parties:

₹ in Crores

(a) Holding Company:	Mahindra & Mahindra Limited (w.e.f. 10th November, 2017)
(b) Entities having joint control:	1. Mahindra & Mahindra Limited (upto 9th November, 2017) 2. Normandy Holdings Limited (upto 9th November, 2017) 3. Kedaara Alternate Investment Funds (AIF) (upto 9th November, 2017)
(c) Fellow Subsidiaries:	1. Bristlecone India Limited (w.e.f. 10th November, 2017) ** 2. Epc Industrie Limited (w.e.f. 10th November, 2017) ** 3. Mahindra Auto Steel Pvt Limited (w.e.f. 10th November, 2017) ** 4. Mahindra Defence Systems Limited (w.e.f. 10th November, 2017) ** 5. Mahindra Susten Pvt Limited (w.e.f. 10th November, 2017) ** 6. Gromax Agri Equipment Limited (Formerly known as Mahindra Gujarat Tractor Limited) (Name changed w.e.f. 24th August, 2017) (w.e.f. 10th November, 2017) ** 7. Mahindra Intertrade Limited (w.e.f. 10th November, 2017) ** 8. Mahindra Marine Pvt. Limited (w.e.f. 10th November, 2017) ** 9. Mahindra Truck & Buses Limited (w.e.f. 10th November, 2017) ** 10. Mahindra Heavy Engines Limited (w.e.f. 10th November, 2017) ** 11. Mahindra Electric Mobility Limited (w.e.f. 10th November, 2017) ** 12. Mahindra Retail Pvt Limited (w.e.f. 10th November, 2017) ** 13. Mahindra Steel Service Centre Limited (w.e.f. 10th November, 2017) ** 14. Mahindra Agri Solution Limited (w.e.f. 10th November, 2017) ** 15. Mahindra Two Wheelers Limited. (w.e.f. 10th November, 2017) ** 16. Mahindra Greenyard Pvt Limited (w.e.f. 10th November, 2017) ** 17. Mahindra Vehicle Manufacturers Limited (w.e.f. 10th November, 2017) ** 18. NBS International Limited (w.e.f. 10th November, 2017) ** 19. Orizonte Business Solutions Limited (w.e.f. 10th November, 2017) ** 20. Mahindra Integrated Business Solutions Pvt. Limited (w.e.f. 10th November, 2017) ** 21. Mahindra Sona Limited (Ceased to be related party from 16th December, 2016) 22. Mahindra & Mahindra Financial Services Limited (w.e.f. 10th November, 2017) ** 23. Mahindra Defence Naval Systems Limited (Formerly known as Mahindra Defence Naval Systems Private Limited (name changed w.e.f. 5th March, 2018)) (w.e.f. 10th November, 2017) ** 24. Mahindra First Choice Services Limited (w.e.f. 10th November, 2017) ** 25. Mahindra Holiday & Resorts India Limited (w.e.f. 10th November, 2017) ** 26. Mahindra Insurance Brokers Limited (w.e.f. 10th November, 2017) ** 27. Mahindra Integrated Township Limited (w.e.f. 10th November, 2017) ** 28. Defence Land Systems India Limited (Ceased to be related party from 18th October, 2017)
(d) Other related Parties:	1. Classic Legend Pvt Limited. 2. Mahindra Tsubaki Conveyor Systems Private Limited 3. Tech Mahindra Limited 4. Mahindra Aerostructures Private Limited 5. Mahindra Sanyo Special Steel Private Limited 6. Mahindra Internet Commerce Private Limited (Ceased to be related party from 22nd March 2017) 7. Mahindra Cie Automotive Limited
(e) Key management Personnel	1. Pirojshaw Sarkari (C.E.O.)

** in view of listing of Company Shares in Stock Exchange, above Status of above Companies changed from other related parties to Fellow Subsidiaries w.e.f. 10th November, 2017.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 34 – Related Party Transactions (continued)

(ii) Details of transaction between the Company and its related parties are disclosed below:

Particulars	Year	Holding Company	Entities having joint control	Fellow subsidiaries	Other related parties
Nature of transactions with Related Parties					
(a) Purchase of PPE and other assets	**31-Mar-18**	**0.13**	**4.30**	**0.05**	**0.08**
	31-Mar-17	—	3.64	—	0.09
(b) Rendering of services	**31-Mar-18**	**735.09**	**934.11**	**50.47**	**107.26**
	31-Mar-17	—	1,264.34	—	140.74
(c) Receiving of services	**31-Mar-18**	**2.18**	**0.76**	**1.93**	**1.42**
	31-Mar-17	—	1.39	—	1.39
(d) Reimbursements made to parties	**31-Mar-18**	**2.89**	**2.32**	**—**	**0.02**
	31-Mar-17	—	4.42	—	0.04
(e) Reimbursements received from parties	**31-Mar-18**	**0.17**	**—**	**0.12**	**0.04**
	31-Mar-17	—	0.02	—	0.46
(f) Loans/Deposits given	**31-Mar-18**	**—**	**—**	**—**	**—**
	31-Mar-17	—	—	—	10.00
(g) Loans received back	**31-Mar-18**	**—**	**—**	**—**	**25.00**
	31-Mar-17	—	—	—	12.00
(h) Loans Taken	**31-Mar-18**	**—**	**—**	**—**	**—**
	31-Mar-17	—	—	—	6.74
(i) Loans Repaid	**31-Mar-18**	**—**	**—**	**—**	**21.14**
	31-Mar-17	—	—	—	4.25
(j) Interest Income on inter-corporate deposits	**31-Mar-18**	**—**	**—**	**—**	**1.51**
	31-Mar-17	—	—	—	2.47
(k) Interest Paid on Loan	**31-Mar-18**	**—**	**—**	**—**	**0.86**
	31-Mar-17	—	—	—	2.22
(l) Bad & doubtful debts recognised in respect of dues from related parties	**31-Mar-18**	**—**	**—**	**—**	**0.29**
	31-Mar-17	—	0.05	—	0.51
Balances Outstanding with Related Parties					
(a) Trade payables	**31-Mar-18**	**3.38**	**—**	**0.27**	**0.02**
	31-Mar-17	—	4.96	—	0.33
(b) Trade receivables	**31-Mar-18**	**82.17**	**—**	**15.16**	**6.97**
	31-Mar-17	—	50.19	—	22.20
(c) Loans & advances given	**31-Mar-18**	**—**	**—**	**—**	**—**
	31-Mar-17	—	—	—	25.00
(d) Loans Taken	**31-Mar-18**	**—**	**—**	**—**	**—**
	31-Mar-17	—	—	—	21.15
(e) Provision of bad & doubtful debts related to amount due from related parties	**31-Mar-18**	**0.12**	**—**	**0.11**	**0.20**
	31-Mar-17	—	0.14	—	0.48

Note:

(a) All the outstanding balances, whether receivables or payables are unsecured.

(b) Related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.

(iii) Compensation of key managerial personnel

The remuneration of key managerial personnel during the year was as follows:

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
(a) Short-term employee benefits	**1.93**	1.67
(b) Issue of ESOPs during the year	**1.42**	—

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The separate actuarial valuation figures are not available for key managerial personnel.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 34 – Related Party Transactions (continued)

(iv) Significant related parties transactions are as under:

Particulars	Year	Holding Company	Entities having joint control	Fellow subsidiaries	Other related parties
(a) Purchase of PPE and other assets					
Mahindra & Mahindra Limited	**31-Mar-18**	**0.13**	**4.30**	**—**	**—**
	31-Mar-17	—	3.64	—	—
Mahindra Integrated Business Solutions Pvt Ltd	**31-Mar-18**	**—**	**—**	**0.05**	**0.08**
	31-Mar-17	—	—	—	—
Bristlecone India Limited	**31-Mar-18**	**—**	**—**	**—**	**—**
	31-Mar-17	—	—	—	0.09
(b) Rendering of services					
Mahindra & Mahindra Limited	**31-Mar-18**	**735.09**	**934.11**	**—**	**—**
	31-Mar-17	—	1,264.34	—	—
Mahindra Vehicle Manufacturers Ltd.	**31-Mar-18**	**—**	**—**	**36.30**	**44.57**
	31-Mar-17	—	—	—	69.39
Tech Mahindra Ltd	**31-Mar-18**	**—**	**—**	**—**	**39.33**
	31-Mar-17	—	—	—	17.91
(c) Receiving of services					
Mahindra & Mahindra Limited	**31-Mar-18**	**2.18**	**0.76**	**—**	**—**
	31-Mar-17	—	1.39	—	—
Mahindra Retail Pvt Ltd	**31-Mar-18**	**—**	**—**	**—**	**0.18**
	31-Mar-17	—	—	—	0.05
Mahindra Integrated Business Solutions Pvt Limited	**31-Mar-18**	**—**	**—**	**0.08**	**0.10**
	31-Mar-17	—	—	—	0.17
Orizonte Business Solutions Limited	**31-Mar-18**	**—**	**—**	**1.82**	**1.14**
	31-Mar-17	—	—	—	1.15
(d) Reimbursements made to parties					
Mahindra & Mahindra Limited	**31-Mar-18**	**2.89**	**2.32**	**—**	**—**
	31-Mar-17	—	4.42	—	—
Mahindra Vehicle Manufacturers Ltd.	**31-Mar-18**	**—**	**—**	**—**	**—**
	31-Mar-17	—	—	—	0.03
Classic Legend Pvt Ltd.	**31-Mar-18**	**—**	**—**	**—**	**0.02**
	31-Mar-17	—	—	—	—
(e) Reimbursements received from parties					
Mahindra & Mahindra Limited	**31-Mar-18**	**0.17**	**—**	**—**	**—**
	31-Mar-17	—	0.02	—	—
Mahindra Retail Pvt Ltd	**31-Mar-18**	**—**	**—**	**—**	**0.04**
	31-Mar-17	—	—	—	0.19
Mahindra Intertrade Ltd.	**31-Mar-18**	**—**	**—**	**0.08**	**—**
	31-Mar-17	—	—	—	0.03
Mahindra Steel Service Centre Ltd.	**31-Mar-18**	**—**	**—**	**0.03**	**—**
	31-Mar-17	—	—	—	—
Bristlecone India Limited	**31-Mar-18**	**—**	**—**	**—**	**—**
	31-Mar-17	—	—	—	0.18
(f) Loans received back					
Mahindra Retail Pvt Ltd	**31-Mar-18**	**—**	**—**	**—**	**25.00**
	31-Mar-17	—	—	—	—

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 34 – Related Party Transactions (continued)

Particulars	Year	Holding Company	Entities having joint control	Fellow subsidiaries	Other related parties
(g) Loans Taken					
Mahindra & Mahindra Financial Services Limited	**31-Mar-18**	**—**	**—**	**—**	**—**
	31-Mar-17	—	—	—	6.74
(h) Loans Repaid					
Mahindra & Mahindra Financial Services Limited	**31-Mar-18**	**—**	**—**	**—**	**21.14**
	31-Mar-17	—	—	—	4.25
(i) Interest Income on inter-corporate deposits					
Mahindra Retail Pvt Ltd.....	**31-Mar-18**	**—**	**—**	**—**	**1.51**
	31-Mar-17	—	—	—	2.34
(j) Interest Paid on Loan					
Mahindra & Mahindra Financial Services Limited	**31-Mar-18**	**—**	**—**	**—**	**0.86**
	31-Mar-17	—	—	—	2.22
(k) Bad & doubtful debts recognised in respect of dues from related parties					
Mahindra & Mahindra Limited.....	**31-Mar-18**	**—**	**—**	**—**	**—**
	31-Mar-17	—	0.05	—	—
Mahindra Internet Commerce Private Limited.....	**31-Mar-18**	**—**	**—**	**—**	**—**
	31-Mar-17	—	—	—	0.22
Mahindra Sanyo Special Steel Private Ltd.....	**31-Mar-18**	**—**	**—**	**—**	**—**
	31-Mar-17	—	—	—	0.05
Mahindra Steel Service Centre Ltd.	**31-Mar-18**	**—**	**—**	**—**	**—**
	31-Mar-17	—	—	—	0.06
Mahindra CIE Automotive Limited	**31-Mar-18**	**—**	**—**	**—**	**0.29**
	31-Mar-17	—	—	—	0.04

(v) Disclosure required under section 186(4) of the Companies Act, 2013 for Loans given

Name	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Mahindra Retail Pvt. Limited.....	**—**	10.00

Note No. 35 – Contingent liabilities and commitments

Particulars	As at 31st March, 2018	As at 31st March, 2017
Contingent liabilities (to the extent not provided for)		
Claims against the Group not acknowledged as debt		
(a) VAT.....	**7.76**	7.60
(b) Service Tax.....	**4.27**	4.00
(c) Income Tax	**24.85**	24.85
(d) Other matters.....	**9.99**	4.78

Notes:

(i) The Group does not expect any reimbursement in respect of the above contingent liability.

(ii) It is not practicable to estimate the timings of cash outflows, if any, in respect of matters at (a) to (d) above, pending resolution of appellate/ court proceedings.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 36 – Disclosure of interest in Subsidiaries and interest of Non Controlling Interest:

The Group has rights to variable returns from its involvement with the subsidiaries and has the ability to affect the amount of the investor's returns through its power over the investee.

(a) Details of the Group's material subsidiaries at the end of the reporting year are as follows:

Name of the Subsidiary	Principal Activity	Place of Incorporation and Place of Operation	Proportion of Ownership Interest and Voting power held by the Group		Quoted (Y/N)
			As at 31st March, 2018	As at 31st March, 2017	
Lords Freight (India) Private Limited	Freight Forwarding via sea and air	Mumbai	**60.00%**	60.00%	N
2 X 2 Logistics Private Limited	Transportation services	Mumbai	**55.00%**	55.00%	N

(b) Details of Non-Wholly Owned Subsidiaries that have material Non-Controlling Interest:

Name of the Subsidiary	Place of Incorporation and Place of Operation	Proportion of Ownership Interest and voting rights held by non-controlling interests	
		As at 31st March, 2018	As at 31st March, 2017
Lords Freight (India) Private Limited	Mumbai, India	**40.00%**	40.00%
2 X 2 Logistics Private Limited	Mumbai, India	**45.00%**	45.00%

Name of the Subsidiary	Profit/(Loss) allocated to non-controlling interest		Accumulated non-controlling interest	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Lords Freight (India) Private Limited	0.94	0.81	2.89	1.95
2 X 2 Logistics Private Limited	0.32	(0.33)	4.06	2.84

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 36 – Disclosure of interest in Subsidiaries and interest of Non Controlling Interest: (continued)

(c) Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Particulars	Lords Freight (India) Private Limited		2 X 2 Logistics Private Limited	
	31-Mar-18	31-Mar-17	**31-Mar-18**	31-Mar-17
Current Assets	**31.98**	12.88	**16.79**	12.24
Non Current Assets	**5.67**	3.80	**31.59**	29.55
Current Liabilities	**30.03**	11.47	**21.21**	15.68
Non Current Liabilities	**0.39**	0.34	**18.12**	19.79
Equity Interest Attributable to the owners	**1.43**	1.25	**0.41**	(0.41)
Non Controlling Interest	**0.95**	0.83	**0.32**	(0.33)
Revenue	**177.78**	66.77	**52.69**	37.78
Expenses	**175.42**	64.74	**51.97**	38.52
Profit/(Loss) for the year	**2.36**	2.03	**0.72**	(0.74)
Profit/(Loss) attributable to the owners of the Company	**1.42**	1.22	**0.40**	(0.41)
Profit/(Loss) attributable to the non-controlling interest	**0.94**	0.81	**0.32**	(0.33)
Profit/(Loss) for the year	**2.36**	2.03	**0.72**	(0.74)
Other Comprehensive Income attributable to the owners of the Company	**0.01**	0.03	**0.01**	—
Other Comprehensive Income Profit/(Loss) attributable to the non-controlling interest	**0.01**	0.02	**—**	—
Other Comprehensive Income	**0.02**	0.05	**0.01**	—
Total Other Comprehensive Income attributable to the owners of the Company	**1.43**	1.25	**0.41**	(0.41)
Total Other Comprehensive Income Profit/(Loss) attributable to the non-controlling interest	**0.95**	0.83	**0.32**	(0.33)
Total Other Comprehensive Income	**2.38**	2.08	**0.73**	(0.74)
Dividends paid to non-controlling interest	**—**	—	**—**	—
Net Cash Flow from operating activities	**1.81**	0.07	**7.32**	1.57
Net Cash Flow from investing activities	**(0.27)**	(0.02)	**(7.89)**	(7.75)
Net Cash Flow from financing activities	**(1.60)**	0.09	**0.45**	5.84
Net Cash inflow/(outflow)	**(0.06)**	0.14	**(0.12)**	(0.34)

Consolidated Notes to the Financial Statements for the year ended 31st March, 2018

Note No. 36 – Disclosure of interest in Subsidiaries and interest of Non Controlling Interest: (continued)

Additional Information as required by Schedule III to the Companies Act, 2013:

₹ in Crores

Name of Entity in the Group	Net Assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit & loss	Amount	As % of consolidated other comprehensive income	Amount	total comprehensive income	Amount
Parent								
Mahindra Logistics Limited	98.20%	418.90	95.28%	62.19	137.50%	(0.11)	95.23%	62.08
Subsidiaries								
Indian								
a) LORDS Freight (India) Private Limited.....	0.16%	0.67	2.18%	1.42	(12.50%)	0.01	2.19%	1.43
b) 2 X 2 Logistics Private Limited	0.01%	0.03	0.61%	0.40	(12.50%)	0.01	0.63%	0.41
Minority Interests in all Subsidiaries.....	1.63%	6.95	1.93%	1.26	(12.50%)	0.01	1.95%	1.27
Total	100.00%	426.55	100.00%	65.27	100.00%	(0.08)	100.00%	65.19

Note No. 37

The financial statements of the Company for the year ended 31st March, 2017 were audited by erstwhile auditors, whose audit report dated 28th April, 2017 expressed an unmodified opinion.

Note No. 38

Previous year numbers are regrouped reclassified wherever necessary.

Mahindra LOGISTICS

Form AOC-1

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

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

Part A: Subsidiaries

(₹ in crores)

Sl. No.	Particulars	Subsidiary 1	Subsidiary 2
1.	Name of the subsidiary	2 X 2 Logistics Private Limited	LORDS Freight (India) Private Limited
2.	The date since when subsidiary was acquired (dd/mm/yyyy)	22/10/2012	07/08/2014
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable
4.	Reporting currency	INR	INR
5.	Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
6.	Share capital	9.01	2.36
7.	Reserves & surplus	0.04	4.89
8.	Total assets	48.27	38.34
9.	Total Liabilities	39.23	31.09
10.	Investments	Nil	Nil
11.	Total Turnover	52.69	177.78
12.	Profit before taxation	1.07	3.65
13.	Provision for taxation	0.34	1.28
14.	Profit after taxation	0.73	2.37
15.	Proposed Dividend	Nil	Nil
16.	Extent of shareholding (in percentage)	55.00%	60.00%

Notes: 1. Names of subsidiaries which are yet to commence operations: Not Applicable;
2. Names of subsidiaries which have been liquidated or sold during the year: Not Applicable;
3. Reporting period for both subsidiaries is 1st April, 2017 to 31st March, 2018

Part B: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: Not Applicable

Sl. No.	Name of associates/Joint Ventures	Name
1.	Latest audited Balance Sheet Date	–
2.	Date of which the Associate or Joint Venture was associated or acquired	–
3.	Shares of Associate/Joint Ventures held by the Company on the year end	–
	No.	–
	Amount of Investment in Associates/Joint Venture	–
	Extend of Holding (in percentage)	–
4.	Description of how there is significant influence	–
5.	Reason why the associate/joint venture is not consolidated	–
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	–
7.	Profit/Loss for the year	–
	i. Considered in Consolidation	–
	ii. Not Considered in Consolidation	–

1. Names of associates or joint ventures which are yet to commence operations: **Not Applicable**
2. Names of associates or joint ventures which have been liquidated or sold during the year: **Not Applicable**

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Zhooben Bhiwandiwala
Chairman

Parag Shah
Director

Nikhil Nayak
Chief Financial Officer

Pirojshaw Sarkari
Chief Executive Officer

Brijbala Batwal
Company Secretary

Place: Mumbai
Date: 2nd May, 2018

MAHINDRA LOGISTICS LIMITED

Registered Office: Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai 400 018.
CIN: L63000MH2007PLC173466
Website: www.mahindralogistics.com • E-mail: cs.mll@mahindra.com
Phone: + 91 22 2490 1441 • Fax: +91 22 2490 0833

NOTICE

Notice is hereby given that the ELEVENTH ANNUAL GENERAL MEETING of MAHINDRA LOGISTICS LIMITED will be held on Thursday, 2 August 2018 at 3:30 p.m. (IST) at the Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31 March 2018 and the Reports of the Board of Directors and Auditors thereon.

2. To declare a dividend on equity shares for financial year ended 31 March 2018.

3. To appoint a Director in place of Mr. Parag Shah (DIN:00374944), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To approve Mahindra Logistics Employee Restricted Stock Unit Plan 2018**

   To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the provisions of Regulation 6 and other applicable Regulations of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 issued by the Securities and Exchange Board of India (collectively referred to as "SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum of Association and the Articles of Association of the Company and further subject to such other approval(s), permission(s) and sanction(s) as may be necessary from time to time and subject to such condition(s) and modification(s) as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), the consent and approval of the Members of the Company be and is hereby accorded to the introduction and implementation of 'Mahindra Logistics Employee Restricted Stock Unit Plan 2018' ("RSU 2018"/"Plan") and for authorizing the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee (duly constituted or hereinafter to be constituted), including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution and under Regulation 5 of the SEBI SBEB Regulations) to create, grant, offer, issue and allot from time to time, in one or more tranches, not exceeding 10,50,000 (Ten Lakhs Fifty Thousand) Restricted Stock Units (hereinafter referred to as 'RSU' or 'employee stock options') to or for the benefit of such person(s) who are in permanent employment of the Company within the meaning of RSU 2018, including any Director, whether whole-time or otherwise (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), as may be decided under RSU 2018, exercisable into not more than 10,50,000 (Ten Lakhs Fifty Thousand) equity shares of face value of ₹ 10/- (Rupees Ten Only) each fully paid-up, in one or more tranches, where one employee stock option would convert into one equity share upon exercise, on such terms and conditions and in such manner as the Board may decide in accordance with the provisions of the applicable laws including SEBI SBEB Regulations and the provisions of RSU 2018;

   RESOLVED FURTHER THAT the equity shares so issued and allotted as mentioned herein before shall rank *pari passu* with the then existing equity shares of the Company for all purposes;

   RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, changes in capital structure, merger and sale of division/undertaking or any other re-organisation, if any, additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the employee stock options granted earlier, the ceiling in terms specified above shall be deemed to be increased, to the extent of such additional equity shares issued and as may be determined by the Board;

   RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be allotted and the price

of acquisition payable by the option grantees under the RSU 2018 shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees;

RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of the equity shares allotted under RSU 2018 on the stock exchanges where the equity shares of the Company are listed in due compliance with SEBI SBEB Regulations and other applicable laws;

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and Regulations to the extent relevant and applicable to the RSU 2018;

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the RSU 2018 subject to the compliance with the applicable laws and Regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the RSU 2018 and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum of Association and the Articles of Association of the Company, the SEBI SBEB Regulations and any other applicable laws in force;

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, investors service center, intermediaries and other advisors, consultants or representatives, being incidental to the effective implementation and administration of RSU 2018 as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

5. **To approve grant of employee stock options to the employees of Holding Company of the Company under Mahindra Logistics Employee Restricted Stock Unit Plan 2018**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the provisions of Regulation 6 and other applicable Regulations of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 issued by the Securities and Exchange Board of India (collectively referred to as "SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum of Association and the Articles of Association of the Company and further subject to such other approval(s), permission(s) and sanction(s) as may be necessary and subject to such condition(s) and modification(s) as may be prescribed or imposed from time to time while granting such approval(s), permission(s) and sanction(s), the consent and approval of the Members of the Company be and is hereby accorded for authorizing the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee (duly constituted or hereinafter to be constituted), including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution and under Regulation 5 of the SEBI SBEB Regulations) to extend the benefit of 'Mahindra Logistics Employee Restricted Stock Unit Plan 2018' ("RSU 2018"/"Plan") to eligible permanent employees of any Holding Company of the Company and create, grant, offer, issue and allot from time to time, in one or more tranches, Restricted Stock Units (hereinafter referred to as 'RSU' or 'employee stock options'), within the overall aggregate limit prescribed under RSU 2018 and referred to in special resolution under item no. 4 of this Notice, to the permanent employees including Directors (other than Promoter(s), Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), of any Holding Company of the Company as may be decided under RSU 2018, where one employee stock option would convert into one equity share of face value of ₹ 10/- (Rupees Ten Only) each fully paid-up, upon exercise, on such terms and conditions and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of RSU 2018;

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, matters and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint merchant bankers, brokers, solicitors, registrars, compliance officer, investors service center, intermediaries and other advisors, consultants or representatives, being incidental to the effective implementation and administration of RSU 2018 as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

6. **To approve re-appointment of Mr. Ajay Mehta as Non-Executive Independent Director**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Ajay Mehta (DIN: 07102804), who was appointed as an Additional Director of the Company with effect from 27 March 2018 under Section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company and who is eligible for being appointed and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act, proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a Director of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152, 160 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time and the Articles of Association of the Company, Mr. Ajay Mehta (DIN:07102804), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and who is eligible for re-appointment, and in respect of whom the Company has received Notice in writing from a Member under Section 160(1) of the Act, proposing his candidature for the office of Director, be and is hereby re-appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (consecutive) years commencing from 27 March 2018 to 26 March, 2023 and on such terms and conditions including commission on profits, if any, as applicable to other Non-Executive Independent Directors of the Company."

7. **To approve appointment of Ms. Avani Davda as Non-Executive Independent Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Ms. Avani Davda (DIN: 07504739), who was appointed as an Additional Director of the Company with effect from 6 June 2018 under Section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company and who is eligible for being appointed and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act, proposing her candidature for the office of a Director of the Company, be and is hereby appointed as a Director of the Company;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152, 160 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time and the Articles of Association of the Company, appointment of Ms. Avani Davda (DIN:07504739), who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and who is eligible for appointment, and in respect of whom the Company has received Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a first (consecutive) term commencing from 6 June 2018 and ending at the Annual General Meeting of the Company to be held in the year 2022 and on such terms and conditions including commission on profits, if any, as applicable to other Non-Executive Independent Directors of the Company."

8. **To approve the right to appoint Investor Director on the Board of the Company**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the Articles of Association of the Company and the Investment Agreement executed by and between Mahindra and Mahindra Limited, Normandy Holdings Limited, Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF 1 and your Company, as amended from time to time, consent of the Company be and is hereby accorded to Normandy Holdings Limited and Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF 1 (collectively referred to as "Investors") to nominate from time to time, one Investor Director, ("Investor Director" or "Nominee Director"), on the Board of the Company and to remove from such office any such person and appoint another in his/her place, as long as the Investors hold at least 5% of the fully paid-up equity shares of the Company;

RESOLVED FURTHER THAT the right exercised by the Investors by continuing their Nominee Director on the Board, from the date of listing of the Company's equity shares on the Stock Exchanges till the date of this Annual General Meeting and all the deeds and actions taken in this regard be and are hereby ratified, confirmed and approved;

RESOLVED FURTHER THAT the Company hereby authorises the Board of Directors of the Company or Committee thereof (duly constituted or hereinafter to be constituted to exercise its powers including the powers conferred by this resolution) to do all such acts, deeds, matters and things and to take all such steps as may be required in connection herewith, in compliance with the applicable laws including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard."

Notes:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning businesses under Item Nos. 4 to 8 of the accompanying Notice, is annexed hereto. Further additional information with respect to Item Nos. 3, 6 and 7 of this Notice respectively, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("SS-2"), is also annexed to and shall be read as part of this Notice.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE ON HIS/HER BEHALF AND SUCH PROXY(IES) NEED NOT BE MEMBER(S) OF THE COMPANY.**

3. A Proxy Form, in prescribed format (Form MGT-11), is being sent herewith, with instructions for filing, signing and submitting the same. The instrument of proxy, in order to be effective, must be deposited with the Company at its registered office not less than forty-eight (48) hours before the commencement time of the 11th Annual General Meeting ("Meeting") of the Company. The Proxy Form, if not complete in all respects, will be considered invalid.

4. A person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A Member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or Member. Proxy(ies) submitted on behalf of limited companies, societies etc. must be supported by an appropriate resolution/authority as applicable. The proxy holder shall prove his identity at the time of attending the Meeting.

5. The Company's Registrar and Share Transfer Agents for its share registry work (physical and dematerialised) are Link Intime India Private Limited ("Link Intime") having their office at C-101, 1st Floor, 247 Park, L B S Marg, Vikroli (West), Mumbai – 400 083.

6. The Register of Members and Share Transfer books of the Company will remain closed from Friday, 27 July 2018 to Thursday, 2 August 2018 (both days inclusive) for determining the entitlement of the Shareholders to the Final Dividend for the financial year 2017-18, if declared and approved at the Meeting.

7. The Final Dividend as recommended by the Board of Directors of the Company, if declared at the Meeting would be paid/dispatched on or after Friday, 3 August 2018 to those Members:

   a. whose names appears as Beneficial Owners as at the end of business hours on Thursday, 26 July 2018 in the list of beneficial owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of shares held in dematerlised form; and

   b. whose names appears as Members in the Register of Members of the Company after giving effect to valid transfers, if any, in physical form lodged with the Company/its Registrar and Share Transfer Agents on or before Thursday, 26 July 2018.

Members are hereby informed that there is no unpaid Dividend of earlier years which has been transferred or is due to be transferred to the Investor Education and Protection Fund during the year under review.

8. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every Annual General Meeting is done away with vide notification dated 7 May 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 14 August 2017.

9. Pursuant to the provisions of Section 113 of the Act, Members who are Body Corporates/Companies and who intend to send their authorised representative(s) to attend the Meeting are requested to send, to the Company or upload on the e-voting portal, a certified copy of the Resolution, of its Board of Directors or other governing body, authorising such representative(s) along with the respective specimen signature(s) of those representative(s) authorised to attend and vote on their behalf at the Meeting.

10. Members can avail facility of nomination in respect of shares held by them in physical form pursuant to Section 72 of the Act and rules made thereunder. Members desiring to avail this facility may send their nominations in the prescribed form no. SH-13 duly filled in to Link Intime at the above mentioned address. Members holding shares in dematerialised form may contact their respective Depository Participant for availing this facility.

11. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by Depositories and maintained by the Registrar and Share Transfer Agents for payment of dividend through Electronic Clearing Services ("ECS") to investors where ECS and Bank details are available. In the absence of ECS facilities or in cases where ECS have failed/rejected by the Bank, the Company will print the bank account details, if available, on instrument of payment for distribution of dividend. Instructions, if any already given by the Members in respect of shares held in physical form will not be automatically applicable to shares held in dematerialised mode. Members are requested to update their bank account details with their Depository Participants. Members may alternatively send written requests alongwith their Bank account details to Link Intime along with original cancelled cheque bearing their name on it or bank passbook/statement attested by their Bank.

12. The Company is pleased to extend the facility of electronic credit of dividend directly to respective bank accounts of Member(s) through Electronic Clearing Services ("ECS")/ National Electronic Clearing Services ("NECS"). Members wishing to avail this facility are requested to intimate the Company's Registrar and Share Transfer Agents/Depository Participants in the prescribed form and with the prescribed details. Members located in places where ECS/NECS is not available or holding shares in physical form, are requested to submit their bank details along with original cancelled cheque bearing their name on it or bank passbook/statement attested by their Bank to Link Intime, the Registrar and Share Transfer Agents of the Company. This will enable the Company to incorporate this information on the dividend instruments and prevent fraudulent encashment.

13. Pursuant to Sections 101 and 136 of the Act read with rules framed thereunder and Regulation 36(1) of Listing Regulations, the Notice calling the Meeting along with the Annual Report 2017-18, attendance slip and proxy form is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company or Depository participant(s) or Link Intime, the Company's Registrar and Transfer Agents, unless the Members have requested for physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode.

    Members may also note that the Annual Report 2017-18 along with Notice of the Meeting, attendance slip and proxy form are also available on the website of the Company: http://www.mahindralogistics.com

    Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a request for the same, by permitted mode free of cost. For any communication, the Shareholders may also send requests to the Company's investor e-mail address: cs.mll@mahindra.com or Link Intime's e-mail address: rnt.helpdesk@linkintime.co.in

    Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with Link Intime.

14. **Members are requested to:**
    a. Intimate to the Company's Registrar and Share Transfer Agents - Link Intime, changes, if any, in their registered addresses and e-mail id at an early date, in case shares held in physical form;
    b. Intimate respective Depositary Participant, changes, if any, in their registered addresses or e-mail id at an early date, in case of shares held in dematerialised form;
    c. Quote their folio numbers/client ID/DP ID in all correspondence; and
    d. Consolidate their holdings into one folio in the identical order of names.
    e. Update their PAN and Bank account details by sending a self-attested copy of the PAN along with original cancelled cheque bearing their name on it or bank passbook/statement attested by their Bank to Link Intime, the Registrar and Share Transfer Agents of the Company.

f. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long.

15. Members are requested to bring their copy of Annual Report to the Meeting.

16. Members/Proxy(ies)/Representatives are requested to bring attendance slip enclosed in the Annual Report along with a valid photo identity proof for verification purpose to the Meeting.

17. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Listing Regulations and SS-2 as amended from time to time, the Company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be considered and transacted at the Meeting by electronic means. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the Meeting ("remote e-voting") will be provided by Central Depository Services (India) Limited ("CDSL").

18. M/s. Makarand M Joshi & Co., Practising Company Secretaries, (Membership No.: F5533) have been appointed as Scruitiniser to scrutinize the voting process through remote e-voting and voting at the Meeting venue (through electronic voting or through ballot paper) in a fair and transparent manner.

19. The facility for voting through electronic voting ("e-voting") or voting through ballot paper shall also be made available at the Meeting and the Members attending the Meeting who have not cast their votes by remote e-voting shall only be able to exercise their voting right at the Meeting. **Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again**.

20. **The instructions for Members voting electronically are as under:**

(i) **Commencement of remote e-voting: From 9.00 a.m. (IST) on Sunday, 29 July 2018 and End of remote e-voting: Upto 5:00 p.m. (IST) on Wednesday, 1 August 2018.** At the end of the remote e-voting period, the remote e-voting facility shall forthwith be blocked.

(ii) During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of Thursday, 26 July 2018**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(iii) Only persons whose name is recorded in Register of Members or Register of Beneficial holders maintained with the depository(ies) as on cut-off date i.e. **Thursday, 26 July 2018** shall be entitled to avail the facility of e-voting as well as voting at the AGM. The person who is not a 'Member' as on cut-off date should treat this Notice for information purposes only.

Provided further that a Member may participate in the Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again;

(iv) The shareholders should log on to the e-voting website **www.evotingindia.com**.

(v) Click on Shareholders/Members.

(vi) Now Enter your User ID:

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vii) Next enter the Image Verification as displayed and Click on Login.

(viii) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.

(ix) If you are a first-time user, please follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.
	• If both the details are not recorded with the depository or Company please enter the Member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

(x) After entering these details appropriately, click on "SUBMIT" tab.

(xi) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will

now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xiii) Click on the EVSN for **Mahindra Logistics Limited**.

(xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xvi) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xviii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xix) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(xx) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xxi) **Note for Non - Individual Members and Custodians**

- Non-Individual Members (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system and e-mailed to scrutinisers@mmjc.in for the Scrutiniser to verify the same.

(xxii) In case you have any queries or issues or grievances regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or call on toll free no. 1800225533 or contact Mr. Rakesh Dalvi, Deputy Manager, CDSL, A-Wing, 25th Floor, Marathon Futurex, Mafatlal Mills Compounds, N.M. Joshi Marg, Lower Parel (East), Mumbai-400 013 at +91 22 2305 8542.

21. **Voting at Meeting:**

The Members, who have not cast their vote through remote e-voting can exercise their voting rights at the Meeting. The Company will make necessary arrangements in this regard at the venue of the Meeting. The facility for voting through electronic voting system or through ballot paper shall be made available at the Meeting.

Members who have already cast their votes by remote e-voting are eligible to attend the Meeting. However, these Members are not entitled to cast their vote again in the Meeting. A Member can opt for only single mode of voting i.e. through remote e-voting or voting at the venue of the Meeting.

The voting results shall be declared not later than forty-eight hours from the conclusion time of the Meeting. The results declared along with the Scrutiniser's Report will be placed on the website of the Company at www.mahindralogistics.com and the website of Link Intime: https://www.linkintime.co.in and the website of CDSL at: www.evotingindia.com immediately after the result is declared by the Chairman or any other person authorised by the Board in this regard and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where equity shares of the Company are listed.

22. Queries relating to the equity shares of the Company or other correspondence may be addressed to the Company's Registrar and Share Transfer Agent: Link Intime

at: rnt.helpdesk@linkintime.co.in or to the Company's investor desk at: cs.mll@mahindra.com

23. All relevant documents referred to in the Notice are available for inspection in physical or in electronic form during specified business hours (10:00 a.m. to 1:00 p.m. (IST)) at the Registered Office of the Company and copies thereof shall also be made available for inspection in physical or electronic form at the Corporate Office of the Company at 1A & 1B, 4th Floor, Techniplex I, Techniplex Complex, Veer Savarkar Flyover, Goregaon (West), Mumbai - 400 062 and also at the Meeting.

24. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, shall be made available for inspection at the commencement of the Meeting and shall remain open and accessible to the Members during the continuance of the Meeting.

25. As per the requirements of SS-2, a route map showing directions to reach the venue of the Meeting is given at the end of this Notice. Prominent Landmark for the venue is Nehru Planetarium, Worli.

By order of the Board

Brijbala Batwal
Company Secretary

Registered Office:
Mahindra Towers, P. K. Kurne Chowk,
Worli, Mumbai – 400 018.
CIN: L63000MH2007PLC173466
E-mail: cs.mll@mahindra.com
Website: www.mahindralogistics.com
Tel: +91 22 2490 1441; Fax: +91 22 2490 0833

Mumbai, 6 June 2018

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

In conformity with the provisions of Section 102 of the Companies Act, 2013 ("Act") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("SS-2"), the following Explanatory Statement and annexure thereto setting out all material facts relating to the Special Businesses mentioned in the accompanying Notice, should be taken as forming part of this Notice.

Item Nos. 4 and 5:

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through stock based compensation scheme. Your Company believes that equity based compensation plans are an effective tool to reward the talents working with the Company and its Holding Company. With a view to motivate the key work force seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, and to retain them for ensuring sustained growth, your Company intends to introduce and implement an employee stock option plan namely 'Mahindra Logistics Employee Restricted Stock Unit Plan 2018' ("RSU 2018"/"Plan") seeking to cover eligible employees of the Company and of its Holding Company.

Accordingly, the Nomination and Remuneration Committee of the Directors and the Board of Directors of the Company at their respective meetings held on 2 May 2018 had approved the introduction of RSU 2018, subject to your approval at the ensuing Annual General Meeting.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), the Company seeks your approval as regards implementation of the RSU 2018 and grant of options thereunder to the eligible employees of the Company and of its Holding Company as decided from time to time as per provisions of the RSU 2018 read with provisions of SEBI SBEB Regulations.

The main features of the RSU 2018 are as under:

A. Brief Description of the Plan:

Keeping in view the aforesaid objectives, the RSU 2018 contemplates grant of options to the eligible employees of the Company and of its Holding Company. After vesting of options, the eligible employees earn a right (but not obligation) to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination and Remuneration Committee of the Board of Directors ("Committee") shall act as Compensation Committee for the administration of RSU 2018. All questions on interpretation of the RSU 2018 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in RSU 2018.

B. Total number of options to be granted:

The total number of options to be granted under the RSU 2018, in one or more tranches to the eligible employees of the Company and of its Holding Company, shall not exceed the aggregate limit of 10,50,000 (Ten Lakhs Fifty Thousand), in one or more tranches, as prescribed under RSU 2018. Each option when exercised would be converted in to one equity share of ₹ 10/- (Rupees Ten Only) each fully paid-up.

Further, SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, changes in capital structure, merger, sale of division/undertaking etc., a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under the RSU 2018 remain the same after any such corporate action. Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 10,50,000 (Ten Lakhs Fifty Thousand), shall be deemed to be increased/modified to the extent of such additional options issued.

C. Identification of classes of employees entitled to participate in the RSU 2018:

All permanent employees and Directors (hereinafter referred to as "employees") of the Company including that of its Holding Company shall be eligible subject to determination or selection by the Committee. Following classes of employees/Directors are eligible being:

i. a permanent employee of the Company who has been working in India or outside India;

ii. a director of the Company, whether a whole-time director or not

iii. an employee as defined in clause (i) or (ii) of a Holding Company of the Company.

But does not include—

(i) an employee who is a Promoter or person(s) belonging to the Promoter Group; or

(ii) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company; or

(iii) An independent director within the meaning of the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time)

D. Requirements of Vesting and period of Vesting:

All the options granted on any date shall vest not earlier than minimum of 1 (One) year and not later than a maximum of 5 (Five) years from the date of grant of options as may be determined by the Committee. The Committee may extend, shorten or otherwise vary the vesting period from time to time, subject to these minimum and maximum vesting period.

The vesting dates in respect of the options granted under the RSU 2018 shall be determined by the Committee and may vary from employee to employee or any class thereof and/or in respect of the number or percentage of options to be vested.

Options shall vest essentially based on continuation of employment/service as per requirement of SEBI SBEB Regulations. Apart from that the Committee may prescribe achievement of any performance condition(s) for vesting.

In a case where options are granted by the Company under RSU 2018 in lieu of options held by the same person under an Employees Stock Option Scheme in another company, which has merged or amalgamated with the first mentioned company, the period during which the options granted by the merging or amalgamating company were held by him shall be adjusted against the minimum vesting period required under this clause.

E. Maximum period within which the options shall be vested:

All the options granted on any date shall vest not later than a maximum of 5 (Five) years from the date of grant of options as stated above.

F. Exercise price or pricing formula:

The exercise price per option shall be the face value of the equity shares of the Company i.e. ₹ 10/- (Rupees Ten Only).

G. Exercise period and the process of exercise:

The exercise period would commence from the date of vesting and will expire on completion 1 (One) year from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.

The vested option shall be exercisable by the option grantees by making a written application to the Company expressing his/her desire to exercise such options in such manner and on such format as may be prescribed by the Committee from time to time. Exercise of options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the option grantee. The options

shall lapse if not exercised within the specified exercise period.

H. Appraisal process for determining the eligibility of employees under the RSU 2018:

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, his future potential, critical position, performance evaluation, performance linked parameters, etc.

I. Maximum number of options to be issued per employee and in aggregate:

The maximum number of Options under RSU 2018 that may be granted to each Employee of the Company or of the Holding Company in any year shall in aggregate not exceed 1% (one percent) of the issued equity share capital (excluding outstanding warrants and conversions, if any) of the Company at the time of grant of Option.

J. Maximum quantum of benefits to be provided per employee under the RSU 2018:

Apart from grant of options as stated above, no monetary benefits are contemplated under the RSU 2018.

K. Route of RSU 2018 implementation:

The RSU 2018 shall be implemented and administered directly by the Company.

L. Source of acquisition of shares under RSU 2018:

The RSU 2018 contemplates issue of new equity shares/primary shares by the Company.

M. Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.:

This is currently not contemplated under the present RSU 2018.

N. Maximum percentage of secondary acquisition:

This is not relevant under the present RSU 2018.

O. Accounting and Disclosure Policies:

The Company shall follow the IND AS 102 on Share based Payments and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein. In case, the existing Guidance Note or Accounting Standards do not prescribe accounting treatment or disclosure requirements, any other Accounting Standard that may be issued by the ICAI or any other competent authority shall be adhered to in due compliance with the requirements of Regulation 15 of SEBI SBEB Regulations.

P. Method of option valuation:

The Company shall adopt 'fair value method' for valuation of options as prescribed under Guidance Note or under any Accounting Standard, as applicable, notified by appropriate authorities from time to time.

Q. Declaration:

In case, the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

The existing MLL Key Executive Stock Option Scheme 2012 ("MLL ESOP Scheme"), Pre-IPO ESOP Scheme of the Company shall continue, however no fresh Stock Options have been granted under the said scheme post Initial Public Offer ("IPO") and no stock options shall be granted hereafter under the said scheme. The MLL ESOP Scheme shall be operational only to the extent of vesting, exercise and allotment of shares for the outstanding 459,360 ESOPs granted prior to IPO. 'Mahindra Logistics Employee Restricted Stock Unit Plan 2018' ("RSU 2018"/"Plan") is being contemplated to enable the Company to provide RSU's at face value of equity shares of the Company.

The Board recommends resolutions at Item Nos. 4 and 5 for consent of the Members by way of special resolution pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Act, and as per Regulation 6 and other applicable regulations of the SEBI SBEB Regulations.

Draft copy of the RSU 2018 and all relevant documents and papers referred to this Notice and Explanatory Statement, shall be open for inspection by the Members at the Registered Office of the Company in physical or in electronic form between 10:00 a.m. (IST) to 1:00 p.m. (IST) on all working days (Monday to Friday) and copies thereof shall also be made available for inspection in physical or electronic form at the corporate office of the Company at 1A & 1B, 4th Floor, Techniplex I, Techniplex Complex, Veer Savarkar Flyover, Goregaon (West), Mumbai-400 062 upto the date of and also at the Annual General Meeting.

None of the Directors, Key Managerial Personnel of the Company including their respective relatives are interested or concerned, financially or otherwise, in the resolutions set out at Item Nos. 4 and 5 of the notice, except to the extent that they may be lawfully granted options under the RSU 2018.

This explanatory statement together with the accompanying Notice and annexure thereto may also be regarded as a disclosure under Regulation 6 of SEBI SBEB Regulations and SEBI circular CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015.

The Board commends special resolution for grant of ESOPs under RSU 2018 as set out at Item Nos. 4 and 5 of the accompanying Notice for approval by the Members of the Company.

Item No. 6:

Mr. Ajay Mehta (DIN:07102804) was appointed as Non-Executive Independent Director by the Board of Directors at its meeting held on 27 March 2015 for a first term of three consecutive years commencing from 27 March 2015 to 26 March 2018. The Shareholders at their 8th Annual General Meeting held on 4 August 2015 approved the said appointment. Accordingly, pursuant to the provisions of Section 149 of the Companies Act, 2013 ("Act") and rules made thereunder the first term of Mr. Mehta as Independent Director of the Company concluded on 26 March 2018.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") *inter alia* prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act. Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Further Section 149(11) of the Act provides that an independent director may hold office for up to two consecutive terms.

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee of the Board and basis the results of the performance evaluation carried out by the said Committee and the Board, vide resolution dated 26 March 2018, re-appointed Mr. Ajay Mehta as an Additional Non-Executive Independent Director, not being liable to retire by rotation, for a second consecutive term of five years commencing from 27 March 2018 to 26 March 2023, subject to the approval of the Members through special resolution.

As per Section 161(1) of the Act and Articles of Association of the Company, Mr. Mehta being an Additional Director, holds office upto the ensuing Annual General Meeting of the Company and is eligible to be re-appointed as a Director of the Company. Mr. Mehta is not disqualified from being appointed as Director in terms of Section 164 of the Act and given his consent to act as a Director of the Company. The Company has received a notice in writing from a Member of the Company under Section 160(1) of the Act proposing the candidature of Mr. Mehta for the office of a Director of the Company.

The Company has also received a written declaration from Mr. Mehta stating that he meets the criteria of independence as provided under Section 149(6) of the Act and under the Regulation 16(1)(b) of the Listing Regulations.

Mr. Mehta is a fellow member of the Institute of Chartered Accountants of India. He holds a Bachelor's degree in Law from Government Law College, University of Mumbai and a Bachelor's degree in Commerce from the University of Mumbai. He has over 33 years of experience and practices in the fields of taxation, auditing, accounting and finance. He is a Partner in Rajendra Shah and Associates, Chartered Accountants which provides consultancy services to the Government of Maharashtra for its information technology company Maharashtra Information Technology Corporation Limited. His firm is also on the panel of the Maharashtra Cooperative Societies Audit Panel. He is also the proprietor of Ajay Mehta & Company, Chartered Accountants. He has audited several nationalized banks and companies. He also provides services to various non-governmental organizations.

Other details of Mr. Mehta as stipulated under Regulation 36 of the Listing Regulations and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, are provided in the Annexure to this Explanatory Statement.

Mr. Mehta will be entitled to sitting fees for attending meetings of the Board and Committee(s) thereof and reimbursement of out of pocket expenses incurred by him in connection thereto. In addition, he would be entitled to commission of upto ₹ 600,000/- p.a. out of profits, if any, of the Company as determined by the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee of the Board and within the limits already approved by the Members of the Company at their Extraordinary General Meeting held on 27 July 2017.

In the opinion of the Board, Mr. Mehta fulfils the conditions specified in the Act and the Rules made thereunder for re-appointment as an Independent Director and is independent of the management. The Board considers that the proposed re-appointment of Mr. Mehta as an Independent Director, considering his skills, experience & knowledge in diverse areas, his background and experience and contributions made by him during his tenure. The Board is of the opinion that the continued association of Mr. Mehta will be of immense value and benefit and in the best interest of the Company, and therefore, the Board recommends his re-appointment to the Members.

Terms and conditions of the appointment of Mr. Mehta as an Independent Director of the Company and all the relevant documents referred to in this Notice and Explanatory Statement, shall be open for inspection by the Members at the Registered Office of the Company, in physical or in electronic form, between 10:00 a.m. (IST) to 1:00 p.m. (IST) on all working days (Monday to Friday) and copies thereof shall also be available for inspection in physical or electronic form at the corporate office of the Company at 1A & 1B, 4th Floor, Techniplex I, Techniplex Complex, Veer Savarkar Flyover, Goregaon (West), Mumbai - 400 062 upto the date of and also at the Annual General Meeting.

Mr. Mehta is interested in this Resolution as it pertains to his re-appointment. The relatives of Mr. Mehta may be deemed to be interested in this resolution to the extent of their shareholding interest, if any, in the Company.

Save and except, Mr. Mehta, none of the other Directors, Key Managerial Personnel and their respective relatives are concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 6 of the Notice.

The explanatory statement together with the accompanying Notice and annexure thereto may also be regarded as a disclosure under Regulation 36 of the Listing Regulations and Secretarial Standard-2 on Board Meetings issued by the Institute of Company Secretaries of India.

The Board commends special resolution for re-appointment of Mr. Ajay Mehta as Non-Executive Independent Director of the Company for second term of five years commencing from 27 March 2018 to 26 March 2023 as set out at Item No. 6 of the accompanying Notice for approval by the Members of the Company.

Item No. 7:

The Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee of the Board, appointed Ms. Avani Davda (DIN: 07504739) on 6 June 2018 as an Additional Non-Executive Independent Director, not being liable to retire by rotation, for a first (consecutive) term commencing from 6 June 2018 and ending at the Annual General Meeting of the Company to be held in the year 2022, subject to the approval of the Members through ordinary resolution.

As per Section 161(1) of the Act and Articles of Association of the Company, Ms. Avani Davda being an Additional Director, holds office upto the forthcoming Annual General Meeting and is eligible to be appointed as a Director of the Company. Ms. Avani Davda is not disqualified from be appointed as Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company. The Company has received a notice in writing from a Member of the Company under Section 160(1) of the Act proposing the candidature of Ms. Avani Davda for the office of Director of the Company.

The Company has also received a declaration from Ms. Avani Davda stating that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

Ms. Avani Davda is the Managing Director of Godrej Natures Basket since May 2016. Godrej Nature's Basket is the retail venture of Godrej Group and is India's foremost retail destination for fine foods from across the world. She was nominated as a Young Global Leader in 2014 by the World Economic Forum, Geneva, Switzerland. She also featured in Fortune US's annual global list of "40 under 40 leaders" in 2013 and Fortune and Food & Wine's list of "25 Most Innovative Women in Food and Drink" in 2014. Prior to her current role, she worked as Chief Executive Officer of Tata Starbucks Private Limited, the 50/50 joint venture between Starbucks Coffee Company and Tata Global Beverages Limited. Ms. Avani Davda holds a Masters degree in Management Studies from NMIMS and a Bachelor's degree in Commerce with Honors (Advertising & Media) from H.R. College, University of Mumbai.

Other details of Ms. Avani Davda as stipulated under Regulation 36 of the Listing Regulations and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, are provided in the Annexure to this Explanatory Statement.

Ms. Avani Davda will be entitled to sitting fees for attending meetings of the Board and Committee(s) thereof and reimbursement of out of pocket expenses incurred by her in connection thereto. In addition, she would be entitled to commission of upto ₹ 600,000/- p.a. out of profits, if any, of the Company as determined by the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee of the Board and within the limits already approved by the Members of the Company at their Extraordinary General Meeting held on 27 July 2017.

In the opinion of the Board, Ms. Avani Davda fulfils the conditions specified in the Act and the Rules made thereunder for appointment as an Independent Director and is independent of the management and the Board considers that the proposed appointment of Ms. Avani Davda as an Independent Director, considering her skills, experience & knowledge in diverse areas, and also given her background and experience will be of immense value and benefit and in the best interest of the Company, and therefore, the Board recommends her appointment to the Members.

Terms and conditions of the appointment of Ms. Avani Davda as an Independent Director of the Company and all the relevant documents referred to in this Notice and Explanatory Statement,

shall be open for inspection by the Members at the Registered Office of the Company, in physical or in electronic form, between 10:00 a.m. (IST) to 1:00 p.m. (IST) on all working days (Monday to Friday) and copies thereof shall also be available for inspection in physical or electronic form at the corporate office of the Company at 1A & 1B, 4th Floor, Techniplex I, Techniplex Complex, Veer Savarkar Flyover, Goregaon (West), Mumbai - 400 062 upto the date of and also at the Annual General Meeting.

Ms. Avani Davda is interested in this Resolution as it pertains to her appointment. The relatives of Ms. Avani Davda may be deemed to be interested in this resolution to the extent of their shareholding interest, if any, in the Company.

Save and except, Ms. Avani Davda, none of the other Directors, Key Managerial Personnel and their respective relatives are concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 7 of the Notice.

This explanatory statement together with the accompanying Notice and annexure thereto may also be regarded as a disclosure under Regulation 36 of the Listing Regulations and Secretarial Standard-2 on Board Meetings issued by the Institute of Company Secretaries of India.

The Board commends ordinary resolution for appointment of Ms. Avani Davda as Non-Executive Independent Director of the Company for a first (consecutive) term commencing from 6 June 2018 and ending at the Annual General Meeting of the Company to be held in the year 2022 as set out at Item No. 7 of the accompanying Notice for approval by the Members of the Company.

Item No. 8:

In terms of the Clause 2 of the Third Amendment Agreement dated 5 October 2017 (third amendment to the Investment Agreement dated 5 February 2014) executed by and between Mahindra and Mahindra Limited, Normandy Holdings Limited, Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF 1 and your Company and Article 105 of the Articles of Association of the Company, consequent to Initial Public Offer of the Company all the rights of Normandy Holdings Limited and Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF 1 (hereinafter referred to as "Investors") have fallen away and automatically terminated, except for the right to nominate one person as an Investor Director, ("Investor Director" or "Nominee Director"), on the Board of the Company provided that this right shall (i) be subject to the approval of the Shareholders of the Company by way of special resolution which shall be sought by the Company as soon as reasonably practicable following the completion of successful Qualified Initial Public Offer ("IPO") and (ii) be available for as long as the Investor holds at least 5% of the fully paid-up Equity Shares in the Company.

In view of the above, the Investors and the Company have mutually agreed to seek Shareholders' approval at the ensuing Annual General Meeting of the Company, being the 1st General Meeting post completion of the IPO.

Presently, the Investors have nominated Mr. Sunish Sharma (DIN:00274432) as Non-Executive Director on the Board of your Company, not liable to retire by rotation, in terms of the Articles of Association of the Company and ordinary resolution passed by the Shareholders of the Company at its Meeting held on 19 March 2014.

Pursuant to the above, approval of the Members is sought by way of special resolution to enable the Investors to exercise their right to nominate one Nominee Director on the Board of Company as long as the Investors hold at least 5% of the fully paid-up Equity Shares in the Company.

Further the Members are requested to ratify and confirm the right exercised by the Investors and all actions in this regard upto the date of this Annual General Meeting. The Nominee Director nominated by the Investors shall step down from the Board of Directors of the Company in the event the Investors shareholding goes below 5% of the fully paid-up equity shares of the Company. Any appointment/replacement of Nominee Director made pursuant to this right shall be subject to approval of the Shareholders as per the applicable laws.

Brief profile of Mr. Sunish Sharma and other relevant details are given hereunder for the information of the Members:

Mr. Sunish Sharma holds a Bachelor's degree in Commerce from Delhi University and has an MBA from Indian Institute of Management, Calcutta, where he was a gold medallist. He is also a qualified cost accountant. He is also the managing partner and co-founder of Kedaara Capital Advisors LLP, a private equity investment advisory firm focused on India. Prior to co-founding Kedaara Capital Advisors LLP in late 2011, he was a managing director at General Atlantic, global private equity firm where he played a lead advisory role in several of General Atlantic's investments in India. He worked at McKinsey for over six years before joining General Atlantic in February 2004. He co-authored the NASSCOM – McKinsey report on strategies to achieve the Indian Information Technology Industry's aspiration while at Mckinsey. He has extensive private equity investment experience in business services and technology, healthcare, financial services and consumer sectors. He is one of the founders of Ashoka University, a philanthropic initiative to provide a liberal education on par with the best universities around the world. He is one of the founders of Young India Fellowship, which was launched in 2011 in collaboration with University of Pennsylvania's School of Engineering and Applied Sciences. He has been recognised by Business Today as one of India's top 25 young executives below the age of 40 years in 2011. Mr. Sunish Sharma has been on the Board of your Company since 19 March 2014.

Mr. Sunish Sharma is not related to any Director or Key Managerial Personnel of the Company and does not hold any equity shares of the Company.

While on the Board of the Company, Mr. Sunish Sharma, or his replacement Director shall be required to abide by the fiduciary duties of Directors enunciated under Section 166 of the Companies Act 2013 including acting in best interest of Company, its employees, the Shareholders, not involve in a situation of conflict of interest and exercise independent judgement.

All relevant documents and papers referred to in this Notice and Explanatory Statement, shall be open for inspection by the Members at the Registered Office of the Company, in physical or electronic form, between 10:00 a.m. (IST) to 1:00 p.m. (IST) on all working days (Monday to Friday) and copies thereof shall also be made available for inspection in physical or electronic form at the corporate office of the Company at 1A & 1B, 4th Floor, Techniplex I, Techniplex Complex, Veer Savarkar Flyover, Goregaon (West), Mumbai - 400 062 upto the date of and also at the Annual General Meeting.

Mr. Sunish Sharma is interested in this Resolution as he is presently nominated as Nominee Director by the Investors. The relatives of Mr. Sunish Sharma may be deemed to be interested in this resolution to the extent of their shareholding interest, if any, in the Company.

Save and except, Mr. Sunish Sharma, none of the other Directors, Key Managerial Personnel and their respective relatives are concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 8 of the Notice.

The Board commends for approval by the Members the resolution as set out at Item No. 8 of the Notice for approving 1 right to appoint Nominee Director on the Board of the Company as a Special Resolution in terms of Article 105 of the Articles of Association and the Third Amendment to the Investment Agreement.

By order of the Board

Brijbala Batwal
Company Secretary

Registered Office:
Mahindra Towers, P. K. Kurne Chowk,
Worli, Mumbai – 400 018.
CIN: L63000MH2007PLC173466
E-mail: cs.mll@mahindra.com
Website: www.mahindralogistics.com
Tel: +91 22 2490 1441; Fax: +91 22 2490 0833

Mumbai, 6 June 2018

ANNEXURE TO ITEM NOS. 3, 6 AND 7 OF THE NOTICE CONVENING THE 11TH ANNUAL GENERAL MEETING OF THE COMPANY

Details of Directors seeking re-appointment/appointment and approval at 11th Annual General Meeting pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India

Name of Director	Mr. Parag Shah (Item no. 3)	Mr. Ajay Mehta (Item no. 6)	Ms. Avani Davda (Item no. 7)
Director Identification Number (DIN)	00374944	07102804	07504739
Nationality	Indian	Indian	Indian
Date of first appointment on the Board	28 April 2009	27 March 2015	6 June 2018
Age	42 years	57 years	39 years
Qualifications	BSc (Computer Engineering) from the Illinois Institute of Technology and graduate of the General Management Program of the Harvard Business School	BCom from Mumbai University, Bachelor of Law from Government Law College, Mumbai University and qualified Chartered Accountant	BCom with Honors (Advertising & Media) from H. R. College, University of Mumbai and Masters degree in Management Studies from NMIMS.
Capacity	Non-Executive Non-Independent Director	Non-Executive Independent Director	Non-Executive Independent Director
Specific area of expertise	Currently the Managing Partner and Co-Head of Mahindra Partners Division, Mr. Parag Shah has extensive experience in building new businesses, start-ups, turn arounds, joint ventures and mergers and acquisitions across the Mahindra Group. He is also affiliated with various non-governmental organizations and has been recognized by the Economic Times and Spencer Stuart as India's Top 40 Business Leaders under the age of 40 years. He has also been featured by India Today as 'Leaders of Tomorrow'.	Mr. Mehta has 33 years of experience and practices in the fields of taxation, auditing, accounting and finance. He is a Partner in Rajendra Shah and Associates, Chartered Accountants which provides consultancy services to the Government of Maharashtra for its information technology company-Maharashtra Information Technology Corporation Limited. His firm is also on the panel of the Maharashtra Cooperative Societies Audit Panel. He is also the proprietor of Ajay Mehta & Company, Chartered Accountants. He has audited several nationalized banks and companies. He also provides services to various non-governmental organizations.	Ms. Avani Davda is the Managing Director of Godrej Natures Basket since May 2016. Her expertise include developing business strategy and business sustainability. Ms. Davda was nominated as a Young Global Leader in 2014 by the World Economic Forum, Geneva, Switzerland. She also featured in Fortune US's annual global list of "40 under 40 leaders" in 2013 and Fortune and Food & Wine's list of "25 Most Innovative Women in Food and Drink" in 2014. Ms. Davda has also been associated with Tata Starbucks Private Ltd., the 50/50 joint venture between Starbucks Coffee Company and Tata Global Beverages Limited, as Chief Executive Officer, where she successfully led aggressive expansion of over 80 Starbucks stores across six key metros of India.

Name of Director	Mr. Parag Shah (Item no. 3)	Mr. Ajay Mehta (Item no. 6)	Ms. Avani Davda (Item no. 7)
List of directorships in other Indian companies	– Mahindra Intertrade Limited – Mahindra Susten Private Limited – Mahindra Vehicle Manufacturers Limited – Lords Freight (India) Private Limited – The Indian and Eastern Engineer Company Private Limited – PSL Media & Communications Limited – Mahindra Retail Limited – Mahindra Namaste Limited – Mahindra Consulting Engineers Limited – Retail Initiative Holdings Limited – Mahindra Marine Private Limited	– Mahindra Steel Service Centre Limited – Mahindra Retail Limited – Lords Freight (India) Private Limited	– Natures Basket Limited
Chairman in the Committees of the Boards of companies in which he is a Director	– Mahindra Logistics Limited - Corporate Social Responsibility Committee	– Mahindra Logistics Limited - Audit Committee – Mahindra Retail Limited - Audit Committee – Lords Freight (India) Private Limited - Audit Committee	NIL
Membership in the Committees of the Boards of companies in which he is a Director	– Mahindra Logistics Limited - Nomination and Remuneration Committee and Stakeholders Relationship Committee – Mahindra Susten Private Limited - MSPL ESOP Committee and Finance and Accounts Audit Committee – Mahindra Vehicle Manufacturers Limited - Nomination and Remuneration Committee – Lords Freight (India) Private Limited – Audit Committee	– Mahindra Logistics Limited - Nomination and Remuneration Committee – Mahindra Steel Service Centre Limited - Nomination and Remuneration Committee and Audit Committee. – Mahindra Retail Limited- Nomination and Remuneration Committee – Lords Freight (India) Private Limited - Nomination and Remuneration Committee	NIL
Number of shares held in the Company	NIL	NIL	NIL
Last drawn remuneration	NIL	Remuneration for FY 2017-18: 1. Commission: ₹ 6,00,000 p.a. + taxes as applicable 2. Sitting Fees: ₹ 5,20,000/-p.a. + taxes as applicable	NIL

Name of Director	Mr. Parag Shah (Item no. 3)	Mr. Ajay Mehta (Item no. 6)	Ms. Avani Davda (Item no. 7)
Terms and Conditions of Appointment/Re-appointment	Non-Executive Director, liable to retire by rotation	Non-Executive Independent Director, not liable to retire by rotation, for a second term of five consecutive years commencing from 27 March 2018 to 26 March 2023	Non-Executive Independent Director, not liable to retire by rotation, for a first (consecutive) term commencing from 6 June 2018 and ending at the Annual General Meeting of the Company to be held in the year 2022
Details of Remuneration sought to be paid	NIL	i. Sitting fees for attending Board/Committee Meetings; ii. Reimbursement of expenses incurred for attending Board/ Committee Meetings; iii. Commission of up to ₹ 600,000/- as approved by the Shareholders of the Company at its Extraordinary General Meeting held on 27 July 2017, based on recommendation of the Nomination and Remuneration Committee and approval of the Board within the ceiling of 1% or 3% of annual net profit of the Company, as the case may be.	i. Sitting fees for attending Board/Committee Meetings; ii. Reimbursement of expenses incurred for attending Board/ Committee Meetings; iii. Commission of up to ₹ 600,000/- as approved by the Shareholders of the Company at its Extraordinary General Meeting held on 27 July 2017, based on recommendation of the Nomination and Remuneration Committee and approval of the Board within the ceiling of 1% or 3% of annual net profit of the Company, as the case may be.
Number of Board meetings attended during the year 2017-18	8 out of 8	8 out of 8	Not Applicable
Relationship with other Directors/ KMPs'/Manager	He is not related to any other Directors/KMPs/Manager of the Company	He is not related to any other Directors/KMPs/Manager of the Company	She is not related to any other Directors/KMPs/Manager of the Company
Summary of performance evaluation report	Not Applicable	The Nomination and Remuneration Committee and the Board evaluated performance of Mr. Mehta, rated him satisfactory on all parameters and recommended his re-appointment.	Not Applicable

By order of the Board

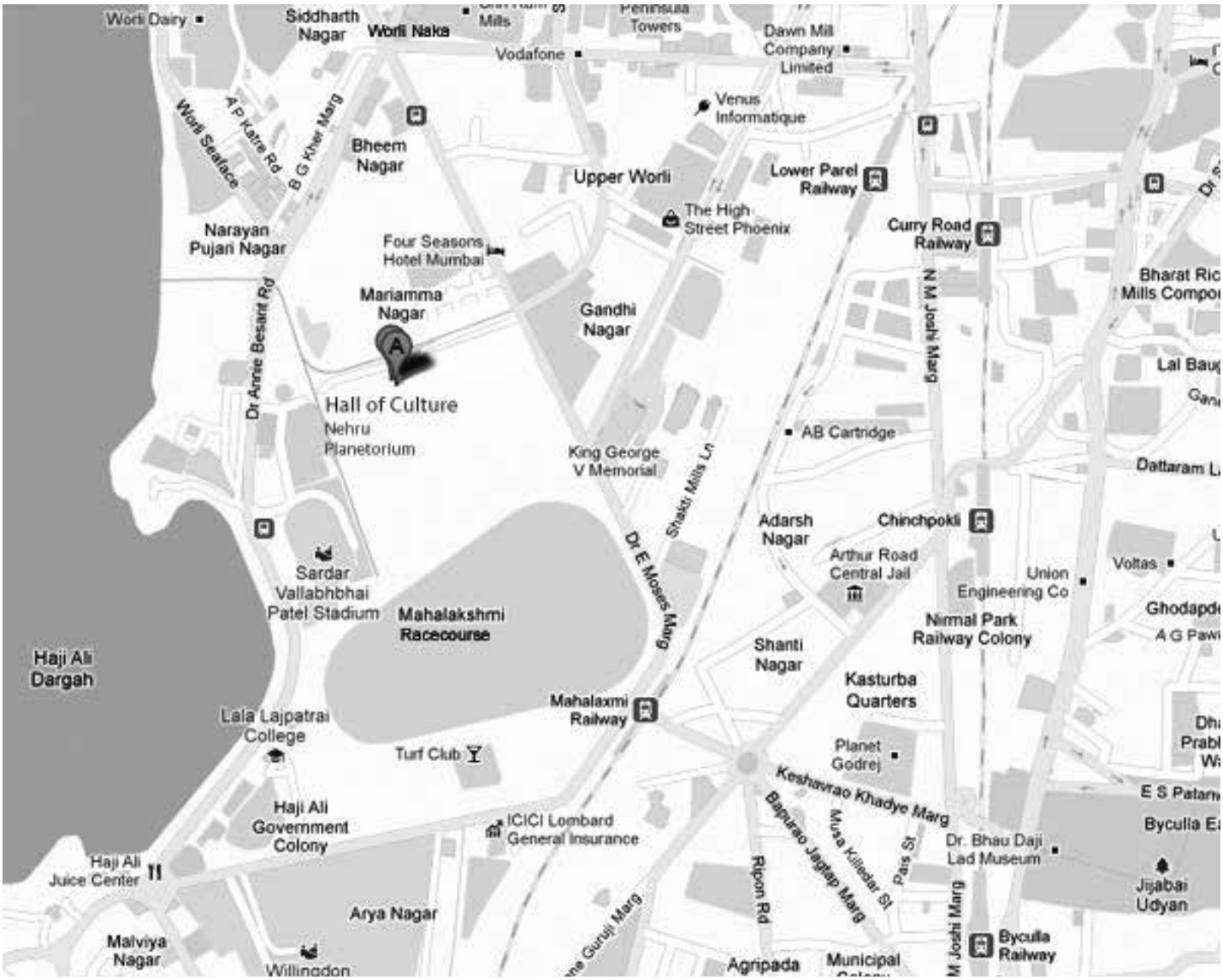
Brijbala Batwal
Company Secretary

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Mumbai, 6 June 2018

Mahindra LOGISTICS

ROUTE MAP FOR THE 11TH ANNUAL GENERAL MEETING OF MAHINDRA LOGISTICS LIMITED



Venue of 11th Annual General Meeting : Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018.

Prominent Landmark : Nehru Planetarium, Worli, Mumbai-400 018.

Closest Railway Station : Mahalaxmi Railway Station (Western Line), Mumbai



Participate in our Green Initiative by registering your e-mail address with our Registrar and Share Transfer Agents at rnt.helpdesk@linkintime.co.in or your depository participant today!

Mahindra LOGISTICS

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Mahindra
LOGISTICS

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