Mahindra Logistics Limited
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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

Our Ref: MLLSEC/124/2019

27 June 2019

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 for the financial year 2018-19 and Notice of the 12th Annual General Meeting - Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations")

In compliance with Regulation 34(1) and other applicable provisions of the Listing Regulations, please find enclosed as under:

1. Annual Report of Mahindra Logistics Limited ("the Company") for the financial year 2018-19 prepared as per Regulation 34(2) of the Listing Regulations and other applicable laws;
2. The Notice of the 12th Annual General Meeting ("AGM") of the Company alongwith the Attendance Slip and Proxy Form.

The Company has commenced the dispatch of the Annual Report for the financial year 2018-19 along with the Notice of 12th AGM to its shareholders through following modes on 27 June 2019:

- Through electronic means in a flipbook version (an e-book where the pages turn on-screen) and a pdf version;
- Through courier, speed post, registered post and other permitted means in physical copies.

The dispatch through above modes will be completed over next 2-3 days.

The flipbook and pdf version of the Annual Report and related documents will also available on the website of the Company at https://www.mahindralogistics.com/investor/financial-information

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

ACCELERATING COMMERCE

SHAPING THE INDUSTRY



ANNUAL REPORT 2018-19

Mahindra LOGISTICS

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



COMPANY OVERVIEW

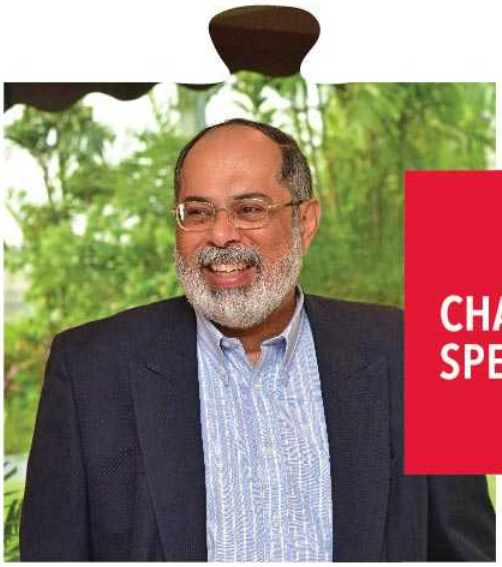
Mahindra Logistics Limited is a leading 3PL solutions provider in India with a strong presence across the country. The Company operates in two distinct business segments - Supply Chain Management (SCM) and People Transport Solutions (PTS).

Mahindra Logistics has more than 400 customers from diverse industry verticals such as Automotive, Engineering, Consumer Goods, Pharmaceuticals, E-commerce, Bulk for its SCM business. And has customers from IT, ITeS, Manufacturing, Banking, Financial services and Insurance and Consulting businesses for its PTS business.

The Company has an asset-light business model with a focus on technology and emphasis on customer-centricity. The Company's competitive advantage is in developing and implementing customised, technology-enabled logistics solutions that offer scalability and flexibility. The Company works closely with its customers to understand their requirements and provide solutions accordingly, thereby becoming their true partners.

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.



CHAIRMAN'S SPEECH

Dear Shareholders,

This is the 2nd Annual report of the Company as a listed entity. I am happy to see that as a leading 3PL company in the country, we are constantly raising the bar. We have successfully expanded our activities into new sectors by leveraging the trust we have earned from our customers as well as our business partners, and we thank all our valued stakeholders for their continued support.

FINANCIAL HIGHLIGHTS

During the financial year, Mahindra Logistics continued its growth trajectory. Consolidated revenues have risen to ₹ 3851 crores, a growth of 13%. And the Profit Before Tax increased to ₹ 133 crores, a growth of 31%.

OUR PURPOSE

While looking into the future of logistics in India, we cannot divorce oneself from the awareness of the Company's role in society, and the many lives it touches daily while servicing customers.

Only those companies that share a common PURPOSE alongside an understanding of their obligations to the communities they operate in, will consistently prosper and enhance their anti-fragile capabilities. During this year, The Company has articulated its PURPOSE - **'Accelerating Commerce, Empowering Communities to RISE'**.

Our PURPOSE is based on five principles as stated below:

- Reimagining Solutions
- Shaping the Industry
- Earning Trust
- Transforming Lives
- Sustaining the Environment

REIMAGINING SOLUTIONS

Technology plays a vital role in logistics, both in terms of operations as well as the interface with the customers and business partners. The Company is focusing on technology-enabled solutions alongside value-added services and this will be the key focus area going forward as well.

The Company continues its active investments in technology, both internally developed as well as through external partnerships. In October 2018, we acquired a strategic stake in Transtech Logistics, also known as ShipX. ShipX is a SaaS (Software as a Service) based Transport Management Solution (TMS) platform that serves the supply chain automation needs for 3PLs, shippers and transporters. This acquisition will strengthen Mahindra Logistics' strategy of being a technology-driven company.

As part of Mahindra Logistics' post-GST strategy of launching modern facilities, a new built-to-suit model warehouse space of 2,70,000 sq. feet has been launched in Chakan, Pune. This state-of-the-art warehouse is a multi-product, multi-user warehouse with the possibility of flexible capacities and tenure. Mahindra Logistics continues to evaluate more such opportunities to add to its warehousing footprint.

SHAPING THE INDUSTRY

As per the Economic Survey 2017-18, the Indian logistics sector provides livelihood to over 22 million people. Improving the efficiency of this sector would facilitate a 10% decrease in indirect logistics cost, leading to a growth of 5-8% in exports.

To achieve this, the government has taken several decisions like establishing a new Logistics Department in the Ministry of Commerce, unveiling of Draft National Logistics Policy, inclusion of the logistics sector in the Harmonised Master List of Infrastructure Subsector, rapid work on dedicated freight corridors and emphasis on multi-modal logistics. The Draft National Logistics Policy mentions that the Integrated National Logistics Action Plan will serve as an optimised master plan to define logistics priorities across ministries including MoRTH, (Ministry of Shipping, Ministry of Railways), Ministry of Civil Aviation, Department of Posts and the user ministries (Ministry of Coal, Ministry of Steel, Ministry of Mines) and others.

In line with Mahindra Logistics' PURPOSE principle of Shaping the Industry, the Company constantly works with industry bodies and the government in supporting the above initiatives. If the efficiency of logistics movement in the country does not improve, India cannot be competitive in its manufacturing.

Today 75% of the country's goods are transported by road and driver welfare and training are fundamental levers in increasing the performance of this sector. These drivers literally drive our economy, and Mahindra Logistics has over the last many years recognised the value of their contributions. In the current year, Mahindra Logistics undertook the additional goal of up-skilling 10,000 drivers across the country under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) with a focus on sensitising, training and empowering them about safety, security and welfare aspects.

The training programme covered 229 locations pan India. While the primary focus of this programme was to train drivers who are associated with Mahindra Logistics, it was extended to many other drivers who work for the industry at large.

Mr. Anand Mahindra, Chairman of Mahindra & Mahindra Ltd., in his letter to the Prime Minister Mr. Narendra Modi says, "For me, this is a significant achievement as a responsible business group and I have no doubt that Mahindra Logistics will continue to support MAKE IN INDIA with their focus on MOVE IN INDIA while up-skilling drivers".

EARNING TRUST

During the year, the Company worked closely with its customers in managing and improving their supply chains. This involved redesigning supply chains in the post GST environment, supporting new product launches, handling peak volumes, using multimodal transportation, relocating facilities and seamless transition from earlier service providers including integrating technologies.

Mahindra Logistics has over the years gained the trust of its valuable business partners to strengthen its asset-light model and empowered them to grow along with the Company. A Business Partner Council has been formed to improve these partnerships through sharing business governance practices, upgrading their technology platforms, training in customer-centricity, basic etiquette amongst others.

TRANSFORMING LIVES

In continuation with its commitment towards society, the Company has adopted another village called Tembha in Thane District, with the objective of continuously improving the overall development of the villagers and their physical infrastructure. Mahindra Logistics also continues several other initiatives through its CSR outreach and employee contributions, which are outlined in greater detail in this report.

Zero Accident is a philosophy in itself, not just a numerical goal. This philosophy states that nobody should be injured due to an accident, and that all accidents are preventable. Therefore, Mahindra Logistics is working towards creating a 'Zero Accident Zone' on the Nashik – Bhiwandi Expressway,a major corridor where the Company operates.

SUSTAINING THE ENVIRONMENT

Mahindra Logistics continues to demonstrate leadership in aiming for growth with a sustainable footprint, across all its activities. Several initiatives are in progress towards achieving this goal, including the adoption of electric vehicles wherever feasible, redesigning warehouses and upgradation of older vehicles.

WAY AHEAD

Looking ahead, this industry will see innovative disruption through the impact of digitisation, creating unprecedented opportunities to redefine business models, dramatically improve sustainable operating efficiencies and enhance customer experiences.

Mahindra Logistics aims to retain a leadership position and drive this transformation agenda to achieve industry leading growth through:

- **Focus on customer-centricity:** Developing new business models and value-added solutions while simultaneously expanding the Company's geographic and service footprint across new customers and industry segments.
- **Technology enablement:** Catalysing innovation by embedding technology and analytics across every process and channel so as to deliver with speed, agility and predictability.
- **Purpose led growth:** Which recognises the Company's governance, social and sustainability obligations as the north star in daily activities.

In conclusion, I would like to state that while we operate in a favourable economic environment, existing and emerging competitive forces of technology start-ups and the unorganised sector will continue to challenge the Company. As an industry leader, we shall aim to deliver consistent, purposeful growth in revenues and profits. I thank all the stakeholders for their trust and belief, and I look forward to their continued support.

Warm Regards,
Zhooben Bhiwandiwala

BOARD OF DIRECTORS



Zhooben Bhiwandiwala
Chairman, Non-Executive Director



S Durgashankar
Non-Executive Director
(w.e.f. 7th May 2019)



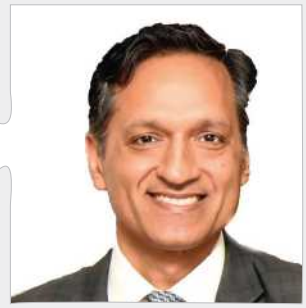
Parag Shah
Non-Executive Director



Darius Pandole
Non-Executive Independent Director



Avani Davda
Non-Executive Independent Director



Ranu Vohra
Non-Executive Independent Director



Ajay Mehta
Non-Executive Independent Director



Sunish Sharma
Non-Executive Nominee Director
(until 6th June 2019)

KEY MANAGEMENT TEAM

Yogesh Patel
Chief Financial Officer

Mehernosh Mehta
Vice President - Human Resource

Huafreed Nasarwanji
Chief Sales Officer

Kamal Kapoor
Vice President - Transportation

Prasanna Pahade
Chief Strategy Officer

Vibhu Manya
Chief Digital & Transformation Officer



Rama Malik
Vice President - People Transport Solutions

Pirojshaw Sarkari
Chief Executive Officer

Sushil Rathi
Chief Operating Officer

Brijbala Batwal
Company Secretary

OUR PURPOSE

ACCELERATING COMMERCE, EMPOWERING COMMUNITIES TO *Rise.*

Scan the QR code to watch our PURPOSE film

SHAPING THE INDUSTRY

Mahindra Logistics pioneered a collaboration model with one of its competitors in the Auto Logistics sector. The two companies collaborated on information-sharing and coordinating transport schedules to ensure guaranteed return loads, which in turn resulted in the willingness of transport providers to ensure 100% vehicle availability.

TRANSFORMING LIVES

Mahindra Logistics took up the goal of training 10,000 drivers across India by the end of FY 19 under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), irrespective of whether they work for Mahindra Logistics or not. As part of the driver welfare programme, timely help to one of their driver partner's daughter enabled her to finish her M. Pharm and also helped her go to the U.S.A. to pursue her Ph.D. Today, she wishes to contribute and help other deserving girls in pursuing their education.

EARNING TRUST

In the words of one of the business partners, "We have grown from owning just 10 vehicles to 90 vehicles, with guidance and support from Mahindra Logistics. Their senior management advised us on increasing digitisation in our operations e.g. cashless transactions, use of mobile apps etc. Association with Mahindra Logistics has also helped me personally. They nominated me to MPOWER, a 7-day executive management programme at IIM, Ahmedabad. This helped me in improving my business skills, enhanced my personality and increased my confidence".

SUSTAINING OUR ENVIRONMENT

Mahindra Logistics' Nashik team organised an initiative to avoid water pollution at Pazhar Lake, Mahiravani, during Ganapati festivities. The team advocated the donation of Ganapati idols for recycling instead of immersing them in the lake. During the last festival, 2500 Ganesh idols were collected and recycled through this initiative.

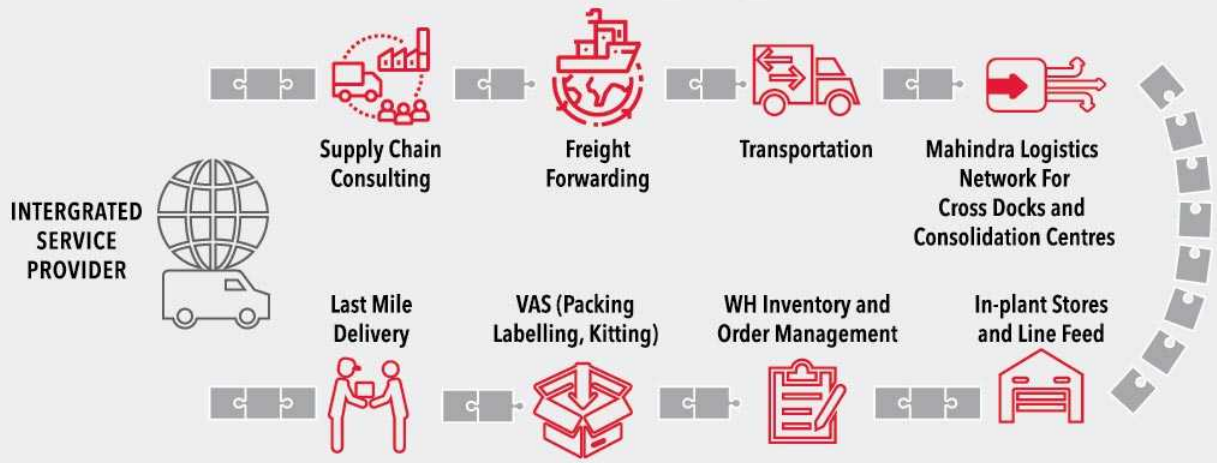
REIMAGINING SOLUTIONS

Mahindra Logistics' Business Excellence team reimagined solutions for dedicated vehicle unloading at the warehouse of a leading FMCG company and reduced GIGO time from 5 hours to a phenomenal 30 minutes! The change in the docking position of the vehicle enabled significant reduction in manpower requirement. This drastic improvement was brought about through dedicated dock allocation and simultaneous unloading and documentation. Last but not the least, the customer no longer needed to source market vehicles for meeting their requirements, thanks to the time saved.

OUR BUSINESS SEGMENTS

SUPPLY CHAIN MANAGEMENT (SCM)

Mahindra Logistics has been providing end-to-end solutions in SCM for more than a decade, across diverse industries. The Company's SCM solutions include Supply Chain Consultancy, Warehousing, Stores & Line Feed, Transportation and Freight Forwarding. The Company provides differentiated and customised services for operational efficiency at every stage of the Supply Chain for its customers.



OUR OFFERINGS

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

SECTORS

- Automotive & Engineering
- Consumer & Pharmaceutical
- E-commerce
- Bulk

SCM PRESENCE

- 300+ Customers
- 500+ Client and Operating Locations
- 15+ Million sq. ft. warehouse space
- 75+ Stockyards
- 50+ In-factory Logistics

PEOPLE TRANSPORT SOLUTIONS (PTS)

India is one of the emerging markets for shared mobility, predominantly driven by increasing urbanisation, rise in living standards and technological advancements in the field of mobility. The advancements in technology have also contributed significantly towards market growth as the shared mobility services can now be easily accessed and availed.

With these changing dynamics of mobility, the PTS business of Mahindra Logistics focuses on providing customisable and technology-enabled employee transportation services to corporate enterprises. PTS subscribes to an asset-light business model, facilitating flexibility and scalability with a focus on its core competence of integrating resources and providing one-stop solutions to its customers.

OUR OFFERINGS

- Corporate People Transport
- On-Call Service
- Events Transportation

SECTORS

- IT & ITeS
- Manufacturing & Consulting
- Banking, Financial Services & Insurance

PTS PRESENCE

- 100+ Customers
- 150+ Client and Operating Locations
- 80,000+ People experience our services everyday

JOINT VENTURE & SUBSIDIARIES

TRANSTECH LOGISTICS PRIVATE LIMITED

Mahindra Logistics acquired a strategic stake in a technology start-up, Transtech Logistics (ShipX). This acquisition has helped Mahindra Logistics embed technology into its own ecosystem and for ShipX to enhance product features. ShipX is a Software as a Service (SaaS) based Transport Management Solution (TMS) platform that serves the supply chain automation needs for 3PLs, shippers and transporters. This will enable Mahindra Logistics to increase end-to-end digitisation and bring in operational efficiencies by offering technological solutions to its customers as well as business partners.





LORDS FREIGHT (INDIA) PRIVATE LIMITED

Mahindra Logistics has also enhanced its stake in LORDS. LORDS, which was founded in 2011, specialises in Freight Forwarding with capabilities in both air and ocean forwarding for exports and imports. LORDS is based out of Mumbai and has a presence in most Indian cities.



2X2 LOGISTICS PRIVATE LIMITED

Mahindra Logistics has a partnership with 2x2 Logistics, a subsidiary of Indian Vehicle Carriers Logistics Ltd. (IVC). 2x2 offers automotive outbound logistics solutions to the four-wheeler and two-wheeler industry.

BUSINESS & FINANCIAL HIGHLIGHTS

All figures are on consolidated basis

1. Mahindra Logistics added over ₹ 400 crores to its revenues and ₹ 21 crores to its PAT.

2. The Company achieved over ₹ 133 crores Profit Before Tax (PBT) and over ₹ 86 crores Profit After Tax (PAT).

3. PBT, adjusted for RSU/ESOP charge was ₹ 139 crores PBT/Revenue ratio increased by 57 bps to 3.61%.

4. Free cash flow for the year improved by ₹ 71 crores to ₹ 39 crores positive as compared to ₹ 32 crores negative in FY 18.

5. The Company crossed ₹ 1000 crores in revenue in the non-auto segment in the SCM business from end use sectors such as Engineering, FMCG, E-commerce and Bulk.

6. Proportion of warehousing and other value-added activities reached 26% in the non M&M SCM segment.

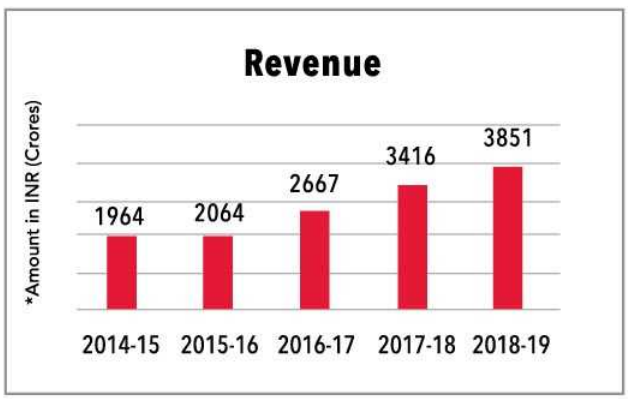
7. Enhanced its stake in LORDS Freight to 82.92% to further consolidate its shareholding.

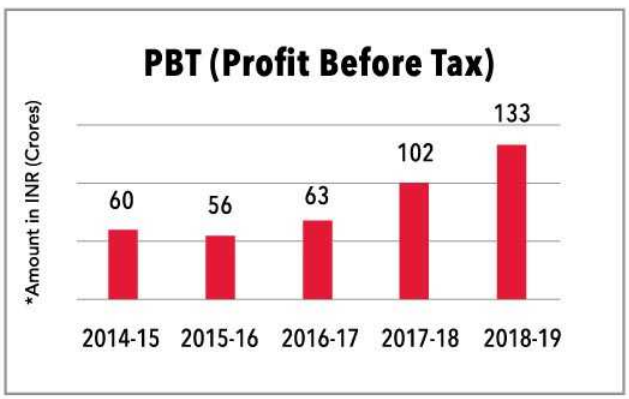
8. Acquired a strategic stake of 39.79% in Transtech Logistics Pvt. Ltd., a SaaS based Transport Management Solution Platform to increase end-to-end digitisation and bring in operational efficiencies.

9. Completed training of 12,000+ drivers across India, under Pradhan Mantri Kaushal Vikas Yojana (PMKVY), an important initiative to make our roads safe.

10. Deployment of Electric Vehicles in PTS business.

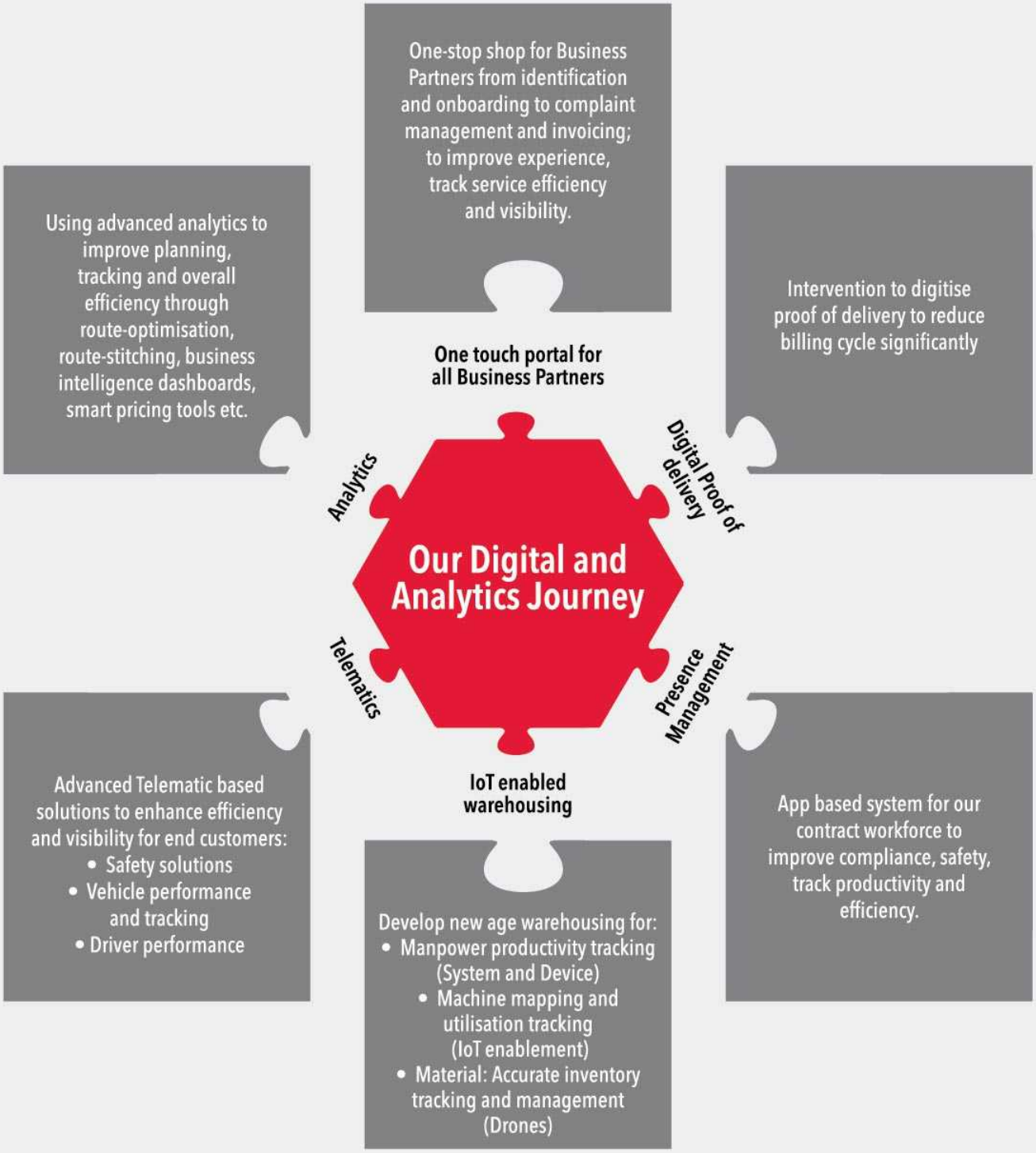
FINANCIAL HIGHLIGHTS





DIGITAL TRANSFORMATION & ANALYTICS

Logistics is getting transformed due to technology. Mahindra Logistics has initiated major projects to harness technology and significantly impact business outcomes.



AWARDS & ACCOLADES



'Overall Excellence Award' Supply Chain and Logistics Excellence (SCALE) in the 3PL category CII, 2018.



'Best Safety Practices' Gold Award (Nagpur Team) at the Glow Care Awards, New Delhi.



'CSR leadership award for best practice in logistics' ET Now & World CSR Congress, 2019.



Group ESOP Award 2018 for CSR Projects - Gram Vikas and Samantar



3 Silver awards at the 'On the Job Achiever's Contest - Lakshya' organized by NITIE.



'Gold Award' at the Mahindra Innovation Awards 2018 for its innovative Mobile Dock Leveler.

SUSTAINABILITY & SAFETY

ELECTRIC VEHICLES (EVs)

The world is quickly adopting Electric Vehicles (EVs) and in the next couple of decades, EVs are going to be more mainstream than internal combustion vehicles. Automotive manufacturers are now devoting a rather large chunk of their resources towards research and development of these vehicles.

Electric Vehicles exemplify the Mahindra Group's vision of the Future of Mobility – a sustainable automotive ecosystem that brings environment-friendly mobility solutions to customers across the world.



In FY 2018-19, Mahindra Logistics has deployed Electric Vehicles in Bangalore, Delhi NCR, Kerala etc. in its PTS business. This will continue and remain a focus area in FY 2019-20.

SAFETY & COMPLIANCE

Mahindra Logistics strongly believes that it is responsible for the safety of the lives it touches. Ensuring safe driving and travel is of utmost importance, whether it is for driver partners and business associates or for the thousands of employees who use people transport solution services. Therefore, the Company follows many processes to ensure safety and compliance.

VEHICLE AND DRIVER SAFETY

In order to ensure vehicle and driver safety, various processes are followed such as vehicle and driver induction, adherence to vehicle compliance and safety requirements, adherence to driver compliance, periodic vehicle and driver audits, daily briefing of drivers, periodic driver training programmes, control tower to track over-speeding and driver health safety camps ... to name a few.

CUSTOMER EMPLOYEE SAFETY

To ensure the safety of customers' employees, the Company has a customer feedback management system, a toll-free number, panic button in vehicles, GPS enabled vehicles as well as a security guard in the vehicle for the safety of female employees who may be boarding the vehicle first or getting dropped last. The Company has also launched various initiatives such as 'Plus5' and 'Buckle-Up' to ensure safety and compliance.

MAHINDRA LOGISTICS EMPLOYEE SAFETY

To ensure the safety of its employees, Mahindra Logistics conducts many activities such as safety trainings and Safety Day celebrations. The Company has worked on developing safety themes at a pan India level for the engagement of employees and to create a safer place to work by identifying potential hazards and their control measures.

EMPOWERING COMMUNITIES TO RISE

In line with its belief of Empowering Communities, the Company aims to focus on constantly working towards creating a better world. Mahindra Logistics adopted a village and worked on several aspects to bring a positive change in quality of life there.

VILLAGE ADOPTION – WATER SUPPLY PROJECT

In 2017-18, Mahindra Logistics adopted Tembha, a hamlet near Shahapur in Thane district for a period of 3 years. The area regularly faces a severe water shortage during the summer. The Company set-up pipelines to the nearest water source to pump water. The initiative will benefit the families in the village and will be a permanent solution to their current water woes.

The Company also organises different programmes in the village for infrastructure development, health and nutrition, hygiene and sanitation, tree plantation, women empowerment, employment generation and many more.



ZERO ACCIDENT ZONE PROJECT

The 'Zero Accident' vision is based on the belief that all accidents are preventable. And it is Mahindra Logistics' endeavor that no one be injured or killed in road accidents. Hence, the 'Zero Accident Zone' project was launched in October 2018 along the **Nashik-Bhiwandi Expressway**, one of the major operational routes for the Company.

This project focuses on 4 E's i.e. Education to drivers of passenger vehicles, Enhancement of skill level for commercial drivers, Enforcement of safety driving norms and Emergency handling of situations.

The Company corrects behavioral aspects such as not wearing helmets and seatbelts, over-speeding, driving on the wrong side, wrong parking and drunken driving. The Company also conducts several awareness activities at schools, colleges, nearby villages, petrol pumps, hospitals, markets etc.

EMPLOYEES SOCIAL OPTIONS PROGRAM (ESOPs)

Mahindra Logistics encourages its employees to volunteer for various CSR activities in the areas of education, health and environment through this programme. Employees volunteer for various projects such as developing the educational skills of adolescents, increasing awareness about 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 OF ALL THE ABOVE ACTIVITIES FOR FY 2019:

- More than 160 activities conducted
- More than 17,000 man hours put in
- More than 3,100 employees participated
- More than 33,900 people benefited

NANHI KALI

Project Nanhi Kali was initiated in 1996 by the K. C. Mahindra Education Trust (KCMET) focusing on underprivileged girl children in India. The programme provides educational and material support to underprivileged girls from poor urban, remote, rural and conflict afflicted communities across India.

The programme selects girls based on multiple criteria including enrollment in government schools, family income, parents' educational background, social background and the child's aptitude. A comprehensive sponsorship is created to take care of a range of their educational requirements, providing not only academic support that enables them to make a success of their schooling experience but also material support including uniforms, school bags, shoes, socks etc. so the girl child can go to school with dignity.

The interventions in every community are planned by setting up a village 'Education Committee' which is sensitized to the importance of girl child education and other resultant benefits. One of the important aspects monitored is school attendance, which reflects a positive trend. During the year 2018-19, over 2,300 girls were supported through the Company's contribution.

BUSINESS PARTNERS PROGRAM



Award winning Business Partners

Being an asset-light company, Mahindra Logistics works with many Business Partners who bring in various assets and are vital to its growth. Recognising this, Mahindra Logistics has launched the Business Partner Life Cycle Management Programme.

BUSINESS PARTNER LIFE CYCLE MANAGEMENT

The framework of this initiative is designed to be interactive and collaborative while providing growth opportunities to the Business Partners. The current cycle includes: Business Partner Selection and Onboarding, Contract Repository, Rate Master Management, RFP Response, Assessment, Performance Management and Development, Engagement, Helpdesk Management and Partner Exit Management.

BUSINESS PARTNER ENGAGEMENT

Many engagement activities are conducted with Business Partners such as: Business Partner Employee Training, Business Partner Development Programme, MPOWER (A programme at IIM Ahmedabad along with Mahindra Truck and Bus), Business Partner Council etc.

BUSINESS PARTNER AWARDS

Like every year, Mahindra Logistics recognised the illustrious Business Partners whose dedicated efforts took the Company to newer heights. The grand city of Dubai played host to this year's Business Partners Awards.

DRIVER WELFARE

Mahindra Logistics believes that drivers are the backbone of the Company. Keeping their welfare in mind, the Company conducts various driver welfare initiatives.

Project Samantar, a holistic driver welfare programme, is designed to improve the working conditions of the driver community. Need assessment is done through Driver Welfare Forums comprising Business Partners, field experts and NGOs, so that the programmes can be impactful. The programmes are structured as under:

1. Providing facilities in terms of restrooms, en-route sanitation, drinking water, medical checkups, insurance and accident benefits etc.
2. Initiatives to ensure dignity and respect for drivers.
3. Skill development

DRIVERS WELFARE FACTS AND FIGURES FOR FY 2019:

- More than 480 activities conducted
- More than 26,000 man hours put in
- More than 4,400 employees participated
- More than 61,000 benefited

DRIVER TRAINING

Learning skills for a brighter future

Launched in 2015, the objective of this Skill Certification scheme is to enable a large number of Indian youth to take up industry-relevant skill training which will help them in securing a better livelihood. Under PMKVY, special focus is given to Recognition of Prior Learning (RPL) wherein the prior competencies of candidates are assessed. On successful completion of the training, candidates receive a monetary reward, marksheet and government certification.

PMKVY
PRADHAN MANTRI KAUSHAL VIKAS YOJANA

Over 12,000 drivers have been trained under PMKVY from April 2018 to March 2019.

Driver Training Programme - A Glimpse





CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Zhooben Bhiwandiwala, Chairman & Non-Executive Director
Mr. Parag Shah, Non-Executive Director
Mr. S. Durgashankar, Non-Executive Director (w.e.f. 7th May 2019)
Ms. Avani Davda, Independent Director
Mr. Ajay Mehta, Independent Director
Mr. Darius Pandole, Independent Director
Mr. Ranu Vohra, Independent Director
Mr. Sunish Sharma, Non-Executive Nominee Director (until 6th June 2019)

CHIEF EXECUTIVE OFFICER
Mr. Pirojshaw Sarkari

CHIEF FINANCIAL OFFICER
Mr. Yogesh Patel

COMPANY SECRETARY
Ms. Brijbala Batwal

COMMITTEES

Audit Committee
Mr. Ajay Mehta – Chairperson | Mr. S. Durgashankar | Mr. Darius Pandole | Ms. Avani Davda

Risk Management Committee
Ms. Avani Davda – Chairperson | Mr. Parag Shah | Mr. Ranu Vohra
Mr. Pirojshaw Sarkari | Mr. Yogesh Patel

Stakeholders Relationship Committee
Mr. Darius Pandole – Chairperson | Mr. Parag Shah | Mr. S. Durgashankar

Nomination and Remuneration Committee
Mr. Darius Pandole – Chairperson | Mr. Zhooben Bhiwandiwala
Mr. Parag Shah | Mr. Ajay Mehta | Mr. Ranu Vohra

Corporate Social Responsibility Committee
Mr. Ranu Vora – Chairperson | Mr. Parag Shah | Mr. S. Durgashankar

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, 27th - 32nd Floor,
Senapati Bapat Marg,
Elphinstone Road (West),
Mumbai – 400 013

REGISTRAR AND SHARE TRANSFER AGENT
Link Intime India Private Limited
C-101, 1st Floor, 247 Park,
L B S Marg, Vikhroli (West),
Mumbai – 400 083
Tel.: +91 22 4918 6000 / 6200
Fax.: +91 22 4918 6195
Website: www.linkintime.co.in
E-mail: rnt.helpdesk@linkintime.co.in

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present their Twelfth Annual Report on the business and operations of the Company along with the Audited Financial Statements of your Company for the financial year ended 31 March 2019.

A. FINANCIAL AND OPERATIONAL HIGHLIGHTS

(₹ in crores)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Income		
Revenue from Operations	3,665.51	3,220.11
Other Income	7.27	4.73
Total Income	**3,672.78**	**3,224.84**
Expenses		
Employee Benefit Expenses	250.59	219.04
Operating Expenses	3,219.99	2,835.32
Other Expenses	57.03	59.92
Depreciation and Amortization Expenses	14.69	12.85
Finance Costs	0.16	0.31
Total Expenses	**3,542.46**	**3,127.44**
Profit before Tax	**130.32**	**97.40**
Provision for Tax	45.88	35.21
Profit after Tax	**84.44**	**62.19**
Other comprehensive income		
Re-measurements of the defined benefit plans – Gains/(Losses)	0.10	(0.16)
Income tax relating to items that will not be reclassified to profit or loss	(0.03)	0.05
Total other comprehensive income	**0.07**	**(0.11)**
Total comprehensive income	**84.51**	**62.08**
Balance of Profit from earlier years	247.77	185.69
Dividend Paid	**(12.86)**	**0.00**
Balance carried forward to Reserves	**319.42**	**247.77**
Net worth	498.84	418.90

There have been no changes in the nature of business and operations of your Company during the year under review.

No material changes and commitments affecting the financial position of the Company have occurred after the end of the financial year 2018-19 till the date of this report.

Performance Review

Standalone Performance

Your Company recorded revenue from operations of ₹ 3,665.51 crores for the year under review as against ₹ 3,220.11 crores in the previous year, registering a growth of 13.83%. The total comprehensive income for the financial year 2018-19 amounted to ₹ 84.51 crores (after accounting of deferred tax income of ₹ 4.70 crores) as compared to ₹ 62.08 crores in the previous year (after accounting of deferred tax income of ₹ 1.53 crores), registering an increase of 36.13%.

Segment Performance

During the year under review, your Company recorded its highest ever revenues across all its segments.

Supply Chain Management ("SCM")

The SCM segment revenues grew by 13.90% year-on-year and stood at ₹ 3,280.04 crores for the financial year 2018-19.

People Transport Solutions ("PTS")

The PTS segment of your Company reported a revenue growth of 13.22% year-on-year at ₹ 385.47 crores for the financial year 2018-19 as compared to ₹ 340.47 crores for the previous year.

Consolidated Performance

A detailed analysis of the Company's performance, consolidated and standalone, is included in the Management Discussion and Analysis section, which forms part of this Annual Report.

Dividend for FY 2018-19

Your Directors are pleased to recommend a final dividend of ₹ 1.80 per equity share of the face value of ₹ 10/- each (being 18% on face value) for the financial year 2018-19, payable to those Members whose names appear in the Register of Members and list of beneficial owners as on Wednesday, 24 July 2019.

The Register of Members and Share Transfer books of the Company will remain closed from Thursday, 25 July 2019 to Thursday, 1 August 2019 (both days inclusive) for the purpose of payment of the said final dividend.

The equity dividend outgo for the financial year 2018-19, if declared, inclusive of tax would result in cash outflow of ₹ 15.50 crores (as against ₹ 12.86 crores for the financial year 2017-18).

The Dividend payout recommended is in accordance with the Dividend Distribution Policy of the Company.

Unpaid and Unclaimed Dividend of the financial year 2017-18

During the financial year 2018-19, your Company paid a final dividend of ₹ 1.50 per equity share of the face value of ₹ 10/- each (15% on face value) for financial year 2017-18 declared at the 11th Annual General Meeting ("AGM") of the Company held on 2 August 2018, from which an amount of ₹ 32,883/- is lying unpaid and unclaimed as on 31 March 2019.

The last day for claiming the said unpaid and unclaimed dividend is 5 September 2025.

A Shareholder-wise statement of the unpaid and unclaimed dividend is uploaded on the Company's website and can be accessed from the weblink: http://www.mahindralogistics.com/investor/shareholder-information

There is no unpaid and unclaimed Dividend of earlier years which has been transferred during the financial year 2018-19 or is due to be transferred to the Investor Education and Protection Fund ("IEPF") during the financial year 2019-20 in terms of the applicable provisions of the Companies Act, 2013 ("the Act") read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended from time to time.

Further no shares on which dividend has not been paid or claimed for seven consecutive years or more has been transferred or is due to be transferred to IEPF during the financial year 2019-20 in terms of the applicable provisions of the Act read with the IEPF Rules, as amended from time to time. Your Company has not paid any Interim Dividend during the year under review.

Transfer to reserves

The Board of your Company has decided not to transfer any amount to the General Reserves for the financial year 2018-19.

Dividend Distribution Policy

The Company's Dividend Distribution Policy prepared and adopted in compliance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), is attached as **Annexure I** and forms part of this Annual Report.

The Dividend Distribution Policy is also placed on the Company's website and can be accessed from the weblink: https://www.mahindralogistics.com/media//pdf_files/DIVIDEND-DISTRIBUTION-POLICY.pdf

B. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated revenue from operations for the year under review was ₹ 3,851.34 crores as compared to ₹ 3,416.12 crores in the previous year, registering a growth of 12.74%. The consolidated EBITDA for the year under review stood at ₹ 158.87 crores, recording an increase of 26.48% over the previous year of ₹ 125.61 crores. The consolidated PAT grew by 32.76%, from ₹ 65.27 crores for the previous financial year to ₹ 86.65 crores for the financial year 2018-19.

The Non-Mahindra Group consolidated supply chain revenue grew by 8.80% to ₹ 1,368,38 crores for the financial year 2018-19 in comparison to ₹ 1,257.69 crores for the previous year.

The Consolidated Financial Statements of the Company, its subsidiaries and joint venture company, prepared in accordance with the Act, the Listing Regulations and applicable Indian Accounting Standards along with all relevant documents and the Auditors Report thereon, form part of this Annual Report.

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

In accordance with Section 136 of the Act and Regulation 46 of the Listing Regulations, separate Audited Financial Statements in respect of each of the Company's subsidiaries are uploaded and available on the Company's website at weblink: http://www.mahindralogistics.com/investor/financial-information and copies of the same shall be provided to the Shareholders of the Company on receipt of request thereof.

Subsidiaries, Joint Venture and Associate Company

Subsidiary Companies

Our subsidiary companies primarily deal in the business of transportation and freight forwarding and continue to contribute to the overall growth of the Company.

As on date of this report, the Company has two Indian unlisted subsidiaries viz. Lords Freight (India) Private Limited and 2x2 Logistics Private Limited. During the year under review, there were no additions/deletions in the number of subsidiaries of the Company.

Highlights of performance of the Company's subsidiary companies for the financial year 2018-19 is given hereunder:

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

Lords provides international freight forwarding services for exports and imports, customs brokerage operations, project cargo services and charters. During financial year 2018-19, Lords recorded a gross income of ₹ 174.38 crores as against ₹ 177.78 crores in the previous year.

With an objective of consolidating the Company's shareholding in Lords, the Board of your Company approved purchase of upto 23.75% additional stake from the shareholders of Lords. To this end, your Company has completed purchase of additional stake of 22.92%, thereby increasing its stake in Lords from 60.00% to 82.92% as on 31 March 2019.

II. 2x2 Logistics Private Limited ("2x2")

2x2 specialises in offering automotive outbound logistics solutions to four-wheeler and two-wheeler industries. During financial year 2018-19, 2x2 recorded gross income

of ₹ 59.24 crores for the year under review as against gross income of ₹ 52.69 crores in the previous year, registering a growth of 12.43%. The Net Profit after Tax increased by 76.39% and stood at ₹ 1.27 crores for the year under review as against ₹ 0.72 crores for the previous year. The Company holds 55% stake in the said subsidiary.

Joint Venture

Transtech Logistics Private Limited ("Transtech")

With a view to bring operational efficiencies in the Supply Chain Management Function of the Company and to offer technology solutions to our customers and business partners, your Company announced the acquisition of a strategic stake in Transtech, which provides Transport Management Solution (TMS) to Third Party Logistics Companies ("3PLs"), Shippers and Transporters on a 'Software as a Service' model (SaaS) under the brand name "ShipX".

During the year under review as part of the Company's larger end-to-end digitization plan, your Company acquired 39.79% stake in the share capital of Transtech, thus making Transtech a joint venture company within the meaning of Section 2(6) of the Act.

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

Associate Company

As on 31 March 2019 and the date of this report, the Company has no associate companies.

Policy on Material Subsidiaries

During the year under review, the Board of your Company revised its Policy for determining Material Subsidiaries effective 1 April 2019 in line with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Amended Listing Regulations"). The revised Policy as approved by the Board is uploaded on the Company's website and can be accessed at the weblink: https://www.mahindralogistics.com/media//pdf_files/MATERIAL-SUBSIDIARY-POLICY.pdf

Material Subsidiaries

In terms of the criteria laid down in the said Policy and the Listing Regulations, the Company does not have any Material Subsidiary as on date of this report.

C. INVESTOR RELATIONS

Your Company continuously strives for excellence in its Investor Relations engagement with International and Domestic investors through structured earnings conference-calls and periodic investors/analyst interactions, viz. one-on-one/group meetings, plant/facility visits, participation in investor conferences organized by reputed Global and Domestic broking houses to highlight details of the Company's operations, business and financial performance and industry developments.

Interactions with Investors

Your Company interacted with over 100 Indian and overseas analyst/investors/funds, during the year under review. Your Company believes in building a relationship of mutual understanding with its investors/analysts and ensures that critical information about the Company is available to all the investors/analysts and Shareholders, 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.

Means of communications with Investors

The schedule and outcomes of all interactions with investors, fund managers, analysts are promptly disseminated to the Stock Exchanges where equity shares of the Company are listed and uploaded on the website of the Company. The Company also uploads text and audio transcripts of quarterly earnings conference calls with investors/analysts on the website of the Company.

The Company's earnings presentations on the published financial results, uploaded on website of stock exchanges and presented to investors/analysts after declaration of the results along with the transcripts of the earnings conference calls is uploaded on the website of the Company and can be accessed at the weblink: http://www.mahindralogistics.com/investor/financial-information

D. REGISTRAR AND SHARE TRANSFER AGENT

Your Company has appointed Link Intime India Private Limited, as its Registrar and Share Transfer Agent for handling all activities in relation to the Company's share transfer facilities. Contact details of Link Intime India Private Limited are provided in the 'Report on Corporate Governance', which forms part of this Annual Report.

E. INTERNAL FINANCIAL CONTROLS

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. 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 were observed. Regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

Your Company uses SAP ERP Systems as a business enabler and to maintain its Books of Account. The transactional controls built into the SAP ERP systems ensure appropriate segregation of duties, appropriate level of approval mechanisms and maintenance of supporting records. The system, controls, standard operating procedures are reviewed by the management and audited by the Internal Auditor and their findings and recommendations are reviewed by the Audit Committee, which ensures implementation.

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.

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.

F. CREDIT RATING

Your Company continues to enjoy a strong credit rating which denotes a high degree of safety regarding timely servicing of its financial obligations. During the year under review, ICRA Limited re-affirmed the ratings assigned to the facilities of the Company as given hereunder:

Rating	Facility
[ICRA] AA (stable)	Long-term fund-based facilities of ₹ 50 crores
[ICRA] A1 +	Short-term non-fund-based facilities of ₹ 15 crores

As on 31 March 2019, the Company has no outstanding long-term or short-term loan.

G. MANAGEMENT DISCUSSION AND ANALYSIS

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

H. 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 and pre-approved by the Audit Committee. Prior omnibus approval of the Audit Committee is obtained for transactions with related parties which are repetitive in nature.

Material Related Party Transactions

Your Company has entered into Material Related Party Transactions i.e. transactions exceeding 10% of the annual consolidated turnover of the Company as per the last audited financial statements, with Mahindra & Mahindra Limited, the Holding Company and 'Promoter' of the Company. 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 same are also given in note no. 34 of the Standalone Financial Statements of the Company for the year ended 31 March 2019.

Apart from above, the Company has not entered into any transactions with any person or entity belonging to the promoter group which holds 10% or more shareholding in the Company.

Policy on Materiality of and on Dealing with Related Party Transactions

During the year under review, the Board of your Company, effective 1 April 2019, amended the Policy on Materiality of and on Dealing with Related Party Transactions in line with Regulation 23 of the Amended Listing Regulations. The revised policy as approved by the Board is uploaded on the Company's website and can be accessed at the weblink: https://www.mahindralogistics.com/media//pdf_files/RELATED-PARTY-TRANSACTION-POLICY.pdf

I. AUDITORS' AND THEIR REPORTS

Statutory Auditor

The Members of the Company had, at their 10th AGM held on 14 August 2017, appointed Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No. 117366W/W-100018) ("Deloitte") as the Statutory Auditor of the Company to hold office for a term of five years commencing from the conclusion of the 10th AGM up to the conclusion of 15th AGM of the Company to be held in the year 2022. The requirement to place the matter relating to ratification of auditors appointment by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from 7 May 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditor at the ensuing AGM and a note in respect of same has been included in the Notice of the ensuing AGM.

Unmodified Auditors Report

The Auditors' Report, on the standalone and consolidated Financial Statements for the financial year 2018-19 forms part of this Annual Report and is unmodified i.e. it does not contain any qualification, reservation or adverse remark.

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., Practicing Company Secretaries (Certificate of Practice No. 7693) as the Secretarial Auditor of the Company to undertake the secretarial audit of the Company.

Additionally, the Company has obtained a Secretarial Compliance Report for the financial year ended 31 March 2019 from M/s. Sandeep P Parekh & Co. in compliance with the Regulation 24A of the Listing Regulations and the SEBI circular CIR/CFD/CMD1/27/2019 dated 8 February 2019.

Unmodified Secretarial Audit Report and Secretarial Compliance Report

The Secretarial Audit Report and the Secretarial Compliance Report are unmodified i.e. they do not contain any qualification, reservation or adverse remark.

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 2019 has been annexed to this Board Report as **Annexure III** and forms part of this Annual Report.

Internal Audit

The Board, on recommendation of the Audit Committee, has appointed an Internal Auditor of your Company in compliance with Section 138 of the Act read with the Companies (Accounts) Rules, 2014.

Cost Audit

The provisions of Cost Audit and maintenance of cost records as specified by the Central Government under Section 148(1) of the Act, are not applicable to the Company and hence such accounts and records are not required to be maintained by the Company.

Reporting of frauds by Auditors

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

J. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES

Particulars of loans given, investments made and the purpose for which the loan is proposed to be utilised by the recipient pursuant to Section 186 of the Act are given under note nos. 6 and 34 annexed to Standalone Financial Statements for the year ended 31 March 2019 and the same form part of this report. During the year under review, the Company has not provided any guarantees and securities in connection with any loans given.

K. PUBLIC DEPOSITS AND LOANS/ADVANCES

Your Company has not accepted any deposits from the public or its employees, during the year under review and no amount of principle or interest was outstanding as of the year ended 31 March 2019. 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.

During the year under review, no loans/advances have been received from Holding Company of the Company, no loans/advances have been made to subsidiary companies or companies/firms in which directors are interested which are required to be disclosed in the annual accounts of the Company pursuant to Regulations 34(3) of the Listing Regulations read with Para A of Schedule V of the Listing Regulations.

L. EMPLOYEES

Key Managerial Personnel ("KMP")

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

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

Changes in Key Managerial Personnel

During the year under review, Mr. Nikhil Nayak stepped down from his position of Chief Financial Officer and KMP of the Company with effect from the close of business hours of 31 August 2018, consequent to his decision to opt for retirement. The Board places on record their sincere appreciation for the valuable contributions made by Mr. Nikhil Nayak during his long-standing tenure with the Company.

The Board of Directors at their Meeting held on 29 August 2018, on recommendation of the Nomination and Remuneration Committee and the Audit Committee, appointed Mr. Yogesh Patel as the Chief Financial Officer and KMP of the Company with effect from 1 September 2018.

Employee Stock Option Schemes

In terms of the Members approval at their 11th Annual General Meeting dated 2 August 2018, your Company implemented an employee stock option plan namely Mahindra Logistics Employee Restricted Stock Unit Plan 2018 for further inculcating an employee ownership culture, and to induct and retain talents in the Company.

The Company has in force the following Employee Stock Option schemes under the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("the SEBI SBEB Regulations"):

1. MLL – Key Executive Stock Option Scheme, 2012 ("MLL – KESOS 2012"); and
2. Mahindra Logistics Employee Restricted Stock Unit Plan 2018 ("RSU Plan 2018");

Both schemes of the Company are in compliance with the provisions of the SEBI SBEB Regulations and there were no material changes made to the said schemes during the year under review.

The Nomination and Remuneration Committee of the Board granted 6,13,484 Restricted Stock Units ("RSUs") to the eligible employees of the Company under the RSU Plan 2018 during the year under review. No stock options were granted to employees under the MLL – KESOS 2012 during the year under review.

Your Company's Statutory Auditor, Deloitte Haskins & Sells LLP have certified that both the abovementioned schemes have been implemented in accordance with the SEBI SBEB Regulations and the resolutions passed by the Members for the respective Schemes. The certificate will be placed at the ensuing AGM for inspection by the Members.

Disclosures in relation to the MLL – KESOS 2012 and the RSU Plan 2018, as required under Regulation 14 of the SEBI SBEB Regulations read with the SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 have been uploaded on the website of the Company and can be accessed at the weblink: www.mahindralogistics.com/investor/financial-information

The said information is also provided in the note no. 24 of the Notes to the Standalone Financial Statements.

Particulars of Employees and related disclosures

Your Company had 15 employees who were in receipt of remuneration of not less than ₹ 1,02,00,000/- during the year ended 31 March 2019 or not less than ₹ 8,50,000/- 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: www.mahindralogistics.com/investor/financial-information

Disclosures with respect to the remuneration of the Directors, the KMP 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.

M. EMPLOYEE RELATIONS

Your Company continues its efforts to propagate and implement employee centric practices by engaging all employees, including fixed term and contract employees through several initiatives under Sanjeevani, an Employee Relations Framework and also through sustained engagement with the union committees at a few critical locations.

Some of the initiatives conducted under Sanjeevani include:

- Samvaad - an employee connect program;
- Talent Development Framework for ensuring functional and leadership capability 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 employee state insurance and provident fund benefits;
- Health and wellness initiatives through Swayam, the platform for physical and emotional well-being;

As a result of the above approach, the overall Employee Relations scenario continues to be positive and healthy across all our locations.

A detailed note on HR initiatives of the Company is included in section titled 'Management Discussion and Analysis', which is a part of this Annual Report.

N. ENVIRONMENT, HEALTH AND SAFETY

The Company, being a leading Third-Party Logistics (3PL) organization recognizes its employees, partners and business associates as important assets and is committed to providing a safe and healthy work environment at all operating locations. 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 stakeholders. The Company demonstrates strong leadership commitment towards EHS through its Management Safety Council, headed by the CEO of the Company.

Preventing and reducing workplace accidents is a key focus for your Company and is emphasised at all levels through constant communications, programmes and trainings.

The EHS policy is supported by safety management programs for near miss recordings, safety kaizens, safety trainings, safety observation tours to identify, assess and control EHS

risks. Multiple measures and actions are implemented through competency training programs like Defensive driver training, First Aid, Fire Fighting, Emergency Preparedness and Forklift driving. The Company has also initiated ACE learning programs which includes safety practices and best practices related to EHS.

Your Company has established a dedicated safety team to oversee the implementation of a comprehensive driver safety culture at a PAN India level. During the year, your Company has trained over 12000 drivers under Pradhan Mantri Kaushal Vikas Yojana.

To promote and sustain a strong safety culture, your Company organises various annual events like National Road Safety Week, National Safety Week, World Environment Day and Drivers' Day. A Safety Pledge is also taken at offices and at work locations.

Your Company also 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 is also a registered member of the National Safety Council.

During the year, your 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.

During the year under review, your Company successfully implemented a Zero Accident Project, towards creating a 'Zero Accident Zone' on the Nashik-Bhiwandi expressway, which is a major corridor in which the Company operates.

O. QUALITY

We believe in adopting an integrated approach to drive excellence in everything we do.

At the organisational level, your Company follows 'The Mahindra Way' ("TMW"), the Group's Business Excellence Model. It is an approach that extends beyond the quality of our products and services to encompass excellence in all functions, processes and operations within the businesses in the Mahindra Group.

Management and key business processes are selected for driving improvements through a structured and systematic approach. Every year your Company undergoes an annual assessment by experienced assessors and basis the feedback received, improvements are carried out by following a PDCA (Plan-Do-Check-Act) approach. This provides us with regular feedback on our progress and also serves as a common yardstick to measure TMW maturity (On process and results) across different companies in the Group.

Your Company follows a continuous improvement approach across all operations and functions. At the operating locations, high Impact Projects are selected for driving improvements using Six Sigma approach through use of 7 Quality control tools and advanced statistical tools. Improvement projects are also driven through Lean tools like 5S, process mapping, waste elimination, value stream mapping, makigami analysis etc.

Quality Initiatives

Your Company continued its quality and improvement initiatives across the organisation. Your Company successfully implemented 9000+ Kaizens, crossed 50+ quality circles, 100+ yellow belt projects and 7+ green belt projects using advanced statistical tools in the financial year 2018-19. Over 1000 employees were trained on Daily Work Management and Standardization (DWMS), 5S, Task Achieving Quality Control story, Diagnostics Assessment approach, Mahindra Yellow Belt, Mahindra Green Belt, Plan-Do-Check-Act, Total Productive Management etc. During the year under review, your Company also launched a revamped Business Excellence Annual Awards structure, where each selected location across businesses and service lines are assessed through a comprehensive Diagnostics Assessment checklist (Functional + Continuous Improvement approach assessment). Basis the assessments, initiatives are planned for further improvements through the PDCA approach. Best performing locations are awarded Star Ratings and rewarded.

Quality has always been an integral part of the Company and our objective is to motivate everyone to embrace the quality culture as part of their routine work. To this end, in November 2018, your Company celebrated Quality month at Pan India level with a theme on "Quality starts with I & U" with focus on spreading knowledge about Quality tools and techniques through activities and Quality Gyan.

The Company has attained ISO 9001:2015 certification from Bureau Veritas with ZERO non-conformities for its Volkswagen facility at Chakan, Pune one of the largest Auto Customer.

P. BOARD & COMMITTEES

Board

As on date of this report, the Board of your Company comprises of eight Non-Executive Directors, of whom four (i.e. 50%) are Independent Directors.

Appointment of Directors

Mr. S. Durgashankar

The Board of the Company, based on the recommendation of the Nomination and Remuneration Committee ("NRC"), appointed Mr. S. Durgashankar (DIN:00044713) as an Additional and Non-Executive Director, liable to retire by rotation, with effect from 7 May 2019, subject to the approval of the Members through ordinary resolution at the ensuing AGM.

Ms. Avani Davda

On recommendation of the NRC, Ms. Avani Davda (DIN:07504739) was appointed as an Additional Non-Executive Independent Director, not being liable to retire by rotation, to hold office for a first term commencing from 6 June 2018 upto the Annual General Meeting to be held in 2022 subject to approval of the Members. The Members at the 11th AGM held on 2 August 2018 accorded their approval for appointment of Ms. Avani Davda as a Non-Executive Independent Director of the Company.

Director Retiring by Rotation

Mr. Zhooben Bhiwandiwala

In terms of Section 152 of the Act, Mr. Zhooben Bhiwandiwala, Chairman & Non-Executive Director (DIN:00110373), retires by rotation and, being eligible, offers himself for re-appointment at the ensuing AGM.

Brief profile and other relevant details of Mr. Zhooben Bhiwandiwala and Mr. S. Durgashankar in terms of the provisions of the Listing Regulations and Secretarial Standard-2 on General Meetings is provided in the section titled 'Report on Corporate Governance' and the Notice of the ensuing AGM, which forms part of this report.

A proposal seeking Shareholders' approval for their appointment/re-appointment forms a part of the Notice of the ensuing AGM.

Cessation

Mr. Chandrasekar Kandasamy

Mr. Chandrasekar Kandasamy (DIN:01084215), Non-Executive Director of the Company stepped down from the Board of your Company with effect from 7 May 2019 consequent to his retirement from the services of Mahindra & Mahindra Limited, Holding Company. He also ceased to be Member of the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee of the Board effective 7 May 2019.

The Board places on record its sincere gratitude and deep appreciation for the valuable contributions made by Mr. Chandrasekar Kandasamy as Board Member during his association with the Company.

Declaration by Independent Directors

All the Independent Directors of the Company have given 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 and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Performance Evaluation

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board of your Company 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 for financial year 2018-19. The performance evaluation of the Non-Independent Directors and the Board as a whole, was carried out by the Independent Directors.

The Independent Directors also carried out evaluation of the Chairman of the Company, considering the views of the other Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Directors also carried out performance evaluation of the Chief Executive Officer of the Company.

Process of evaluation

Feedback for each of the evaluations was sought by way of internal structured questionnaires through a secured electronic portal whereby the Directors and the Committee Members were provided with a weblink and password for accessing the questionnaires and submitting their feedback/comments.

The questionnaires for performance evaluation are in alignment with the guidance note on Board evaluation issued by the Securities and Exchange Board of India ("SEBI"), vide its circular dated 5 January 2017 and cover various attributes/functioning of the Board such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties etc., based on the criteria approved by the NRC.

The Members were also able to give qualitative feedback and comments apart from the standard questionnaires.

Results of evaluation

The outcome of the evaluations was presented to the Board, the NRC and the Independent Directors at their respective meetings for assessment and development of plans/suggestive measures for addressing action points that arise from the outcome of the evaluation.

The Directors expressed their satisfaction on the parameters of evaluation, the implementation and compliance of the evaluation exercise done and the results/outcome of the evaluation process.

The outcome of the evaluations, with the feedback/comments given by the Board Members are provided in the section titled 'Report of Corporate Governance', which forms part of this report.

Familiarization Program for Independent Directors

Your Company conducts induction and familiarisation programs for the Independent and Non-Executive Directors joining the Board, to familiarise them with the Company, its management and its operations.

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, number of programs 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: https://www.mahindralogistics.com/media//pdf_files/Familiarization-Program-FY-2018-19.pdf

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

During the year under review, your Company amended the Policy on appointment and remuneration of Directors and senior management and succession planning ("Appointment and Remuneration Policy") effective 1 April 2019 to incorporate the provisions of the Amended Listing Regulations. The said policy, inter alia, includes criteria for determining qualifications, positive attributes and independence of Directors.

The Amended 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: https://www.mahindralogistics.com/media//pdf_files/Nomination-Remuneration-Policy.pdf

You Company has in place processes for orderly succession planning of its Directors and Senior Management which aims to identify high growth individuals, train them and feed the pipelines with new talent. The Company has a process of identifying Hi-pots and critical positions and mapping suitable successors for these positions.

Remuneration to Directors

In line with the Appointment and Remuneration Policy, the Independent Directors of the Company are entitled to commission of up to ₹ 6,00,000/- per annum based on recommendations made by the NRC and approved by Board within the ceiling of 1% or 3% of annual net profits 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 Non-Executive Directors were not paid any remuneration, in any form whatsoever, during the year under review.

The remuneration paid to the Independent Directors for the financial year 2018-19 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 accounts for the financial year ended 31 March 2019 the applicable accounting standards had 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 2019 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 2019;

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 2019.

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 120 days. An annual calendar of Meetings is prepared and circulated in advance to all Directors. In case of exigencies, resolutions are passed through circulation in terms of Section 175 of the Act.

Annual General Meeting

The 11th AGM of your Company was held on 2 August 2018.

Number of meetings of the Board of Directors

During the year ended 31 March 2019, eight Board Meetings were held. 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.

Meeting of Independent Directors

The Independent Directors of your Company meet at least once in a year without the presence of the 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 the 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 11 April 2018 and the Meeting was attended by all the Independent Directors of the Company.

Board Committees

The Board has constituted various committees in compliance with the requirements of the Act and the Listing Regulations viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management 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 2018-19 is provided in the section titled 'Report on Corporate Governance', which forms part of this Annual Report.

Audit Committee

As on the date of this report, the Audit Committee comprises of four Non-Executive Directors, of whom three Directors (i.e. 2/3rd), including the Chairman are Independent. All the Members of the Committee are financially literate, and majority possess strong accounting and financial management knowledge.

Composition

Details of the composition of the Audit Committee as on the date of this report is given hereunder:

- Mr. Ajay Mehta, Independent Director – Chairman
- Mr. S. Durgashankar, Additional and Non-Executive Director – Member (w.e.f 7 May 2019)
- Mr. Darius Pandole, Independent Director – Member
- Ms. Avani Davda, Independent Director – Member

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.

Changes in composition

During the financial year 2018-19, Ms. Avani Davda, Independent Director was inducted as a Member of the Audit Committee w.e.f. 2 August 2018.

Consequent to changes in the Board of Directors, Mr. Chandrasekar Kandasamy, Non-Executive Director ceased to be Member of the Committee and Mr. S. Durgashankar, Additional and Non-Executive Director was appointed as Member of the Committee with effect from 7 May 2019. Mr. Ranu Vohra, Independent Director also ceased to be Member of the Committee effective 7 May 2019.

Recommendations of the Audit Committee

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

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 the 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.

During the year under review, your Company followed compliance with the applicable Secretarial Standards–SS-1 and SS-2.

Q. 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 Code of Conduct ("the Codes") for its Directors, 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. An affirmation on the said Codes is received from the Directors and Senior Management Personnel 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 a Practising Company Secretary 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 the Listing Regulations, is implemented through the Company's Whistle Blower Policy,

to enable all Directors, employees and other stakeholders of the Company to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Codes and Policies, instances of leak/suspected leak of Unpublished Price Sensitive Information etc. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes a provision to provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.

The scope, eligibility and other procedural aspects are detailed in the Policy and in the section titled 'Report on Corporate Governance', which forms part of this Annual Report. The Whistle Blower Policy of your Company is available on the Company's website and can be accessed at the weblink: https://www.mahindralogistics.com/media//pdf_files/Whistle-Blower-Policy.pdf

During the year under review, none of the Whistle Blowers were denied access to the Chairperson of Audit Committee of the Board.

Prevention of Sexual Harassment of Women

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 ("POSH Act"). All women employees (permanent, contractual, temporary, trainees) as well as women who visit the premises of the Company for any purpose are covered under this Policy.

Pursuant to Rule 8(5)(x) of the Companies (Accounts) Rules, 2014, your Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the POSH Act during the year under review.

All employees are briefed on the provisions of the POSH Act on joining. Your Company conducts various trainings and sensitisation programs across all locations and verticals. During the year under review, your Company also launched an e-learning module on POSH to increase awareness amongst employees.

During the financial year 2018-19, the Company received four complaints with allegations of sexual harassment. Two complaints were resolved prior to 31 March 2019, and the remaining two complaints were resolved as on the date of this report. As on date of this report all complaints have been resolved.

Business Responsibility Report

As required under Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report of your Company, highlighting the initiatives taken by the Company in the areas of social, environment, governance and economic responsibilities of business for the financial year 2018-19, in the prescribed format is available as a separate section and forms part of this Annual Report.

Risk Management

Your Company has a well-defined risk management framework in place which inter alia includes identification of elements of risk, if any, which in the opinion of the Board may seriously impact the Company. Your Company has developed and implemented a Risk Management Policy which is approved by the Board. The Risk Management Policy inter alia includes identification and assessment of risk of likelihood and impact, mitigation steps and reporting of existing and new risks associated with your Company's activities in a structured manner. This facilitates timely and effective management of risks and opportunities and achievement of your Company's objectives.

The Chief Financial Officer provides oversight and reports to the Board of Directors, the Audit Committee and the Risk Management Committee who have the responsibility for overseeing all risks.

In view of the growing scale of operations of the Company and in terms of the Amended Listing Regulations, the Board of your Company constituted the Risk Management Committee of the Board effective 2 August 2018 in accordance with the Listing Regulations, comprising of the members of the Board of Directors and Senior Executives of the Company. The Risk Management Committee is, inter alia, authorised to monitor and review the risk assessment, mitigation and risk management plans for the Company from time to time and report the existence, adequacy and effectiveness of the above process to the Board on a periodic basis.

The details of composition of the Risk Management Committee, their terms of reference, meetings held and attendance of the Committee Members thereat during the financial year 2018-19 is provided in the section titled 'Report on Corporate Governance', which forms part of this Annual Report.

R. CORPORATE SOCIAL RESPONSIBILITY AND RELATED MATTERS

Corporate Social Responsibility ("CSR")

The Company is fully aligned to the vision of the Mahindra Group of contributing to our communities, through both our Environment, Health and Safety policies, as also our active CSR initiatives and Employee Social Option Programmes (ESOPs).

In line with the Company's CSR Policy and CSR thrust areas, your Company's CSR efforts continue to be directed towards upliftment of the driver community, community welfare, rural development, education, livelihood and vocational skills training, public health and environmental conservation. Some of the key initiatives undertaken by the Company during the year under review are as follows:

Project Samantar

The Company's flagship program is designed to address the basic needs of the Driver community e.g. working conditions,

health & safety, enhanced capabilities etc. The initiatives under this program are designed based on the results of a need assessment by field experts and NGOs.

During the year 2018-19, a total of over 450 initiatives were undertaken and more then 61,000 drivers were covered under Project Samantar. The following programs were conducted:

1. Providing basic en-route facilities, such as restrooms, sanitation, drinking water, medical check-ups etc.
2. Awareness programs to all employees and security personnel to treat drivers with courtesy during their presence at all our operating sites, and thereby enhance their dignity. Regular interactions with Drivers, their families and senior management are arranged, and scholarships are awarded to their children. In the year 2018-19, scholarships amounting to ₹ 10.5 Lakhs were awarded to 151 children.
3. Safety Training and skills development by way of:
   a. Awareness campaigns stressing the importance of wearing seat belts, following road signages, personal hygiene, etc.
   b. Defensive Driving, Vehicle maintenance, Mobile friendliness, etc.
4. A certification program under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) was flagged off targeting 10,000 drivers in the year 2018-19. The focus is mainly on improving driving skills of the youth. During the year, over 12,000 drivers were covered under this program, surpassing the self-assumed target of 10,000 drivers.

Gram Vikas

This is a village adoption program with holistic interventions over a period of 3 years, to spur economic, infrastructure and human development. In order to ensure a long-term impact, we focus these initiatives at one village at any given time. The program covers aspects of health & sanitation, malnutrition, education, youth development, women's empowerment, support to the farmer community and infrastructure development. The village has been chosen on basis of 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. The Aware village in Maharashtra's Thane district, was the first to be adopted in 2013. After the successful adoption of Aware village, the Company adopted Tembha village, in Shahapur block, Thane District in 2017-18.

During the year under review, the Company conducted various developmental activities at Tembha village including the following:

- Water supply project, in water-stressed hamlets. Out of 10 hamlets identified, problems in 2 hamlets have been addressed.
- Renovation and comprehensive support for schools and Anganwadies in the village.
- Hunger and malnutrition, programs like distribution of food grains & groceries, healthcare/sanitation awareness, health check-up camps etc.

Nanhi Kali

Nanhi Kali is an initiative of the K.C. Mahindra Education Trust that the Company supports. Nanhi Kali aims to ensure that every girl child in India has access to education. The Company supports this noble initiative of providing primary education to the underprivileged girl child. The Company commits 50% of its CSR budget every financial year towards Nanhi Kali project.

During the financial year 2018-19, the Company has supported more than 2300 girl students across the country through this project, as against 1776 girls supported in the previous year. 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.

Employee Social Option Programmes ("ESOPs")

Under ESOPs, a Mahindra employee volunteering program, employees participate in various projects pertaining to health camps for communities, tree plantations, blood donation, HIV awareness for drivers and the Swachh Bharat Abhiyan.

In October 2018, the Company inaugurated the "Zero Accident Project" with a vision to reduce the motor accident fatality rates on the Nashik-Bhiwandi Expressway. Under this program, training activities pertaining to road safety awareness were imparted in schools, colleges, community organizations, dhabas etc. and an en-route emergency rescue network was set up.

This initiative resulted in positive outcomes and between January 2019 to March 2019. The fatality rate reduced to 2 persons as compared to the fatality rate of 2.6 persons during January 2018 to September 2018.

In the current year over 7,500 employees participated in various ESOP programs, contributing to over 43,000 employee hours, as against participation of over 5000 employees and over 30,000 employee hours in the previous year, thus abiding by the Group credo "Rise for Good".

CSR Committee

The Board re-constituted the CSR Committee to designate Mr. Ranu Vohra, Independent Director as the Chairman of the Committee with effect from 29 March 2019.

Consequent to changes in the Board of Directors, Mr. Chandrasekar Kandasamy, Non-Executive Director ceased to be Member of the CSR Committee and Mr. S. Durgashankar, Additional and Non-Executive Director was appointed as Member of the CSR Committee with effect from 7 May 2019.

As of date of this report, the CSR Committee comprises of three Directors as given hereunder:

- Mr. Ranu Vohra, Independent Director (Chairperson);
- Mr. Parag Shah, Non-Executive Director (Member);
- Mr. S. Durgashankar, Additional and Non-Executive Director (Member).

Mr. Zhooben Bhiwandiwala, Non-Executive Director is a permanent invitee of the Committee. The Company Secretary of the Company acts as the secretary to the Committee.

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 and its implementation from time to time.

CSR Spend

During the year under review, your Company incurred a CSR expenditure of ₹ 1.5438 crores on its CSR activities as against a mandated spend of ₹ 1.5430 crores, being 2% of the average net profits of the Company during the preceding three financial years.

CSR Policy

The CSR Committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy ("CSR Policy") which is being implemented by the Company. The CSR Policy including a brief overview of the projects or programs undertaken is uploaded on the Company website and can be accessed through the weblink: http://www.mahindralogistics.com/sustainability

The salient features of the CSR Policy is provided in **Annexure VI** of this report.

Annual Report on CSR

The Annual Report on Corporate Social Responsibility activities for the financial year 2018-19 in accordance with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 giving details of the composition of the CSR Committee, CSR Policy and projects undertaken by the Company during financial year 2018-19, is annexed in **Annexure VII** of this report.

S. SUSTAINABILITY

Your Company believes that adopting sustainable practices in all our operations is both a business imperative and a long term competitive advantage. To this end, we have adopted a 'Triple Bottom Line' approach to integrate economic progress, social responsibility and environment concerns, for long term sustainable growth.

The Company has also adopted a Sustainability Policy with this objective. The Sustainability Policy is uploaded on the website of the Company and can be accessed from the weblink: http://www.mahindralogistics.com/sustainability

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 enhancing fuel efficiency and monitoring and reducing GHG emission intensity across the network of assets utilised by the Company. These efforts have resulted in reduction in energy and costs, improved process efficiencies, increased customer satisfaction.

Specific initiatives taken this regard are detailed in **Annexure VII** of this report.

T. 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 VIII** and form part of this report.

U. SECRETARIAL

Authorised Share Capital

The authorized share capital of your Company as on 31 March 2019 was ₹ 105,00,00,000/- divided into 10,50,00,000 equity shares of the face value of ₹ 10/- each.

Changes in issued, subscribed and paid-up share capital

During the year under review, your Company issued and allotted 3,05,760 equity shares of face value of ₹ 10/- each to eligible employees/ex-employees of the Company towards exercise of the options granted to them under the MLL- Key Executive Stock Option Scheme, 2012 of the Company. The equity shares issued during the year under review rank pari passu with the existing equity shares of your Company.

Consequently, the issued, subscribed and paid-up equity share capital of your Company increased during the year under review and as on 31 March 2019 stood at ₹ 71,44,76,840/- divided into 7,14,47,684 equity shares of the face value of 10/- each.

Annual Return

The Annual Return of the Company for the year ended 31 March 2019 prepared in compliance with Section 92 of the Act and related Rules in prescribed Form No. MGT 7 is placed on the website of the Company and can be accessed at the web link: http://www.mahindralogistics.com/investor/financial-information

The extract of Annual Return in prescribed Form No. MGT-9 is annexed as **Annexure IX** and forms part of this report.

V. GENERAL

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

- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Issue of sweat equity shares to employees of the Company under any scheme;
- 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;
- Raising of funds through Preferential Allotment or Qualified Institutions Placement;
- Voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3)(c) of the Act).

W. ACKNOWLEDGMENTS

The Board of your Company conveys 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 its Shareholders, Customers, Vendors, Business Partners, Bankers, Government and all other Business Associates for their continued support to the Company and the Management.

On behalf of the Board of Directors

Zhooben Bhiwandiwala
Chairman
DIN:00110373

Mumbai, 7 May 2019

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.

Mahindra LOGISTICS

Annexure II

FORM 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 arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arms length basis:

There were no contracts or arrangements or transactions entered into during the year ended 31 March 2019, which were not at arms length basis.

2. Details of material contracts or arrangements or transactions at arms length basis.

The details of material contracts or arrangements or transactions at arms length basis for the year ended 31 March 2019 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	Rendering of Services	1892.50	1 April 2018 to 31 March 2019	The related party transactions (RPTs) entered into during the year under review were in ordinary course of business 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
		Availing of Services	6.74				
		Purchase of assets	0.37				
		Reimbursements made	1.71				
		Reimbursements received	0.01				
		Total:	**1901.33**				

On behalf of the Board of Directors

Zhooben Bhiwandiwala
Chairman
DIN:00110373

Mumbai, 7 May 2019

Annexure III

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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 400018, 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 **31st March, 2019**, 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 31st March, 2019 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 and External Commercial Borrowings - Not applicable to the Company during the audit period.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time: -
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: - Not Applicable to the Company during the audit period;
   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: - Not applicable to the Company during the audit period;
   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: - Not applicable to the Company during the audit period;
   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018:- Not Applicable to the Company during the audit period;
   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 Standard issued by the Institute of Company Secretaries of India.
2. The Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 further report that there was a vacancy in the office of Woman Independent Director, which was duly filled-up within the stipulated timelines.

Adequate notice has been 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:-

1. The Company has purchased additional stake of 22.92% in Lords Freight (India) Private Limited, subsidiary Company and as on 31 March 2019 the Company holds 82.92% stake in Lords Freight (India) Private Limited;
2. The Company acquired 39.79% stake in the share capital of Transtech Logistics Private Limited making it a Joint Venture of the Company within the meaning of Section 2(6) of the Companies Act, 2013;
3. The Company allotted 305,760 equity shares of face value of ₹ 10 each towards exercise of options vested under the MLL – Key Executive Stock Option Scheme, 2012. Consequently, the issued, subscribed and paid-up share capital of the Company increased and as on 31 March 2019 amounted to ₹ 71,44,76,840/-.

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

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

Place: Navi Mumbai
Date: 7 May 2019

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 to the median remuneration of the employees of the Company for the financial year ended 31 March 2019 is as under:

Sr. No.	Name of Director/ KMP	Designation	Remuneration of Director/ KMP for the financial year 2018-19 (₹ in crore) (Excluding perquisite value of ESOPs exercised)	Remuneration of Director/ KMP for the financial year 2018-19 (₹ in crore) (Including perquisite value of ESOPs exercised)	% increase in remuneration in the financial year 2018-19 (Excluding perquisite value of ESOPs exercised)	% increase in remuneration in the financial year 2018-19 (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. Zhooben Bhiwandiwala	Non-Executive Non-Independent Chairman	Nil	Nil	NA Refer note i	NA Refer note i	NA Refer note i
2	Mr. Chandrasekar Kandasamy	Non-Executive Non-Independent Director	Nil	Nil	NA Refer note i	NA Refer note i	NA Refer note i
3	Mr. Parag Shah	Non-Executive Non-Independent Director	Nil	Nil	NA Refer note i	NA Refer note i	NA Refer note i
4	Mr. Ajay Mehta	Independent Director	0.13	0.13	18.75%	18.75%	4.13
5	Mr. Ranu Vohra	Independent Director	0.11	0.11	34.55%	34.55%	3.45
6	Mr. Darius Pandole	Independent Director	0.13	0.13	72.26%	72.26%	4.15
7	Ms. Avani Davda	Independent Director (w.e.f 6 June 2018)	0.09	0.09	Refer note ii	Refer note ii	2.83
8	Mr. Pirojshaw Sarkari	Chief Executive Officer	2.07	3.02	6.81%	-10.13%	NA
9	Mr. Nikhil Nayak	Chief Financial Officer (upto 31 August 2018)	0.59	0.59	Refer note ii	Refer note ii	NA
10	Mr. Yogesh Patel	Chief Financial Officer (w.e.f. 1 September 2018)	0.68	0.68	Refer note ii	Refer note ii	NA
11	Ms. Brijbala Batwal	Company Secretary	0.30	0.30	100% Refer note iii	100% Refer note iii	NA

Notes:

i. Non-Executive Non-Independent Directors were not paid any remuneration during financial years 2018-19 and 2017-18;

ii. Ms. Avani Davda, Mr. Nikhil Nayak and Mr. Yogesh Patel were employed for part of the financial year 2018-19. Hence percentage increase in remuneration is not reported;

iii. % increase has been considered basis full year cost for financial year 2018-19 as compared to proportionate cost for financial year 2017-18.

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

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 during the financial year under review was ₹ 3.22 lakhs and ratio of remuneration of each Director to the median remuneration of the employees of the Company is provided in table above.

   For the purpose of computation of median remuneration only permanent employees on the payrolls of the Company during the financial year 2018-19 have been considered.

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 2.51% in the median remuneration of employees.

4. **Number of permanent employees on the rolls of Company:**

   There were 3631 permanent employees on the rolls of Company as on 31 March 2019.

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 permanent employees other than the managerial personnel in the last financial year i.e. 2018-19 was 11.62%.

   The Company did not have any Managing Director, Whole-time Director or Manager during the financial year 2018-19. Hence comparison of the percentage increase in salaries of employees with that of managerial remuneration for the last financial year i.e. 2018-19 is not applicable to the Company.

   The remuneration of employees includes perquisite value of ESOPs exercised during the year under review. The increase in remuneration 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 of Directors, Key Managerial Personnel and other employees.

On behalf of the Board of Directors

Zhooben Bhiwandiwala
Chairman
DIN:00110373

Mumbai, 7 May 2019

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.

"Act" means the Companies Act 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof.

"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" or **"KMP"** refers to Key Managerial Personnel as defined under the Section 203 of the Act and includes:

(i) Managing Director or Whole time Director or Manager;

(ii) Chief Executive Officer (CEO);

(iii) Chief Financial Officer (CFO);

(iv) Company Secretary (CS);

(v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

(vi) such other officer as may be prescribed.

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

"Senior Management" means officers/personnel of the Company who are members of its Core Management Team excluding Board of Directors comprising of all Members of management one level below the Chief Executive Officer/ Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the board) and shall include Functional Heads, Company Secretary and Chief Financial Officer of the Company.

This Policy is divided in three parts:

Part A - Policy for appointment of Directors, KMPs and Senior Management

Part B - Remuneration Policy for Employees and Senior Management

Part C - Remuneration Policy for Directors and KMPs

A. APPOINTMENT OF DIRECTORS, KMPs AND SENIOR MANAGEMENT

I. APPOINTMENT OF DIRECTORS

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:

1. 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.
2. Ability of the candidates to devote sufficient time and attention to his professional obligations as Director for informed and balanced decision making.
3. Adherence to the prescribed criteria of Independence, if applicable, Code of Conduct and highest level of Corporate Governance in letter and in spirit by the 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 Act and Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Acts, 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 CEO based on the business need and the suitability of the candidate.

The information on recruitment and remuneration of senior officers just below the level of Board, including appointment or removal of Chief Financial Officer and the Company Secretary, if any, shall be presented to the Board.

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.

B. REMUNERATION POLICY FOR EMPLOYEES AND SENIOR MANAGEMENT

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 remuneration/ compensation that are considered as 'Cost to Company', which includes Fixed Pay & Variable pay.

The Company may also grant employee stock options/ Restricted Stock Units to the Employees and Directors (other than Independent Directors and Promoters) in accordance with the ESOP Scheme/ RSU Plan of the Company and subject to the compliance of the applicable statutes and regulations.

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 interalia consists 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	Senior Vice President
03	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 increase of ~20% on present CTC. Any increase proposed above 20% of CTC is given with requisite approvals.

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.

Remuneration to Senior Management Personnel

All remuneration, in whatever form, payable to Senior Management Personnel of the Company shall be recommended by the NRC to the Board for its approval.

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 depending on the customer agreement contracts.

Policy on loans / advances to employees

To meet urgent and specific need of 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 employee 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, 1961.

C. REMUNERATION POLICY FOR DIRECTORS AND KMPs

Non-Executive 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, stock options or otherwise. 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 Act and such other factors as the committee may consider deem fit for determining the compensation. The remuneration to Non-Executive Directors, shall be recommended by NRC to the Board. The Board shall approve the remuneration 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 Act, 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 Key Managerial Personnel should be approved by the Board on the basis of recommendation made by the NRC. The appointment of Chief Financial Officer ("CFO") should also 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 Act, the Board shall approve the appointment and remuneration of CFO and at the time of their appointment after seeking the inputs from the Audit Committee and recommendation of the NRC. Any revision in the remuneration, in whatsoever form, of the KMPs shall be approved and recommended by NRC to the Board for approval.

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.

The Board and the NRC may also establish further rules and procedures and grant necessary delegations, from time to time, to give effect to this Policy.

DISSEMINATION

Information on the total remuneration of the Company's Board of Directors, Senior Management Personnel may be disclosed in the Board's Report, the Company's annual report/financial statements/website as per the statutory requirements in this regard. This Policy shall be published on its website and in the Annual Report of the Company.

APPROVAL AND AMENDMENTS

The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendation(s) of NRC, from time to time.

Any amendment(s) in the statutory/regulatory requirements shall be binding even if not incorporated in this Policy.

SCOPE LIMITATION

In the event of any conflict between the provisions of this Policy and of the SEBI Listing Regulations and/or the Act or any other statutory enactments, rules, the provisions of such Acts, rules, regulations or statutory enactments thereof shall prevail over this Policy.

Annexure VI

SALIENT FEATURES OF THE CORPORATE SOCIAL RESPONSIBILITY POLICY OF THE COMPANY

(In compliance with Section 134(3)(o) of the Companies Act, 2013)

CSR Vision Statement and Objectives

The CSR vision of MLL is to serve and give back to the communities within which it works with integrity and responsibility.

The objective of this policy is to –

- Encourage employees to participate actively in the Company's CSR initiatives and give back to the society in an organised manner through ESOPs. Every MLL employee is expected to contribute time and effort towards community building.
- Contribute to the development of communities by providing support to education, health & infrastructure.
- Contribute to the employability of the communities which we work by providing support to education, vocational training and job opportunities.

Scope and Applicability

This policy shall be applicable to all stakeholders and employees of MLL.

Total Outlay

The Company shall continue to spend such amounts towards CSR activities as may be statutorily applicable and permissible under law. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. The Company may spend up to 5% of total CSR expenditure in one financial year on building CSR capabilities.

In case there is any amount unspent from the mandatory CSR spends, the Board of the Company on recommendation of the CSR Committee may decide to carry this forward to the next financial year.

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company.

The CSR thrust areas for the Company are community welfare, rural development, education, livelihood training and vocational skills, public health and environmental conservation.

The Company may also spend its CSR funds towards following activities as permitted under Schedule VII of the Companies Act 2013:

1. Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation as well as making water available;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, woman, elderly & the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women & orphans; setting up old age homes, day care centers, community centers, and such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, tree plantation, afforestation, gardening & maintenance, animal welfare, agroforestry, conservation of natural resources & maintaining quality of soil, air & water, executing rain water harvesting projects;
5. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up of public libraries; promotion & development of traditional arts & handicrafts;
6. Measures for the benefit of armed forces veterans, war widows & their dependents;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports & Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. Rural development projects;
11. Urban and Slum Area Development.

To fulfil above activities, the Company may expense for infrastructural development work, health and medicines, school and educational assistance, women and child welfare, youth and old aged welfare activities

The full CSR Policy of the Company is uploaded on the website of the Company and can be accessed at the weblink: http://www.mahindralogistics.com/sustainability

Mahindra LOGISTICS

Annexure VII

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR 2018-19

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 Company is fully aligned to the vision of the Mahindra Group of contributing to our communities, through both our Environment, Health and Safety policies, as also our active CSR initiatives and Employee Social Option Programmes.

In line with the Company's CSR Policy and CSR thrust areas, your Company's CSR efforts continue to be directed towards upliftment of the driver community, community welfare, rural development, education, livelihood and vocational skills training, public health and environmental conservation.

BUILDING COMMUNITIES – PROJECT SAMANTAR

Communities are the backbone of Indian economy. A holistic Driver welfare program is designed to improve the working conditions of the driver community. 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 Company conducts various community development activities in pockets of villages, slums in backward areas and with driver community. Our activities comprise of providing Scholarship and Grants to children for higher education, Health & Eye check-ups, 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, providing sanitation and rest room facilities, health insurance, HIV/AIDS awareness including testing and treatment, Family welfare and organizing Celebration of various festivals with promotion of social messages.

RURAL DEVELOPMENT – GRAM VIKAS

The Company supports rural development activities by adopting a village, once in every three years and undertaking developmental activities like renovation of schools and Anganwadies and implementation of water supply projects. The Company promotes girl education including providing school stationary and clothes, conducting vocational trainings, organising competitive sports etc. We distribute bicycles to the girls to enable them to commute to nearby areas/school, conduct counselling sessions for school dropouts and organize educational trips for girls to enhance their knowledge. The Company also distributes food grains, groceries for eradicating hunger, poverty and malnutrition, conducts healthcare, sanitation, eye check-up camps and distributes spectacles. We conduct tree plantations and Swachh Bharat Abhiyan campaigns, install play equipments in school grounds and distribute computers and laptops. To drive women empowerment the Company conducts tailoring classes for women 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.

NANHI KALI

Nanhi Kali is an initiative of the K. C. Mahindra Education Trust that the Company supports. Nanhi Kali aims to ensure that every girl child in India has access to education. The Company supports this noble initiative of providing primary education to the underprivileged girl child. The Company commits 50% of its CSR budget every year towards Nanhi Kali project.

EMPLOYEE SOCIAL OPTION PROGRAM (ESOPs)

A Mahindra employee volunteering program, 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, enhancing HIV/AIDS awareness and basic treatments, conducting health camps, cancer awareness sessions, support to orphanages, destitute homes, senior citizens, tree plantations, Swachh Bharat Abhiyan, infrastructure development, 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 the communities. In keeping with the RISE philosophy, the Company continues to drive positive change to enable people and communities to "*RISE FOR GOOD*".

The Company's CSR policy can be accessed from the weblink: http://www.mahindralogistics.com/sustainability

STATISTICS OF CSR ACTIVITIES CONDUCTED IN FINANCIAL YEAR 2018-19

The statistics of CSR activities conducted, employee's participation, manhours spent and beneficiaries during the year financial year 2018-19, is as under:

(in nos.)

CSR Project	Activities conducted	Employee Participation	Employee Manhours	Beneficiaries
Nanhi Kali	—	—	—	2,303
Gram Vikas	39	615	6,980	13,402
Samantar	481	4,478	26,087	61,923
ESOP Projects (Sehat, Swacch Bharat, Green Guardian)	123	2,535	10,277	20,544
Total	**643**	**7,628**	**43,344**	**98,172**

During financial year 2018-19

- 48% volunteers participation increased & Man-hours increased by 40% as compared to financial year 2017-18;
- 89% CSR activities increased & Beneficiaries increased by 24%;
- Touched 98,000+ human hearts;
- 4000+ tress planted

2. The composition of the CSR Committee as on 31 March 2019 was as under:

Sr. No.	Name of Director	Position held
1	Mr. Ranu Vohra, Independent Director	Chairman
2	Mr. Parag Shah, Non-Executive Director	Member
3	Mr. Chandrasekar Kandasamy, Non-Executive Director	Member

Mr. S. Durgashankar was appointed as Member of CSR Committee in place of Mr. Chandrasekar Kandasamy with effect from 7 May 2019.

3. Average Net Profit of the Company for last three financial years: ₹ 77.15 crores

4. Prescribed CSR expenditure (two per cent of the amount as in item 3 above): ₹ 1.54 crores

5. Details of CSR spent during the financial year 2018-19:

(a) Total amount that was to be spent for the financial year: ₹ 1.54 crores.

(b) Amount unspent, if any: Nil

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

(₹ in crores)

Sr. No	CSR project or activity identified	Sector in which the project is covered	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 program-wise	Amount spent on the project or programs. Subheads: (1) Direct expenditure on projects and programs (2) Overheads	Cumulative expenditure up to 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	0.77	0.77	2.88	Through implementing agency*
2	Gram Vikas	Rural Development (Village adoption)	Thane, Maharashtra	0.30	0.42	1.20	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	0.29	0.23	0.95	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	0.11	0.55	Direct

(₹ in crores)

Sr. No	CSR project or activity identified	Sector in which the project is covered	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 program-wise	Amount spent on the project or programs. Subheads: (1) Direct expenditure on projects and programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
5	ESOP Projects (Sehat, Swacch Bharat, Green Guardian)	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	0.08	0.01	0.14	Direct
	Total			**1.54**	**1.54**	**5.72**	

* 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-400 001.

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 2% of average net profits of previous three financial years as stated in Section 135 of the Companies Act, 2013 and rules framed thereunder on CSR projects and activities which fall within the purview of Schedule VII of the Companies Act, 2013.

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.

Ranu Vohra
Chairman-CSR Committee
DIN:00153547

Pirojshaw Sarkari
Chief Executive Officer

Mumbai, 7 May 2019

Annexure VIII

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)

1. CONSERVATION OF ENERGY

a. The steps taken or impact on conservation of energy:

The Company has taken a comprehensive approach to encourage energy efficiency in its operations starting with continuous awareness amongst its own as well as Contract 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. This has been integrated in the Company's Enterprise Risk Management Framework.

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

i. A systematic transition to deployment of a higher percentage of new vehicles in the fleet.
ii. Shifting from road to rail transport wherever possible.
iii. Increase in the deployment of Electric and CNG vehicles.

The Initiatives in the Warehouses and Offices are:

i. Energy efficiencies through LED lighting, Warehouse designs for natural lighting and ventilation.
ii. Reduction in water and electricity usage through employee awareness.
iii. Automation of transactions with customers, leading to reduction in paper consumption.

These efforts have resulted in:

i. Initiatives taken by teams through Kaizen at warehouses have resulted in reduction in energy and costs.
ii. Process efficiencies resulting in lesser delays in dispatch and therefore increased customer satisfaction.
iii. Process efficiencies resulting in lesser dry runs and therefore leading to lower emissions and cost efficiencies for customers.
iv. Collaborative efforts with Warehouse owners for installation of Solar projects.

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 equipments:

During the year under review, the Company has not incurred any capital investment on energy conservation equipments.

2. TECHNOLOGY ABSORPTION

Today the survival of most companies in all industries is dependent on their ability to continually innovate through disruptive technology. Logistics is no different. In recognition of need to adopt innovation and to stay ahead of our competition, the Company has set up a Digital & Transformation office with the aim to spearhead and drive innovative initiatives across all verticals with the aim of benefitting all stakeholders in our business i.e. our investors, our employees, our business partners and our vendors.

a. The efforts made towards technology absorption:

We continue to focus 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.

The Company's approach to achieve this has been three pronged – Correct; Enhance; Create. With this in mind the Company has initiated following technology upgradation for business transformation:

Correct: Focus on streamlining and correcting current practices and processes

i. Presence Management through face-based recognition: Using facial recognition technology to record the attendance of over 11,000 third party contract employees at our various warehouses. This allows us to connect with our people digitally and enables us to offer better services to our third party contract employees.
ii. Transport Procurement: Digital Request for Quotations (RFQs) for our transportation business (which accounts for ~75% of our revenue) by reaching out to a larger business partner community to unlock both price and service potential.
iii. Digital Proof of Delivery: End to end digitization of the proof of delivery process to enable close to real time delivery confirmations. This also reduces our carbon footprint and billing lead time.
iv. Implementation digitization (Order Confirmation Form): Automated cost calculations for warehousing and Stores and Line Feed ("S&LF"). This will bring in transparency and accountability to improve solutions and achieve first time right implementation.

Enhance: Focus on strengthening and enhancing current practices to ensure better timeliness and efficiency

i. Pricing models: Deploying advance analytics to enhance current pricing models being used for transportation procurement based on the Company's back hauls and also overall demand and supply modelling.

ii. Business Intelligence and Dashboards: Creating automated dashboards for all transportation requirement covering:

— Single window customer portal for viewing MIS on transactions, billing, savings and safety records

— Control tower for viewing live status of ongoing transactions

— Estimation of delivery time

iii. MPTS Network optimization: Tool for network optimization across multiple customers in a city on a daily basis. This will lead to reduced procurement cost and enhance margins of our business partners

Create: Ideas to fuel future growth in both the top line and bottom line of the Company.

i. Business Partner Portal: Create an online portal through which our business partners can communicate and engage with us in a better way. The Portal will be a platform for on boarding (new partners), performance management, complaint management and invoicing.

ii. Smart Warehouses: Create model warehouses across people (training, referrals, salary advances), process (pick to light, System directed pick up and put away etc.) and technology (Warehouse Management Systems, Hand Held Terminals led management, Yard management, Virtual Reality led training). These will be state of the art approach to warehousing not just for customers but also for manpower working at sites.

iii. Map My Warehouse: New way for warehousing procurement and management for the company to enable faster turnaround and increase win rates.

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. Detailed benefits are explained at point a above.

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.

3. 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 2019	For the Financial Year ended 31 March 2018
Total Foreign Exchange Earned	—	—
Total Foreign Exchange Outgo	2.55	12.08

On behalf of the Board of Directors

Zhooben Bhiwandiwala
Chairman
DIN: 00110373

Mumbai, 7 May 2019

ANNEXURE IX

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31 March 2019

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

I. REGISTRATION & OTHER DETAILS

1.	**CIN**	L63000MH2007PLC173466
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
7.	**Name, Address & contact details of the Registrar and Transfer Agent, if any.**	Link Intime India Private Limited SEBI Registration No.: INR000004058 Address: C-101, 1st Floor, 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: 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 shall be stated:

Sr. No.	Name and description of main Products/ Services	NIC Code of the Products/ Services	% to total turnover of the Company
1.	Supply Chain Management	4912, 4923, 5120, 5210	89.48
2.	People Logistics Solutions	4922	10.52

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Mahindra & Mahindra Limited Gateway Building, Apollo Bunder, Mumbai-400 001.	L65990MH1945PLC004558	Holding Company	58.52	2(46)
2.	2x2 Logistics Private Limited Mahindra Tower, P. K. Kurne Chowk, Dr. G. M. Bhosale Marg, 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	82.92	2(87)(ii)
4.	Transtech Logistics Private Limited (w.e.f. 5 October 2018) No. 16, Mantri Lakeview, Kanakapura Road, Thalaghattapura, Bangalore-560 062.	U60231KA2008PTC048036	Joint Venture Company	39.79	2(6)

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 2018]				No. of Shares held at the end of the year [As on 31 March 2019]				% 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	41,812,257	–	41,812,257	58.77	41,812,257	–	41,812,257	58.52	(0.25)
(e) Banks/FI	–	–	–	–	–	–	–	–	–
(f) Any other- Trust:- Partners Enterprise	1,622,047	–	1,622,047	2.28	–	–	–	–	(2.28)
Sub Total (A) (1)	**43,434,304**	**–**	**43,434,304**	**61.05**	**41,812,257**	**–**	**41,812,257**	**58.52**	**(2.53)**
2. Foreign									
(a) NRI-Individuals	–	–	–	–	–	–	–	–	–
(b) Other Individuals	–	–	–	–	–	–	–	–	–
(c) Bodies Corporate	–	–	–	–	–	–	–	–	–
(d) Banks/FIs	–	–	–	–	–	–	–	–	–
(e) Any other	–	–	–	–	–	–	–	–	–
Sub Total (A) (2)	–	–	–	–	–	–	–	–	–
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**43,434,304**	**–**	**43,434,304**	**61.05**	**41,812,257**	**–**	**41,812,257**	**58.52**	**(2.53)**
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	5,517,461	–	5,517,461	7.76	7,414,675	–	7,414,675	10.38	2.62
(b) Banks/FIs	5,218	–	5,218	0.01	18,688	–	18,688	0.03	0.02
(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	823,101	–	823,101	1.16	1,591,094	–	1,591,094	2.23	1.07
– Foreign Portfolio Investors	7,194,438	–	7,194,438	10.11	6,860,978	–	6,860,978	9.60	(0.51)
Sub-total (B)(1):	**13,540,218**	**–**	**13,540,218**	**19.03**	**15,885,435**	**–**	**15,885,435**	**22.23**	**3.20**
2. Non-Institutions									
(a) Bodies Corporate									
(i) Indian	1,581,920	–	1,581,920	2.22	1,089,607	–	1,089,607	1.53	(0.70)
(ii) Overseas	–	–	–	–	–	–	–	–	–
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,257,501	8,577	3,266,078	4.59	3,267,261	7	3,267,268	4.57	(0.02)
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,298,851	83,466	2,382,317	3.35	2,458,525	–	2,458,525	3.44	0.09

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 April 2018]				No. of Shares held at the end of the year [As on 31 March 2019]				% 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	218,031	–	218,031	0.31	0.16
– HUFs	206,972	–	206,972	0.29	184,441	–	184,441	0.26	(0.03)
– Foreign Nationals	–	–	–	–	–	–	–	–	–
– Clearing Members	210,431	–	210,431	0.30	22,191	–	22,191	0.03	(0.26)
– Trusts	–	–	–	–	–	–	–	–	–
– NBFCs registered with RBI	–	–	–	–	94,846	–	94,846	0.13	0.13
– Foreign Bodies	–	–	–	–	–	–	–	–	–
– Foreign Company	6,415,083	–	6,415,083	9.02	6,415,083	–	6,415,083	8.98	(0.04)
Sub-total (B)(2):	**14,075,359**	**92,043**	**14,167,402**	**19.91**	**13,749,985**	**7**	**13,749,992**	**19.24**	**(0.67)**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**27,615,577**	**92,043**	**27,707,620**	**38.95**	**29,635,420**	**7**	**29,635,427**	**41.48**	**2.53**
C. Shares held by Custodian for GDRs & ADRs	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Grand Total (A+B+C)	**71,049,881**	**92,043**	**71,141,924**	**100.00**	**71,447,677**	**7**	**71,447,684**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year [As on 1 April 2018]			No. of Shares held at the end of the year [As on 31 March 2019]			% 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	41,812,157	58.77	–	41,812,157	58.52	–	(0.25)#
2.	Mahindra Engineering and Chemical Products Limited*	100	0.00	–	100	0.00	–	0.00
3.	Partners Enterprise*	1,622,047	2.28	–	–	–	–	(2.28)
	Total	**43,434,304**	**61.05**	**–**	**41,812,257**	**58.52**	**–**	**(2.53)**

* Forms part of promoter group of the Company.

\# The dilution/change in percentage is due to increase in paid-up share capital of the Company on account of allotment of equity shares upon exercise of ESOPs to employees/ex-employees.

(iii) Change in Promoters' Shareholding

Sr. No.	Promoter	No. of Shares held at the beginning of the year [As on 1 April 2018]		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.	Mahindra & Mahindra Limited	41,812,157	58.77	–		
	At the end of the year$				41,812,157	58.52#
2.	Mahindra Engineering and Chemical Products Limited	100	0.00	–		
	At the end of the year$				100	0.00
3.	Partners Enterprise	1,622,047	2.28			
	29 Nov 2018 : Sale			(1,622,047)	–	–
	At the end of the year$				–	–

* Percentage calculated on paid-up share capital as at the end of the year.

\# The dilution/change in percentage is due to increase in paid-up share capital of the Company on account of allotment of equity shares upon exercise of ESOPs to employees/ex-employees

$ As at 31 March 2019.

(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 2018]		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	6,415,083	9.02				
	At the end of the year*					6,415,083	8.98
2.	Goldman Sachs India Limited	1,507,797	2.12				
	At the end of the year*					1,507,797	2.11
3.	DSP Blackrock Equity & Bond Fund	1,498,621	2.11				
	Purchase			6 Apr 2018	5,233	1,503,854	2.11
	Purchase			13 Apr 2018	52,274	1,556,128	2.19
	Purchase			27 Apr 2018	12,583	1,568,711	2.21
	Purchase			4 May 2018	390,454	1,959,165	2.75
	Sale			27 Jul 2018	(25,177)	1,933,988	2.72
	Sale			3 Aug 2018	(4,989)	1,928,999	2.71
	Sale			17 Aug 2018	(43,067)	1,885,932	2.65
	Sale			24 Aug 2018	(156,065)	1,729,867	2.43
	Sale			31 Aug 2018	(42,632)	1,687,235	2.37
	Sale			14 Sep 2018	(55,678)	1,631,557	2.29
	Sale			21 Sep 2018	(109,874)	1,521,683	2.14
	Sale			29 Sep 2018	(50,000)	1,471,683	2.07
	Sale			5 Oct 2018	(174,443)	1,297,240	1.82
	Purchase			7 Dec 2018	400,000	1,697,240	2.38
	At the end of the year*					1,697,240	2.38
4.	Amundi Funds SBI FM Equity India@	1,300,000	1.83				
	Sale			13 Apr 2018	(633,384)	666,616	0.94
	Sale			20 Apr 2018	(1,164)	665,452	0.94
	Sale			27 Apr 2018	(273,525)	391,927	0.55
	Sale			4 May 2018	(391,927)	–	–
	At the end of the year*					–	–
5.	Reliance Capital Trustee Co. Ltd – A/c Reliance Small Cap Fund	1,256,026	1.77				
	Sale			1 Jun 2018	(102,914)	1,153,112	1.62
	Purchase			27 Jul 2018	99,200	1,252,312	1.76
	Purchase			7 Dec 2018	1,015,047	2,267,359	3.18
	Purchase			8 Feb 2019	5,000	2,272,359	3.18
	Purchase			15 Feb 2019	41,000	2,313,359	3.24
	Purchase			1 Mar 2019	300,000	2,613,359	3.66
	At the end of the year*					2,613,359	3.66

Sr. No.	For each of the top 10 Shareholders	No. of Shares held at the beginning of the year [As on 1 April 2018]		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$
6.	HDFC Trustee Company Limited – HDFC Capital Builder Fund @	1,009,349	1.42				
	Purchase			6 Apr 2018	101,586	1,110,935	1.56
	Sale			8 Jun 2018	(2,000)	1,108,935	1.56
	Sale			22 Jun 2018	(238,404)	870,531	1.22
	Sale			30 Jun 2018	(130,000)	740,531	1.04
	Sale			13 Jul 2018	(347,556)	392,975	0.55
	Sale			20 Jul 2018	(2,369)	390,606	0.55
	Sale			27 Jul 2018	(302,675)	87,931	0.12
	Sale			3 Aug 2018	(19,560)	68,371	0.10
	Sale			10 Aug 2018	(24,394)	43,977	0.06
	Sale			17 Aug 2018	(29,638)	14,339	0.02
	Sale			7 Sep 2018	(7,300)	7,039	0.01
	Sale			14 Sep 2018	(4,900)	2,139	0.00
	Sale			12 Oct 2018	(2,139)	–	–
	At the end of the year*					–	–
7.	Akash Bhanshali	983,533	1.38				
	At the end of the year*					983,533	1.38
8.	First State Investments ICVC – Stewart Investors Indian Subcontinent Fund	652,036	0.92				
	Purchase			11 May 2018	2,651	654,687	0.92
	Purchase			5 Oct 2018	65,443	720,130	1.01
	Purchase			12 Oct 2018	9,289	729,419	1.03
	Purchase			26 Oct 2018	303	729,722	1.03
	Purchase			16 Nov 2018	133,052	862,774	1.21
	Purchase			23 Nov 2018	9,937	872,711	1.22
	Purchase			30 Nov 2018	486	873,197	1.22
	At the end of the year*					873,197	1.22
9.	First State Investments ICVC – Stewart Investors Global Emerging Markets Sustainability Fund	649,444	0.91				
	Purchase			11 May 2018	1,192	650,636	0.91
	Sale			22 Feb 2019	(112,859)	537,777	0.75
	Purchase			1 Mar 2019	66,959	604,736	0.85
	At the end of the year*					604,736	0.85
10.	Aditya Birla Sun Life Trustee Private Limited – A/c Aditya Birla Sun Life Small and Midcap Fund@	536,112	0.75				
	Sale			18 Jan 2019	(78,000)	458,112	0.64
	Sale			8 Mar 2019	(28,112)	430,000	0.60
	At the end of the year*					430,000	0.60

Sr. No.	For each of the top 10 Shareholders	No. of Shares held at the beginning of the year [As on 1 April 2018]		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$
11.	Aditya Birla Sun Life Insurance Company Limited#	448,870	0.63				
	Purchase			21 Sep 2018	24,180	473,050	0.66
	Purchase			29 Sep 2018	118,623	591,673	0.83
	Purchase			2 Nov 2018	6,672	598,345	0.84
	Purchase			16 Nov 2018	49,508	647,853	0.91
	Purchase			18 Jan 2019	5,011	652,864	0.91
	At the end of the year*					652,864	0.91
12.	Motilal Oswal Focused Emergence Fund#	209,590	0.29				
	Purchase			6 Apr 2018	208,610	418,200	0.59
	Purchase			13 Apr 2018	181,700	599,900	0.84
	Purchase			27 Apr 2018	1,250	601,150	0.85
	Purchase			13 Jul 2018	300,000	901,150	1.27
	At the end of the year*					901,150	1.26
13.	Invesco Trustee Private Limited - Invesco India Mid N Small Cap Fund#	289,024	0.41				
	Purchase			6 Apr 2018	123,333	412,357	0.58
	Purchase			13 Apr 2018	37,130	449,487	0.63
	Purchase			19 Oct 2018	16,364	465,851	0.65
	Purchase			26 Oct 2018	21,460	487,311	0.68
	Purchase			2 Nov 2018	20,459	507,770	0.71
	Purchase			9 Nov 2018	4,534	512,304	0.72
	Purchase			30 Nov 2018	17,368	529,672	0.74
	Purchase			7 Dec 2018	115,000	644,672	0.90
	Purchase			28 Dec 2018	17,708	662,380	0.93
	Purchase			4 Jan 2019	10,037	672,417	0.94
	Purchase			18 Jan 2019	7,039	679,456	0.95
	Purchase			25 Jan 2019	2,274	681,730	0.96
	Purchase			1 Feb 2019	5,031	686,761	0.96
	Purchase			8 Feb 2019	5,138	691,899	0.97
	Purchase			15 Feb 2019	22,642	714,541	1.00
	Purchase			1 Mar 2019	5,515	720,056	1.01
	Purchase			8 Mar 2019	3,372	723,428	1.01
	Purchase			15 Mar 2019	7,180	730,608	1.02
	Purchase			22 Mar 2019	6,948	737,556	1.03
	Purchase			29 Mar 2019	3,222	740,778	1.04
	At the end of the year*					740,778	1.04

$ Other than the change in shareholding due to purchase or sale of shares done by each of the aforementioned Shareholders, the change in % of shareholding during the year is also due to increase in paid-up share capital of the Company on account of allotment of equity shares to employees/ex-employees upon exercise of ESOPs.

@ Not in the list of top 10 Shareholders as on 31 March 2019 but was one of the Top 10 Shareholders as on 1 April 2018.

Not in the list of Top 10 Shareholders as on 1 April 2018. The same has been reflected above since the Shareholder was one of the Top 10 Shareholders as on 31 March 2019.

Not in the list of Top 10 Shareholders as on 1 April 2018. The same has been reflected above since the Shareholder was one of the Top 10 Shareholders as on 31 March 2019.

* As at 31 March 2019.

(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 2018)		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.	Pirojshaw Sarkari, CEO	133,029	0.19			
	3 Sep 2018 : Sale of shares acquired through ESOP			(872)	132,157	0.19
	4 Sep 2018 : Sale of shares acquired through ESOP			(29,128)	103,029	0.14
	1 Nov 2018 : ESOP Allotment			21,560	124,589	0.17
2.	Nikhil Nayak, CFO (upto 31 August 2018)	76,607	0.11		76,607	0.11*
3.	Yogesh Patel, CFO (w.e.f. 1 September 2018)	–	–	–	–	–
4.	Brijbala Batwal, CS	–	–	–	–	–

* Nikhil Nayak ceased to be Key Managerial Personnel w.e.f. the close of business hours of 31 August 2018. Details of cumulative shareholding during the year is upto date of cessation i.e. 31 August 2018.

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)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	–	–	–
	(b) Value of perquisites under Section 17(2) Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission – as % of profit – others, specify	–	–	–
5.	Others, please specify	–	–	–
	Total (A)	**–**	**–**	**–**
	Ceiling as per the Act	5% of the net profits of the Company		NA

B. Remuneration to other Directors:

(₹ in crores)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Ajay Mehta	Ranu Vohra	Darius Pandole	Avani Davda (w.e.f. 6 June 2018)	
1.	Independent Directors					
	Fee for attending Board/Committee Meetings	0.07	0.05	0.07	0.04	0.23
	Commission (for financial year 2018-19)	0.06	0.06	0.06	0.05	0.23
	Others, please specify	–	–	–	–	–
	Total (1)	**0.13**	**0.11**	**0.13**	**0.09**	**0.46**
2.	Other Non-Executive Directors	–	–	–	–	–
	Fee for attending Board Committee Meetings	–	–	–	–	–
	Commission	–	–	–	–	–
	Others, please specify	–	–	–	–	–
	Total (2)	**0.13**	**0.11**	**0.13**	**0.09**	**0.46**
	Total (B)=(1+2)	**0.13**	**0.11**	**0.13**	**0.09**	**0.46**
	Total Managerial Remuneration (A+B)	**0.13**	**0.11**	**0.13**	**0.09**	**0.46**
	Overall Ceiling as per the Act	1% of the net profits of the Company				**1.37**

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

(₹ in crores)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		CEO	CFO[$]	CFO	CS	
1.	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1.99	0.58	0.65	–	3.22
	(b) Value of perquisites under Section 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*	0.94	–	–	–	0.94
3.	Sweat Equity	–	–	–	–	–
4.	Commission – as % of profit – others, specify	–	–	–	–	–
5.	Others (Contribution to Provident Fund)	0.09	0.01	0.03	–	0.13
6.	Others (Professional Fees)	–	–	–	0.30	0.30
	Total	**3.02**	**0.59**	**0.68**	**0.30**	**4.59**

[$] The amount pertains to Mr. Nikhil Nayak, erstwhile CFO (upto 31 August 2018)

* 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
DIN:00110373

Mumbai, 7 May 2019

Mahindra LOGISTICS

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Indian logistics industry was estimated at INR 15,40,000 crores in the Fiscal Year 2018, according to a report titled "India Logistics Clear Road Ahead" dated 26 November 2018, authored by Edelweiss Securities Ltd (hereinafter referred to as "Edelweiss Report").

Mahindra Logistics Limited (hereinafter referred to as "the Company", "We", "Our", "MLL") is one of India's largest* Third Party Logistics ("3PL") Solutions provider. 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 29 offices and over 500 client and operating locations. We have a large network of over 1,450 Business Partners who supply vehicles, warehouses and other assets and services. We manage over 15 million ("mn") square feet ("sq. ft") 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 linefeed at over 50 manufacturing locations. Our "asset-light" business model along with our solutions design capabilities enables us to serve over 300 domestic and multinational companies operating in several industry verticals in India, including automotive, engineering, consumer goods, pharmaceuticals, e-commerce and bulk. We have sourced and 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 350 Business Partners across 12 cities.

Our subsidiaries and joint ventures:

Lords Freight (India) Private Limited, an 83% 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, a 55% 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.

Transtech Logistics Private Limited, a Joint Venture, offers ShipX, a SaaS (Software as a Service) based transport management solution (TMS) platform to 3PLs, shippers and transporters. We acquired a strategic stake (40%) in Transtech Logistics during the Fiscal Year 2019.

** Based on annual revenues*

INDUSTRY OVERVIEW AND TRENDS

Overview of the Indian Economy

The International Monetary Fund (IMF) has pared India's growth forecast for the just-concluded fiscal and the next two years, citing softer recent growth and weaker global outlook, but expects the country to retain its place as the fastest growing major economy. According to IMF estimates, India's economy grew 7.1% in FY19 and is expected to accelerate to 7.3% growth in FY20 and to 7.5% in FY21.

India's (GDP) growth is supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy.

The total GST revenue collections during the financial year 2018-19 was ~₹ 11.77 lakh crores with a monthly gross average of ~₹ 98,114 crores. It is expected that the trend of reforms will continue with focus on further simplifying compliances, providing relief measures for certain industrial sectors which have been adversely impacted after the implementation of GST, ensuring fast-track clearance for pending export refunds, etc. among others.

Stabilization of GST collections over the past one-and-a-half years is evidence of the GST regime overcoming initial teething issues, gaining stability and gradually entering a growth phase. GST collection target for FY20 is pegged at ₹ 13.7 lakh crores, 16.1% higher than FY19.

We at MLL believe the benefits of GST and policy simplification will accrue to Indian businesses and the same is likely to reflect in our performance in times to come.

National Logistics Policy

A National Logistics Policy has been drafted to enable integrated development of the logistics sector in the country with a Vision to drive economic growth and trade competitiveness of the country through a truly integrated, seamless, efficient, reliable and cost-effective logistics network, leveraging best in class technology, processes and skilled manpower.

A Logistics wing, under the Department of Commerce and Industry, has been created in July 2017 to overcome the issues of high logistics cost, skewed modal mix and lack of integration.

The National Logistics Policy identifies key thrust areas to reduce logistics cost, promote logistics efficiency, optimize modal mix and improve first and last mile connectivity:

- Reducing Logistics Cost
- Optimizing modal mix
- Strengthening of warehousing sector
- Development of Multi Modal Logistics Parks
- Enhancing rolling infrastructure
- Improving road transportation
- Strengthening EXIM processes
- Promoting e-commerce trade
- Enhancing skills in the Logistics sector
- Strengthening MSME sector
- Promoting green and sustainable logistics
- Startup acceleration fund
- National Logistics action plan
- Creating a Center of Trade Facilitation and Logistics Excellence (CTFL)
- Single window logistics e-marketplace
- Logistics data and analytics center
- Standardization in the logistics sector

A non-lapsable Logistics Fund will be created to drive progress against key policy thrust areas, and can be deployed for select logistics initiatives for

- Reducing logistics costs
- Improving Logistics Performance Index
- Employment generation
- Reduction of waste

We believe that the National Logistics Policy will give us the opportunity to scale up our business as the industry moves towards the organized sector.

Salient trends in the Indian logistics industry

Indian logistics industry to grow at a Compound Annual Growth Rate (CAGR) of approximately 12-13% to INR 31,50,000 crores in the Fiscal Year 2025

The Indian logistics sector was estimated to be at INR 15,40,000 crores in the Fiscal Year 2018. According to the Edelweiss Report, a confluence of favorable factors-GST tailwinds, reducing transit times, warehouse consolidation, infrastructure status and rapid adoption of technology will drive sector growth to 12-13% CAGR for the next 5 to 7 years.

The demand for logistics services is significantly affected by the general level of commercial/economic activity and performance of the end-use sectors. India is expected to remain one of the fastest growing major economies in the world in the Fiscal Year 2020. The consumer goods and e-commerce sectors are forecasted to grow strongly over the next one to three years. The automotive sector however is expected to show slower growth in the coming year.

Nearly two thirds of the Indian logistics spend is in transportation, the remainder is in warehousing/container freight stations/ inland container depots and storage (including inventory costs). Road transport accounts for approximately 75% of transportation (by volume)-rail, ocean, and air account for the remainder. The government is making large investments in road infrastructure -and road transportation will continue to be the main mode for goods transportation in India in the near future, despite the imminent completion of dedicated train freight corridors. 90% of road transportation is full truck load, the balance is less than truck load and express. With improving road transportation speeds, demand is shifting from air express to surface express. Rail is primarily being used for the transportation of bulk commodities.

Based on a study by JLL India Industrial Services, 2018 witnessed a 22% y-o-y growth in total stock in the grade A and B warehousing space in the top eight cities at 169 mn sq. ft. compared to 138 mn sq. ft., a year ago. Absorption of grade A and B warehousing clocked an unprecedented growth of 63% y-o-y growth to 31.8 mn sq. ft. in 2018 from 19.7 mn sq. ft. a year ago. 3PL and logistics companies accounted for 40% of the absorption.

The Indian government's increased focus on improving logistics efficiency

Logistics in India is inefficient due to a non-optimal modal mix (significantly skewed in favor of road transport), poor infrastructure, lack of standardization, slow technology adoption, and a historically inefficient tax structure (pre-GST). India was ranked 44th in the World Bank's Logistics Performance Index in 2018. Logistics costs in India account for 12-13% of the Gross

Domestic Product (GDP), which is higher than the logistics cost to GDP ratio in developed countries such as the US and France (9-10%).

The Indian government has launched initiatives to organize the logistics sector and reduce the cost of logistics in India. Recent government actions include:

- The GST regulation has been implemented. Companies are now making supply chain decisions based on logistics efficiency and not tax efficiency.
- The e-way bill has helped streamline documentation and enabled faster transportation of goods across states.
- The Department of Logistics within the Ministry of Commerce has published a draft of the National Logistics Policy. The Economic Advisory Council to the Prime Minister has constituted a logistics development committee to make it easier to trade in India. In addition, the government is formulating a policy for the integrated development of multi-modal logistics parks.
- The government continues to invest in logistics infrastructure such as the Sagarmala project, UDAN scheme, Bharatmala pariyojana, and Dedicated Freight Corridors (DFCs). DFCs are expected to be commissioned in 2020-this should help improve the average speed of freight trains from 26 kmph to 70 kmph.
- The government has granted the logistics sector infrastructure status with the objective of reducing logistics costs.

3PL market in India to grow at a CAGR of 17-18% through the fiscal year 2025

The Edelweiss Report estimates the INR 42,000 crores Indian 3PL market in the fiscal year 2018 to clock 17-18% CAGR and potentially become a INR 1,20,000 crores market by the Fiscal Year 2025. Globally, the organized 3PL market is ~10% of the overall logistics market. In India, it is ~3%, indicating significant room for 3PL adoption. A mindset shift in large companies outsourcing their logistics requirements to 3PL players and focusing on their core business is helping drive the growth of the 3PL sector. In addition, regulatory interventions such as GST are helping organize the logistics sector.

PTS industry to reach a market size of INR 8,500- 9,500 crores in the Fiscal Year 2020

PTS businesses have been growing over the past few years, driven by the growth in the IT and ITeS sectors. Clients are beginning to explore electric vehicle-based mobility to reduce the impact on the environment. In addition, smart city and metro development projects are creating opportunities in the last mile mobility space.

OPPORTUNITIES AND THREATS

SCM business

Post GST, companies are consolidating their supply chains for market/supply chain efficiency (and not tax efficiency) and leasing large format warehouses. Consumer, retail, and e-commerce companies are driving the demand for grade A modern warehouses. Large format warehouses are adding to the complexity of supply chains and fueling the demand for 3PL services.

Entities within the Mahindra Group together constituted 56% of our revenues in the Fiscal Year 2019. In addition to contributing significantly to our business, our association with the Mahindra Group has enabled us to build long-standing relationships with many clients outside the Mahindra Group (hereinafter referred to as “external clients”). The capabilities that we have developed while 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 external clients.

Our business is significantly influenced by the performance of the automotive industry. 63% of our revenues in the Fiscal Year 2019 were from clients in the automotive industry. Due to our dependence on Mahindra & Mahindra Ltd. and the automotive sector, any downturn in the sector may impact our business.

We operate in a very competitive industry, with many unorganized players. Many segments within the logistics industry are highly commoditized and have low barriers to entry, leading to a market with a very high degree of fragmentation. In the recent past, start-ups and international logistics companies have entered the India market. Competition from these segments is likely to increase. We will need to stay ahead of our competition through consistent investments in modern technology and focus on service quality and value-added services.

PTS business

Growth in vehicle ownership and demand for transportation is leading to high congestion in India’s urban centers. According to the ‘Moving Forward Together’ report by the NITI Aayog, the cost of traffic congestion is estimated to be INR 1.47 lakh crores annually in Delhi, Mumbai, Kolkata and Bangalore. In addition, vehicular emissions rates are increasing, with negative implications on human health and the environment. The government is therefore promoting shared mobility. This creates an opportunity for our corporate people transport business, which promotes the shared usage of vehicles.

On the other hand, competitive intensity is increasing, with technology start-ups and automotive OEMs increasing their investments in the shared mobility space. In addition, development of metro train networks in cities may act as a substitute for the corporate people transport services we offer.

SEGMENT WISE PERFORMANCE

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 2019		Fiscal 2018	
	Amount	% of total revenue from operations	Amount	% of total revenue from operations
	(₹ crores)	(%)	(₹ crores)	(%)
SCM	3,465.9	89.99	3,075.7	90.03
PTS	385.5	10.01	340.5	9.97
Revenue from operations	**3,851.3**	**100.00**	**3,416.1**	**100.00**

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

Service offerings	Fiscal 2019	Fiscal 2018
	(%)	(%)
Transportation	71.96	72.60
Warehousing and other related activities	13.59	12.26
Freight forwarding	4.44	5.17
People Transport Solutions	10.01	9.97
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. Diversify our revenues beyond the current industry verticals such as engineering, consumer goods, pharmaceuticals, and e-commerce

Over the years, we have capitalized on the expertise gained from serving Mahindra Group companies and added external clients. We believe that this has contributed in reducing our dependence on the Mahindra Group. We intend to acquire large external clients and provide them with integrated, end-to-end solutions to address their logistics requirements. This gives our clients flexibility and scalability in their operations along with cost efficiencies. This approach is intended to result in increased revenues and a higher rate of renewal of contracts. We will continue to diversify across industry verticals (e.g. engineering, consumer goods, pharmaceuticals, e-commerce) which are expected to grow strongly in the future. This will also help reduce our dependence on the automotive industry.

Continue to expand our relationship with existing clients

We serve over 400 domestic and multi-national clients across our SCM and PTS businesses. We will continue to expand business with our existing clients by offering additional logistics services to them. We have launched initiatives to strengthen customer relationships, and to help us become a trusted supply chain partner for our clients.

Continue to establish new multi-user warehouses

Post GST, companies are re-aligning/consolidating their supply chains for market efficiency (not tax efficiency). We intend to take advantage of this opportunity. We have recently contracted large, multi-user warehouses in certain strategic locations on a long-term basis. We will continue to sell technology based warehousing and value-added services at these multi-user warehouses.

Continue to support the Mahindra Group for its supply chain needs

MLL started out initially by servicing the entire supply chain requirements of the Auto and Farm Sectors (AFS) of the Mahindra Group. Over the years, MLL has played a vital role in managing this supply chain covering inbound, in-factory and outbound operations for AFS. We will continue to nurture this relationship as this business is the anchor customer for our operations.

Companies within the Mahindra Group other than AFS offer additional business opportunity for MLL. The business acquisition cycle for these companies is identical to that for other external clients.

Continue to focus on digitization and enhancements in technology

We have made consistent investments in digitization and technology over the past several years and intend to continue making these investments. We will continue digitizing existing processes to improve transparency, data availability, and efficiency. Planned investments in technology systems include upgrade of our ERP (financial accounting and controlling module), enhancements to our Transport Management System, development of our Warehouse Management System, PTS technology platform, and a portal for our Business Partners. In addition, we are implementing an advanced human resources management system.

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.

Expand margins

We continue pursuing initiatives to enhance our gross margins. Digitization and the use of data analytics is helping us improve process efficiency and enhance productivity. Our company-wide program, MLL Idea Network, has encouraged innovation, and resulted in cost savings. We will continue executing more such programs.

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 many 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-financial 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 many 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 an 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 INR (₹") 105 crores divided into 10,50,00,000 equity shares of ₹ 10 each. The paid up capital of the Company as at the end of the year was at ₹ 71.45 crores compared to ₹ 71.14 crores as at the end of the previous year. The increase is due to the issue of 305,760 equity shares on account of exercise of options granted under the MLL-Key Executive Stock Option Scheme, 2012 during the year.

2. Retained Earnings

The retained earnings i.e. surplus in the statement of profit and loss as at 31 March 2019 was at ₹ 319.42 crores compared to ₹ 247.77 crores as at 31 March 2018.

3. Borrowings

The Company continues to remain debt free as at 31 March 2019.

4. Property, Plant and Equipment and other intangible assets

The property, plant and equipment and other intangible assets amounted to ₹ 46.21 crores as at 31 March 2019 compared to ₹ 31.63 crores as at 31 March 2018. The Company follows the asset light model for carrying out its operations and the capital expenditure incurred during the year of ₹ 28.04 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 2019 were ₹ 601.49 crores which amounted to 16.41% of the Company's Revenue from Operations compared to ₹ 487.68 crores as at 31 March 2018, which amounted to 15.14% 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 ₹ 3,665.51 crores in the year ended 31 March 2019 from ₹ 3,220.11 crores in the year ended 31 March 2018, registering an increase of 13.83%. Revenue from the SCM segment grew by 13.90% whereas the PTS segment grew by 13.22%.

Other Income:

Other income mainly comprises of interest income from fixed deposits, dividend from units of mutual funds, gain on sale of units of mutual funds, sundry balances/provisions written back, and interest on income tax refund. Increase in other income from ₹ 4.73 crores in the year ended 31 March 2018 to ₹ 7.27 crores in the year ended 31 March 2019 was mainly due to increase in investible surplus funds and interest on income tax refund.

Total Expenses:

Employee benefit expenses include 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 increased to 6.84% from 6.80% in the previous year. The increase in absolute value is mainly due to an increase in headcount and annual increments.

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

Operating expenses at 87.85% of revenue from operations in the current year as compared to 88.05% in the previous year mainly include freight and related expenses, labor and related expenses, warehouse and related expenses, rent, etc. Tight cost control and operating leverage have led to an improvement in the operating margin.

Profit before tax for the year ended 31 March 2019 was at ₹ 130.32 crores compared to ₹ 97.40 crores in the year ended 31 March 2018, registering a growth of 33.80%. Similarly, profit after tax is at ₹ 84.44 crores in the year ended 31 March 2019 compared to ₹ 62.19 crores in the year ended 31 March 2018, registering a growth of 35.78% 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". Share of Loss of Transtech Logistics Private Limited has been considered for calculating the Consolidated profit. The consolidated financial statements are presented in a separate section.

The consolidated Revenue from Operations was ₹ 3,851.34 crores in the year ended 31 March 2019 as against ₹ 3,416.12 crores in the year ended 31 March 2018, registering a growth of 12.74%. Consolidated Profit after tax is at ₹ 86.65 crores compared to ₹ 65.27 crores registering a growth of 32.76%. Profit after tax for the year attributable to non-controlling interest is at ₹ 0.76 crores as against ₹ 1.26 crores in the previous year.

Key Ratios:

Key Matrix	FY 2019	FY 2018	Change y-o-y
Debtors Turnover	6.73	7.25	(7.20%)
Inventory Turnover	Nil	Nil	–
Interest Coverage Ratio *	815.50	315.19	158.73%
Current Ratio	1.36	1.47	(7.48%)
Debt Equity Ratio	Nil	Nil	–
Operating Profit Margin	3.96%	3.43%	53 bps
Net Profit Margin	2.30%	1.93%	37 bps
Return on Networth #	18.40%	16.20%	220 bps
Return on Capital Employed#	28.44%	25.45%	299 bps

* Reduction of interest pay out in FY19 due to lower utilisation of Cash Credit Facility

\# Increase in Return on Net worth and Return on Capital Employed is due to increase in profitability.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

MLL became a public limited company in the last financial year, and the organization defined its Purpose statement which enabled it to envision the future course of action as well as direction. The HR function has played a crucial role by supporting the organization in aligning its business priorities through a sharpened focus on identification and development of talent, building future leaders, developing opportunities for career growth and ensuring harmonious industrial relations such that a culture of high performance is sustainably developed.

As a leading 3PL Solutions provider, MLL is a people driven organization with more than 17,500+ employees (on-rolls and off-rolls) spread over 650 client and operating locations 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. With the articulation of the Purpose statement and its principles, the HR function has created alignment and focused on building capability. It has diligently developed and deployed technology-driven tools to drive engagement, efficiency and empowerment.

Since the launch of the Talent Development Framework last year, various initiatives have been undertaken to strengthen succession readiness and capability building, both functional and leadership in nature, across all levels in the organization. The **iCoach** programme that was launched for senior leaders has been successfully completed for 2 batches with trainees being assigned to the coaches such that there is organization wide impact. There is a diversity and inclusion focus in this endeavour wherein women associates have also been considered as trainees and their professional development has been focused upon. **LEAP**, the Leadership Acceleration Programme for first time leaders was conducted, wherein they were assigned strategic projects and mentored by senior leaders through their journey. Assessment Centers have been conducted for employees at the middle management level too, in order to provide deeper insights into their potential and ensure that their career growth is accurately managed. **Sandhaan**, the programme designed for leadership development and customer service excellence was conducted for mid-level managers with participants being provided a platform to share their learnings and drive business impact by creating 'Moments of Truth' for customers. The best presentations were reviewed by members of the Executive Committee with due recognition for their efforts. The organization also launched **Disha**, a program for first time supervisors on the shop floor, which exposed participants to various aspects of managing their teams effectively.

In order to develop functional capability, learning needs were identified and aggregated on which basis the **AXLERATE** platform was created to empower employees from the Operations team, named AXLERATORS, to deliver a wide variety of functional programmes which are then reinforced through business impact projects. Content has been developed and certified by senior leaders and the platform has resulted in over 65 AXLERATORS covering 1000+ employees which has enabled learning to become decentralized.

Your Company has made good progress in implementing its five-year Diversity and Inclusion (D&I) road map wherein it has provided career opportunities to women officers from the armed officers and launched its Second Career Programme for women called **Udaan**. Over 950 employees have been part of several D&I Sensitization sessions and all employees have undergone orientation on the provisions of Prevention of Sexual Harassment (POSH) Act, through various media. An e-learning module on the POSH Act has also been launched to increase coverage. To strengthen the ability of women employees to balance their responsibilities at home and work, a unique **'Birth & Beyond'** policy was created which encompasses the creation of a conducive work environment for women employees throughout the maternity continuum-pre-maternity, maternity & post maternity (early motherhood), by giving them flexibility in work schedules and workloads.

Statutory compliance of all applicable labour laws is a critical aspect of our corporate governance approach. In that regard, we have commenced regular audits, with the help of a third-party agency, not only for our locations but also in case of all the Business Partners providing third party manpower, in order to ascertain levels of compliance. Training is being imparted on statutory compliance not only to the members of the HR team, but also covers all Business Partners with a view to enhance their competency levels. The organization has also leveraged on eligible candidates under the National Employability Enhancement Mission (NEEM) scheme wherein they have been seamlessly inducted and their capabilities have been built through focused onboarding.

To assess the engagement levels of such a large workforce, your Company administered the Mahindra CARES (MCARES) engagement survey for its on-roll employees and a separate survey for fixed term contract and contract workmen. Based on the findings of these surveys, various strategic interventions have been rolled out and the impact of these have been measured. We are happy to inform you that the engagement scores coming out of these surveys have seen consistent improvement in the last few years and it is our commitment to sustain the momentum in this regard.

CAUTIONARY STATEMENT

Statements in this "Management Discussion and Analysis" and this Annual Report 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

Responsible Corporate Governance reflects a Company's culture, policies, relationship with its stakeholders, its commitment to values and its ethical business conduct. At Mahindra Logistics Limited ("the Company"), we endeavor to follow the highest standards of governance as practiced across the Mahindra Group. It is our firm conviction that good corporate governance emerges from the application of contemporary management practices and a strong compliance with all laws, coupled with integrity, transparency, accountability and business ethics. We follow fair, transparent and ethical governance processes and practices embedded in the culture of our organisation and the Mahindra Group, which ensures that the interest of all the stakeholders are respected 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, 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 ("the Listing Regulations"), as amended from time to time, for the financial year 2018-19, is given hereunder.

I. BOARD OF DIRECTORS

The Board of Directors ("Board") is entrusted with the ultimate responsibility for 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.

A. Size and composition of the Board

The composition of the Board of your Company is in conformity with Regulation 17 of the Listing Regulations.

As on the date of this report, the Board of your Company comprises of eight Non-Executive Directors consisting of a Non-Executive Chairman, two Non-Executive Directors, One Non-Executive Nominee Director and four Independent Directors. The Board of your Company represents an optimal mix of professionalism, knowledge and experience that enables the Board to discharge its responsibilities efficiently and provide effective leadership to the business.

The Chairman of your Company, though a professional Non-Executive Director in his individual capacity, is an employee of Mahindra & Mahindra Limited ("M&M"), Promoter and Holding Company and in accordance with the Listing Regulations, one-half (50%) of the total number of Directors on the Board, including a women Director, are Independent.

The maximum tenure of Independent Directors is in compliance with the provisions of the Listing Regulations and the Companies Act, 2013 ("the Act") None of the Independent Directors of the Company have resigned during the financial year 2018-19.

Inter-se relationship and shareholding of Directors

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

Declaration from Independent Directors

All the Independent Directors on the Board of your Company have confirmed that they meet the criteria of independence as mentioned in amended Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act and they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The Board of your Company has carried out an assessment of declarations and confirmations submitted by the Independent Directors of the Company and after undertaking due assessment of the veracity of the same, is of the opinion that the Independent Directors of your Company fulfill the conditions specified in the Listing Regulations and the Act and are independent of the management.

Compliance with Directorship limits

None of the Directors of your Company is a Director in more than twenty companies (including ten public companies) or acts as an Independent Director in more than seven listed companies, or three listed companies in case they serve as a Whole-time Director in any listed company.

Compliance with Committee positions

None of the Directors on the Board of your Company 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/she is a Director.

Changes in Board composition

Mr. S. Durgashankar

Basis the recommendation of the Nomination and Remuneration Committee ("NRC") of the Board, the Board of your Company appointed Mr. S. Durgashankar as an Additional and Non-Executive Director of your Company with effect from 7 May 2019.

Mr. Chandrasekar Kandasamy

Mr. Chandrasekar Kandasamy, Non-Executive Director of the Company resigned from the position of Non-Executive Director of the Company with effect from 7 May 2019 consequent to his retirement from the services of M&M.

Ms. Avani Davda

During the financial year 2018-19, the Board appointed Ms. Avani Davda as an Independent Director for a first term with effect from 6 June 2018 upto the Annual General Meeting ("AGM") of the Company to be held in the year 2022. The Shareholders accorded their approval to the said appointment at their 11th AGM held on 2 August 2018.

The details of the composition of the Board of your Company comprising of names, categories, DIN as on the date of this report and the number of Directorships and Committee positions held by Directors of your Company as on 31 March 2019 and their directorship in other listed entities is given below:

Name of Director	Director Identification Number (DIN)	Age (in years)	Date of appointment	Total number of Directorships*, Committee Chairmanships and Memberships** of public limited companies as on 31 March 2019			Name and category of Directorship held in other listed entities
				Directorships	Committee Chairmanships	Committee Memberships	
Non-Executive Non-Independent Chairman							
Mr. Zhooben Bhiwandiwala ^	00110373	59	28 April 2009	7	1	1	Mahindra CIE Automotive Limited *(Non-Executive Non-Independent Director)*
Non-Executive Non-Independent Directors							
Mr. S. Durgashankar ^@	00044713	59	7 May 2019	Appointed as Director with effect from 7 May 2019			– Mahindra EPC Irrigation Limited – Swaraj Engines Limited *(Non-Executive Non-Independent Director)*
Mr. Parag Shah ^	00374944	43	28 April 2009	9	0	2	HDFC Asset Management Company Limited *(Independent Director)*
Mr. Chandrasekar Kandasamy ^†	01084215	65	3 October 2007	7	0	3	Mahindra Rural Housing Finance Limited *(Non-Executive Non-Independent Director)*
Non-Executive Nominee Director							
Mr. Sunish Sharma ~	00274432	44	19 March 2014	2	0	0	–
Independent Directors							
Ms. Avani Davda $	07504739	40	6 June 2018	2	0	1	–
Mr. Ajay Mehta	07102804	58	27 March 2015	4	3	1	–
Mr. Darius Pandole	00727320	53	25 July 2017	4	1	2	Fairchem Speciality Limited *(Independent Director)*
Mr. Ranu Vohra	00153547	47	25 July 2017	1	0	1	–

* Excludes private limited companies, limited liability partnerships, foreign companies, 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;

^ Employee of Mahindra & Mahindra Limited, Promoter of the Company;

@ Appointed as Additional and Non-Executive Director of the Board with effect from 7 May 2019;

† Ceased to be Non-Executive Director with effect from 7 May 2019;

~ Represents equity investors: Normandy Holdings Limited and Kedaara Capital Alternative Investment Fund Kedaara Capital AIF 1 as on 31 March 2019;

$ Appointed as Non-Executive Independent Director with effect from 6 June 2018.

B. Core skills/expertise/competencies of the Board

The Board, on the recommendation of the NRC, has adopted a Board Skill Matrix which identifies the core skills/expertise/competencies required in context of the business and sector of the Company. The Board Skill Matrix comprises of Industry/sector experience and knowledge, Business and Financial acumen, Corporate governance expertise, Strategic thinking, Technology & Digitization orientation, Mergers and Acquisitions expertise, Leadership and Board experience alongwith a focus on Community and Stakeholder engagement. The Board should collectively possess the skills and experience listed in the Board Skills Matrix.

The Directors of your Company comprises of qualified individuals who collectively possess the above skills, competencies, and experience across diverse fields that enable them to make effective contributions to the Board and its Committees.

C. Directors seeking re-appointment/appointment

Mr. Zhooben Bhiwandiwala

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

Brief profile and other relevant details in terms of the provisions of the Listing Regulations are given hereunder:

Mr. Zhooben Bhiwandiwala is the Chairman and Non-Executive Director of the Company. He is a qualified Chartered Accountant. He holds a Bachelor's degree in Commerce. He joined the Mahindra Group in 1985. He has over 32 years of experience in the finance, legal, cross border M&A, HR, marketing, strategy and other commercial functions. He had been involved with international operations, investments in new businesses, start-ups, joint ventures and mergers and acquisitions during his deputation to international assignments in Mahindra Group. He is the chairman of the HR Academy at the Mahindra Leadership University. He is currently the President - Mahindra Partners and Group Legal Head and a member of the Mahindra Group Executive Board. He currently heads the Mahindra Partners division of Mahindra & Mahindra Limited. He is also a member of the global advisory board of i-Probono, UK, and Safe Kids Foundation, India. He is on Boards of several Mahindra & Mahindra Group Companies in India and abroad. He has been on the Board of your Company since 28 April 2009.

Mr. Zhooben Bhiwandiwala is an Alumni of Harvard Business School where he had attended the Advanced Management Program for Senior Executives.

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

Directorship and Committee positions of Mr. Zhooben Bhiwandiwala as on 31 March 2019 is given hereunder:

Directorships in Indian companies*	Membership in the Committees of the Board of companies in which he is a Director*	Chairman in the Committees of the Board of companies in which he is a Director*
– Mahindra Logistics Limited (Listed) – Mahindra CIE Automotive Limited (Listed) – Mumbai Mantra Media Limited – Mahindra Retail Limited – Mahindra Intertrade Limited – Mahindra Auto Steel Private Limited – Mahindra Susten Private Limited – Mahindra Marine Private Limited – Ekatra Hospitality Ventures Private Limited – Cinestaan Digital Private Limited – Mahindra Tsubaki Conveyor Systems Private Limited – Brainbees Solutions Private Limited	– Mahindra Logistics Limited–Nomination and Remuneration Committee – Mahindra Retail Limited–Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee – Mahindra Susten Private Limited–Finance, Accounts and Audit Committee (Non-mandatory Committee)	– Mahindra Intertrade Limited–Corporate Social Responsibility Committee – Mahindra Auto Steel Private Limited–Audit Committee and Corporate Social Responsibility Committee – Mumbai Mantra Media Limited–Nomination and Remuneration Committee

* includes positions held in your Company.

Mr. S. Durgashankar

Mr. S. Durgashankar was appointed on the Board of the Company effective 7 May 2019 and holds office as an Additional and Non-Executive Director upto the ensuing AGM of the Company. The Company has received a notice from a Member under Section 160 of the Act proposing the candidature of Mr. S. Durgashankar as a Non-Executive Director. The Board of your Company has recommended the appointment of Mr. S. Durgashankar as a Non-Executive Director of the Company at the ensuing AGM.

Brief profile and other relevant details in terms of the provisions of the Listing Regulations are given hereunder:

Mr. S. Durgashankar, a qualified Chartered Accountant, is currently President – Group M&A, Corporate Accounts and Group Secretarial and Member of the Group Executive Board at Mahindra & Mahindra Ltd. (M&M). He holds a Bachelor's degree in Commerce. He is also Chairman of Mahindra Integrated Business Solutions Pvt. Ltd., the Service Centre arm of M&M. During his overall work experience of over 3 decades, he has handled a wide spectrum of Corporate Finance assignments at senior levels and has rich M&A experience. At M&M, he has also headed Treasury and Investor Relations and was instrumental in setting up the Mergers & Acquisitions (M&A) division. Prior to his current assignment, he was CFO of Mahindra Satyam and was responsible for the company becoming current with respect to its Indian GAAP reporting requirements.

Mr. S. Durgashankar is an Alumni of Harvard Business School where he had attended the Advanced Management Program. He is also a speaker at many fora on varied topics in M&A and Finance. He was the recipient of CFO 100 Awards in 2010, 2013 and 2014 for his contribution to Corporate Finance in the area of M&A. He was also the recipient of CFO India League of Excellence Award in March 2015.

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

Directorships and Committee positions of Mr. S. Durgashankar as on date of this report is given hereunder:

Directorships in Indian companies*	Membership in the Committees of the Board of companies in which he is a Director*	Chairman in the Committees of the Board of companies in which he is a Director*
– Mahindra Logistics Limited (Listed) – Swaraj Engines Limited (Listed) – Mahindra EPC Irrigation Limited (Listed) – Mahindra Integrated Business Solutions Private Limited – Mahindra HZPC Private Limited – Mahindra Vehicle Manufacturers Limited – Mahindra Agri Solutions Limited – Mahindra Holdings Limited	– Mahindra Logistics Limited–Audit Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee – Mahindra EPC Irrigation Limited–Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee – Swaraj Engines Limited–Audit Committee – Mahindra Vehicle Manufacturers Limited–Audit Committee and Committee of Strategic Investments – Mahindra Agri Solutions Limited–Audit Committee, Risk Management Committee and Committee of Directors for Borrowing	– Mahindra HZPC Private Limited–Audit Committee

* includes positions held in your Company

D. Board Procedure

Meetings

The Board of the Company meets at least four times in a year with a maximum time gap of not more than 120 days between two consecutive Meetings.

The conduct of Board and Committee Meeting(s) of your Company is in compliance with the applicable provisions of the Act, Secretarial Standard -1 ("SS-1") on the Meetings of the Board of Directors as prescribed by the Institute of Company Secretaries of India, and the Listing Regulations.

The date of all the Board and Committee Meetings are decided and communicated to the Directors well in advance. Additional meetings of the Board/Committee are held as and when deemed necessary. In case of exigencies or urgency of matters, resolutions are passed by circulation for such matters as permitted by law in compliance with the provisions of Section 175 of the Act and the SS-1.

Agenda of meetings

For all scheduled Board and Committee meetings, a detailed Agenda, setting out the businesses to be transacted thereat, supported by detailed explanatory notes, is circulated at least seven days in advance to the Directors and Committes Members, except in case of Board/Committee meetings held at shorter notice, in compliance with Section 173 of the Act and

the SS-1. During financial year 2018-19, no Board meetings were held at shorter notice.

Secured Electronic Board Portal

The Company has a 'Board Portal', which is a secured web based portal that acts as central repository for Board Members to access Board related papers/presentations/ agendas/notes of Board and Committee meetings etc. and is also common platform for communication amongst Board Members. The Board portal also contains Code of Conduct for Directors, terms of appointment and other polices for ease of access. This enables greater transparency to the Board processes.

Information and presentations at meetings

To enable the Board and Committee Members to discharge their 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. These presentations include reports on subsidiary/joint venture company performance, presentations by business functions/verticals viz. Sales, Human Resources, Information Technology, Marketing etc. and also include a review of key sales wins, sales pipeline, awards and recognitions, business vertical wise financial performance, key ratios etc. The Board also places significant emphasis on the safety record of the Company, its CSR and Sustainability initiatives, alongwith a detailed monitoring of the Risk Evaluation Framework.

Periodical review of matters by Board

The Board and its respective Committees inter alia, periodically review strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, significant transactions and arrangements entered into by subsidiary companies, 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 goals and objectives, oversees the actions and results of the management and monitors the effectiveness of the Company's governance practices for enhancing stakeholder value. The Board also reviews, on a quarterly basis, compliance reports of all laws applicable to the Company as well as steps taken by the 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, related party transactions, status of borrowings, loans, investments and guarantees given, the Company's risk management framework, foreign exchange position, report on compliances 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.

Apart from the CEO and the CFO of the Company, the Board and Committee Meetings are attended by the senior management and functional heads, whenever required.

The Company Secretary of the Company acts as the Secretary to the Board and its Committees and is present at Board and Committee meetings to apprise and advise the Members on compliances, governance and applicable laws.

Post meeting follow up procedure

An Action Taken Report on the key decisions taken/suggestions made at meetings is recorded and status and update thereof is placed and discussed at the subsequent meeting of the Board/ Committee for its review.

E. Dates, number of Board Meetings and attendance of the Directors thereat and at the previous AGM

During the financial year ended 31 March 2019, eight Board Meetings were held on 11 April 2018, 2 May 2018, 6 June 2018, 2 August 2018, 29 August 2018, 1 November 2018, 30 January 2019 and 29 March 2019. Necessary quorum was present at all meetings. The 11th AGM of your Company was held on 2 August 2018.

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

Name of Director	Number of Board meetings attended out of 8 meetings held	% Attendance	Attendance at previous AGM
Mr. Zhooben Bhiwandiwala	8	100	Yes
Mr. Chandrasekar Kandasamy	7	88	No
Mr. Parag Shah	8	100	Yes
Mr. Ajay Mehta	8	100	Yes
Mr. Darius Pandole	8	100	Yes
Mr. Ranu Vohra	6	75	Yes
Ms. Avani Davda#	6	100*	Yes
Mr. Sunish Sharma	5	63	No

Appointed as Non-Executive Independent Director for first term with effect from 6 June 2018;
* % is calculated for meetings attended post appointment.

F. Meeting of Independent Directors

The Independent Directors of your Company meet at least once in a 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 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 on 11 April 2018 and the Meeting was attended by all the Independent Directors.

G. Code 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. These Codes have been posted on the Company's website http://www.mahindralogistics.com/investor/governance

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.

All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the respective Codes. As required by Regulation 34 read with Schedule V 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 as **Annexure A** 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.

H. CEO and 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 Audit Committee and the Board regarding the Financial results/statements, internal controls and other matters, on quarterly, half-yearly and annual basis.

I. Board Evaluation

Process

Pursuant to the applicable provisions of the Listing Regulations and the Act, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as reviewed the performance of all the Directors individually.

Feedback for each of the evaluations was sought by way of an internal structured questionnaire through a secured electronic portal whereby the Directors and Committee Members were provided with a link and password for accessing the questionnaires and submitting their feedback/comments. The questionnaires covered various attributes/functioning of the Board such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties etc., based on the criteria approved by the NRC. The Members were also able to give qualitative feedback and comments apart from responding to the questionnaire. The questionnaires for performance evaluation are in alignment with the guidance note on Board evaluation issued by the Securities and Exchange Board of India ("SEBI"), vide its circular dated 5 January 2017.

Outcome and results of evaluation

The outcome of the performance evaluation for the year under review were discussed by the NRC, the Board and Independent Directors at their respective meetings.

The Directors expressed their satisfaction on the parameters of evaluation, the implementation and compliance of the evaluation exercise done and the results/outcome of the evaluation process.

This evaluation/feedback exercise concluded that the Board processes/functioning was very satisfactory, and the Board has functioned in a cohesive, transparent manner, with a high level of engagement. The circulation of relevant information including detailed information presented by senior management at Board/Committee meetings has been appreciated. Suggestions for improvement have been taken up for further action.

J. Familiarization Programme for Directors

In line with the Familiarization programme adopted by the Board of your Company 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. These are conducted by way of induction programmes, business model overviews, site visits, presentation on industry overview and outlook, competition updates, business, financial and operational performance updates 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 the Independent Directors of the Company are available on the Company's website and can be accessed at the web link: https://www.mahindralogistics.com/media//pdf_files/Familiarization-Program-FY-2018-19.pdf

II. COMMITTEES OF THE BOARD

A. Audit Committee

Constitution

The Audit Committee ("the Committee") of the Board, has been constituted in line with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations, and as on the date of this report comprises of four Non-Executive Directors, of whom three Directors (i.e. more than 2/3rd), including the Chairman are Independent Directors. The composition of the Committee is in compliance with the said provisions.

All the Members of the Committee are financially literate and possess strong accounting and related financial management expertise.

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 Committee meetings, when their respective reports are being presented to the Committee.

The Audit Committee also meets the Statutory Auditors of the Company without presence of the Management of the Company.

Changes in constitution

During the financial year under review, Ms. Avani Davda, Independent Director was inducted as Member of the Committee effective 2 August 2018.

Consequent to changes in the Board of Directors, Mr. Chandrasekar Kandasamy, Non-Executive Director ceased to be a Member of the Committee and Mr. S. Durgashankar, Additional and Non-Executive Director was appointed as a Member of the Committee with effect from 7 May 2019. Mr. Ranu Vohra, Independent Director also ceased to be a Member of the Committee effective 7 May 2019.

Meetings

During the financial year 2018-19, the Committee met five times i.e. on 2 May 2018, 2 August 2018, 29 August 2018, 1 November 2018 and 30 January 2019. The gap between two Meetings did not exceed one hundred and twenty days.

Mr. Ajay Mehta, Chairman of the Committee was present at the 11th AGM of the Company held on 2 August 2018 in compliance with Regulation 18(1)(d) of the Listing Regulations and SS-1.

Details of the composition of the Committee as on the date of this report and attendance of the Committee Members at the Committee Meetings held during the year under review is as given hereunder:

Audit Committee Members	Category of Non-Executive Directors	Position held	Number of Committee Meetings attended out of 5 meetings held	% attendance
Mr. Ajay Mehta	Independent Director	Chairman	5	100
Mr. S. Durgashankar#	Non-Independent Director	Member	NA	NA
Mr. Darius Pandole	Independent Director	Member	5	100
Ms. Avani Davda^	Independent Director	Member	3	100~
Mr. Ranu Vohra*	Independent Director	Member	3	60
Mr. Chandrasekar Kandasamy*	Non-Independent Director	Member	4	80

\# Appointed as Member with effect from 7 May 2019;
^ Appointed as Member with effect from 2 August 2018;
* Ceased to be Member with effect from 7 May 2019;
~ % counted for meetings attended post appointment.

Terms of reference

During the year under review, the terms of reference of the Audit Committee were enhanced to incorporate the provisions of the Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Amended Listing Regulations"). Besides having access to all the required information from and within the Company, the Committee can obtain external professional advice whenever required and is empowered with all powers prescribed in Regulation 18(2) of the Listing Regulations. 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. The terms of reference of the Audit Committee include:

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;
11. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
12. Carrying out any other functions required to be carried out by the Audit Committee in terms of applicable laws.

Review of matters by Audit Committee

The Committee also reviews the terms of appointment and remuneration of the Internal Auditor and the Chief Financial Officer of the Company, financial statements of subsidiaries and in particular investments made by the subsidiaries, Management discussion and Analysis of financial condition and results of operations, functioning of the Whistle Blower Policy/ Vigil Mechanism. The Committee reviews, on a quarterly basis, related party transactions, loans, investments and guarantees given, risks, mandatoryinformation under Para B of Part C of Schedule II of the Listing Regulations and the quarterly report on compliances with the Company's Code of Conduct for Prevention ofInsider Trading in securities of Mahindra Logistics Limited and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

B. Nomination and Remuneration Committee

Constitution

The Nomination and Remuneration Committee ("NRC" or "the Committee") of the Board is constituted in compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations.

As on the date of this report, the Committee comprises of five Non-Executive Directors, of whom three (more than one-half) including the Chairman, are Independent Directors. Mr. Sunish Sharma, Non-Executive Nominee Director is a permanent invitee to the Committee. The Company Secretary of the Company acts as Secretary to the Committee.

Changes in constitution

There was no change in the composition of the Committee during the financial year 2018-19.

Mr. Chandrasekar Kandasamy ceased to be Member of the Committee effective 7 May 2019 consequent to his resignation.

Committee Meetings

The Committee met six times during the year under review i.e. on 2 May 2018, 6 June 2018, 2 August 2018, 29 August 2018, 1 November 2018 and 30 January 2019.

Mr. Darius Pandole, Chairman of the Committee, was present at the 11th AGM of the Company held on 2 August 2018.

Details of the composition of the Committee as on the date of this report, and attendance of the Committee Members at the Committee Meetings held during the year under review is as given hereunder:

NRC Members	Category of Non-Executive Directors	Position held	Number of Committee Meetings attended out of 6 meetings held	% attendance
Mr. Darius Pandole	Independent	Chairman	6	100
Mr. Zhooben Bhiwandiwala	Non-Independent	Member	6	100
Mr. Parag Shah	Non-Independent	Member	6	100
Mr. Ajay Mehta	Independent	Member	6	100
Mr. Ranu Vohra	Independent	Member	3	50
Mr. Chandrasekar Kandasamy*	Non-Independent	Member	5	83

Ceased to be Member with effect from 7 May 2019.

Terms of Reference

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. During the year under review, the terms of reference of the Committee were enhanced to incorporate the provisions of the Amended Listing Regulations effective 1 April 2019. The terms of reference of the Committee include:

1. Formulation of 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.
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 carry out evaluation of every Director's performance (including Independent Director);
5. Whether to extend or continue the term of appointment of any Independent Director, on the basis of the report of performance evaluation of Directors;
6. Recommend to the Board, all remuneration, in whatever form, payable to senior management; and
7. 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") Schemes viz. MLL-Key Executive Stock Option Scheme, 2012 and the Mahindra Logistics Employee Restricted Stock Unit Plan 2018 and takes appropriate decisions in terms of the said Schemes.

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. During the year under review, the said Policy was amended to incorporate the provisions of the Amended Listing Regulations.

The 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 the Directors, Committees, Chairperson, Chief Executive Officer and the Board as a whole was carried out during the year under review.

C. Stakeholders' Relationship Committee

Constitution

The composition of the Stakeholders' Relationship Committee ("SRC" or "the Committee") of the Board satisfies the requirements of Section 178 of the Act and Regulation 20 of Listing Regulations.

The Committee comprises of three Directors, all of which are Non-Executive Directors. The Chairman of the Committee is an Independent Director. The Company Secretary of the Company acts as Secretary of the Committee.

Changes in constitution

During the financial year 2018-19, effective 29 March 2019 Mr. Darius Pandole, Independent Director was designated as the Chairman of the Committee and Mr. Chandrasekar Kandasamy, Non-Executive Director and erstwhile Chairman was re-designated Member of the Committee.

Consequent to changes in Board of Directors, Mr. Chandrasekar Kandasamy, Non-Executive Director ceased to be a Member of the Committee and Mr. S. Durgashankar, Additional and Non-Executive Director was appointed as a Member of the Committee with effect from 7 May 2019.

Committee Meeting

During the year under review the Committee met on 2 May 2018.

Mr. Darius Pandole, Independent Director and Member of the Committee basis the authorization granted by Mr. Chandrasekar Kandasamy, the erstwhile Chairman of the Committee was present at the 11th AGM of the Company held on 2 August 2018.

Details of the composition of the Committee as on the date of this report and attendance of the Committee Members at the Committee Meeting held during the year under review is as given hereunder:

SRC Members	Category of Non-Executive Directors	Position held	Number of Committee Meeting attended out of 1 meeting held	% attendance
Mr. Darius Pandole#	Independent	Chairman	1	100
Mr. Parag Shah	Non-Independent	Member	1	100
Mr. S. Durgashankar^	Non-Independent	Member	NA	NA
Mr. Chandrasekar Kandasamy*	Non-Independent	Member	1	100

\# Designated as Chairman effective 29 March 2019;
^ Appointed as Member effective 7 May 2019;
* Chairman of the Committee until 29 March 2019 and ceased to be Member with effect from 7 May 2019.

Terms of Reference

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. During the year under review, the terms of reference of the Committee were enhanced to incorporate the provisions of the Amended Listing Regulations effective 1 April 2019.

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 include:

1. Considering and resolving grievances of Shareholders', debenture holders and other security holders;
2. Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
3. Issue of duplicate certificates and new certificates on split/ consolidation/renewal, etc.;
4. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
5. Review of measures taken for effective exercise of voting rights by shareholders;
6. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
7. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company;
8. 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. Details of transfer and transmission requests, if any received at every meeting and report of investor complaints is presented to the Board on a quarterly basis.

Investor Complaints

The Company is registered on the SEBI Complaints Redressal System (SCORES).

During the financial year 2018-19, the Company received 17 complaints from its Shareholders and other investors relating to non-receipt of Refund Amount (ASBA Query)/non-allotment of Shares in connection with the IPO (2017) of the Company, non-receipt of Annual Report and non-receipt of Dividend declared by the Company, all of which were satisfactorily resolved and there were no pending complaints as on 31 March 2019.

Details of the Shareholder complaints received during FY 2018-19 is given hereunder:

Financial year 2018-19	No. of Shareholder complaints pending at the beginning of the quarter	No. of Shareholder complaints received during the quarter	No. of Shareholder complaints resolved during the quarter	No. of Shareholder complaints unresolved at the end of the quarter
Quarter ended 30 June 2018	0	3	2	1
Quarter ended 30 September 2018	1	9	8	2
Quarter ended 31 December 2018	2	4	6	0
Quarter ended 31 March 2019	0	1	1	0
Total		**17**	**17**	**0**

The Company did not receive any complaints through SEBI SCORES/Stock Exchanges/Ministry of Corporate Affairs/ Regulatory Authorities during the year under review.

Compliance Officer under Listing Regulations

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 Committee

Constitution

The Corporate Social Responsibility Committee ("CSR" or "the Committee") of the Board is constituted in compliance with the requirements of Section 135 of the Act.

As on 31 March 2019 and the date of this report, the Committee comprises of three Non-Executive Directors. The Chairman of

the Committee is an Independent Director and the Company Secretary of the Company is a Secretary to the Committee.

Changes in constitution

During the financial year 2018-19, effective 29 March 2019 Mr. Ranu Vohra, Independent Director was designated as the Chairman of the Committee and Mr. Parag Shah, Non-Executive Director and erstwhile Chairman was re-designated Member of the Committee.

Consequent to changes in Board of Directors, Mr. Chandrasekar Kandasamy, Non-Executive Director ceased to be a Member of the Committee and Mr. S. Durgashankar, Additional and Non-Executive Director was appointed as a Member of the Committee with effect from 7 May 2019.

Committee Meeting

During the year under review the Committee met on 2 May 2018.

Mr. Parag Shah, erstwhile Chairman of the Committee was present at the 11th AGM of the Company held on 2 August 2018.

Details of the composition of the Committee as on the date of this report and attendance of the Committee Members at the Committee Meeting held during the year under review is as given hereunder:

CSR Committee Members	Category of Non-Executive Directors	Position held	Number of Committee Meeting attended out of 1 meeting held	% attendance
Mr. Ranu Vohra#	Independent	Chairman	–	–
Mr. Parag Shah@	Non-Independent	Member	1	100
Mr. S. Durgashankar^	Non-Independent	Member	NA	–
Mr. Chandrasekar Kandasamy*	Non-Independent	Member	1	100

\# Designated as Chairman effective 29 March 2019;
@ Chairman of the Committee until 29 March 2019;
^ Appointed as Member with effect from 7 May 2019;
* Ceased to be Member with effect from 7 May 2019.

Terms of Reference

The role of the CSR Committee includes formulation of the Company's Corporate Social Responsibility Policy and its recommendation to the Board. The Corporate Social Responsibility Policy 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 Committee also oversee the Business Responsibility ("BR") initiatives of the Company in line with the Business Responsibility Policy of the Company.

The CSR Policy for the Company formulated in terms of section 135 of the Act read with rules framed thereunder is displayed on the Company's website and can be accessed from the weblink: http://www.mahindralogistics.com/sustainability

The details of the CSR initiatives undertaken by the Company is provided in the 'Annual Report on CSR activities for FY 2018-19' annexed to the Board's Report in **Annexure VI**.

E. Risk Management Committee

Constitution

The Risk Management Committee ("RMC" or "the Committee"), as per Regulation 21 of the Listing Regulations, is required to be constituted by the top 500 listed companies determined based on market capitalisation, as at the end of the immediate previous financial year.

The Board of your Company has constituted the Risk Management Committee of the Board effective 2 August 2018 in accordance with the SEBI Listing Regulations, comprising members of the Board and Senior Executives of the Company.

As on 31 March 2019 and the date of this report, the Risk Management Committee comprises of five Members, of whom majority are Directors of the Company. The Committee is chaired by an Independent Women Director, and the Chief Executive Officer and Chief Financial Officer are Members of the Committee.

The Company Secretary of the Company acts as a Secretary to the Committee.

Changes in constitution

Mr. Nikhil Nayak, erstwhile Chief Financial Officer of the Company was a Member of the Committee from 2 August 2018 to 31 August 2018. Mr. Yogesh Patel was inducted as a Member of the Committee effective 1 September 2018 consequent to his appointment as Chief Financial Officer of the Company.

Committee Meetings

During the period from 2 August 2018 (date of constitution of the Committee) to 31 March 2019, the Committee met once on 1 November 2018.

Details of the composition of the Committee as on the date of this report and attendance of the Committee Members at the Committee Meeting held during the year under review is as given hereunder:

RMC Members	Category of Members	Position held	Number of Committee Meeting attended out of 1 meeting held#	% attendance
Ms. Avani Davda	Non-Executive Independent Director	Chairperson	1	100
Mr. Ranu Vohra	Non-Executive Independent Director	Member	1	100
Mr. Parag Shah	Non-Executive Director	Member	1	100
Mr. Pirojshaw Sarkari	Chief Executive Officer	Member	1	100
Mr. Yogesh Patel*	Chief Financial Officer	Member	1	100

During period 2 August 2018 to 31 March 2019

* Appointed effective 1 September 2018.

Terms of Reference

The Risk Management Committee is, inter alia, authorised to monitor and review the risk assessment, mitigation and risk management plans for the Company from time to time and report the existence, adequacy and effectiveness of the above process to the Board on a periodic basis.

The terms of reference of the Committee include:

1. To monitor and review the risk assessment, mitigation and risk management plan for the Company from time to time;
2. To oversee establishment and implementation of the risk management framework of the Company;
3. To review and recommend to the Board the modifications to the Risk Management Policy/Framework;
4. To review the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management;
5. To recommend to the Board a cyber security framework to identify, manage and mitigate cyber security related risks and to implement, monitor and review the cyber security framework;
6. Carrying out any other functions required to be carried out by the Risk Management Committee in terms of applicable laws.

Risk Management Framework

Your Company has a well-defined risk management framework in place which inter alia includes identification of elements of risk, if any, which in the opinion of the Board may seriously impact the Company. Your Company has developed and implemented a Risk Management Policy which is approved by the Board. The Risk Management Policy inter alia includes identification, assessment for likelihood and impact, mitigation steps and reporting of existing and new risks associated with your Company's activities in a structured manner. This facilitates timely and effective management of risks and opportunities and in turn achievement of your Company's objectives.

The Board and the Audit Committee review the Risk Management framework including significant risks, if any, and steps taken to mitigate the same.

F. IPO COMMITTEE

Constitution

As on 31 March 2019, the IPO Committee comprised of four Non-Executive Non-Independent Directors viz. Mr. Zhooben Bhiwandiwala, Mr. Parag Shah, Mr. Chandrasekar Kandasamy and Mr. Sunish Sharma. During the financial year 2018-19,

there was no change in composition of the IPO Committee and no Committee meetings were held.

Terms of Reference

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.

Dissolution of IPO Committee

In view of the successful listing of the equity shares of the Company on BSE Limited and National Stock Exchange of India Limited and completion of the purpose for formation of the Committee, the Board dissolved the Committee with effect from 7 May 2019.

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, 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.

The Non-Executive Non-Independent Directors of your Company were not paid any remuneration in any form of salary, benefits, bonuses, incentives (including reimbursement of expenses incurred in the discharge of their duties, sitting fees and commission) from the Company during the financial year 2018-19.

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").

In terms of the Amended Listing Regulations, 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 30 January 2019, effective 1 April 2019.

The Remuneration Policy as amended is provided in **Annexure V** to the Board's Report and forms part of this report. The said policy is also uploaded on the website of the Company and can be accessed from the weblink: https://www.mahindralogistics.com/media//pdf_files/Nomination-Remuneration-Policy.pdf

The NRC while deciding the basis for determining the remuneration, 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 the Listing Regulations and such other factors as the NRC may consider deem fit.

C. Remuneration to Directors

Commission

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 of upto ₹ 6,00,000/- (Rupees Six Lakhs Only) per annum, either equally or in such proportion as may be recommended by the NRC and approved by the Board, on such criteria as may be determined by them, further subject to the aggregate amount of commission being within the ceiling of 1% or 3% of annual net profits 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.

Sitting Fees

The Independent Directors are also paid sitting fees of ₹ 50,000/- (Rupees Fifty Thousand Only) for every Meeting of the Board and ₹ 30,000/- (Rupees Thirty Thousand Only) for Committee Meetings other than the Stakeholders' Relationship Committee. The sitting fees for every Meeting of the Stakeholders' Relationship Committee is ₹ 5,000/- (Rupees Five Thousand Only). No sitting fee is paid in respect of CSR Committee Meetings, as the sitting fee has been waived by the Committee Members.

Remuneration for financial year 2018-19

During the financial year 2018-19, the Independent Directors of the Company were paid commission of ₹ 20.10 lakhs (provided for in the accounts for the financial year ended 31 March 2018), for financial year 2017-18 as stated hereunder:

(₹ in crores)

Independent Directors	Commission for FY 2017-18 paid during the year under review
Mr. Ajay Mehta	0.06
Ms. Neelam Deo*	0.06
Mr. Darius Pandole	0.04
Mr. Ranu Vohra	0.04
Total	**0.20**

* Ceased to be an Independent Director with effect from 26 March 2018.

The details of sitting fees and commission (subject to applicable taxes) payable to Independent Directors for the year ended 31 March 2019 is as under:

(₹ in crores)

Independent Directors	Mr. Ajay Mehta	Mr. Ranu Vohra	Mr. Darius Pandole	Ms. Avani Davda^
Sitting Fees	0.07	0.05	0.07	0.04
Commission	0.06	0.06	0.06	0.05
Total	**0.13**	**0.11**	**0.13**	**0.09**

^ Appointed as an Independent Director effective 6 June 2018

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 been granted to Non-Executive Non-Independent Directors of your Company as on the date of this report.

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
2016 9th AGM	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 10th AGM	Monday, 14 August 2017	11.00 a.m.	Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400 018.	No special resolution was passed.
2018 11th AGM	Thursday, 2 August 2018	3.30 p.m.	Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018.	1. Approval for Mahindra Logistics Employee Restricted Stock Unit Plan 2018 2. Approval for grant of Restricted Stock Units to the employees of Holding Company of the Company under Mahindra Logistics Employee Restricted Stock Unit Plan 2018 3. Re-appointment of Mr. Ajay Mehta (DIN:07102804) as Non-Executive Independent Director for a consecutive term of 5 years. 4. Approval of right to appoint Investor Director on the Board of the Company.

During the financial year 2018-19, the Company has not passed any resolutions through postal ballot and none of the resolutions proposed to be passed at the forthcoming AGM require passing of the resolutions through postal ballot.

V. MEANS OF COMMUNICATION

i. Modes of Communication

Your Company, from time to time and as may be required, communicates with its Shareholders and Investors through multiple channels of communications including the following:

- Dissemination of information on the website of the Stock Exchanges;
- Press releases;
- Annual reports;
- Earnings calls, investor conferences; and
- Uploading relevant information on the Company's website.

ii. Financial Results

The unaudited quarterly and year-to-date standalone and consolidated financial results of the Company are announced within forty-five days of the close of each quarter. The annual audited standalone and consolidated 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 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.

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.

iii. Disclosures

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.

iv. Investor Interactions

The Senior Management team of the Company also conducts several 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 equity shares of the Company are listed.

The Company also follows the best practice of uploading the text and audio transcript of the conference calls on the website of the Company.

v. Website

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

VI. GENERAL SHAREHOLDER INFORMATION

A. 12th Annual General Meeting

Date : Thursday, 1 August 2019;
Time : 3:30 p.m. (IST);
Venue : Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018.

B. CIN Number : L63000MH2007PLC173466

C. Office Address

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. Dates of book closure and dividend payment

Recommendation of Dividend for financial year 2018-19

The Board of Directors, at their meeting held on 7 May 2019, has recommended a final dividend of ₹ 1.80 per equity share of the face value of ₹ 10/- each (being 18% on face value) on the share capital for the financial year 2018-19.

The share transfer books of the Company will be closed for declaration of Dividend from Thursday, 25 July 2019 to Thursday, 1 August 2019, both days inclusive and the Dividend, if declared shall be paid/dispatched on or after Friday, 2 August 2019.

Dividend paid for financial year 2017-18

Financial year ended	Date of declaration of dividend	Dividend (per equity share)	Amount inclusive of tax (in crores)	Unpaid/unclaimed dividend as on 31 March 2019	Last date for claiming unpaid / unclaimed dividend
31 March 2018	2 August 2018	₹ 1.50 (15%)	₹ 12.86	₹ 32,883	5 September 2025

F. Updation of Bank and PAN details

In compliance with terms of the SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20 April 2018 on strengthening the Guidelines and Raising Industry standards for RTA, Issuer Companies and Banker to an Issue, communications and reminders were sent by the Company to its Shareholders holding equity shares in physical form.

Permanent Account Number (PAN) and Bank Account details of all Shareholders holding equity shares of the Company in physical form are updated in the records of the Registrar and Share Transfer Agent of the Company.

Shareholders are requested to update any change in their Bank Account Number, including the correct 9 Digit MICR Code and 11 digit IFSC Code, e-mail ID and Mobile No(s).

Shareholders holding equity shares in physical form can update their Bank Account details by submitting a written request letter quoting their folio number 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 Agent of the Company at C-101, 1st Floor, 247 Park, L B S Marg, Vikhroli (West), Mumbai-400 083 or through e-mail on rnt.helpdesk@linkintime.co.in

Shareholders holding equity shares in dematerialised form are requested to update their Bank Account details with their respective Depository Participant in case of any change in their Bank Account details.

G. 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 2018-19 and 2019-20.

H. Stock Code/Symbol/ISIN

Name of Stock Exchange	BSE Limited ("BSE")	National Stock Exchange of India Limited ("NSE")
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 listed	Equity Shares	
ISIN	INE766P01016	

I. Market price data

The monthly high and low stock quotations of the equity shares of the Company on BSE and NSE during the financial year from 1 April 2018 to 31 March 2019 was as under:

(₹ in INR)

Month and Year	NSE		BSE	
	High	Low	High	Low
April 2018	509.00	475.10	505.65	476.00
May 2018	607.20	483.05	606.90	484.15
June 2018	654.00	540.00	652.95	535.00
July 2018	625.00	549.15	623.95	540.00
August 2018	617.00	550.55	615.60	550.50
September 2018	606.25	510.80	604.50	512.00
October 2018	570.00	504.95	570.00	499.70
November 2018	560.00	500.25	554.50	502.00
December 2018	540.00	498.10	536.85	500.10
January 2019	544.40	475.00	540.00	476.90
February 2019	497.65	418.15	493.25	418.80
March 2019	530.00	430.50	527.00	439.15

J. Stock Performance

The performance of your Company's equity shares relative to BSE Sensex and NSE Nifty for the financial year 2018-19 is given below:





K. Registrar and Share Transfer Agent

The Company has appointed Link Intime India Private Limited, as its Registrar and Transfer Agent (SEBI Registration No.: INR000004058). Address and contact details of Link Intime India Private Limited are given in the section below.

L. Share transfer system

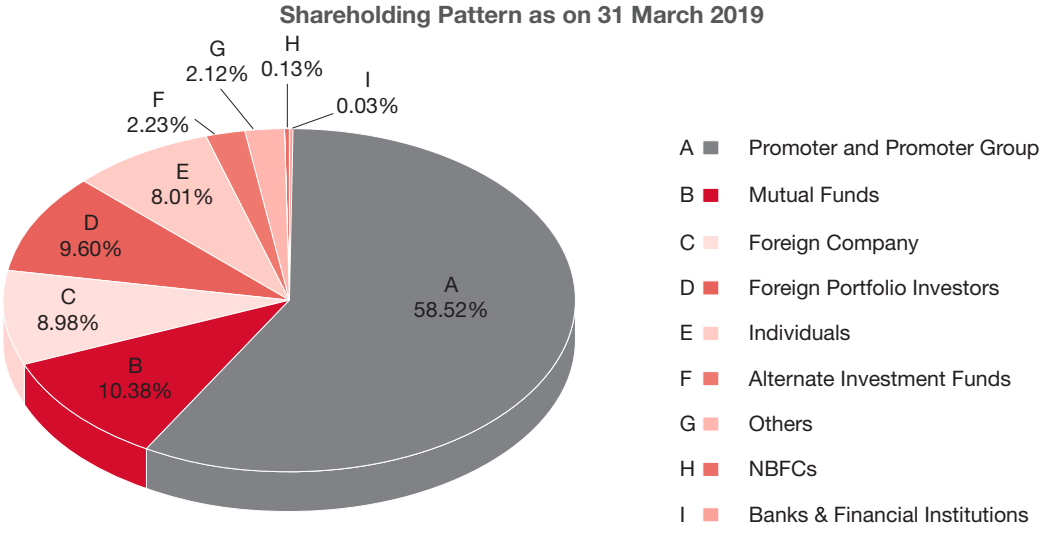
Trading in equity shares of the Company through recognized Stock Exchanges is permitted in dematerialized form. Equity shares sent for transfer in physical form, if any, are registered and returned within a period of fifteen days from the date of receipt of requisite documents, provided the documents 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.

M. Distribution of Shareholding as of 31 March 2019

Shares range	Number of Shareholders	Number of equity shares held	% of Shareholding
1 to 500	53,077	2,491,599	3.49
501 to 1000	484	347,221	0.49
1001 to 2000	195	280,839	0.39
2001 to 3000	68	170,412	0.24
3001 to 4000	51	180,469	0.25
4001 to 5000	29	136,101	0.19
5001 to 10000	51	363,699	0.51
10001 and above	131	67,477,344	94.44
Total	**54,086**	**71,447,684**	**100.00**

N. Shareholding Pattern as on 31 March 2019



O. Dematerialisation of shares and liquidity

The Company's equity shares are traded in the electronic form. The market lot of your Company is one Share and the stock is liquid.

Distribution of shareholding in physical and dematerialized form as of 31 March 2019 is as under:

Category	No. of Shareholders	No. of equity shares held	% Shareholding
Dematerialized Form	54,085	71,447,677	99.9999
Physical Form	1	7	0.00001
Total	**54,086**	**71,447,684**	**100.00**

The Company has connectivity with both National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") for dematerialization of equity shares.

Transfer of Shares in Demat form only

As per SEBI norms, with effect from 1 April 2019, transmission or transposition requests for transfer of securities shall only be processed in physical form. All other transfers shall be processed in dematerialised form only.

Post Listing of the Company's equity shares on 10 November 2017, on BSE and NSE, the Company had 8 shareholders holding 92,043 equity shares in physical mode. The Company had sent letters to its physical shareholders with two reminders for dematerializing their shareholding.

As on 31 March 2019, the Company has achieved 99.9999% dematerialization of its equity shares. Only 7 equity shares are held in physical form as on the date of this report.

Shareholders who continue to hold equity shares of the Company in physical form are requested to dematerialise their shareholding to avail of numerous benefits of dematerialisation, which include easy liquidity, ease of trading and transfer, and elimination of any possibility of loss of documents and bad deliveries. The procedure for dematerialisation has been published on the Company's website and can be accessed on the weblink: https://www.mahindralogistics.com/media//pdf_files/Demat-Procedure.pdf

P. Reconciliation of Share Capital Audit Report

As mandated by SEBI, M/s. Parikh & Associates, Practicing Company Secretaries carry out a Reconciliation of Share Capital Audit to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the issued and listed capital of the Company. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges within prescribed timelines.

The audit report confirms that the total listed and paid up/ issued share capital as on 31 March 2019 is in agreement with the aggregate of the total number of shares in demat form (held by NSDL and CDSL) and in physical form.

Q. 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/ convertible instruments. There are no convertible instruments outstanding as on 31 March 2019.

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

The Company does not deal in commodities and has no foreign exchange or hedging exposures hence disclosures relating to risk management policy with respect to commodities, commodity price risks, foreign exchange risk and hedging thereof in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated 15 November 2018 is not applicable.

S. Details of utilization of funds raised

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations during the year under review.

T. Certificate from Company Secretary in Practice

M/s. Sandeep P Parekh & Co., Practicing Company Secretaries (Certificate of Practice No. 7693) have certified that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors, by the Board/Ministry of Corporate Affairs or any such statutory authority. The Certificate issued by Sandeep P Parekh & Co. is enclosed at the end of this report as **Annexure B.**

U. Recommendation of Committees

All recommendations / submissions made by various Committees of the Board during the financial year 2018-19 were accepted by the Board of the Company during the year under review.

V. Fees to Statutory Auditors

Details of fees for all services paid by the Company, on a consolidated basis, to Deloitte Haskins & Sells LLP, the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part, is as follows:

Type of Service	Financial year 2018-19 (₹ in crores)
Statutory Audit	0.16
Limited Review Audit	0.12
ESOP certifications and Other services	0.05
Out of Pocket Expenses	0.01
Total	**0.34**

None of the subsidiary companies have availed of any services from the statutory auditors of the Company during the financial year 2018-19.

W. Prevention of Sexual Harassment of Women at Workplace

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 ("POSH Act"). All women employees (permanent, contractual, temporary, trainees) as well as women who visit the premises of the Company for any purpose are covered under this Policy.

During the year under review and pursuant to Rule 8(5)(x) of the Companies (Accounts) Rules, 2014, your Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the POSH Act.

All employees, during their induction into the Company, are specifically made aware of the POSH Policy. Your Company also conducts various trainings and sensitization programs across all locations and verticals. During the year under review, your Company also launched an e-learning module on POSH to increase awareness amongst employees.

During the financial year 2018-19, the Company received four complaints with allegations of sexual harassment. Two complaints were resolved prior to 31 March 2019, and the remaining two complaints were resolved as on the date of this report. As on date of this report all complaints have been resolved.

X. Site locations

Details of office locations of the Company is provided hereunder:

Northern Region	
Gurugram I AIHP Tower (GF) I249 G, Udyog Vihar, Phase - 4 Gurugram, Haryana-122015	**Haridwar** Plot No 5, Sector 5, IIE SIDCUL, Haridwar-249403
Jaipur 1st Floor, Mahindra Towers, 24-26, Durga Vihar Colony, Tonk Road, Jaipur-302 018.	**Noida** Logix Techno Park, Tower B, Sector 127 Noida
Eastern Region	
Kolkata 7-KYD Street, 4th Floor Kolkata-700 016.	**Kolkata** 31, Chowringhee, 1st Floor, Kolkata-700 016
Patna J.J Complex, 3rd Floor, East Boring Canal Road, Patna-800 001	
Western Region	
Mumbai Old Excise Building, Opposite Cafe 4*4, Yellow gate, Kandivali-East, Mumbai-400 101	**Mumbai** Techniplex Complex Techniplex No 1, 2nd and 4th Floor, Techniplex No 2, 7th and 9th Floor, Goregaon West, Mumbai-400 062

Ahmedabad

Palladium,A1- 1101 to 1106,
Behind Divya Bhaskar Press,
Opp. Vodafone House,
Corporate Road,
Ahmedabad-380015

Igatpuri

Mauje Talegaon,
Tal-Igatpuri,
Dist: Nashik-422403

Pune

GAT/Survey Nos. 194-198/
Savardari,
Chakan Taluka-Khed,
Dist: Pune-410501.

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,
Hyderabad-500 082

Coimbatore

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

Y. Address for correspondence

Shareholders may correspond with the Company's Registrar and Share Transfer Agent viz. Link Intime India Private Limited or with the Company's Compliance Officer in respect of all share/dividend related matters, complaints, any other query relating to equity shares of the Company including change of address, change in bank details, lodgment of transfer deeds and any other documents etc. at the following address:

Link Intime India Private Limited

Unit: Mahindra Logistics Limited
C-101, 1st Floor, 247 Park,
L.B.S Marg, Vikhroli (West),
Mumbai-400 083
E-mail ID : rnt.helpdesk@linkintime.co.in
Tel No.: +91 22 4918 6000
Fax No.: +91 22 4918 6200
Website : https://linkintime.co.in

For all Shareholder related matters, the Company Secretary may also be contacted at:

Mahindra Logistics Limited

Company Secretary
Mahindra Towers,
P. K. Kurne Chowk,
Worli, Mumbai-400 018.
E-mail ID : cs.mll@mahindra.com
Tel No. : +91 22 2490 1441
Fax No. : +91 22 2871 5500
Website: http://www.mahindralogistics.com

Z. Credit Ratings

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 re-affirmed the ratings assigned to the facilities of the Company as given hereunder:

Ratings	Facility
[ICRA] AA (stable)	Long-term fund-based facilities of ₹ 50 crores
[ICRA]A1+	Short-term non-fund based facilities of ₹ 15 crores

As on 31 March 2019, there were no outstanding long term or short term loans availed by the Company.

The Company does not have any debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad.

VII. POLICIES

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. During the year under review, the Board of your Company effective 1 April 2019, amended the said Policy in line with Regulation 23 of the Amended Listing Regulations. The revised policy as approved by the Board is uploaded on the Company's website and can be accessed at the weblink:

https://www.mahindralogistics.com/media//pdf_files/RELATED-PARTY-TRANSACTION-POLICY.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 2018-19, 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 and pre-approved by the Audit Committee. Prior omnibus approval of the Audit Committee is obtained for transactions with related parties which are repetitive in nature.

Details of related party transactions of the Company during the year are given in note no. 34 of the Standalone Financial Statements of the Company for the year ended 31 March 2019.

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 as per Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 and other applicable provisions of the Act.

D. Prevention of Insider Trading

Code and Policies

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, as amended from time to time ("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.

During the year under review, in compliance with the amendments to the SEBI Insider Regulations, the Company adopted the following effective 1 April 2019:

i. A Policy and procedure for inquiry in case of leak/suspected leak of Unpublished Price Sensitive Information;

ii. Policy for determination of "Legitimate Purpose" as part of the Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information;

The updated Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information is published on the website of the Company: http://www.mahindralogistics.com/investor/governance

Compliance Officer

Mr. Yogesh Patel, 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.

Awareness and Training on Prevention of Insider Trading

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 applicability, reporting and other provisions of the Company's Insider Trading Code, UPSI Leakage Policy and the SEBI Insider Regulations which included dissemination of compliances to be followed, frequently asked questions, do's and don'ts, educative e-mail series, SMSs, inductions, trainings 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 victimization of Employees, Directors and other stakeholders of the Company to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Codes and Policies, instances of leak/suspected leak of Unpublished Price Sensitive Information etc. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes a provision to provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.

During the year under review, the Whistle Blower Policy of the Company was amended to incorporate the provisions of the amended SEBI Insider Regulations effective 1 April 2019.

This policy is in addition to the Codes, Policies and structure of Corporate Governance adopted by the Company.

The Whistleblower Policy of the Company as amended is available on the website of the Company and can be accessed at the web link: https://www.mahindralogistics.com/media//pdf_files/Whistle-Blower-Policy.pdf

The Whistleblower Policy provides for protected disclosure and protection to the Whistleblower. All Employees, Directors, vendors, suppliers or other stakeholders associated with the Company can make the Protected Disclosure through an e-mail to mll.vigil@mahindralogistics.com or through such other mechanism as prescribed in the Whistleblower Policy.

During the year under review, none of the Whistle Blowers were denied access to the Chairperson of Audit Committee of the Board.

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

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 with summary of key decisions taken, review of loans and advances to subsidiary companies 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.

Policy for determining Material Subsidiaries

Your Company has formulated a Policy for determining Material Subsidiaries as defined in Regulation 16 of the Listing Regulations. During the year under review, the Board of your Company revised its Policy for determining Material Subsidiaries in terms with the provisions of the Amended Listing Regulations. The revised Policy as approved by the Board is uploaded on the Company's website and can be accessed at the weblink:

https://www.mahindralogistics.com/media//pdf_files/MATERIAL-SUBSIDIARY-POLICY.pdf

Material Subsidiaries

In terms of the criteria laid down in the Policy and the Listing Regulations, the Company does not have any Material Subsidiaries as on the date of this report.

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.

Compliance certificate from M/s. Sandeep P Parekh & Co, Practicing Company Secretaries confirming compliance with the conditions of Corporate Governance for the year ended 31 March 2019 in terms of Schedule V (E) of the Listing Regulations is annexed to this report as **Annexure C.**

Compliance Status of mandatory Corporate Governance Requirements as on 31 March 2019 with weblink for policies is given hereunder:

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Criteria of Independence	16(1)(b) & 25(6)	Yes
Board of Directors	17	Yes
Audit Committee	18	Yes
Nomination and Remuneration committee	19	Yes
Stakeholders' Relationship Committee	20	Yes
Risk Management Committee	21	NA
Vigil Mechanism	22	Yes
Related Party Transactions	23	Yes
Corporate governance requirements with respect to subsidiary of the listed entity	24	Yes
Obligations with respect to Independent Directors	25	Yes
Obligations of employees, senior management, KMP, Directors and Promoters	26	Yes
Other Corporate Governance requirements	27	Yes
Website		
Details of Business	46(2)(a)	Yes
Terms and conditions of appointment of Independent Directors	46(2)(b)	Yes
Composition of various Committees of Board of Directors	46(2)(c)	Yes
Code of conduct of Board of Directors and senior management personnel	46(2)(d)	Yes
Details of establishment of Vigil Mechanism/Whistle Blower Policy **Weblink:** https://www.mahindralogistics.com/media//pdf_files/Whistle-Blower-Policy.pdf	46(2)(e)	Yes

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Criteria of making payments to Non-Executive Directors **Weblink:** https://www.mahindralogistics.com/media//pdf_files/Nomination-Remuneration-Policy.pdf	46(2)(f)	Yes
Policy on dealing with Related Party Transactions **Weblink:** https://www.mahindralogistics.com/media//pdf_files/RELATED-PARTY-TRANSACTION-POLICY.pdf	46(2)(g)	Yes
Policy for determining 'material' subsidiaries **Weblink:** https://www.mahindralogistics.com/media//pdf_files/MATERIAL-SUBSIDIARY-POLICY.pdf	46(2)(h)	Yes
Details of familiarization programmes imparted to Independent Directors **Weblink:** https://www.mahindralogistics.com/media//pdf_files/Familiarization-Program-FY-2018-19.pdf	46(2)(i)	Yes
Email address for grievance redressal and other relevant details	46(2)(j)	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances **Weblink:** https://www.mahindralogistics.com/investor/governance	46(2)(k)	Yes
Financial information	46(2)(l)	Yes
Shareholding Pattern	46(2)(m)	Yes
Details of agreements entered into with the media companies and/or their associates	46(2)(n)	NA
Schedule of analyst or institutional investor meet	46(2)(o)	Yes
New name and the old name of the listed entity	46(2)(p)	NA
Items in sub-regulation (1) of Regulation 47	46(2)(q)	Yes
Credit Ratings	46(2)(r)	Yes

2. Compliance with Non-mandatory requirements

The status of compliance with non-mandatory discretionary 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 on your Company's standalone and consolidated financial statements. Your Company continues to adopt best practice 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 Chief Executive Officer of the Company. They are not related to each other.

3. Details of non-compliance

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.

4. Management Discussion and Analysis

As required under Regulation 34(3)(e) read with Schedule V Part B of the Listing Regulations, the Management Discussion and Analysis, giving prescribed details, is given as a separate section and forms part of this Annual Report.

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

The Company does not have any equity shares lying in the demat suspense account/unclaimed suspense account of the Company as on 31 March 2019. Hence disclosures required under Part F of Schedule V of the Listing Regulations is not applicable.

Mumbai, 7 May 2019.

Annexure A

DECLARATION ON CODE 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 Code of Conduct laid down and adopted by the Company in this regard, during the year ended 31 March 2019.

Pirojshaw Sarkari
Chief Executive Officer

Mumbai, 7 May 2019

Annexure B

CERTIFICATE OF NON-DISQUALIFICATION OF DIRCETORS

[Pursuant to Regulation 34(3) and Schedule V Part C(10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
MAHINDRA LOGISTICS LIMITED
CIN: L63000MH2007PLC173466
Mahindra Towers, P.K. Kurne Chowk, Worli,
Mumbai, Maharashtra 400018, India.

We have examined the relevant records, information, forms, and disclosures received from the Directors of **MAHINDRA LOGISTICS LIMITED** (hereinafter called the "the Company"), as may be relevant for the purpose of this certificate, which has been relied upon to make this certification, for the year ended 31st March, 2019. In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), we hereby certify pursuant to Schedule V Part C(10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, that none of the Directors on the Board of the Company as on 31 March 2019 (list annexed), have been debarred or disqualified from being appointed or continuing as the Directors of Companies by the Board/Ministry of Corporate Affairs or any such other statutory authority.

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

Sd/-
Sandeep P. Parekh
FCS No: 7118, CP No: 7693

Place: Navi Mumbai
Date: 7 May 2019

Annexure C

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
MAHINDRA LOGISTICS LIMITED
CIN: L63000MH2007PLC173466
Mahindra Towers, P.K. Kurne Chowk Worli,
Mumbai, Maharashtra 400018, India.

We have examined the compliance of the conditions of Corporate Governance by **MAHINDRA LOGISTICS LIMITED** (hereinafter called the "Company") for the year ended on 31st March, 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to examining of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on our examination of the relevant records and according to the information and explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid Regulations of the SEBI Listing Regulations for the financial year ended on 31st March, 2019.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Sd/-
Sandeep P. Parekh
FCS No: 7118, CP No: 7693

Place: Navi Mumbai
Date: 7 May 2019

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 "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** : 2018-19
7. **Sector(s) that the Company is engaged in (industrial activity code-wise)** :
   1. Supply Chain Management – 4912, 4923, 5120, 5210.
   2. People Transport Solutions – 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 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 16 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)** : 71.44 (as on 31 March 2019)
2. **Total Turnover (INR in crore)** : 3,672.78* (as on 31 March 2019)
3. **Total profit after taxes (INR in crore)** : 84.44* (as on 31 March 2019)
4. **Total Spending on Corporate Social Responsibility (CSR) in INR and as percentage of profit after tax (%)** : ₹ 1.54 Crores* (representing 1.84% of Profit after Tax)

   **on standalone basis*
5. **List of activities in which expenditure in 4 above has been incurred** :
   a. Providing primary education to underprivilege girl children in India by contributing to Project 'Nanhi Kali'.
   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. A holistic Driver Welfare program for improving the working conditions, health & safety and imparting skills based & safety trainings.
   d. Social interventions through Employee volunteering in the areas of education, health and environment.
   e. Disaster Relief.

Section C: Other Details

Does the Company have any Subsidiary Company/ Companies?	:	Yes. The Company has two subsidiaries as on 31 March 2019. 1. Lords Freight (India) Private Limited. 2. 2x2 Logistics 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 participate in some of the BR initiatives of the Company.
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. During the course of their association with the Company, the necessary support and awareness is provided to enable them to understand the advantages of BR and adopt sustainable practices. Currently, the percentage of such suppliers is less than 30%.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a. Details of Director/Directors responsible 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 2879 5201
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), in compliance with Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (" the Listing Regulations") and the 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, wherever 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:

The BR related performance is reviewed by the Board of Directors and the Corporate Social Responsibility Committee of the Board annually. The Chief Executive Officer of the Company assesses the BR performance with the BR head on a periodical 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?

The Company is aligned to the Sustainability Agenda of the Mahindra Group and has been reporting its Sustainability performance as a part of the GRI Report published by Mahindra & Mahindra Limited, Holding Company. The last Sustainability report can be viewed at https://www.mahindra.com/resources/pdf/sustainability/Mahindra-Report-2015-16.pdf

The Company has initiated steps and plans to publish its own standalone GRI Report in the next financial year.

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 is aligned to the Code of Conduct of its parent Company, Mahindra & Mahindra Limited, which defines a governance structure and promotes the principles of ethics, transparency & good governance within the organization and with the external stakeholders. The Company and each of its subsidiaries have defined a 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. Affirmation on compliance with the Code of Conduct is taken from the Board and the Senior Management on an annual basis. Separate policies are in place for all dealings with Business Partners and Customers.

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.

No complaints were received from any stakeholder for issues related to Principle 1.

The Company has in place different mechanisms for receiving and dealing with complaints from various stakeholders like investors, customers, employees, suppliers etc.

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):

The Company has adopted an 'asset light' business model whereby most transportation and logistics services are offered, by deploying the assets of independent fleet owners, driver-cum-owners and warehouse owners, who are our key Business Partners.

Additionally, the Company also continues to take 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 in a phased manner, where possible and progressive shift to rail transport from road transport.
- Warehouse Management Services - Reduced the energy consumption by 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.
  - Under each of the Service vertical's mentioned above initiatives for resource efficiencies have been initiated for the Company's own operations as well as the operations of our Business Partners starting from training and awareness programs, for enhancing fuel efficiencies through improved driving skills, reverse load sharing, shifting to alternative fuels, etc.

– For the Goods Transport Services, which has the largest share of business of the Company, a Business Partners Management Cell has been set up, to help them to understand the advantages of business responsibility and adopt sustainable practices.

– The Company is in the process of baselining the GHG emission intensity across the various services and the baselines for transportation services in the identified sectors is planned to be completed by the next financial year.

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 in the service business, the major suppliers for the Company are fleet operators and contractors for providing various administrative and other services. All these Business Partners are screened based on the Company's Policy on 'Dealing with Suppliers/Vendors' which covers high quality service standards, compliance with EHS standards/ regulations, as well as labor, employee and human rights related regulations. In addition to this, majority of sourcing of work force is from local areas. 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 follows an inclusive approach across all its business verticals, and as a policy, deploys local and small service providers in its operations to the maximum extent possible, in the following manner:

Under the Goods Transport Services and People Transport Solutions – Deployment of drivers and driver-cum-owners is done from local communities/rural areas. All drivers are provided road safety trainings backed by regular health programs and awareness on HIV. This has been further elaborated under Principle 8.

For the Warehouse Management Services - Deployment of employees in warehouse/line feed operations, is done from the local communities that are close to the site of operations.

As on 31 March 2019, the percentage of local employment of operating workforce, in the form of contract labour in Warehouse Management Services and drivers for People Transport Solutions is more than 75%.

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.

The Company does not own a majority of the assets deployed in our business, being an asset light 3PL business. We have however, initiated various projects for recycling of wastes which include the following:

- End to end management and transportation of unsold stocks of goods, to certified recyclers and authorized players who convert it into useable objects in an environment friendly way.
- Recycling of packaging waste;

In addition to the above, the Company conducts awareness programs for its Business Partners on waste recycling and resource conservation to help in preventing environmental pollution as well as cost savings on account of these initiatives.

The percentage of products recycled is under 5%.

Principle 3: Businesses should provide wellbeing of employees

Please indicate the

1.	Total number of employees	: 17840*
2.	Total number of employees hired on temporary/third party contractual/casual basis	: 12734**
3.	Number of permanent women employees	: 294***
4.	Number of permanent employees with disabilities	: 1
5.	Do you have an employee association that is recognized by management?	: Yes#
6.	What percentage of your permanent employees is members of this recognized employee association?	: 5.43%

* Includes employees on Company payroll, Fixed Term Contract ("FTC") and third-party contract payrolls;

** All third party contractual employees;

*** includes FTC women employees;

51.7% FTC employees have formed recognised employee associations at three locations.

Financial year 2018-19 continued to witness a positive employee relations scenario across the organization. This was possible due to our proactive approach of engaging all employees, including FTC and contract employees through several initiatives under the Sanjeevani banner.

Some of the initiatives conducted under Sanjeevani include:

- "Samvaad", an employee connect program;
- Talent Development framework for ensuring functional and leadership capability 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 Employee State Insurance and Provident Fund benefits;
- Health and wellness initiatives through Swayam, the platform for physical and emotional well-being and Health camps.

During the year, the Company focused on driving engagement and building functional capability through the launch of the AXLERATE programme, and also conducted a wide variety of leadership capability programmes like iCoach, Disha, Sandhaan, Leadership Acceleration Programme, Unnati and a host of other programmes.

For the contractual workers, the Company has focused on providing technical training under the Pradhan Mantri Kaushal Vikas Yojna (PMKVY), communication skills, MS Excel and inter-personal skills.

Customized engagement surveys viz. a) MCARES for employees; and b) engagement survey for FTC and contract workmen, have been administered and based on the findings of the survey, various strategic interventions are rolled out and the impact of these interventions are measured. The engagement scores coming out of these surveys have seen consistent improvement in the last few years because of collaborative efforts through action planning, leadership development and running Organization Development interventions.

The Company has gone from strength to strength in implementing its five-year Diversity and Inclusion ("D&I") road map wherein it has provided career opportunities to women officers from the armed forces and launched its Second Career Programme (Udaan) for women associates who have taken a break in their career for various reasons including maternity, elder care, child care etc. The Company has also coached women associates via internal coaches certified under the Coach programme.

Over 950 employees have been part of D&I Sensitization sessions and all employees have undergone Prevention of Sexual Harassment ("POSH") orientation, through various media programs. An e-learning module on POSH has also been launched to increase coverage and for spreading awareness.

To strengthen the ability of women employees to manage motherhood and their career parallelly, a 'Birth & Beyond' Program has been conceptualized which encompasses the creation of a conducive work environment for women employees throughout the maternity continuum – pre-maternity, maternity & post maternity (early motherhood), by giving them flexibility in work schedules and workloads.

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.

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 2018-19	No. of complaints pending as on end of the financial year 2018-19
1.	Child labor/forced labor/ involuntary labor	0	0
2.	Sexual harassment	4	2*
3.	Discriminatory employment	0	0

* Resolved and closed as on the date of this report

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees : 98%
(b) Permanent Women Employees : 100%
(c) Casual/Temporary/Contractual Employees : 77%
(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, 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 avenues to be meaningfully engaged with the communities through structured projects for improving their livelihood through education, skills based training as well as Health and Human Rights awareness programs. The main initiatives taken include the following:

- Project Samantar to address issues related to the Driver community with a focus on improving their health & safety, children's education as well as aspects that would enhance their pride in the profession and thereby their self-esteem;

- Adoption of villages with interventions based on need assessments under "Gram Vikas" program to provide holistic support and solutions to help them improve their standard of living. The Company has currently adopted Tembha village and conducts various initiatives viz. health/education support, scholarships, tree plantations drives, women's empowerment programs, drinking water supplies etc.;
- Contribution to Nanhi Kali for girl-child education;
- Contribution to Kerala Flood Relief to cater to the needy people by way of providing relief material and volunteering efforts by employees;
- Enhancing competencies of youth through the Pradhan Mantri Kaushal Vikas Yojna (PMKVY) – the Company has trained more than 12,000 drivers in the financial year 2018-19
- Environmental & social interventions under Employee Social Options Program covering identified marginalized and vulnerable communities pan-India, which include assistance to orphanages/old age homes, tribal school children, tree plantation, Swachh Bharat Abhiyan and blood donation camps.

Details of each program has been elaborated under Principle 8.

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?**

   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 2018-19 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 Logistics Industry, the Company is conscious of its responsibility towards the environment. Resource efficiency and GHG Emission reduction, are key objectives which are integrated into the Company's Enterprise Risk Management Framework.

   The key initiatives launched to address global environment issues affecting climate change and global warming are:

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

   Warehouse Management Services – Reduced energy consumption by 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 vehicle and deployment of alternative fuel vehicles like CNG and electric vehicles in a phased manner, where possible.

   Under each of the Service verticals mentioned above initiatives for resource efficiencies have been initiated for the Company's operations as well as the operations of our Business Partners starting from training and awareness programs, for enhancing fuel efficiencies through improved driving skills, reverse load sharing, shifting to alternative fuels, etc.

   - For the Goods Transport Services, which has a largest share of business of the Company, a Business Partners Management Cell has been set up, to help them to understand the advantages of business responsibility and adopt sustainable practices.
   - The Company is in the process of baselining the GHG emission intensity across the various services and the baselines for transportation services in the identified sectors is planned to be completed by next financial year.

   The Company is aligned to the Sustainability Agenda of the Mahindra Group and has been reporting its Sustainability performance as a part of the GRI Report published by Mahindra & Mahindra Limited, Holding Company. The last report can be viewed at:

   https://www.mahindra.com/resources/pdf/sustainability/Mahindra-Report-2015-16.pdf

The Company has initiated steps and plans to publish its own standalone GRI Report by next financial year.

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Yes.

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?**

   The Company does not have any CDM project at present.

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.**

   Energy efficiency and emission reduction remain a focus area for the Company. In view of the size and the complexity of the logistics business, a comprehensive Digitization program has been put in place for efficient capture and management of operational data with a focus on energy efficiency. This program will also help in efficient capture and management of operational data with focus on real time information flow, load & route optimization, reduction in dry runs and optimum utilization of assets. This initiative will also improve customer service and employee efficiency.

   The Company has taken a comprehensive approach to encourage energy efficiency in its operations starting with continuous awareness amongst employees, explaining the environment related challenges in business and solutions. At the operating level various processes were put in place.

   Besides this, the following specific initiatives have been taken across the service verticals of the Company:

   Goods Transportation Services:

   - A beginning has been made for tracking and monitoring GHG emissions in some segments of this business vertical e.g. Outbound logistics which will be progressively extended to other segments as well.
   - Progressive shift to CNG vehicles. The Number of trips in CNG vehicles increased by over 200% as compared to the previous year.
   - Shift in the mode of transport from Road to Rail Transport.
   - The Business Partners Management cell has also initiated training and awareness programs, on the advantages and mechanisms for enhancing fuel efficiencies through improved driving skills, reverse load sharing, reverse logistics, shifting to alternative fuels, transition from road to rail transport etc.
   - Initiating collaborative projects for creating 'accident free zones in certain sectors. It is proposed to progressively increase the number and type of engagements depending upon the changes in the business externalities.

   Warehouse Management Services: Besides implementing energy efficient measures like shifting to LED lighting, infrastructure design to facilitate natural lighting and ventilation in certain facilities, various collaborative efforts have been initiated in water management, installation of Solar panels etc.

   People Transport Solutions: Fuel efficiency through trainings to Drivers-cum-Owners, replacement of old vehicles with new vehicles, reduction of dry runs for vehicles by cross utilization across customer sites, increase in capacity utilization of vehicles by effective route & vehicle optimization and deployment of alternative fuel vehicles like CNG and electric vehicles in a phased manner, where possible.

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, 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 advocated for Infrastructure status for the Logistics Industry and is actively contributing to formulation of Logistics policy for the country.

Principle 8: Businesses should support inclusive growth and 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. The Company has specified programs for inclusive growth and equitable development, which is part of the BR policy. Our programs cover education, health and livelihood enhancement of youth, girl child, and development of rural communities with a focus on improving the quality of life for the driver community. The major initiatives undertaken by the Company during FY 2018-19 are as under:

A. Contribution to the 'Nanhi Kali' project, an initiative of the K.C. Mahindra Education Trust: Nanhi Kali aims to ensure that every girl child in India has access to education. The Company supports this noble initiative of providing primary education to the underprivileged girl child. The Company commits 50% of its CSR budget every year towards Nanhi Kali project. During the year 2018-19, over 2300 girls were supported, as against 1776 girls supported in the previous year. 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.

B. Project Samantar: The Company's flagship program is designed to address the basic needs of the Driver community e.g. working conditions, health & safety, enhanced capabilities etc. The initiatives under this program are designed based on the results of a need assessment by field experts and NGOs. The programs conducted under this project are as under:

1. Providing basic end-route facilities, such as restrooms, sanitation, drinking water, medical checkups etc.
2. Awareness programs to all employees and security personnel to treat drivers with respect at the time of their entry to exit from operating sites, and thereby show respect and enhance their dignity. Regular interactions with Drivers, their families and senior management are arranged and scholarships are awarded to their children. In the year 2018-19, scholarships amounting to ₹ 10.5 Lakhs were awarded to 151 children.
3. Training in safety, and skills development by way of:
   i. Awareness campaigns for importance of wearing seat belts, following road signages, personal hygiene, etc.
   ii. Defensive Driving, Vehicle maintenance, Mobile friendliness, etc.
4. A certification program under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) was flagged off targeting 10,000 drivers in the year 2018-19. The focus was mainly on improving driving skills of the youth. During the year over 12,000 drivers were covered under this program, surpassing the self-assumed target of 10,000 drivers.
5. During the year 2018-19, over 450 initiatives were undertaken and more than 61,000 drivers were covered under Project Samantar.

C. Gram Vikas:

Gram Vikas is a Village adoption program with holistic interventions over a period of 3 years, to spur economic, infrastructure, human and sustainable equitable development. The program covers aspects of health & sanitation, malnutrition, education, youth development, women's empowerment, support to the farmer community and infrastructure development. The village has been chosen on basis of 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.

After a need assessment, one village is chosen for adoption for a 3-year period. The Aware village in Maharashtra's Thane district, was the first to be adopted in 2013. After the successful adoption of Aware village, the Company adopted Tembha village, in Shahapur block, Thane District in 2017-18.

During the year 2018-19, the Company conducted various developmental activities at Tembha village including the following:

- Water supply project, in water-stressed hamlets. Out of 10 hamlets identified, problems in 2 hamlets have been addressed.
- Renovation and comprehensive support for schools and Anganwadies, in the village.
- Hunger and malnutrition, programs like distribution of food grains & groceries, healthcare/sanitation awareness, eye check-up camps, dental check-up camps etc.
- Specific programs to address women's empowerment through skills training.

D. Employee Social Option Program ("ESOPs")

Under ESOPs, a Mahindra employee volunteering program, employees participated in projects pertaining to health camps for communities, tree plantations, blood donation, HIV awareness for drivers and the Swachh Bharat Abhiyan.

In October 2018, the "Zero Accident Project" was inaugurated with the vision to reduce the fatality rate, on the Nashik-Bhiwandi Expressway. Under this program, activities pertaining to road safety awareness were imparted in schools, colleges, community organizations, dhabas etc. and en-route emergency rescuing network was set up.

This initiative resulted in some quick positive outcomes and between Januarys to March 2019, the fatality rate reduced to 2 as compared to the fatality rate of 2.6 during January to September 2018.

In 2018-19, over 7,500 employees participated in the ESOP program, contributing to over 43,000 employee hours, as against participation of over 5,000 employees and over 30,000 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.

3. Have you done any impact assessment of your initiative?

Impact assessments are done after completion of rural development project and after every three years for Driver's Welfare Programs. Last such assessments were carried out in 2017-18, for the Aware village adoption project under the Gram Vikas program and the Driver's Welfare Program under Samantar, by The College of Social Work, Nirmala Niketan. The suggestions and recommendation were adopted and practiced in new village, Tembha as well as driver's welfare activities during the year 2018-19. For the "Nanhi Kali" project 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 2018-19, to community development projects amounts to ₹ 1.54 crores, as given hereunder:

Project	Amount (₹ in crores)
Nanhi Kali	0.77
Project Samantar - Driver welfare programs & Gyandeep	0.34
Gram Vikas - Village adoption	0.42
ESOPs - Employee Volunteerism	0.01
Total	**1.54**

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.

The Company has decided to evaluate the adoption of community development initiatives every three years after completion of project. An independent verification of all programs in Aware village was also carried out by an external agency in financial year 2018-19.

All reports 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 2018-19 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	370	370	—	—
People Transport Solutions	74	74	—	—
Total	**444**	**444**	**—**	**—**

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 a Customer Survey – 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.

The CaPS for the year 2019 increased to 38 from a CaPS of 16 in the previous year.

In addition to the above, the Company has initiated another customer survey by an external agency from the financial year 18-19 onwards. This is a detailed survey to understand the voice of customer on rational measures and emotional measures. It covers different aspects such as Service Delivery, Customer Engagement, Sales process, Billing process, Problem Occurrence & Resolution etc.

Mahindra LOGISTICS

Independent Auditor's Report

To The Members of Mahindra Logistics Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Mahindra Logistics Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter		Auditor's Response
1	**Completeness of revenue recognised for Supply Chain Management:** The Company engages external fleet owners for providing onward transportation services to the customers. The Company recognises 'Revenue' from rendering of services and the related liability towards its vendors only upon receipt of customer acknowledged proof of completion of services. Whilst the Company is able to track the physical trips/consignments and location of each shipment using GPS and softwares, the details of each shipment showing inter-alia its start date, delivery date, date of receiving the proof of delivery (POD) and date of recording revenue is recorded (and updated) manually of excel spreadsheets (Trip Sheet data). Entries for such revenues are manually recorded in SAP.		We have performed following procedures: ➢ We have tested the design and implementation of internal controls over judgements exercised over the following as well as their operating effectiveness: a. Determination of performance obligations, transaction price and the allocation thereof. b. Controls over the determination of the estimates used as well as their operating effectiveness.

Sr. No.	Key Audit Matter		Auditor's Response
	Management ensures satisfaction of the performance obligation at the reporting date and completeness and accuracy of data entered in the 'Trip Sheet', which is the basis of recording of costs and related revenues. Since the management ensures accuracy and completeness of performance obligations manually, recognition of revenue related to Supply Chain business is considered a key audit matter. (Refer Note 21)		• We have tested the relevant controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. • We have tested relevant controls related to recognition of revenue, to ensure that accrual of revenue is made for each completed service. • We obtained, on sample basis, direct confirmations from Vendors and Customers for outstanding balances. We have tested samples of direct costs to ensure that all expenses have corresponding revenue by verifying the trip sheets / proof of deliveries.

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's Speech, Board's Report, Financial Highlights, Business Highlights, Corporate Information, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report, but does not include the standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

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

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

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

f) With respect to the adequacy of the internal financial controls 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 the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone 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)

Place: MUMBAI
Date: May 07, 2019

Mahindra LOGISTICS

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 to the Members of Mahindra Logistics Limited 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, 2019 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 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 Company's internal financial controls over financial reporting of the Company 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, 2019, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Kedar Raje
Partner
(Membership No. 102637)

Place: MUMBAI
Date: May 07, 2019

Mahindra LOGISTICS

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) According to the information and explanations given to us, the Company has granted 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, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(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, Goods and Service Tax and other material statutory dues as applicable to it with the appropriate authorities.

b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax Act and other material statutory dues in arrears as at 31st March, 2019, for a period of more than six months from the date they became payable.

c. As at March 31, 2019, 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)	2010-11	0.08
Service Tax Laws	Service Tax	High Court	2001-02	0.46
Service Tax Laws	Service Tax	High Court	2002-03	0.33
Service Tax Laws	Service Tax	Commissioner Customs, Central Excise and Service Tax, Nagpur	2008-09	0.96
Service Tax Laws	Service Tax	Commissioner Customs, Central Excise and Service Tax, Nagpur	2009-10	1.90
Bihar Value Added Tax Act	Value Added Tax	Joint Commissioner – Commercial Tax	2013-14	0.02

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of Initial public offer or further public offer (including debt instruments) or term loans 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)

Place: MUMBAI
Date: May 07, 2019

Mahindra LOGISTICS

Standalone Balance Sheet as at 31st March, 2019

₹ in Crores

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
I. NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	**42.75**	30.09
(b) Capital Work-in-Progress		**2.59**	0.55
(c) Intangible Assets	5	**0.87**	0.99
(d) Financial Assets			
(i) Investments	6	**21.41**	12.96
(ii) Trade Receivables	7	**6.82**	—
(iii) Other Financial Assets	9	**18.43**	14.21
(e) Deferred Tax Assets (Net)	10	**17.75**	13.05
(f) Income Tax Assets (Net)	13	**70.30**	81.46
(g) Other Assets	11	**22.40**	19.91
SUB-TOTAL		**203.32**	173.22
II. CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	6	**77.52**	50.05
(ii) Trade Receivables	7	**594.67**	487.68
(iii) Cash and Cash Equivalents	12	**54.84**	65.36
(iv) Bank Balances other than (iii) above	12	**15.00**	—
(v) Loans	8	**15.00**	—
(vi) Other Financial Assets	9	**109.26**	82.43
(b) Other Assets	11	**49.53**	51.62
SUB-TOTAL		**915.82**	737.14
III. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	14	**1.91**	1.91
TOTAL ASSETS		**1,121.05**	912.27
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	15	**71.45**	71.14
(b) Other Equity	16	**427.39**	347.76
SUB-TOTAL		**498.84**	418.90
LIABILITIES			
I. NON-CURRENT LIABILITIES			
Provisions	19	**15.66**	14.33
SUB-TOTAL		**15.66**	14.33
II. CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables			
a) Due to Micro and Small Enterprises	17	**5.23**	—
b) Other than Micro and Small Enterprises	17	**568.38**	455.89
(ii) Other Financial Liabilities	18	**6.11**	4.65
(b) Provisions	19	**3.74**	3.00
(c) Other Liabilities	20	**23.09**	15.50
SUB-TOTAL		**606.55**	479.04
TOTAL EQUITY AND LIABILITIES		**1,121.05**	912.27

The accompanying notes 1 to 36 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: 7th May, 2019

For and on behalf of the Board of Directors

Mahindra Logistics Limited

Zhooben Bhiwandiwala
Chairman
DIN:00110373

Yogesh Patel
Chief Financial Officer

Pirojshaw Sarkari
Chief Executive Officer

Brijbala Batwal
Company Secretary

Standalone Statement of Profit and Loss for the year ended 31st March, 2019

₹ in Crores

Particulars	Note No.	Year ended 31st March, 2019	Year ended 31st March, 2018
INCOME			
I. Revenue from Operations	21	**3,665.51**	3,220.11
II. Other Income	22	**7.27**	4.73
III. Total Income (I + II)		**3,672.78**	3,224.84
IV. EXPENSES			
(a) Operating Expenses	23	**3,219.99**	2,835.32
(b) Employee benefits expense	24	**250.59**	219.04
(c) Finance costs	25	**0.16**	0.31
(d) Depreciation and amortisation expense	4&5	**14.69**	12.85
(e) Other expenses	26	**57.03**	59.92
Total Expenses		**3,542.46**	3,127.44
V. Profit before tax (III - IV)		**130.32**	97.40
VI. Tax Expense			
(1) Current tax	27	**50.58**	36.74
(2) Deferred tax	27	**(4.70)**	(1.53)
Total Tax Expense		**45.88**	35.21
VII. Profit After Tax (V - VI)		**84.44**	62.19
VIII. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans		**0.10**	(0.16)
(ii) Income tax relating to items that will not be reclassified to profit or loss		**(0.03)**	0.05
Total Other Comprehensive Income		**0.07**	(0.11)
IX. Total comprehensive income for the year (VII + VIII)		**84.51**	62.08
X. Earnings per equity share (Face Value ₹ 10/- per share)			
(1) Basic (in ₹)	28	**11.85**	8.87
(2) Diluted (in ₹)	28	**11.80**	8.78

The accompanying notes 1 to 36 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: 7th May, 2019

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Zhooben Bhiwandiwala
Chairman
DIN:00110373

Yogesh Patel
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, 2019

₹ in Crores

(a) Equity Share Capital

Particulars	Number of shares	Equity share capital
Balance as at 1st April, 2018	**7,11,41,924**	**71.14**
Changes in equity share capital during the year		
Exercise of employee stock options	3,05,760	0.31
Balance as at 31st March, 2019	**7,14,47,684**	**71.45**

(b) Other Equity

Particulars	Reserves & Surplus			Total
	Securities premium	Equity-settled employee benefits reserve	Retained earnings	
Balance as at 1st April, 2018	**98.49**	**1.50**	**247.77**	**347.76**
– Addition to Securities premium	3.74	—	—	3.74
– Addition to equity settled employee benefit reserve	—	5.62	—	5.62
– Deletion to equity settled employee benefit reserve	—	(1.38)	—	(1.38)
Total Comprehensive Income for the year				
– Profit for the year	—	—	84.44	84.44
– Actuarial gain/(loss) transferred to retained earnings	—	—	0.07	0.07
– Dividend paid on Equity Shares (including tax thereon)	—	—	(12.86)	(12.86)
Balance as at 31st March, 2019	**102.23**	**5.74**	**319.42**	**427.39**

The accompanying notes 1 to 36 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: 7th May, 2019

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Zhooben Bhiwandiwala
Chairman
DIN:00110373

Yogesh Patel
Chief Financial Officer

Pirojshaw Sarkari
Chief Executive Officer

Brijbala Batwal
Company Secretary

Standalone Statement of Cash Flows for the year ended 31st March, 2019

₹ in Crores

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
A. Cash flows from operating activities		
Profit before tax for the year	**130.32**	97.40
Adjustments for:		
Loss on disposal of property, plant and equipment	**0.53**	0.06
Provision for expected credit loss recognised on trade receivables	**1.42**	2.94
Bad debts/advances written off	**0.82**	4.42
Provision for doubtful advances	**0.80**	(1.86)
Depreciation and amortisation expense	**14.69**	12.85
Finance Charges	**0.16**	0.31
Dividend Income	**—**	(0.37)
Interest Income	**(3.62)**	(2.78)
Profit on sale of mutual funds	**(2.14)**	(0.56)
Employees Compensation expense (ESOP)	**5.62**	1.70
Operating profit before working capital changes	**148.60**	114.11
Movements in working capital:		
Increase in trade and other receivables	**(145.01)**	(120.88)
Increase in trade and other payables	**127.72**	75.31
Cash generated from operations	**131.31**	68.54
Income taxes paid	**(39.42)**	(66.09)
Net cash generated by/(used in) operating activities	**91.89**	2.45
B. Cash flows from investing activities		
Payment to acquire current investments	**(1,898.05)**	(1,801.92)
Proceeds from sale of current investments	**1,872.72**	1,810.47
Investment in subsidiary	**(4.45)**	(1.10)
Investment in Joint Venture	**(4.00)**	—
Inter Corporate Deposit given	**(15.00)**	—
Inter Corporate Deposit refunded	**—**	25.00
Bank Deposits Placed	**(15.00)**	—
Dividend Income	**—**	0.37
Interest Income	**3.29**	3.80
Payment to acquire property, plant and equipment & other intangible assets	**(31.89)**	(29.41)
Proceeds from disposal of property, plant and equipment	**0.32**	0.39
Net cash generated by investing activities	**(92.06)**	7.60

Mahindra LOGISTICS

Standalone Statement of Cash Flows for the year ended 31st March, 2019

₹ in Crores

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
C. Cash flows from financing activities		
Interest paid	**(0.16)**	(0.31)
Issue of Share Capital	**0.31**	3.14
Share premium received	**2.36**	3.16
Dividend Paid	**(12.86)**	—
Net cash generated by/(used in) financing activities	**(10.35)**	5.99
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(10.52)**	16.04
Cash and cash equivalents at the beginning of the year	**65.36**	49.32
Cash and cash equivalents at the end of the year	**54.84**	65.36
Components of cash and cash equivalents		
Cash/Cheques on hand	**0.28**	0.27
With Banks – on Current account/Balance in Cash Credit Accounts	**54.56**	65.09
	54.84	65.36

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 36 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: 7th May, 2019

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Zhooben Bhiwandiwala
Chairman
DIN:00110373

Yogesh Patel
Chief Financial Officer

Pirojshaw Sarkari
Chief Executive Officer

Brijbala Batwal
Company Secretary

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, 2019 are approved for issue in accordance with a resolution of the directors on 7th May, 2019.

2. Significant accounting policies

2.1. Statement of compliance

The Financial Statements have been prepared in accordance with 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 control 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. 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 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

Ind AS 116 – 'Leases':

This standard requires lessees to recognize most leases on their Balance Sheets. Lessees will use a single accounting model for all leases, with limited exemptions. The key changes in lessees accounting relate to introduction of single lease accounting model by elimination of classification between operating and finance leases, and recognition of gain/ loss for sale and lease-back transactions. In the new lease accounting model for lessees majority of leases will be recognized on balance sheet by recognizing a lease liability with a corresponding 'right-of use' asset. The Company is currently assessing the impact of application of Ind AS 116 on Company's Financial Statements.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 4 – Property, Plant and Equipment

₹ in Crores

Description of Assets	Plant and Machinery	Office Equipment	Furniture & Fittings	Vehicles	Total
	As at 31st March, 2019				
A. Cost					
Balance as at 1st April, 2018	24.43	22.71	13.46	1.60	**62.20**
a) Additions	12.46	4.32	9.55	0.76	**27.09**
b) Less: Disposals/adjustments	(2.05)	(0.99)	(0.27)	(0.16)	**(3.47)**
Balance as at 31st March, 2019	**34.84**	**26.04**	**22.74**	**2.20**	**85.82**
B. Accumulated depreciation					
Balance as at 1st April, 2018	13.68	12.06	5.92	0.45	**32.11**
a) Depreciation expense for the year	5.54	4.76	3.01	0.31	**13.62**
b) Less: Disposals/adjustments	(1.01)	(1.60)	0.09	(0.14)	**(2.66)**
Balance as at 31st March, 2019	**18.21**	**15.22**	**9.02**	**0.62**	**43.07**
C. Net carrying amount (A-B)	**16.63**	**10.82**	**13.72**	**1.58**	**42.75**

Description of Assets	Plant and Machinery	Office Equipment	Furniture & Fittings	Vehicles	Total
	As at 31st March, 2018				
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**

Note:
The estimated amount of contracts remaining to be executed on capital account and not provided for is as follows:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Contracts remaining to be executed on capital account	**1.49**	2.75

Note No. 5 – Intangible Assets

₹ in Crores

Computer Software	As at 31st March, 2019	As at 31st March, 2018
A. Cost		
a) Balance as at 1st April,	**13.34**	12.63
b) Additions	**0.95**	0.71
Balance as at 31st March,	**14.29**	13.34
B. Accumulated ammortisation		
a) Balance as at 1st April,	**12.35**	11.46
b) Amortisation expense for the year	**1.07**	0.89
Balance as at 31st March,	**13.42**	12.35
C. Net carrying amount (A-B)	**0.87**	**0.99**

Note:
The estimated amount of contracts remaining to be executed on capital account and not provided for is as follows:

Particulars	As at 31st March, 2019	As at 31st March, 2018
Contracts remaining to be executed on capital account	**0.87**	2.80

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 6 – Investments

₹ in Crores

Particulars	Year ended 31st March, 2019			Year ended 31st March, 2018		
	Quantity	Amount Current	Amount Non Current	Quantity	Amount Current	Amount Non Current
I. COST						
Unquoted Investments (fully paid)						
(A) 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**	49,55,500	—	4.96
ii) Equity Shares of LORDS Freight India Private Limited of ₹ 10 each fully paid up	**19,59,039**	**—**	**12.45**	14,17,509	—	8.00
(B) Investments in Equity Instruments of Joint Venture						
i) Equity Shares of Transtech Logistics Private Limited of Rs. 10 each fully paid up	**100**	**—**	**0.01**	—	—	—
ii) 0.01% Compulsory Convertible Preference Shares ("CCPS") of Transtech Logistics Private Limited of ₹ 50 each fully paid up	**65,988**	**—**	**3.99**	—	—	—
Total Unquoted Investments		**—**	**21.41**		—	12.96
TOTAL INVESTMENTS CARRIED AT COST [I]		**—**	**21.41**		—	12.96
II. FAIR VALUE THROUGH PROFIT AND LOSS (FVTPL)						
A. Quoted Investments (fully paid)						
Investments in Mutual Funds		**77.52**	**—**		50.05	—
Total Quoted Investments		**77.52**	**—**		50.05	—
TOTAL INVESTMENTS CARRIED AT FVTPL [II]		**77.52**	**—**		50.05	—
Of the above, investments designated at FVTPL		**—**	**—**		—	—
Of the above, investments held for trading – Carried at FVTPL		**77.52**	**—**		50.05	—
Other investments carried at FVTPL		**—**	**—**		—	—
TOTAL INVESTMENTS (I) + (II)		**77.52**	**21.41**		50.05	12.96
TOTAL IMPAIRMENT VALUE OF INVESTMENTS (III)		**—**	**—**		—	—
TOTAL INVESTMENTS CARRYING VALUE (I) + (II) - (III)		**77.52**	**21.41**		50.05	12.96
Other disclosures						
Aggregate amount of quoted investments		**77.52**	**—**		50.05	—
Aggregate amount of Market value of investments		**77.52**	**—**		50.05	—
Aggregate amount of unquoted investments		**—**	**21.41**		—	12.96
Aggregate amount of impairment in value of investments		**—**	**—**		—	—

Name of Investees	Principal Place of Business	Ownership Interest As at 31st March, 2019	Ownership Interest As at 31st March, 2018
2x2 Logistics Private Limited	Mumbai	**55.00%**	55.00%
LORDS Freight India Private Limited	Mumbai	**82.92%**	60.00%
Transtech Logistics Private Limited	Bengaluru	**39.79%**	—

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 7 – Trade receivables

₹ in Crores

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
a) Unsecured, considered good	**594.67**	**6.82**	487.68	—
b) Significant increase in credit risk	**13.06**	**—**	11.64	—
	607.73	**6.82**	499.32	—
Less: Allowance for Credit Losses	**13.06**	**—**	11.64	—
Total	**594.67**	**6.82**	487.68	—

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 are hypothecated to Banks against working capital facility.

Note No. 8 – Loans

₹ in Crores

Particulars	As at 31st March, 2019	As at 31st March, 2018
Loan to related party		
Unsecured, considered good	**15.00**	—
Total	**15.00**	—

Note:

Refer Note 29 (III) for disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.

Note No. 9 – Other financial assets

₹ in Crores

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
Financial assets at amortised cost				
a) Bank Deposit				
Under lien with Government authority with more than 12 months of original maturity	**—**	**—**	—	0.01
Total	**—**	**—**	—	0.01
b) Security Deposits				
i. Unsecured, considered good	**10.68**	**18.40**	10.46	13.24
ii. Doubtful	**0.12**	**0.27**	0.22	—
Less: Allowance for Losses	**(0.12)**	**(0.27)**	(0.22)	—
Total	**10.68**	**18.40**	10.46	13.24
c) Other items				
i. Interest Accrued	**0.34**	**—**	0.01	—
ii. Accrued Sales	**94.47**	**—**	71.30	—
iii. Equity Shares of Zoroastrian Cooperative Bank Ltd	**—**	**0.01**	—	0.01
iv. National Savings Certificate	**—**	**0.01**	—	0.01
v. Other Receivables	**3.82**	**0.01**	0.66	0.94
Less: Allowance for Losses	**(0.05)**	**—**	—	—
Total	**98.58**	**0.03**	71.97	0.96
Total (a+b+c)	**109.26**	**18.43**	82.43	14.21

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 10 – Deferred Tax Assets

Movement in deferred tax balances

₹ in Crores

Particulars	As at 31st March, 2019				As at 31st March, 2018			
	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
A. Tax effect of items constituting deferred tax liabilities								
a) VAT allowance	**1.09**	**—**	**—**	**1.09**	1.08	0.01	—	1.09
b) Deposits received	**—**	**—**	**—**	**—**	0.01	(0.01)	—	—
c) Mutual Funds	**0.02**	**0.03**	**—**	**0.05**	0.01	0.01	—	0.02
Total	**1.11**	**0.03**	**—**	**1.14**	1.10	0.01	—	1.11
B. Tax effect of items constituting deferred tax assets								
a) Property, Plant and Equipment	**3.50**	**1.24**	**—**	**4.74**	2.07	1.43	—	3.50
b) Employee Benefits	**6.06**	**0.72**	**—**	**6.78**	5.51	0.55	—	6.06
c) Allowances for credit losses	**4.52**	**0.77**	**—**	**5.29**	4.10	0.42	—	4.52
d) ESOP Expenses	**—**	**1.96**	**—**	**1.96**	0.88	(0.88)	—	—
e) Others	**0.08**	**0.04**	**—**	**0.12**	0.06	0.02	—	0.08
Total	**14.16**	**4.73**	**—**	**18.89**	12.62	1.54	—	14.16
Net Tax Asset/(Liabilities) (B-A)	**13.05**	**4.70**	**—**	**17.75**	11.52	1.53	—	13.05

Note No. 11 – Other assets

₹ in Crores

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
A. Capital advances				
a) For Capital work-in-progress	**—**	**0.76**	—	0.23
b) For Intangible asset	**—**	**15.35**	—	12.92
Total (A)	**—**	**16.11**	—	13.15
B. Advances other than capital advances				
a) Advances to suppliers – considered good	**41.75**	**—**	45.03	—
b) Advances to suppliers – considered doubtful	**1.65**	**—**	1.07	—
c) Balances with government authorities (other than income taxes)	**3.36**	**5.70**	2.97	6.16
d) Prepaid Expenses	**2.64**	**0.59**	2.18	0.60
e) Advances to employees (refer note (a) below)	**1.78**	**—**	1.44	—
Total (B)	**51.18**	**6.29**	52.69	6.76
Total (A+B)	**51.18**	**22.40**	52.69	19.91
Less: Allowances for credit losses	**(1.65)**	**—**	(1.07)	—
Total (C)	**(1.65)**	**—**	(1.07)	—
TOTAL (A+B+C)	**49.53**	**22.40**	51.62	19.91

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 12 – Cash and Cash Equivalents

₹ in Crores

Particulars	As at 31st March, 2019	As at 31st March, 2018
A. Cash and cash equivalents		
a) Balances with banks	**29.56**	40.09
b) Cheques, drafts on hand	**0.28**	0.27
c) Bank deposits with original maturity of less than 3 months	**25.00**	25.00
Total	**54.84**	65.36
B. Other Bank Balances		
Fixed Deposits with original maturity greater than 3 months but less than 12 months	**15.00**	25.00
Total	**15.00**	—

Note:
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 8.10% to 11.00%.

Note No. 13 – Income Tax Assets (Net)

₹ in Crores

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance Income Tax/TDS Receivable (Net)	**70.30**	81.30
Total	**70.30**	81.30

Note No. 14 – Non-Current Assets classified as held for sale

₹ in Crores

Particulars	As at 31st March, 2019	As at 31st March, 2018
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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 15 – Equity Share Capital

₹ in Crores

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No. of shares	Amount	No. of shares	Amount
A. Authorised:				
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:				
Equity shares of ₹ 10 each with voting rights	**7,14,47,684**	**71.45**	7,11,41,924	71.14
Total	**7,14,47,684**	**71.45**	7,11,41,924	71.14

(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					
Year ended 31st March, 2019	**No. of Shares**	**7,11,41,924**	**3,05,760**	**—**	**7,14,47,684**
	Amount	**71.14**	**0.31**	**—**	**71.45**
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

(ii) 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.

(iii) Details of shares held by Holding Company / and their Subsidiaries

Name of shareholder	As at 31st March, 2019	As at 31st March, 2018
a) Holding Company		
— Mahindra & Mahindra Limited	**4,18,12,157**	4,18,12,157
b) Subsidiaries of Holding Company		
— Mahindra Engineering and Chemical Products Limited	**100**	100

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2019		As at 31st March, 2018	
	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**	**58.52%**	4,18,12,157	58.77%
b) Normandy Holdings Limited	**64,15,083**	**8.98%**	64,15,083	9.02%

Note:

For details of shares reserved or issuance under options, please refer note no 24.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 16 – Other Equity

₹ in Crores

Particulars	As at 31st March, 2019	As at 31st March, 2018
Securities premium	**102.23**	98.49
Equity-settled employee benefits reserve	**5.74**	1.50
Retained earnings	**319.42**	247.77
Total	**427.39**	347.76

Movement in Reserves

Particulars	As at 31st March, 2019	As at 31st March, 2018
(A) Securities Premium		
Balance as at the beginning of the year	**98.49**	92.67
Add: Additions during the year	**3.74**	5.82
Less: Deletion during the year	**-**	-
Balance as at the end of the year	**102.23**	98.49
(B) Equity-settled Employee benefits reserve		
Balance as at the beginning of the year	**1.50**	2.46
Add: Additions during the year	**5.62**	1.70
Less: Deletion during the year	**(1.38)**	(2.66)
Balance as at the end of the year	**5.74**	1.50
(C) Retained Earnings		
Balance as at the beginning of the year	**247.77**	185.69
Add: Profit for the year	**84.44**	62.19
Less: Actuarial gain/(loss) for the year	**0.07**	(0.11)
Less: Dividend paid on Equity Shares (including tax theron)	**(12.86)**	-
Balance as at the end of the year	**319.42**	247.77

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 7th May, 2019 have recommended a payment of final dividend of ₹ 1.80 (Rupee one and paise eighty only) per equity share of face value of ₹ 10 each for the year ended 31st March, 2019. The same amounts to ₹ 15.50 crores including dividend distribution tax of ₹ 2.64 crores.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 17 – Trade Payables

₹ in Crores

Particulars	As at 31st March, 2019	As at 31st March, 2018
Due to Micro and Small Enterprises	**5.23**	—
Other than Micro and Small Enterprises	**568.38**	455.89
Total	**573.61**	455.89

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) Micro, Small & Medium enterprises have been identified by the company on the basis of the information available with the Company. Total outstanding dues of Micro and Small enterprises, which are outstanding and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the Act") are given below: This has been relied upon by the auditors.

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Dues remaining unpaid		
— Principal	**5.12**	—
— Interest on the above	**0.11**	—
b) Interest paid in terms of section 16 of the Act along with the amount of payment made to the supplier beyond appointed day during the year		
— Principal paid beyond the appointed date	**—**	—
— Interest paid in terms of section 16 of the Act	**—**	—
c) Amount of interest accrued and remaining unpaid at the end of accounting year	**0.11**	—
d) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**0.11**	—
e) Further interest due and payable even in succeeding years, until such date when the interest due as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Act	**0.11**	—
f) Amount of interest accrued and remaining unpaid at the end of accounting year	**0.11**	—

Note No. 18 – Other Financial Liabilities

₹ in Crores

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
Other Financial Liabilities Measured at Amortised Cost				
(a) Security Deposits	**3.82**	**—**	3.55	—
(b) Other Liabilities				
— Creditors for Capital Supplies/Services	**2.29**	**—**	1.10	—
Total	**6.11**	**—**	4.65	—

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 19 – Provisions

₹ in Crores

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits				
Provision for Compensated Expenses	**3.74**	**15.66**	3.00	14.33
Total	**3.74**	**15.66**	3.00	14.33

Note No. 20 – Other Liabilities

₹ in Crores

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
A. Advances received from customers	**1.16**	**—**	0.08	—
B. Unearned Income on discounted deposits	**—**	**—**	—	—
C. Statutory dues				
a) Taxes Payable	**16.07**	**—**	9.56	—
b) Employee Liabilities	**2.35**	**—**	1.97	—
D. Post-employment Benefit — Gratuity Liability	**3.51**	**—**	3.89	—
Total	**23.09**	**—**	15.50	—

Note:

For disclosures related to employee benefits, refer note 33.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 21 – Revenue from Operations

₹ in Crores

Particulars		Year ended 31st March, 2019	Year ended 31st March, 2018
(a)	Revenue from rendering of services	**3,665.33**	3,219.85
(b)	Other operating revenue	**0.18**	0.26
	Total	**3,665.51**	3,220.11

Effective 1st April, 2018, the Company has adopted Ind AS 115 'Revenue from contracts with customers'.

Accordingly, the Company is recognizing the revenue as and when it satisfies the performance obligation by transferring promised services to a customer and customer obtains the benefit of the same.

The revenue is recognised on satisfaction of performance obligation / transferring control to the customer and hence the same is recognised at a point in time. The company disaggregates revenue on the basis of its segments viz. SCM and PTS. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

There is no impact on account of applying Ind AS 115 Revenue from Contract with customers instead of the erstwhile Ind AS 18 Revenue, on the financial statements of the Company.

A. Country-wise break up of Revenue

Country	Revenue from contracts with customers	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
India	3,665.51	—	3,665.51	7.27	3,672.78
Total	**3,665.51**	**—**	**3,665.51**	**7.27**	**3,672.78**

B. Reconciliation of revenue from contract with customer

Particulars	Amount
Revenue from contract with customer as per the contract price	3,713.09
Adjustments made to contract price on account of :	
Less: Sales Returns / Reversals	47.58
Revenue from contract with customer as per the Statement of Profit and Loss	**3,665.51**

C. Break-up of Provision for Expected Credit Losses recognised in P&L

Particulars	Amount
Expected Credit loss recognised during the year on trade receivables	13.06
Total	**13.06**

D. Movement of Contract Assets and Contract Liabilities

Movement of Contract Assets

Particulars	Amount
Opening Balance	71.30
Additions during the year	94.47
Reclassification Adjustments:	
– Reclass of opening balances of contract assets to trade receivables	(71.30)
Closing Balance	**94.47**

Movement of Contract Liabilities

Particulars	Amount
Opening Balance	0.08
Additions during the year	1.16
Reclassification Adjustments:	
– Reclass of opening balances of contract liabilities to revenue	(0.08)
Closing Balance	**1.16**

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 22 – Other Income

₹ in Crores

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(a) **Interest Income**		
i. Financial assets carried at amortised cost	**2.97**	2.35
ii. Other assets	**0.65**	0.43
(b) **Dividend Income**		
i. From mutual funds at FVTPL	**—**	0.37
ii. Other investments	**#**	#
(c) **Miscellaneous Income**		
i. Net gain arising on financial assets carried at FVTPL	**2.14**	0.56
ii. Net gain arising on financial liabilities carried at amortised cost	**—**	0.09
iii. Other income	**1.51**	0.93
Total	**7.27**	4.73

# denotes amount less than ₹ 50,000

Note No. 23 – Operating Expenses

₹ in Crores

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(a) Freight & Other Related Expenses	**2,853.81**	2,551.06
(b) Labour & Other Related Expenses	**234.98**	184.40
(c) Rent	**67.25**	56.40
(d) Warehouse & Other Related Expenses	**41.56**	24.13
(e) Hire & Service Charges	**14.21**	12.16
(f) Power & Fuel	**5.36**	3.70
(g) Repairs Machinery	**2.07**	2.92
(h) Repairs Building	**0.75**	0.55
Total	**3,219.99**	2,835.32

Note:

The Operating Expenses that are directly attributable to the Operating Revenue have been regrouped from Other Expenses.

Note No. 24 – Employee Benefits Expense

₹ in Crores

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
a) Salaries and wages, including bonus	**208.11**	184.62
b) Contribution to provident and other funds	**12.82**	11.47
c) Gratuity	**3.61**	3.73
d) Equity-settled share-based payments	**5.62**	1.70
e) Staff welfare expenses	**20.43**	17.52
Total	**250.59**	219.04

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, ESIC etc. pertaining to employees.

iii) With regard to a recent Supreme Court judgement on the applicability of allowances to be used for the purposes of calculating the provident fund, the company considering the uncertainty and lack of clarity regarding the period of applicability of the judgement, has based on advise of its legal counsel taken the view that the judgement is likely to be applicable prospectively.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

iv) 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.

The Company has granted 6,13,484 (Six Lakh Thirteen Thousand Four hundred and Eighty Four) Restricted Stock Units (RSU's) under Company's Restricted Stock Unit Plan 2018 to its identified employees. This grant is effective from 1st November 2018. These shall vest as per the vesting schedule approved by the board of governance, Nomination and Remuneration Committee (NRC) and can be exercised over the exercise period as approved by NRC in their meeting held on 1st November 2018. Personnel Cost mentioned above includes ₹ 5.40 crores for the year towards the said grants.

v) Information in respect of options outstanding:

Particulars	As at 31st March, 2019				
	Number of Shares	Grant Date	Expiry Date	Exercise Price	Fair value at Grant Date
Equity Settled					
Restricted Stock Units	1,53,371	01-11-2018	01-11-2019	10.00	538.29
Restricted Stock Units	1,53,371	01-11-2018	30-06-2020	10.00	537.73
Restricted Stock Units	1,53,371	01-11-2018	30-06-2021	10.00	536.82
Restricted Stock Units	1,53,371	01-11-2018	30-06-2022	10.00	536.01
Option 6	76,164	10-07-2017	10-07-2021	87.28	44.96

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	10-07-2017	10-07-2021	87.28	44.96

vi) Movement in Share Options

Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
	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	**4,59,360**	**87.28**	17,97,381	25.27
(b) Granted during the year	**6,13,484**	**10.00**	4,59,360	87.28
(c) Forfeited during the year	**77,436**	**87.28**	1,10,501	30.10
(d) Exercised during the year	**3,05,760**	**87.28**	16,86,880	24.96
(e) Expired during the year	—	—	—	—
(f) Outstanding at the end of the year	**6,89,648**	**18.53**	4,59,360	87.28
(g) Exercisable at the end of the year	**6,89,648**	**18.53**	4,59,360	87.28
(h) Remaining contractual life (no of days)		**1,187**		1,195

vii) 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	10-07-2017	01-11-2018	01-11-2018	01-11-2018	01-11-2018
Share price at grant date	87.28	549.85	549.85	549.85	549.85
Exercise price	87.28	10.00	10.00	10.00	10.00
Expected volatility (weighted-average)	58.27%	34.30%	34.30%	34.30%	34.30%
Expected life / Option life (weighted-average)	4.00	1.00	1.66	2.66	3.66
Expected dividends yield	0.00%	0.27%	0.27%	0.27%	0.27%
Risk-free interest rate (based on government bonds)	6.72%	7.74%	7.71%	7.63%	7.98%

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

viii) 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.

ix) Expected volatility has been based on an evaluation of annual volatility of peer group prevailing in the year of grant.

Note No. 25 – Finance Cost

₹ in Crores

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest expense on unwinding of deposits	—	0.11
Interest to Micro & Small enterprises	0.11	—
Interest expense on Cash Credit	0.05	0.20
Total	0.16	0.31

Note: Analysis of Interest Expenses by Category

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest Expenses		
On Financial Liability at Amortised Cost	0.16	0.31
Total	0.16	0.31

Note No. 26 – Other Expenses

₹ in Crores

Particulars			Year ended 31st March, 2019	Year ended 31st March, 2018
(a)	Rent including lease rentals		7.11	7.05
(b)	Legal and Other professional costs		13.35	16.16
(c)	Hire and Service Charges		0.83	0.70
(d)	Travelling and Conveyance Expenses		11.30	11.61
(e)	Provision for expected credit loss on trade receivables		1.42	2.94
(f)	(Reversal)/provision for doubtful advances		0.80	(1.86)
(g)	Power and Fuel		1.22	1.08
(h)	Expenditure on Corporate Social Responsibility (CSR)		1.54	1.27
(i)	Advertisement		0.97	0.70
(j)	Net loss on sale of property, plant and equipments		0.53	0.06
(k)	Repairs and maintenance:			
	(i) Buildings	0.01		—
	(ii) Machinery	0.25		0.21
	(iii) Others	3.44		2.82
			3.70	3.03
l)	Auditors remuneration and out-of-pocket expenses			
	(i) As Auditors	0.28		0.23
	(ii) For Taxation matters	0.05		0.25
	(iii) For Other services	0.01		0.01
			0.34	0.49
m)	Other expenses			
	(i) Miscellaneous Expenses	13.10		12.27
	(ii) Loss arising on derecognition of financial assets – Bad debts/advances written off	0.82		4.42
			13.92	16.69
	Total		57.03	59.92

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 27 – Current Tax and Deferred Tax

(a) Income Tax recognised in Profit & Loss

₹ in Crores

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
A. **Current Tax:**		
(a) In respect of current year	**50.66**	36.71
(b) In respect of prior years	**(0.08)**	0.03
Total	**50.58**	36.74
B. **Deferred Tax:**		
In respect of current year	**(4.70)**	(1.53)
Total	**(4.70)**	(1.53)
Total (A+B)	**45.88**	35.21

(b) Income tax recognised in Other Comprehensive Income

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
A. **Current Tax:**		
Remeasurement of defined benefit obligations	**(0.03)**	0.05
Total	**(0.03)**	0.05
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	**(0.03)**	0.05
Income taxes related to items that will be reclassified to profit or loss	**—**	**—**
Total	**0.03**	0.05

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(a) Profit Before tax	**130.32**	97.40
(b) Income Tax using the Company's domestic tax rate #	**45.54**	33.71
(c) Change in tax rate	**—**	(0.13)
(d) Expenses not allowed for tax purpose	**0.59**	1.90
(e) Deferred tax credit on ESOP	**—**	**—**
(f) Exempt Income for tax purpose	**—**	(0.13)
(g) Deduction under Income Tax u/s 80G	**(0.14)**	(0.11)
(h) Income tax relating to items that will not be reclassified to profit or loss	**(0.03)**	—
	45.96	35.24
(i) Adjustments recognised in the current year in relation to the current tax of prior years	**(0.08)**	(0.03)
Income tax expense recognised in profit or loss	**45.88**	35.21

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, 2019

(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, 2019	Year ended 31st March, 2018
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	Year ended 31st March, 2019	Year ended 31st March, 2018
A. Basic Earnings Per Share (in ₹) (face value ₹ 10/- per share)	**11.85**	8.87
B. Diluted Earnings Per Share (in ₹) (face value ₹ 10/- per share)	**11.80**	8.78

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:

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Profit for the year attributable to owners of the Company	**84.44**	62.19
Profit for the year used in the calculation of basic earnings per share	**84.44**	62.19
Weighted average number of equity shares	**7,12,48,536**	7,01,45,454
Earnings per share from continuing operations – Basic (in ₹)	**11.85**	8.87

(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.

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
a) Profit for the year used in the calculation of basic earnings per share	**84.44**	62.19
b) Add: adjustments on account of dilutive potential equity shares	**—**	—
Profit for the year used in the calculation of diluted earnings per share	**84.44**	62.19

(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:

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Weighted average number of equity shares used in the calculation of Basic EPS	**7,12,48,536**	7,01,45,454
Add: Dilutive impact of potential Equity Shares on account of ESOPs & RSUs	**3,20,935**	6,92,256
Weighted average number of equity shares used in the calculation of Diluted EPS	**7,15,69,471**	7,08,37,710
Earnings per share from continuing operations – Diluted (in ₹)	**11.80**	8.78

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 29 – 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, 2019	As at 31st March, 2018
Equity	**498.84**	418.90
Total	**498.84**	418.90

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, 2019			
	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
(a) Other Financial Assets	**18.43**	**—**	**—**	**18.43**
Total	**18.43**	**—**	**—**	**18.43**
B. Current Assets				
(a) Investments	**—**	**77.52**	**—**	**77.52**
(b) Trade Receivables	**601.49**	**—**	**—**	**601.49**
(c) Cash and Bank Balances	**69.84**	**—**	**—**	**69.84**
(d) Loans	**15.00**	**—**	**—**	**15.00**
(e) Other Financial Assets	**109.26**	**—**	**—**	**109.26**
Total	**795.59**	**77.52**	**—**	**873.11**
C. Current Liabilities				
(a) Trade Payables	**573.61**	**—**	**—**	**573.61**
(b) Other Financial Liabilities	**6.11**	**—**	**—**	**6.11**
Total	**579.72**	**—**	**—**	**579.72**

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

₹ in Crores

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) Other Financial Assets	82.43	—	—	82.43
Total	635.47	50.05	—	685.52
C. Current Liabilities				
(a) Trade Payables	455.89	—	—	455.89
(b) Other Financial Liabilities	4.65	—	—	4.65
Total	460.54	—	—	460.54

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 one large customers of the Company, the Company does not have significant credit risk exposure to any single customer and 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, 2019

(vi) The loss allowance for expected credit losses for trade receivables for different ageing periods is as follows:

₹ in Crores

Particulars	As at 31st March, 2019			
	Not due	Less than 6 months past due	More than 6 months past due	Total
(a) Gross carrying amount	378.90	203.35	32.30	614.55
(b) Loss allowance provision	5.14	2.54	5.38	13.06

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

(vii) Reconciliation of loss allowance provision for Trade Receivables

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
(a) Balance as at beginning of the year	11.64	8.70
(b) Impairment losses recognised in the year based on lifetime expected credit losses		
— On receivables originated during the year	1.93	1.22
— Other receivables	0.43	1.72
(c) Impairment losses reversed / written back	(0.94)	—
(d) Balance at end of the year	13.06	11.64

(viii) During the year, the Company has made write off of ₹ 0.79 crores (Previous year ₹ 2.14 crores) of trade receivables and NIL (Previous year NIL) of deposits given. These trade receivables and deposits are not subject to enforcement activity.

Investment in Mutual Funds

The Company has investments of ₹ 77.52 crores as at 31st March, 2019 (As at 31st March, 2018, ₹ 50.05 crores) in growth oriented mutual funds which have not been impaired till date.

Cash and Cash equivalents

As at 31st March, 2019, the Company holds cash and cash equivalents of ₹ 69.84 crores (As at 31st March, 2018 ₹ 65.36 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 liabilities:

Particulars	As at 31st March, 2019			
	Less than 1 Year	1 Years to 3 Years	3 Years to 5 Years	5 years and above
(A) Non-derivative financial liabilities				
(a) Trade Payables	573.61	—	—	—
(b) Security Deposits	3.82	—	—	—
(c) Creditors for capital supplies	2.29	—	—	—
Total	579.72	—	—	—

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

₹ in Crores

Particulars	As at 31st March, 2018			
	Less than 1 Year	1 Years to 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	—	—	—

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:

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) **Secured Cash credit facility**		
— Expiring within one year	**58.00**	58.00
— 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	**2.10**	3.99

* 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, 2019			
	Less than 1 Year	1 Year to 3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
Trade Receivables	**594.67**	**6.82**	**—**	**—**
Security Deposits	**10.80**	**16.73**	**2.56**	**0.36**
Loan to related party	**15.00**	**—**	**—**	**—**
Others	**98.58**	**0.03**	**—**	**—**
Total	**719.05**	**23.58**	**2.56**	**0.36**

Particulars	As at 31st March, 2018			
	Less than 1 Year	1 Year to 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

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, 2019

Note No. 30 – Fair Value Measurement

(a) Fair Valuation Techniques and Inputs used – recurring Items

₹ in Crores

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 2019	As at 31st March 2018				
(A) Financial assets						
Investments						
Mutual fund investments	**77.52**	50.05	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, 2019		As at 31st March, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
(A) Financial assets				
(a) Financial assets carried at Amortised Cost				
(i) Loans to related parties	**15.00**	**15.00**	—	—
(ii) Trade and other receivables	**601.49**	**601.49**	487.68	487.68
(iii) Deposits given	**30.07**	**29.09**	23.70	23.67
(iv) Cash and cash equivalents	**54.84**	**54.84**	65.36	65.36
(v) Bank Balances Other than (iv) above	**15.00**	**—**	—	—
(vi) Others	**98.61**	**98.61**	72.94	72.94
Total	**815.01**	**799.03**	649.68	649.65
(B) Financial liabilities				
(b) Financial liabilities held at amortised cost				
(i) Deposits received	**3.82**	**3.82**	3.55	3.55
(ii) Trade and other payables	**573.61**	**573.61**	455.89	455.89
(iii) Creditors for capital supplies	**2.29**	**2.29**	1.10	1.10
Total	**579.72**	**579.72**	460.54	460.54

Note No. 31 – 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 Company.

(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, 2019

(iv) The segmental disclosures are as follows :

₹ in Crores

Particulars	As at 31st March, 2019				
	SCM	PTS	Total Segments	Elimination	Total
Revenue					
I. External customers	3,280.04	385.47	3,665.51	—	3,665.51
II. Intersegment revenue	—	—	—	—	—
Total revenue	3,280.04	385.47	3,665.51	—	3,665.51
Results					
Segment Result	240.96	40.52	281.48	—	281.48
Less: Finance Costs	—	—	—	—	(0.16)
Unallocated corporate income net of unallocated expenses	—	—	—	—	(151.00)
Profit before tax	—	—	—	—	130.32
Income Taxes	—	—	—	—	(45.88)
Profit after tax	—	—	—	—	84.44
Other Information					
Segment Assets	703.22	120.21	823.43	—	823.43
Unallocated Corporate Assets	—	—	—	—	297.62
Total Assets	—	—	—	—	1,121.05
Segment Liabilities	503.45	53.40	556.85	—	556.85
Unallocated Corporate Liabilities	—	—	—	—	65.36
Total Liabilities	—	—	—	—	622.21
Capital Expenditure	24.06	3.03	27.09	—	27.09
Depreciation and Amortisation expense	10.15	0.31	10.46	—	10.46

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					
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

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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, 2019	As at 31st March, 2018
Revenue from external customers		
India	**3,665.51**	3,220.11
Outside India	**—**	—
Revenue from operations as per statement of profit or loss	**3,665.51**	3,220.11

(vi) Segment Assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
India	**823.43**	659.59
Outside India	**—**	—
Total	**823.43**	659.59

(vii) Capital Expenditure

Particulars	As at 31st March, 2019	As at 31st March, 2018
India	**27.09**	25.39
Outside India	**—**	—
Total	**27.09**	25.39

(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:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Transportation	**2,756.42**	2,460.78
Warehousing & other related activities	**502.18**	396.93
People Logistics	**385.47**	340.47
Total	**3,644.07**	3,198.18

The revenues of the Company from holding company and group of customers under common control of the holding company amounts to 58.40% (Previous year: 57.46%) for the year ended 31st March, 2019 of its total revenues.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 32 – 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, 2019	For the year ended 31st March, 2018
(i) Future Non-Cancellable minimum lease commitments		
(a) not later than one year	**21.22**	11.54
(b) later than one year and not later than five years	**34.84**	8.15
(c) later than five years	**—**	—
(ii) Expenses recognised in the Statement of Profit and Loss		
(a) Minimum Lease Payments	**73.84**	63.00

Note No. 33 – Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund, Superannuation Fund and other funds aggregating ₹ 12.68 crore (2018: ₹ 11.47 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:

Particulars	Valuation	
	As at 31st March, 2019	As at 31st March, 2018
(a) Discount rate(s)	**7.40%**	7.70%
(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, 2019

(d) Defined benefit plans – as per actuarial valuation

₹ in Crores

Particulars	Funded Plan - Gratuity	
	As at 31st March, 2019	As at 31st March, 2018
I. Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
(a) Current Service Cost	**3.31**	3.05
(b) Past service cost and (gains)/losses from settlements	**—**	0.48
(c) Net interest expense	**0.30**	0.20
Components of defined benefit costs recognised in profit or loss	**3.61**	3.73
Remeasurement on the net defined benefit liability		
(a) Return on plan assets (excluding amount included in net interest expense)	**(0.05)**	(0.22)
(b) Actuarial (gains)/loss arising from changes in financial assumptions	**0.45**	(1.12)
(c) Actuarial (gains)/loss arising from changes in demographic assumptions	**(0.48)**	—
(d) Actuarial (gains)/loss arising from experience adjustments	**(0.02)**	1.50
Components of defined benefit costs recognised in Other Comprehensive Income	**(0.10)**	0.16
Total	**3.51**	3.89
II. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
(a) Present value of defined benefit obligation	**(16.51)**	(13.76)
(b) Fair value of plan assets	**13.00**	9.87
(c) Surplus/(Deficit)	**(3.51)**	(3.89)
(d) Current portion of the above	**(3.51)**	(3.89)
(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	**13.76**	9.52
(b) Add/(Less) on account of Scheme of Arrangement/Business	**—**	—
(c) Transfer	**—**	—
(d) Expenses Recognised in Profit and Loss Account		
– Current Service Cost	**3.31**	3.05
– Past Service Cost	**—**	0.48
– Interest Expense (Income)	**1.06**	0.65
(e) Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
– Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	**0.45**	(1.12)
ii. Demographic Assumptions	**(0.48)**	—
iii. Experience Adjustments	**(0.02)**	1.50
(f) Benefit payments	**(1.57)**	(0.32)
(g) Present value of defined benefit obligation at the end of the year	**16.51**	13.76

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

₹ in Crores

Particulars	Funded Plan - Gratuity	
	As at 31st March, 2019	As at 31st March, 2018
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	**9.87**	6.67
(ii) Expenses Recognised in Profit and Loss Account		
– Expected return on plan assets	**0.76**	0.45
(iii) Recognised in Other Comprehensive Income		
Remeasurement gains/(losses)		
– Actual Return on plan assets in excess of the expected return	**0.05**	0.22
(iv) Contributions by employer (including benefit payments recoverable)	**3.89**	2.85
(v) Benefit payments	**(1.57)**	(0.32)
(vi) Fair value of plan assets at the end of the year	**13.00**	9.87
V. The Major categories of plan assets		
– Insurance Funds	**13.00**	9.87
VI. Actuarial assumptions		
(a) Discount rate	**7.40%**	7.70%
(b) Expected rate of return on plan assets	**7.40%**	7.70%
(c) Attrition rate	**12.00%**	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, 2019		As at 31st March, 2018	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
(a) Discount rate	1.00%	**15.37**	**17.82**	12.64	15.05
(b) Salary growth rate	1.00%	**17.77**	**15.39**	15.00	12.65
(c) Rate of employee turnover	1.00%	**16.37**	**16.66**	13.64	13.87

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, 2019 is 7 years

(f) Maturity profile of defined benefit obligation:

The tables include both discounted value as well as unwinding of interest.

Particulars	2019	2018
Within 1 year	**1.72**	1.36
1-2 years	**1.74**	1.10
2-3 years	**1.86**	1.29
3-4 years	**2.08**	1.31
4-5 years	**1.84**	1.58
5-10 years	**8.04**	6.60
More than 10 years	**15.59**	19.70

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

(g) Plan Assets

The fair value of Company's plan asset by category are as follows:

₹ in Crores

Particulars	As at 31st March, 2019	As at 31st March, 2018
Asset category:		
(a) Deposits with Insurance companies	**13.00**	9.87
	100%	100%

(h) Experience Adjustments:

Particulars	Gratuity				
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
1. Defined Benefit Obligation	**(16.51)**	(13.76)	(9.52)	(6.60)	(4.80)
2. Fair value of plan assets	**13.00**	9.87	6.67	4.58	4.17
3. Surplus/(Deficit)	**(3.51)**	(3.89)	(2.85)	(2.02)	(0.63)
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**(0.02)**	1.50	0.22	0.18	(0.36)
5. Experience adjustment on plan assets [Gain/(Loss)]	**0.05**	0.22	0.03	0.02	0.10

(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. 34 – Related Party Transactions

(i) List of Related Parties:

(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) Joint Venture:	1. Transtech Logistics Private Limited (w.e.f. 5th October 2018)
(e) Fellow Subsidiaries*:	1. Bristlecone India Limited 2. Classic Legend Pvt. Ltd. 3. Mahindra E-market Ltd. 4. Mahindra Lifespace Developers Ltd. 5. Mahindra Mstc Recycling Pvt. Ltd. 6. Epc Industrie Limited 7. Mahindra Auto Steel Pvt. Ltd. 8. Mahindra Defence Systems Ltd. 9. Mahindra Susten Pvt. Ltd. 10. Gromax Agri Equipment Limited (Formerly known as Mahindra Gujarat Tractor Limited – name changed w.e.f. 24.08.2017)

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 33 – Related Party Transactions (continued)

(i) List of Related Parties: (continued)

	11. Mahindra Intertrade Ltd. 12. Mahindra Marine Pvt. Ltd. 13. Mahindra Truck & Buses Ltd. 14. Mahindra Heavy Engines Ltd. 15. Mahindra Electric Mobility Limited 16. Mahindra Retail Pvt Ltd. 17. Mahindra Steel Service Centre Ltd. 18. Mahindra Agri Solution Ltd. 19. Mahindra Two Wheelers Ltd. 20. Mahindra Greenyard Pvt Ltd. 21. Mahindra Vehicle Manufacturers Ltd. 22. NBS International Ltd. 23. Orizonte Business Solutions Limited 24. Mahindra Integrated Business Solutions Pvt Ltd. 25. Defence Land Systems India Limited (ceased to be a related party from 18th October 2017) 26. Mahindra Defence Naval Systems Limited (Formerly known as Mahindra Defence Naval Systems Private Limited – name changed w.e.f. 05.03.2018) 27. Mahindra First Choice Services Limited 28. Mahindra Holiday & Resorts India Limited 29. Mahindra Insurance Brokers Limited 30. Mahindra & Mahindra Financial Services Limited 31. Mahindra Rural Housing Finance Limited 32. Mahindra Integrated Township 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:

₹ in Crores

Particulars	Holding Company	Entities having joint control	Subsidiaries	Fellow subsidiaries	Joint Ventures	Other related parties
Nature of transactions with Related Parties						
(a) Purchase of property and other assets.....	**0.37** 0.13	**—** 0.02	**—** —	**0.13** 0.05	— —	**—** 0.08
(b) Rendering of services	**1,892.50** 729.35	**—** 928.83	**0.01** (0.01)	**163.76** 49.31	— —	**—** 106.05
(c) Receiving of services	**6.74** 1.52	**—** 0.76	**47.42** 33.31	**0.46** 1.93	**0.36** —	**—** 1.42
(d) Reimbursements made to parties.....	**1.71** 2.84	**—** 2.32	**—** 0.01	**0.04** —	— —	**—** 0.02
(e) Reimbursements received from parties.....	**0.01** —	**—** —	**0.29** 0.21	**0.20** 0.12	**0.08** —	**—** 0.04
(f) Loans/Deposits given.....	**—** —	**—** —	**—** —	**15.00** —	— —	**—** —
(g) Loans/Deposits refunded back.....	**—** —	**—** —	**—** —	**—** —	— —	**—** 25.00

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 34 – Related Party Transactions (continued)

(ii) Details of transaction between the Company and its related parties are disclosed below: (continued)

₹ in Crores

Particulars	Holding Company	Entities having joint control	Subsidiaries	Fellow subsidiaries	Joint Ventures	Other related parties
(h) Interest Income on inter-corporate deposits	—	—	—	**0.01**	—	—
	—	—	—	—	—	1.51
(i) Bad & doubtful debts recognised in respect of dues from related parties	—	—	—	—	—	—
	—	—	—	—	—	0.29
Balances Outstanding with Related Parties						
(a) Trade payables	**3.50**	—	**4.44**	**0.07**	**0.06**	—
	3.36	—	3.53	0.29	—	0.02
(b) Trade receivables	**102.33**	—	**0.07**	**18.79**	—	
	79.83	—	0.13	22.01	—	6.97
(c) Other receivables	—	—	—	**0.01**	—	—
	—	—	—	—	—	—
(d) Provision of bad & doubtful debts related to amount due from related parties	—	—	—	—	—	—
	0.12	—	—	0.11	—	0.20

Notes:

(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	Joint Ventures	Other related parties
Nature of transactions with Related Parties						
(a) Purchase of property and other assets						
NBS International Ltd	—	—	—	**0.09**	—	—
	—	—	—	—	—	—
Mahindra & Mahindra Limited	**0.37**	—	—	—	—	—
	0.13	0.02	—	—	—	—
Mahindra Integrated Business Solutions Pvt. Ltd.	—	—	—	**0.04**	—	—
	—	—	—	0.05	—	—
(b) Rendering of services						
Mahindra & Mahindra Limited	**1,892.50**	—	—	—	—	—
	729.35	928.83	—	—	—	—
Mahindra Vehicle Manufacturers Ltd.	—	—	—	**121.00**	—	—
	—	—	—	36.30	—	44.57
Tech Mahindra Ltd.	—	—	—	—	—	—
	—	—	—	—	—	39.33
Lords Freight (India) Private Limited	—	—	—	—	—	—
	—	—	(0.01)	—	—	—
2X2 Logistics Private Limited	—	—	**0.01**	—	—	—
	—	—	0.01	—	—	—
(c) Receiving of services						
Mahindra & Mahindra Limited	**6.74**	—	—	—	—	—
	1.52	0.76	—	—	—	—
Orizonte Business Solutions Limited	—	—	—	—	—	—
	—	—	—	1.82	—	1.14

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 34 – Related Party Transactions (continued)

₹ in Crores

Particulars	Holding Company	Entities having joint control	Subsidiaries	Fellow subsidiaries	Joint Ventures	Other related parties
Mahindra Retail Pvt Ltd.....	—	—	—	**0.19**	—	—
	—	—	—	—	—	0.18
Mahindra Integrated Business Solutions Pvt Ltd	—	—	—	**0.25**	—	—
	—	—	—	—	—	(0.17)
2X2 Logistics Private Limited.....	—	—	**44.06**	—	—	—
	—	—	33.25	—	—	—
Transtech Logistics Pvt. Ltd.....	—	—	—	—	**0.36**	—
	—	—	—	—	—	—
(d) Reimbursements made to parties						
Mahindra & Mahindra Limited	**1.71**	—	—	—	—	—
	2.84	2.32	—	—	—	—
Lords Freight (India) Private Limited	—	—	—	—	—	—
	—	—	0.01	—	—	—
NBS International Ltd.	—	—	—	**0.03**	—	—
	—	—	—	—	—	—
(e) Reimbursements received from parties						
Mahindra & Mahindra Limited	**0.01**	—	—	—	—	—
	—	—	—	—	—	—
Mahindra Intertrade Ltd.....	—	—	—	**0.11**	—	—
	—	—	—	0.08	—	—
Mahindra Lifespace Developers Ltd.	—	—	—	**0.03**	—	—
	—	—	—	—	—	—
Mahindra Steel Service Centre Ltd.	—	—	—	**0.05**	—	—
	—	—	—	0.03	—	—
Lords Freight (India) Private Limited	—	—	**0.22**	—	—	—
	—	—	0.15	—	—	—
2X2 Logistics Private Limited.....	—	—	**0.07**	—	—	—
	—	—	0.06	—	—	—
Transtech Logistics Pvt. Ltd.....	—	—	—	—	**0.08**	—
	—	—	—	—	—	—
(f) Loans/Deposits given						
Mahindra Rural Housing Finance Limited..	—	—	—	**15.00**	—	—
	—	—	—	—		—
(g) Interest Income on inter-corporate deposits						
Mahindra Rural Housing Finance Limited..	—	—	—	**0.01**	—	—
	—	—	—	—	—	—

(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, 2019	For the year ended 31st March, 2018
Short-term employee benefits.....	**2.08**	1.93
Issue of ESOP Shares during the year	**0.94**	1.42

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.

Notes to the Standalone Financial Statements for the year ended 31st March, 2019

Note No. 34 – Related Party Transactions (continued)

(iv) Disclosure required under Section 186(4) of the Companies Act, 2013 for Loans given

₹ in Crores

Name	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Mahindra Rural Housing Finance Limited	**15.00**	—

Above inter corporate loans have been given for general business purposes for meeting their working capital requirements @ 8.20%.

Note No. 35 – Contingent liabilities and commitments

₹ in Crores

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Contingent liabilities (to the extent not provided for)		
Claims against the Company not acknowledged as debt		
(a) VAT	**5.41**	7.76
(b) Service Tax	**3.51**	4.27
(c) Income Tax	**0.08**	24.85
(d) Other matters	**11.66**	9.99

Notes:

(i) The Company does not expect any reimbursement in respect of the above contingent liabilities.

(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.

Note No. 36

Previous year numbers have been regrouped wherever necessary.

Independent Auditor's Report

To The Members of Mahindra Logistics Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Mahindra Logistics Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") and joint venture, which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and joint venture referred to in the Other Matters section below, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter		Auditor's Response
1	**Completeness of revenue recognised for Supply Chain Management:** The Company engages external fleet owners for providing onward transportation services to the customers. The Company recognises 'Revenue' from rendering of services and the related liability towards its vendors only upon receipt of customer acknowledged proof of completion of services. Whilst the Company is able to track the physical trips / consignments and location of each shipment using GPS and softwares, the details of each shipment showing inter-alia its start date, delivery date, date of receiving the proof of delivery (POD) and date of recording revenue is recorded (and updated) manually of excel spreadsheets (Trip Sheet data). Entries for such revenues are manually recorded in SAP.		We have performed following procedures: > We have tested the design and implementation of internal controls over judgements exercised over the following as well as their operating effectiveness: a. Determination of performance obligations, transaction price and the allocation thereof. b. Controls over the determination of the estimates used as well as their operating effectiveness.

Sr. No.	Key Audit Matter		Auditor's Response
	Management ensures satisfaction of the performance obligation at the reporting date and completeness and accuracy of data entered in the 'Trip Sheet', which is the basis of recording of costs and related revenues. Since the management ensures accuracy and completeness of performance obligations manually, recognition of revenue related to Supply Chain business is considered a key audit matter. (Refer Note 22)		> We have tested the relevant controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. > We have tested relevant controls related to recognition of revenue, to ensure that accrual of revenue is made for each completed service; > We obtained, on sample basis, direct confirmations from Vendors and Customers for outstanding balances; We have tested samples of direct costs to ensure that all expenses have corresponding revenue by verifying the trip sheets / proof of deliveries;

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's Speech, Board's Report, Financial Highlights, Business Highlights, Corporate Information, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report, but does not include the consolidated financial statements and our auditor's report thereon. The aforesaid other information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of subsidiaries and joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to subsidiaries and joint venture, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and its joint venture.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design ard perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such branches or entities or business activities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹ 101.75 cores as at 31st March, 2019, total revenues of ₹ 233. 61 crores and net cash outflows amounting to ₹ 0.57 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 2.19 crores for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of 1 joint venture, whose financial statements have not been audited by us. 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 financial statements, in

so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture 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 and joint venture is based solely on the reports of the other auditors.

Our opinion on the consolidated 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 branch auditors and other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of, subsidiaries and joint venture referred to in the Other Matters section above we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

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

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the 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 financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and its joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls 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 and joint venture incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture.

      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, its subsidiary companies and its joint venture company incorporated in India.

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

Kedar Raje
Partner
(Membership No. 102637)

Place: MUMBAI,
Date : May 07, 2019

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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Mahindra Logistics Limited (hereinafter referred to as "Parent")., its subsidiary companies and its joint venture, 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 and its joint venture, 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, and its joint venture, 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 and joint venture, 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, its subsidiary companies, and its joint venture, 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, its subsidiary companies and its joint venture, 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, 2019, 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, and a joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India

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)

Place : MUMBAI,
Date : May 07, 2019

Mahindra LOGISTICS

Consolidated Balance Sheet as at 31st March, 2019

₹ in Crores

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
I. NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	4	**66.04**	60.49
(b) Capital Work-in-Progress		**2.59**	0.55
(c) Goodwill on consolidation		**4.33**	4.33
(d) Intangible Assets	5	**0.94**	1.07
(e) Financial Assets			
(i) Investments	6	**3.75**	—
(ii) Trade Receivables	7	**6.82**	—
(iii) Other Financial Assets	9	**18.44**	14.36
(f) Deferred Tax Assets (Net)	10	**18.73**	14.11
(g) Income Tax Assets (Net)	13	**77.32**	86.76
(h) Other Assets	11	**22.40**	20.18
SUB-TOTAL		**221.36**	201.85
II. CURRENT ASSETS			
(a) Financial Assets			
(i) Investments	6	**77.52**	50.05
(ii) Trade Receivables	7	**631.72**	520.04
(iii) Cash and Cash Equivalents	12	**54.95**	66.03
(iv) Bank Balances other than (iii) above	12	**15.00**	—
(v) Loans	8	**15.00**	—
(vi) Other Financial Assets	9	**126.89**	85.30
(b) Other Assets	11	**60.76**	60.82
SUB-TOTAL		**981.84**	782.24
III. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	14	**1.91**	1.91
TOTAL ASSETS		**1,205.11**	986.00
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	15	**71.45**	71.14
(b) Other Equity	16	**426.77**	348.46
Equity attributable to owners		**498.22**	419.60
Equity attributable to non-controlling interests		**5.71**	6.95
SUB-TOTAL		**503.93**	426.55
LIABILITIES			
I. NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	17	**8.89**	18.07
(b) Provisions	19	**16.36**	14.77
SUB-TOTAL		**25.25**	32.84
II. CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	17	**19.63**	8.12
(ii) Trade Payables			
a) Due to Micro and Small Enterprises	21	**6.59**	—
b) Other than Micro and Small Enteprises	21	**593.47**	486.31
(iii) Other Financial Liabilities	18	**27.11**	13.11
(b) Provisions	19	**5.16**	3.27
(c) Other Liabilities	20	**23.97**	15.80
SUB-TOTAL		**675.93**	526.61
TOTAL EQUITY AND LIABILITIES		**1,205.11**	986.00

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: 7th May, 2019

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Zhooben Bhiwandiwala
Chairman
DIN:00110373

Yogesh Patel
Chief Financial Officer

Pirojshaw Sarkari
Chief Executive Officer

Brijbala Batwal
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

₹ in Crores

Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
INCOME			
I. Revenue from operations	**22**	**3,851.34**	3,416.12
II. Other Income	**23**	**7.63**	5.88
III. Total Income (I + II)		**3,858.97**	3,422.00
IV. EXPENSES			
(a) Operating Expenses	**24**	**3,372.40**	3,000.97
(b) Employee benefits expense	**25**	**263.77**	229.12
(c) Finance costs	**26**	**3.48**	3.77
(d) Depreciation and amortisation expense	**4&5**	**21.95**	19.73
(e) Other expenses	**27**	**63.93**	66.30
Total Expenses		**3,725.53**	3,319.89
V. Profit before tax (III - IV)		**133.44**	102.11
VI. Tax Expense			
(1) Current tax	**28**	**51.38**	37.76
(2) Deferred tax	**28**	**(4.59)**	(0.92)
Total Tax Expense		**46.79**	36.84
VII. Profit After Tax (V- VI)		**86.65**	65.27
Share of Loss of Joint Venture		**(0.25)**	—
VIII. Profit for the year		**86.40**	65.27
IX. Profit for the year attributable to:			
Owners of the company		**85.64**	64.01
Non Controlling Interests		**0.76**	1.26
X. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of the defined benefit plans		**—**	(0.13)
(ii) Income tax relating to items that will not be reclassified to profit or loss		**—**	0.05
Total other comprehensive income		**—**	(0.08)
XI. Other comprehensive income for the year attributable to:			
Owners of the company		**0.01**	(0.09)
Non Controlling Interests		**(0.01)**	0.01
Total comprehensive income for the year (VIII + X)		**86.40**	65.19
XII. Total comprehensive income for the year attributable to:			
Owners of the company		**85.65**	63.92
Non Controlling Interests		**0.75**	1.27
XIII. Earnings per equity share (Face Value ₹ 10/- per share)			
(1) Basic (in ₹)	**29**	**12.02**	9.13
(2) Diluted (in ₹)	**29**	**11.97**	9.04

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: 7th May, 2019

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Zhooben Bhiwandiwala
Chairman
DIN:00110373

Yogesh Patel
Chief Financial Officer

Pirojshaw Sarkari
Chief Executive Officer

Brijbala Batwal
Company Secretary

Mahindra LOGISTICS

Consolidated Statement of Changes in Equity for the year ended 31st March, 2019

₹ in Crores

(a) Equity Share Capital

Particulars	Number of shares	Equity share capital
Balance as at 1st April, 2018	**7,11,41,924**	**71.14**
Changes in equity share capital during the year		
Exercise of employee stock options	3,05,760	0.31
Balance as at 31st March, 2019	**7,14,47,684**	**71.45**

(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, 2018	**98.49**	**1.50**	**248.47**	**348.46**	**6.95**	**355.41**
– Addition to Securities premium reserve	3.74	—	—	3.74	—	3.74
– Addition to equity settled employee benefit reserve	—	5.62	—	5.62	—	5.62
– Deletion to equity settled employee benefit reserve	—	(1.38)	—	(1.38)	—	(1.38)
– Dividend paid on Equity Shares (including tax thereon)	—	—	(12.86)	(12.86)	—	(12.86)
– Payment to shareholders of Lords for additional acquisition	—	—	(2.46)	(2.46)	(1.99)	(4.45)
Total Comprehensive Income for the year						
– Profit for the year	—	—	85.64	85.64	0.76	86.40
– Actuarial gain/(loss) transferred to retained earnings	—	—	0.01	0.01	(0.01)	—
Balance as at 31st March, 2019	**102.23**	**5.74**	**318.80**	**426.77**	**5.71**	**432.48**

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: 7th May, 2019

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Zhooben Bhiwandiwala
Chairman
DIN:00110373

Yogesh Patel
Chief Financial Officer

Pirojshaw Sarkari
Chief Executive Officer

Brijbala Batwal
Company Secretary

Consolidated Statement of Cash Flows for the year ended 31st March, 2019

₹ in Crores

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. Cash flows from operating activities		
Profit before tax for the year	**133.44**	102.11
Adjustments for:		
Loss on disposal of property, plant and equipment	**0.60**	0.11
Provision for expected credit loss (Net)	**2.40**	3.20
(Reversal)/Provision for doubtful advances	**0.80**	(1.86)
Bad debts/advances written off	**0.91**	5.25
Depreciation and amortisation expense	**21.95**	19.73
Finance Charges	**3.48**	3.77
Dividend Income	**—**	(0.37)
Interest Income	**(3.66)**	(2.79)
Profit on sale of mutual funds	**(2.14)**	(0.56)
Employees Compensation expenses (ESOP)	**5.62**	1.70
Operating profit before working capital changes	**163.40**	130.29
Movements in working capital:		
Increase in trade and other receivables	**(167.10)**	(145.11)
Decrease in trade and other payables	**140.59**	96.81
Cash generated from operations	**136.89**	81.99
Income taxes paid	**(41.94)**	(70.05)
Net cash generated by/(used in) operating activities	**94.95**	11.94
B. Cash flows from investing activities		
Payment to acquire current investments	**(1,898.05)**	(1,801.92)
Proceeds from sale of current investments	**1,872.70**	1,810.47
Inter Corporate Deposit given	**(15.00)**	—
Inter Corporate Deposit refunded	**—**	25.00
Bank Deposits placed	**(15.00)**	—
Dividend Income	**—**	0.37
Interest Income	**3.28**	3.34
Payment to acquire property, plant and equipment & other intangible assets	**(34.48)**	(37.59)
Proceeds from disposal of property, plant and equipment	**0.32**	0.39
Investment in Subsidiary	**(4.46)**	—
Investment in Joint Venture	**(4.00)**	—
Net cash generated by/(used in) investing activities	**(94.69)**	0.06

Mahindra LOGISTICS

Consolidated Statement of Cash Flows for the year ended 31st March, 2019

₹ in Crores

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
C. Cash flows from financing activities		
Issue of Share Capital	**0.31**	4.04
Share premium received	**2.36**	3.16
Proceeds from borrowings	**10.77**	7.56
Repayment of borrowings	**(8.44)**	(7.25)
Interest paid	**(3.48)**	(3.66)
Dividend paid	**(12.86)**	—
Net cash generated by/(used in) financing activities	**(11.34)**	3.85
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(11.08)**	15.85
Cash and cash equivalents at the beginning of the year	**66.03**	50.18
Cash and cash equivalents at the end of the year	**54.95**	66.03
Components of cash and cash equivalents		
Cash/Cheques on hand	**0.36**	0.68
With Banks – on Current Account/Fixed Deposit/Balance in Cash Credit Accounts	**54.59**	65.35
	54.95	66.03

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: 7th May, 2019

For and on behalf of the Board of Directors
Mahindra Logistics Limited

Zhooben Bhiwandiwala
Chairman
DIN:00110373

Yogesh Patel
Chief Financial Officer

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Chief Executive Officer

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Company Secretary

Notes accompanying Consolidated Financial Statements for the year ended 31st March, 2019

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, 2019 were approved for issue in accordance with a resolution of the directors on 7th May, 2019.

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

Ind AS 116 – 'Leases':

This standard requires lessees to recognize most leases on their balance sheets. Lessees will use a single accounting model for all leases, with limited exemptions. The key changes in lessees accounting relate to introduction of single lease accounting model by elimination of classification between operating and finance leases, and recognition of gain/ loss for sale and lease-back transactions. In the new lease accounting model for lessees majority of leases will be recognized on balance sheet by recognizing a lease liability with a corresponding 'right-of use' asset. The Company is currently assessing the impact of application of Ind AS 116 on Company's financial statements.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 4 – Property, Plant and Equipment

₹ in Crores

Description of Assets	Plant and Machinery	Office Equipment	Furniture, Fixtures and Equipments	Vehicles	Total
	As at 31st March, 2019				
A. Cost					
Balance as at 1st April, 2018	24.44	23.55	14.02	45.19	**107.20**
a) Additions	12.48	4.50	9.56	0.76	**27.30**
b) Less: Disposals/adjustments	(2.05)	(1.06)	(0.41)	(0.16)	**(3.68)**
Balance as at 31st March, 2019	**34.87**	**26.99**	**23.17**	**45.79**	**130.82**
B. Accumulated depreciation					
Balance as at 1st April, 2018	13.68	12.62	6.14	14.27	**46.71**
a) Depreciation expense for the year	5.55	4.89	3.07	7.35	**20.86**
b) Less: Disposals/adjustments	(1.01)	(1.66)	0.02	(0.14)	**(2.79)**
Balance as at 31st March, 2019	**18.22**	**15.85**	**9.23**	**21.48**	**64.78**
C. Net carrying amount (A-B)	**16.65**	**11.14**	**13.94**	**24.31**	**66.04**

Description of Assets	Plant and Machinery	Office Equipment	Furniture, Fixtures and Equipments	Vehicles	Total
	As at 31st March, 2018				
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**

Notes:

i) The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2019 is ₹ 1.49 crores (as at 31st March, 2018, ₹ 2.75 crores).

ii) As at 31st March, 2019 Vehicles with the carrying amount of ₹ 22.63 crores have been pledged to secure borrowings of the Group. Refer Note 17.

Note No. 5 – Intangible Assets

As at 31st March, 2019

₹ in Crores

Description of Assets	Computer Software
A. Cost	
a) Balance as at 1st April, 2018	13.51
b) Additions	0.96
Balance as at 31st March, 2019	**14.47**
B. Accumulated amortisation	
a) Balance as at 1st April, 2018	12.44
b) Amortisation expense for the year	1.09
Balance as at 31st March, 2019	**13.53**
C. Net carrying amount (A-B)	**0.94**

As at 31st March, 2018

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**

Note:

The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2019 is ₹ 0.87 crores (as at 31st March, 2018 ₹ 2.80 crores)

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 6 – Investments

₹ in Crores

Particulars	As at 31st March, 2019 Quantity	Amount Current	Amount Non-Current	As at 31st March, 2018 Quantity	Amount Current	Amount Non-Current
I. COST						
Unquoted Investments (fully paid)						
Investments in Equity Instruments of Joint Venture						
i) Equity Shares of Transtech Logistics Private Limited of ₹ 10 each fully paid up	**100**	**—**	**0.01**	—	—	—
ii) 0.01% Compulsory Convertible Preference Shares ("CCPS") of Transtech Logistics Private Limited of ₹ 50 each fully paid up	**65,988**	**—**	**3.99**	—	—	—
iii) Share of Loss of Joint Venture	**—**	**—**	**(0.25)**	—	—	—
Total Unquoted Investments	**—**	**—**	**3.75**	—	—	—
TOTAL INVESTMENTS CARRIED AT COST [I]	**—**	**—**	**3.75**	—	—	—
II. FAIR VALUE THROUGH PROFIT AND LOSS (FVTPL)						
A. Quoted Investments (fully paid)						
Investments in Mutual Funds	**—**	**77.52**	**—**	—	50.05	—
Total Quoted Investments	**—**	**77.52**	**—**	—	50.05	—
TOTAL INVESTMENTS CARRIED AT FVTPL [II]	**—**	**77.52**	**—**	—	50.05	—
Of the above, investments designated at FVTPL	**—**	**—**	**—**	—	—	—
Of the above, investments held for trading – carried at FVTPL	**—**	**77.52**	**—**	—	50.05	—
Other investments carried at FVTPL	**—**	**—**	**—**	—	—	—
TOTAL INVESTMENTS	**—**	**77.52**	**3.75**	—	50.05	—
TOTAL IMPAIRMENT VALUE OF INVESTMENTS (III)	**—**	**—**	**—**	—	—	—
TOTAL INVESTMENTS CARRYING VALUE (I) + (II) - (III)	**—**	**77.52**	**3.75**	—	50.05	—
Other disclosures						
Aggregate amount of quoted investments	**—**	**77.52**	**—**	—	50.05	—
Aggregate amount of Market value of investments	**—**	**77.52**	**—**	—	50.05	—
Aggregate amount of impairment in value of investments	**—**	**—**	**—**	—	—	—

Note No. 7 – Trade receivables

₹ in Crores

Particulars	As at 31st March, 2019 Current	Non-Current	As at 31st March, 2018 Current	Non-Current
Trade receivables				
a) Unsecured, considered good	**631.72**	**6.82**	520.04	—
b) Significant increase in credit risk	**14.99**	**—**	12.60	—
	646.71	**6.82**	532.64	—
Less: Allowance for expected credit losses	**14.99**	**—**	12.60	—
Total	**631.72**	**6.82**	520.04	—

Notes:

i) Refer Note 30 (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 ₹ 614.55 of the Holding Company are hypothecated to Banks against working capital facility.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 8 – Loans

₹ in Crores

Particulars	As at 31st March, 2019	As at 31st March, 2018
Loan to related parties		
a) Unsecured, considered good	**15.00**	—
Total	**15.00**	—

Note:

Refer Note 30(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, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
Financial assets at amortised cost				
a) Bank Deposit				
Under lien with Government authority with more than 12 months of original maturity	—	—	—	0.01
Total	—	—	—	0.01
b) Security Deposits				
i. Unsecured, considered good	**11.30**	**18.40**	10.94	13.38
ii. Doubtful	**0.12**	**0.27**	0.22	—
Less: Allowance for Losses	**(0.12)**	**(0.27)**	(0.22)	—
Total	**11.30**	**18.40**	10.94	13.38
c) Other items				
i. Interest Accrued	**0.39**	—	0.01	—
ii. Accrued Sales	**99.69**	—	73.58	—
iii. National Savings Certificate	—	**0.01**	—	0.01
iv. Equity Shares of Zoroastrian Cooperative Bank Ltd	—	**0.02**	—	0.02
v. Other Receivables	**15.56**	**0.01**	0.77	0.94
Less: Allowance for Losses	**(0.05)**	—	—	—
Total	**115.59**	**0.04**	74.36	0.97
Total (a+b+c)	**126.89**	**18.44**	85.30	14.36

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 10 – Deferred Tax Assets

Movement in deferred tax balances

₹ in Crores

Particulars	As at 31st March, 2019			
	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
A. Tax effect of items constituting deferred tax liabilities				
a) VAT allowance	1.09	—	—	1.09
b) Property, Plant and Equipment	2.44	(0.09)	—	2.35
c) Deposits received	—	—	—	—
d) Mutual Funds	0.02	0.03	—	0.05
Total	3.55	(0.06)	—	3.49
B. Tax effect of items constituting deferred tax assets				
a) Property, Plant and Equipment	3.53	1.27	—	4.80
b) Employee Benefits	6.20	0.81	0.03	7.04
c) Allowances for credit losses	4.80	1.03	—	5.83
d) ESOP Expenses	—	1.96	—	1.96
e) Income tax Loss	2.42	(0.58)	—	1.84
f) MAT Credit	0.63	0.01	—	0.64
g) Others	0.08	0.03	—	0.11
Total	17.66	4.53	—	22.22
Net Tax Asset/(Liabilities) (B-A)	14.11	4.59	—	18.73

Particulars	As at 31st March, 2018			
	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

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 11 – Other assets

₹ in Crores

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
A. Capital advances				
a) For Capital work in progress	—	0.76	—	0.23
b) For Intangible asset	—	15.35	—	12.92
Total (A)	—	16.11	—	13.15
B. Advances other than capital advances				
a) Advances to suppliers – considered good	42.13	—	45.37	—
b) Advances to suppliers – considered doubtful	1.65	—	1.07	—
c) Balances with government authorities (service tax, VAT etc.)	3.36	5.70	2.97	6.16
d) Prepaid Expenses	3.61	0.59	3.05	0.60
e) Advances to employees #	1.78	—	1.44	—
f) Other Receivables	9.81	—	7.94	0.27
Total (B)	62.34	6.29	61.84	7.03
C. Consumables Tyres	0.07	—	0.05	—
TOTAL (A+B+C)	62.41	22.40	61.89	20.18
Less: Provision for doubtful advances	(1.65)	—	(1.07)	—
Total (D)	(1.65)	—	(1.07)	—
TOTAL (A+B+C+D)	60.76	22.40	60.82	20.18

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, 2019	As at 31st March, 2018
A. Cash and cash equivalents		
a) Balances with banks	29.59	40.35
b) Cheques, drafts on hand	0.28	0.59
c) Cash on hand	0.08	0.09
d) Bank deposits with original maturity of less than 3 months	25.00	25.00
Total	54.95	66.03
B. Other Bank Balances		
Fixed Deposits with original maturity greater than 3 months but less than 12 months.	15.00	—
Total	15.00	—

Note:

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 8.10% to 11.00% p.a.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 13 – Income Tax Assets (Net)

₹ in Crores

Particulars	As at 31st March, 2019	As at 31st March, 2018
Advance Income Tax/TDS Receivable (Net)	**77.32**	86.76
Total	**77.32**	86.76

Note No. 14 – Non-Current Assets classified as held for sale

₹ in Crores

Particulars	As at 31st March, 2019	As at 31st March, 2018
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, 2019		As at 31st March, 2018	
	No. of shares	Amount	No. of shares	Amount
A. Authorised:				
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:				
Equity shares of ₹ 10 each with voting rights	**7,14,47,684**	**71.45**	7,11,41,924	71.14
Total	**7,14,47,684**	**71.45**	7,11,41,924	71.14

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 15 – Equity Share Capital (contd.)

₹ in Crores

(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					
Year ended 31st March, 2019	**No. of Shares**	**7,11,41,924**	**3,05,760**	**—**	**7,14,47,684**
	Amount	**71.14**	**0.31**	**—**	**71.45**
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

Note:

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.

(ii) Details of shares held by Holding Company / and their Subsidiaries

Name of shareholder	As at 31st March, 2019	As at 31st March, 2018
a) Holding Company		
— Mahindra & Mahindra Limited	**4,18,12,157**	4,18,12,157
b) Subsidiaries of Holding Company		
— Mahindra Engineering and Chemical Products Limited	**100**	100

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2019		As at 31st March, 2018	
	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**	**58.52%**	4,18,12,157	58.77%
b) Normandy Holdings Limited	**64,15,083**	**8.98%**	64,15,083	9.02%

Note:

For details of shares reserved or issuance under options, please refer note no 25.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 16 – Other Equity

₹ in Crores

Particulars	As at 31st March, 2019	As at 31st March, 2018
Securities premium	**102.23**	98.49
Retained earnings	**318.80**	248.47
Equity-settled employee benefits reserve	**5.74**	1.50
Non-Controlling Interest	**5.71**	6.95
Total	**432.48**	355.41

Movement in Reserves

Particulars	As at 31st March, 2019	As at 31st March, 2018
(A) Retained Earnings		
Balance as at the beginning of the year	**248.47**	184.55
Add: Profit for the year	**85.64**	64.01
Less: Actuarial gain for the year	**0.01**	(0.09)
Less: Dividend paid on Equity Shares (including tax thereon)	**(12.86)**	—
Less: Payment to shareholders of Lords for additional acquisition	**(2.46)**	—
Balance as at the end of the year	**318.80**	248.47
(B) Securities Premium		
Balance as at the beginning of the year	**98.49**	92.67
Add: Additions during the year	**3.74**	5.82
Less: Deletion during the year	**—**	—
Balance as at the end of the year	**102.23**	98.49
(C) Equity-settled Employee benefits reserve		
Balance as at the beginning of the year	**1.50**	2.46
Add: Additions during the year	**5.62**	1.70
Less: Deletion during the year	**(1.38)**	(2.66)
Balance as at the end of the year	**5.74**	1.50

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 7th May, 2019 have recommended a payment of final dividend of ₹ 1.80 (Rupee one and paise eighty only) per equity share of face value of ₹ 10 each for the year ended 31st March, 2019. The same amounts to ₹ 15.50 crores including dividend distribution tax of ₹ 2.64 crores.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 17 – Borrowings

₹ in Crores

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
A. Secured Borrowings				
(a) Loans repayable on demand				
(1) from Banks	**14.08**	**—**	2.73	—
(b) Term Loan				
(1) from Banks	**—**	**8.89**	—	18.07
(2) from related party	**—**	**—**	—	—
Total Secured Borrowings	**14.08**	**8.89**	2.73	18.07
B. Unsecured Borrowings				
(1) from Banks	**5.55**	**—**	5.39	—
(2) from other parties	**—**	**—**	—	—
Total Unsecured Borrowings	**5.55**	**—**	5.39	—
Total Borrowings	**19.63**	**8.89**	8.12	18.07

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 8.10% to 11% 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, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
Other Financial Liabilities Measured at Amortised Cost				
(a) Security Deposits	**3.82**	**—**	3.57	—
(b) Current maturities of Long-term debts				
— From banks	**9.18**	**—**	8.44	—
(c) Other Liabilities				
— Creditors for Capital Supplies/Services	**2.29**	**—**	1.10	—
— Other Liabilities	**11.82**	**—**	—	—
Total	**27.11**	**—**	13.11	—

Note No. 19 – Provisions

₹ in Crores

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
Provision for employee benefits				
(a) Provision for Compensated absences	**5.13**	**16.04**	3.25	14.56
(b) Post-Employment Benefit Gratuity Liability	**0.03**	**0.32**	0.02	0.21
Total	**5.16**	**16.36**	3.27	14.77

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 34 on Employee Benefit.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 20 – Other Liabilities

₹ in Crores

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
A. Advances received from customers	**1.18**	**—**	0.08	—
B. Statutory dues				
a) Taxes Payable	**16.80**	**—**	9.76	—
b) Employee Liabilities	**2.48**	**—**	2.07	—
C. Post-employment Benefit — Gratuity Liability	**3.51**	**—**	3.89	—
Total	**23.97**	**—**	15.80	—

Note: For disclosures related to employee benefits, refer note 34.

Note No. 21 – Trade Payables

₹ in Crores

Particulars	As at 31st March, 2019	As at 31st March, 2018
Due to Micro and Small Enterprises	**6.59**	—
Trade payable — Other than Micro and Small Enterprises	**593.47**	486.31
Total	**600.06**	486.31

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) Micro, Small & Medium Enterprises have been identified by the Group on the basis of the information available with the Group. Total outstanding dues of Micro and Small Enterprises, which are outstanding and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the Act") are given below. This has been relied upon by the auditors.

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Dues remaining unpaid		
— Principal	**6.35**	—
— Interest on the above	**0.24**	—
b) Interest paid in terms of section 16 of the Act along with the amount of payment made to the supplier beyond appointed day dring the year		
— Principal paid beyond the appointed date	**—**	—
— Interest paid in terms of section 16 of the Act	**—**	—
c) Amount of interest accrued and remaining unpaid at the end of accounting year	**0.24**	—
d) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**0.24**	—
e) Further interest due and payable even in succeeding years, until such date when the interest due as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Act	**0.24**	—
f) Amount of interest accrued and remaining unpaid at the end of accounting year	**0.24**	—

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 22 – Revenue from Operations

₹ in Crores

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Revenue from rendering of services	**3851.16**	3415.86
(b) Other operating revenue	**0.18**	0.26
Total	**3851.34**	3416.12

Effective 1st April, 2018, the Company has adopted Ind AS 115 'Revenue from contracts with customers'

Accordingly, the Company is recognizing the revenue as and when it satisfies the performance obligation by transferring promised services to a customer and customer obtains the benefit of the same.

The revenue is recognised on satisfaction of performance obligation / transferring control to the customer and hence the same is recognised at a point in time. The Company disaggregates revenue on the basis of its segments viz. SCM and PTS. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

There is no impact on account of applying Ind AS 115 Revenue from Contract with customers instead of the erstwhile Ind AS 18 Revenue, on the financial statements of the Company.

A. Country-wise break up of Revenue

Country	Revenue from contracts with customers	Revenue from operations from other than customers	Total Revenue from Operations	Other Income	Total Income
India	3,846.01	—	3,846.01	7.63	3,853.64
Australia	0.01	—	0.01	—	0.01
Canada	0.05	—	0.05	—	0.05
China	0.14	—	0.14	—	0.14
Croatia	—	—	—	—	—
Czech Republic	0.01	—	0.01	—	0.01
France	—	—	—	—	—
Germany	—	—	—	—	—
Ghana	0.01	—	0.01	—	0.01
Hong Kong	0.30	—	0.30	—	0.30
Indonesia	—	—	—	—	—
Italy	0.02	—	0.02	—	0.02
Japan	—	—	—	—	—
Jordan	0.01	—	0.01	—	0.01
Kazakhstan	0.03	—	0.03	—	0.03
Korea (South)	0.39	—	0.39	—	0.39
Malaysia	0.01	—	0.01	—	0.01
Myanmar	0.01	—	0.01	—	0.01
Nepal	0.02	—	0.02	—	0.02
Netherlands	0.06	—	0.06	—	0.06
New Zealand	—	—	—	—	—
Poland	—	—	—	—	—
Qatar	0.02	—	0.02	—	0.02
Singapore	0.19	—	0.19	—	0.19
Slovakia	0.01	—	0.01	—	0.01
Spain	0.02	—	0.02	—	0.02
Sri Lanka	0.10	—	0.10	—	0.10
Sweden	0.02	—	0.02	—	0.02
Switzerland	0.03	—	0.03	—	0.03
Taiwan	0.06	—	0.06	—	0.06
Thailand	—	—	—	—	—
Turkey	—	—	—	—	—
UAE	1.05	—	1.05	—	1.05
United Kingdom	0.17	—	0.17	—	0.17
United States of America	2.56	—	2.56	—	2.56
Vietnam	0.03	—	0.03	—	0.03
Total	**3,851.34**	**—**	**3,851.34**	**7.63**	**3,858.97**

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

B. Reconciliation of revenue from contract with customer

₹ in Crores

Particulars	Amount
Revenue from contract with customer as per the contract price	3,785.30
Adjustments made to contract price on account of :	
a) Sales Returns / Reversals	66.04
Revenue from contract with customer as per the Statement of Profit and Loss	3,851.34

C. Break-up of Provision for Expected Credit Losses recognised in P&L

Particulars	Amount
Expected Credit loss recognised during the year on trade receivables	14.99
Total	14.99

D. Movement of Contract Assets and Contract Liabilities

Movement of Contract Assets

Particulars	Amount
Opening Balance	73.58
Additions during the year	99.69
Reclassification Adjustments:	
– Reclass of opening balances of contract assets to trade receivables	(73.58)
Closing Balance	99.69

Movement of Contract Liabilities

Particulars	Amount
Opening Balance	0.08
Additions during the year	1.18
Reclassification Adjustments:	
– Reclass of opening balances of contract liabilities to revenue	(0.08)
Closing Balance	1.18

Note No. 23 – Other Income

₹ in Crores

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Interest Income		
— On Financials Assets at Amortised Cost	**2.97**	2.35
— On Other Assets	**0.69**	0.44
(b) Dividend Income		
— from Mutual fund at Fair Value through Profit or Loss #	**0.00**	0.37
(c) Miscellaneous Income		
— Net gain/(loss) arising on financial assets carried at FVTPL	**2.14**	0.56
— Net gain/(loss) arising on financial liabilities carried at amortised cost	**0.00**	0.09
— Gain on exchange fluctuation	**0.13**	0.94
— Other income	**1.70**	1.13
Total	**7.63**	5.88

# denotes amount less than ₹ 50,000

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 24 – Operating Expenses

₹ in Crores

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Freight & Other Related Expenses	**2,978.01**	2,691.31
Labour & Other Related Expenses	**237.49**	187.15
Rent	**67.42**	56.57
Warehouse & Other Related Expenses	**41.56**	24.13
Hire & Service Charges	**14.21**	12.15
Power & Fuel	**27.62**	22.70
Repairs Machinery	**5.34**	6.41
Repairs Building	**0.75**	0.55
Total	**3,372.40**	3,000.97

Note: The Operating Expenses that are directly attributable to the Operating Revenue have been regrouped from Other Expenses.

Note No. 25 – Employee Benefits Expense

₹ in Crores

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
a) Salaries and wages, including bonus	**220.35**	193.97
b) Contribution to provident and other funds	**13.33**	11.83
c) Gratuity	**3.74**	3.86
d) Equity-settled share-based payments	**5.62**	1.70
e) Staff welfare expenses	**20.73**	17.76
Total	**263.77**	229.12

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, etc. pertaining to employees.

iii) With regard to a recent Supreme Court judgement on the applicability of allowances to be used for the purposes of calculating the provident fund, the company considering the uncertainty and lack of clarity regarding the period of applicability of the judgement, has based on advise of its legal counsel taken the view that the judgement is likely to be applicable prospectively.

iv) 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.

The Company has granted 6,13,484 (Six Lakh Thirteen Thousand Four hundred and Eighty Four) Restricted Stock Units (RSU's) under Company's Restricted Stock Unit Plan 2018 to its identified employees. This grant is effective from 1st November 2018. These shall vest as per the vesting schedule approved by the board of governance, Nomination and Remuneration Committee (NRC) and can be exercised over the exercise period as approved by NRC in their meeting held on 1st November, 2018. Personnel Cost mentioned above includes ₹ 5.40 crores for the year towards the said grants.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

v) Information in respect of options outstanding:

Particulars	As at 31st March, 2019				
	Number of Shares	Grant Date	Expiry Date	Exercise Price	Fair value at Grant Date
Equity Settled					
Restricted Stock Units	1,53,371	01-11-2018	01-11-2019	10.00	538.29
Restricted Stock Units	1,53,371	01-11-2018	30-06-2020	10.00	537.73
Restricted Stock Units	1,53,371	01-11-2018	30-06-2021	10.00	536.82
Restricted Stock Units	1,53,371	01-11-2018	30-06-2022	10.00	536.01
Option 6	76,164	10-07-2017	10-07-2021	87.28	44.96

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	10-07-2017	10-07-2021	87.28	44.96

vi) Movement in Share Options

Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
	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	**4,59,360**	**87.28**	17,97,381	87.28
b) Granted during the year	**6,13,484**	**10.00**	4,59,360	87.28
c) Forfeited during the year	**77,436**	**87.28**	1,10,501	30.10
d) Exercised during the year	**3,05,760**	**87.28**	16,86,880	24.96
e) Expired during the year	—	—	—	—
f) Outstanding at the end of the year	**6,89,648**	**18.53**	4,59,360	87.28
g) Exercisable at the end of the year	**6,89,648**	**18.53**	4,59,360	87.28
h) Remaining contractual life (no. of days)		**1,187**		1,195

vii) 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	10-07-2017	01-11-2018	01-11-2018	01-11-2018	01-11-2018
Share price at grant date	87.28	549.85	549.85	549.85	549.85
Exercise price	87.28	10.00	10.00	10.00	10.00
Expected volatility (weighted-average)	58.27%	34.30%	34.30%	34.30%	34.30%
Expected life / Option life (weighted-average)	4.00	1.00	1.66	2.66	3.66
Expected dividends yield	0.00%	0.27%	0.27%	0.27%	0.27%
Risk-free interest rate (based on government bonds)	6.72%	7.74%	7.71%	7.63%	7.98%

viii) 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.

ix) 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, 2019

Note No. 26 – Finance Cost

₹ in Crores

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Interest expense on cash credit	**1.42**	1.08
(b) Interest expense on Term loans	**1.94**	2.58
(c) Interest to MSMED Vendors	**0.12**	—
(d) Interest expense on unwinding of deposits	**—**	0.11
Total	**3.48**	3.77

(i) Analysis of Interest Expenses by Category

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest Expenses		
On Financial Liability at Amortised Cost	**3.48**	3.77
Total	**3.48**	3.77

Note No. 27 – Other Expenses

₹ in Crores

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Rent including lease rentals	**8.22**	7.96
(b) Legal and Other professional costs	**14.28**	17.20
(c) Hire and service charges	**0.83**	0.70
(d) Travelling and Conveyance expense	**12.50**	12.72
(e) Provision for expected credit loss on trade and other receivables	**2.40**	3.20
(f) (Reversal)/ provision for doubtful advance	**0.80**	(1.86)
(g) Power and Fuel	**1.35**	1.19
(h) Expenditure on Corporate Social Responsibility (CSR)	**1.54**	1.27
(i) Advertisement	**0.97**	0.70
(j) Net loss on sale of property, plant and equipments	**0.60**	0.11
(k) Repairs and Maintenance:		
(i) Buildings	**0.01**	—
(ii) Machinery	**0.45**	0.36
(iii) Others	**3.61**	3.00
	4.07	3.36
(l) Auditors remuneration and out-of-pocket expense		
(i) As Auditors	**0.32**	0.27
(ii) For Taxation matters	**0.01**	—
(iii) For Other services	**0.05**	0.25
(iv) For reimbursement of expense	**0.01**	0.01
	0.39	0.53
(m) Other Expenses		
(i) Miscellaneous expense	**15.07**	13.97
(ii) Loss arising on derecognition of financial assets- Bad debts/advances written off	**0.91**	5.25
	15.98	19.22
Total	**63.93**	66.30

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 28 – Current Tax and Deferred Tax

(a) Income Tax recognised in Profit & Loss

₹ in Crores

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. **Current Tax:**		
(a) In respect of current year	**51.46**	37.73
(b) In respect of prior years	**(0.08)**	0.03
Total	**51.38**	37.76
B. **Deferred Tax:**		
(a) In respect of current year	**(4.59)**	(0.92)
Total	**(4.59)**	(0.92)
Total (A+B)	**46.79**	36.84

(b) Income tax recognised in Other Comprehensive Income

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. **Current Tax:**		
Remeasurement of defined benefit obligations	**(0.03)**	0.05
Total	**(0.03)**	0.05
B. **Deferred Tax:**	**0.03**	—
Total	**0.03**	—
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
Total	**—**	0.05

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Profit Before tax	**133.44**	102.11
(b) Income Tax using the Company's domestic tax rate #	**46.41**	35.23
(c) Change in tax rate	**—**	(0.07)
(d) Expenses not allowed for tax purpose	**0.61**	1.92
(e) Deferred tax credit on ESOP		—
(f) Exempt Income for tax purpose	**—**	(0.13)
(g) Deduction under Income tax u/s 80G	**(0.14)**	(0.11)
(h) Tax impact on Business Loss	**(0.03)**	—
	46.85	36.84
(i) Adjustments recognised in the current year in relation to the current tax of prior years	**(0.06)**	—
Income tax expense recognised In profit or loss	**46.79**	36.84

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.

(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.

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(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.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 29 – Earnings Per Share

₹ in Crores

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. Basic Earnings Per Share (in ₹) (face value ₹ 10/- per share)	**12.02**	9.13
B. Diluted Earnings Per Share (in ₹) (face value ₹ 10/- per share)	**11.97**	9.04

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:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit for the year attributable to owners of the group	**85.64**	64.01
Profit for the year used in the calculation of basic earnings per share	**85.64**	64.01
Weighted average number of equity shares	**7,12,48,536**	7,01,45,454
Earnings per share from continuing operations – Basic (in ₹)	**12.02**	9.13

(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.

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Profit for the year used in the calculation of basic earnings per share	**85.64**	64.01
(b) Add: adjustments on account of dilutive potential equity shares	**—**	—
Profit for the year used in the calculation of diluted earnings per share	**85.64**	64.01

(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:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Weighted average number of equity shares used in the calculation of Basic EPS	**7,12,48,536**	7,01,45,454
(b) Add: Dilutive impact of potential equity shares on account of ESOPs and RSUs	**3,20,935**	6,92,256
Weighted average number of equity shares used in the calculation of Diluted EPS	**7,15,69,471**	7,08,37,710
Earnings per share from continuing operations – Diluted (in ₹)	**11.97**	9.04

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 30 – 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, 2019	As at 31st March, 2018
Equity	**498.22**	419.60
Capital	**498.22**	419.60

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, 2019			
	Amortised Costs	FVTPL	FVOCI	Total
A. Non-current Assets				
(a) Other Financial Assets	**18.44**	—	—	**18.44**
Total	**18.44**	—	—	**18.44**
B. Current Assets				
(a) Investments	—	**77.52**	—	**77.52**
(b) Trade Receivables	**631.72**	—	—	**631.72**
(c) Cash and Bank Balances	**69.95**	—	—	**69.95**
(d) Loans	**15.00**	—	—	**15.00**
(e) Other Financial Assets	**126.89**	—	—	**126.89**
Total	**843.56**	**77.52**	—	**921.08**
C. Non-current Liabilities				
(a) Borrowings	**8.89**	—	—	**8.89**
(b) Other Financial Liabilities:				
— Security Deposits	—	—	—	—
Total	**8.89**	—	—	**8.89**
D. Current Liabilities				
(a) Borrowings	**19.63**	—	—	**19.63**
(b) Trade Payables	**593.47**	—	—	**593.47**
(c) Other Financial Liabilities	**27.11**	—	—	**27.11**
Total	**640.21**	—	—	**640.21**

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

₹ in Crores

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

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 one large customer 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 to 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, 2019

(vi) The loss allowance for trade receivables using expected credit loss for different ageing periods is as follows:

₹ in Crores

Particulars	As at 31st March, 2019			
	Not due	Less than 6 months past due	More than 6 months past due	Total
(a) Gross carrying amount	**397.89**	**220.44**	**35.20**	**653.53**
(b) Loss allowance provision	**5.50**	**2.88**	**6.61**	**14.99**

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

(vii) Reconciliation of loss allowance provision for Trade Receivables

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Balance as at beginning of the year	**12.60**	9.40
(b) Impairment losses recognised in the year based on lifetime expected credit losses		
— On receivables originated during the year	**2.99**	1.80
— Other receivables	**0.43**	1.72
(c) Impairment losses reversed / written back	**(1.03)**	(0.32)
(d) Balance at end of the year	**14.99**	12.60

(viii) During the year, the Group has written off ₹ 0.88 crores (Previous year ₹ 2.97 crores) of trade receivables and NIL (Previous year ₹ NIL) deposits given. These trade receivables and deposits are not subject to enforcement activity.

Investment in Mutual Funds

The Group has investments of ₹ 77.52 crores as at 31st March, 2019 (₹ 50.05 crores as at 31st March, 2018) in growth oriented mutual funds which have not been impaired till date.

Cash and Cash equivalents

As at 31st March, 2019, the Company holds cash and cash equivalents of ₹ 66.95 crores (As at 31st March, 2018 ₹ 66.03 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, 2019

(ii) Maturities of financial liabilities

Table showing maturity profile of financial liabilities:

₹ in Crores

Particulars	As at 31st March, 2019			
	Less than 1 year	1-3 years	3 years to 5 years	5 years and above
(A) Non-derivative financial liabilities				
(a) Trade Payables	593.47	—	—	—
(b) Borrowings	19.63	15.76	2.31	—
(c) Security Deposits	3.82	—	—	—
(d) Other Financial liabilities	14.11	—	—	—
Total	631.03	15.76	2.31	—

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	—

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 table includes 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:

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Secured Cash credit facility		
— Expiring within one year	60.92	66.27
(b) Bank Guarantees*		
— Expiring beyond one year	2.10	3.99
(c) Unsecured Bank Overdraft facility		
— Expiring within one year	1.45	1.61

* 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, 2019			
	Less than 1 year	1-3 years	3 years to 5 years	5 years and above
Non-derivative financial assets				
(a) Trade Receivables	631.72	—	—	—
(b) Security Deposits	11.42	16.73	2.56	0.36
(c) Loan to related parties	15.00	—	—	—
(d) Others	115.59	0.04	—	—
Total	773.73	16.77	2.56	0.36

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

₹ in Crores

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				
(a) Trade Receivables	520.04	—	—	—
(b) Security Deposits	10.68	8.72	4.81	0.36
(c) Loan to related parties	—	—	—	—
(d) Others	74.36	0.98	—	—
Total	605.08	9.70	4.81	0.36

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.

There has been no significant changes to the Group's exposure to market risk or the methods in which they are managed or measured.

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.

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, 2019	As at 31st March, 2018
Trade Receivables	USD	**2,25,522**	2,00,151
	EUR	**1,019**	3,052
	SGD	**3,447**	3,447
	GBP	**2,118**	2,259
	HKD	**24,957**	353
Trade Payables	USD	**7,949**	23,36,828
	HKD	**7,52,393**	48,81,189
	EUR	**28,710**	1,16,214
	GBP	**47,421**	70,675
	SGD	**10,298**	12,423
	CAD	**—**	3,092
	DKK	**1,434**	10,967
	CHF	**450**	634
	AUD	**600**	—
	SEK	**16,655**	35,360
	NOK	**—**	2,822
	JPY	**13,63,976**	—
	AED	**4,238**	—

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

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, 2019	**USD**	**+10%**	**(0.15)**	**(0.15)**
	USD	**-10%**	**0.15**	**0.15**
	GBP	**+10%**	**0.04**	**0.04**
	GBP	**-10%**	**(0.04)**	**(0.04)**
	EUR	**+10%**	**0.02**	**0.02**
	EUR	**-10%**	**(0.02)**	**(0.02)**
	HKD	**+10%**	**0.06**	**0.06**
	HKD	**-10%**	**(0.06)**	**(0.06)**
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)

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, 2019	**Cash Credit**	**Floating**	**9.35%**	**14.08**	**1.00%**	**(0.14)**	**1.00%**	**0.14**
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

Note No. 31 – Fair Value Measurement

(a) Fair Valuation Techniques and Inputs used – recurring items

Financial assets/ Financial liabilities measured at Fair value	Fair value		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 2019	As at 31st March 2018				
(A) Financial assets						
Investments						
Mutual fund investments	**77.52**	50.05	Level 1	Quoted Market Prices	NA	NA
Total	**77.52**	50.05				

In addition to the above, the carrying value of the investment in equity shares of the Zoroastrian Co-operative Bank of ₹ 0.10 million represent the reasonable estimate of fair value as on the reporting date.

As at the 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, 2019

(b) Fair value of financial assets and financial liabilities that are measured at amortised cost:

₹ in Crores

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
(A) Financial assets				
Financial assets carried at Amortised Cost				
(i) Loans to related parties	**15.00**	**15.00**	—	—
(ii) Trade receivables	**631.72**	**631.72**	520.04	520.04
(iii) Deposits given	**29.70**	**29.66**	24.32	24.29
(iv) Cash and cash equivalents	**54.95**	**54.95**	66.03	66.03
(v) Bank Balances other than (iv) above	**15.00**	**15.00**	—	—
(vi) Others	**115.63**	**115.63**	75.34	75.34
Total	**862.00**	**861.96**	685.73	685.70
(B) Financial liabilities				
Financial liabilities held at amortised cost				
(i) Borrowings	**37.70**	**30.51**	34.63	35.04
(ii) Deposits received	**3.82**	**3.82**	3.57	3.57
(iii) Trade and other payables	**593.47**	**593.47**	486.31	486.31
(iv) Other financial liabilities	**14.11**	**14.11**	1.10	1.10
Total	**649.10**	**641.91**	525.61	526.02

Note No. 32 – 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 :

₹ in Crores

Particulars	For the year ended 31st March, 2019				
	SCM	PTS	Total Segments	Elimination	Total
Revenue					
I. External customers	**3,465.87**	**385.47**	**3,851.34**	—	**3,851.34**
II. Intersegment revenue	—	—	—	—	—
Total revenue	**3,465.87**	**385.47**	**3,851.34**	—	**3,851.34**

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

₹ in Crores

Particulars	For the year ended 31st March, 2019				
	SCM	PTS	Total Segments	Elimination	Total
Results					
Segment Result	**264.94**	**40.52**	**305.46**	**—**	**305.46**
Less: Finance Costs					**(3.48)**
Unallocated corporate income net of unallocated expenses					**(168.54)**
Profit before tax					**133.44**
Income Taxes					**(46.79)**
Profit after tax					**86.65**
Other information					
Segment Assets	**800.61**	**120.21**	**920.82**	**—**	**920.82**
Unallocated Corporate Assets	**—**	**—**	**—**	**—**	**284.29**
Total Assets	**800.61**	**120.21**	**920.82**	**—**	**1,205.11**
Segment Liabilities	**582.43**	**53.40**	**635.83**	**—**	**635.83**
Unallocated Corporate Liabilities	**—**	**—**	**—**	**—**	**65.35**
Total Liabilities	**582.43**	**53.40**	**635.83**	**—**	**701.18**
Capital Expenditure	**29.68**	**3.03**	**32.71**	**—**	**32.71**
Depreciation and Amortisation expense	**17.41**	**0.31**	**17.72**	**—**	**17.72**

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
Results					
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

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

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, 2019	For the year ended 31st March, 2018
Revenue from external customers		
India	3,846.00	3,401.52
Outside India	5.34	14.60
Total revenue per statement of profit or loss	**3,851.34**	3,416.12

(vi) Segment Assets

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
India	**919.11**	740.57
Outside India	**1.71**	1.38
Total	**920.82**	741.95

(vii) Capital Expenditure

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
India	**32.71**	33.57
Outside India	**—**	—
Total	**32.71**	33.57

(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:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Transportation	**2,942.25**	2,656.77
Warehousing & other related activities	**502.18**	396.93
People Logistics	**385.47**	340.47
Total	**3,829.90**	3,394.17

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, 2019.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 33 – 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, 2019	For the year ended 31st March, 2018
(i) Future Non-Cancellable minimum lease commitments		
(a) not later than one year	**21.22**	11.80
(b) later than one year and not later than five years	**34.85**	8.18
(c) later than five years	**—**	—
(ii) Expenses recognised in the Statement of Profit and Loss		
(a) Minimum Lease Payments	**75.12**	64.08

Note No. 34 – Employee benefits

(a) Defined Contribution Plan

The Group's contribution to Provident Fund, Superannuation Fund and other funds aggregating ₹ 13.33 crores (2018: ₹ 11.83 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, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
(a) Discount rate(s)	**7.40%**	7.70%	**7.30% to 7.50%**	7.60% to 7.70%
(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, 2019

(d) Defined benefit plans – as per actuarial valuation

₹ in Crores

Particulars	Funded Plan – Gratuity		Unfunded Plan – Gratuity	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
I. Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:				
(a) Service Cost	—	—	—	—
(b) Current Service Cost	**3.31**	3.05	**0.12**	0.11
(c) Past Service Cost and (gains)/losses from settlements	—	0.48	—	—
(d) Net interest expense	**0.30**	0.20	**0.01**	0.02
Components of defined benefit costs recognised in profit or loss	**3.61**	3.73	**0.13**	0.13
(a) Remeasurement on the net defined benefit liability	—	—	—	—
(b) Return on plan assets (excluding amount included in net interest expense)	**(0.05)**	(0.22)	—	—
(c) Actuarial gains and loss arising from changes in demographic assumptions	**(0.48)**	—	—	—
(d) Actuarial gains and loss arising from changes in financial assumptions	**0.45**	(1.12)	**0.01**	(0.02)
(e) Actuarial gains and loss arising from experience adjustments	**(0.02)**	1.50	**0.09**	(0.01)
Components of defined benefit costs recognised in Other Comprehensive Income	**(0.10)**	0.16	**0.10**	(0.03)
Total	**3.51**	3.89	**0.23**	0.10
II. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March				
(a) Present value of defined benefit obligation	**(16.51)**	(13.76)	**(0.35)**	(0.23)
(b) Fair value of plan assets	**13.00**	9.87	—	—
(c) Surplus/(Deficit)	**(3.51)**	(3.89)	**(0.35)**	(0.23)
(d) Current portion of the above	**(3.51)**	(3.89)	**(0.03)**	(0.02)
(e) Non-current portion of the above	—	—	**(0.32)**	(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	**13.76**	9.52	**0.23**	0.22
(b) Add/(Less) on account of Scheme of Arrangement/ Business	—	—	—	—
(c) Transfer	—	—	—	—
(d) Expenses Recognised in Profit and Loss Account				
– Current Service Cost	**3.31**	3.05	**0.12**	0.11
– Past Service Cost	—	0.48	—	
– Interest Expense (Income)	**1.06**	0.65	**0.01**	0.02

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

₹ in Crores

Particulars	Funded Plan – Gratuity		Unfunded Plan – Gratuity	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
(e) Recognised in Other Comprehensive Income				
Remeasurement gains/(losses)				
i. Demographic Assumptions	**(0.48)**	—	**—**	—
ii. Financial Assumptions	**0.45**	(1.12)	**0.01**	(0.02)
iii. Experience Adjustments	**(0.02)**	1.50	**0.09**	(0.01)
(f) Benefit payments	**(1.57)**	(0.32)	**(0.11)**	(0.09)
(g) Present value of defined benefit obligation at the end of the year	**16.51**	13.76	**0.35**	0.23
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	**9.87**	6.67	**—**	—
(ii) *Expenses Recognised in Profit and Loss Account*				
– Expected return on plan assets	**0.76**	0.45	**—**	—
(iii) Recognised in Other Comprehensive Income				
Remeasurement gains/(losses)	**—**	—	**—**	—
– Actual Return on plan assets in excess of the expected return	**0.05**	0.22	**—**	—
(iv) Contributions by employer (including benefit payments recoverable)	**3.89**	2.85	**—**	—
(v) Benefit payments	**(1.57)**	(0.32)	**—**	—
(vi) Fair value of plan assets at the end of the year	**13.00**	9.87	**—**	—
V. The Major categories of plan assets				
– Insurance Funds	**13.00**	9.87	**—**	—
VI. Actuarial assumptions				
(a) Discount rate	**7.40%**	7.70%	**7.30% to 7.50%**	7.60% to 7.70%
(b) Expected rate of return on plan assets	**7.40%**	7.70%	**7.50%**	7.70%
(c) Attrition rate	**12.00%**	9.00%	**11% to 12.00%**	0% to 12.00%

(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, 2019		As at 31st March, 2018	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
(a) Discount rate	1.00%	**15.67**	**18.17**	12.63	15.05
(b) Salary growth rate	1.00%	**18.12**	**15.69**	15.00	12.66
(c) Rate of employee turnover	1.00%	**16.67**	**17.00**	13.63	13.87

(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, 2019 is 7 years.

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

(f) Plan Assets

The fair value of Group's plan asset of Funded Gratuity Plan by category are as follows:

₹ in Crores

Particulars	As at 31st March, 2019	As at 31st March, 2018
Asset category:		
Deposits with Insurance companies	**13.00**	9.87
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, 2019	As at 31st March, 2018
Within 1 year	**1.75**	1.38
1-2 years	**1.74**	1.10
2-3 years	**2.05**	1.38
3-4 years	**2.08**	1.31
4-5 years	**1.84**	1.58
5-10 years	**8.22**	6.73
More than 10 years	**15.63**	19.73

(h) Experience Adjustments:

	Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015
1.	Defined Benefit Obligation	**(16.86)**	(14.00)	(9.75)	(6.81)	(4.80)
2.	Fair value of plan assets	**13.00**	9.87	6.67	4.58	4.17
3.	Surplus/(Deficit)	**(3.86)**	(4.13)	(3.08)	(2.23)	(0.63)
4.	Experience adjustment on plan liabilities [(Gain)/Loss]	**0.07**	1.49	0.16	(0.36)	(0.36)
5.	Experience adjustment on plan assets [Gain/(Loss)]	**0.05**	0.22	0.03	0.10	0.10

(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, 2019

Note No. 35 – Related Party Transactions

(i) List of Related Parties:

(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) Joint Venture:	1. Transtech Logistics Private Limited (w.e.f. 5th October 2018)
(d) Fellow Subsidiaries:**	1. Bristlecone India Limited 2. Classic Legend Pvt Ltd 3. Mahindra E-market Ltd 4. Mahindra Lifespace Developers Ltd 5. Mahindra Mstc Recycling Pvt Ltd 6. Epc Industrie Limited 7. Mahindra Auto Steel Pvt Limited 8. Mahindra Defence Systems Limited 9. Mahindra Susten Pvt Limited 10. Gromax Agri Equipment Limited (Formerly known as Mahindra Gujarat Tractor Limited)(Name changed w.e.f. 24th August 2017) 11. Mahindra Intertrade Limited 12. Mahindra Marine Pvt. Limited 13. Mahindra Truck & Buses Limited 14. Mahindra Heavy Engines Limited 15. Mahindra Electric Mobility Limited 16. Mahindra Retail Pvt Limited 17. Mahindra Steel Service Centre Limited 18. Mahindra Agri Solution Limited 19. Mahindra Two Wheelers Limited 20. Mahindra Greenyard Pvt Limited 21. Mahindra Vehicle Manufacturers Limited 22. NBS International Limited 23. Orizonte Business Solutions Limited 24. Mahindra Integrated Business Solutions Pvt Limited 25. Mahindra & Mahindra Financial Services Limited 26. Mahindra Defence Naval Systems Limited [Formerly known as Mahindra Defence Naval Systems Private Limited (name changed w.e.f. 5th March 2018)] 27. Mahindra First Choice Services Limited 28. Mahindra Holiday & Resorts India Limited 29. Mahindra Insurance Brokers Limited 30. Mahindra Integrated Township Limited 31. Defence Land Systems India Limited (Ceased to be related party from 18th October 2017) 32. Mahindra Rural Housing Finance 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, 2019

Note No. 35 – Related Party Transactions (continued)

(ii) Details of transaction between the Group and its related parties are disclosed below:

₹ in Crores

Particulars	Year	Holding Company	Entities with joint control	Fellow subsidiaries	Other related parties	Joint Venture
Nature of transactions with Related Parties						
(a) Purchase of PPE and other assets	**31-Mar-19**	**0.37**	**—**	**0.13**	**—**	**—**
	31-Mar-18	0.13	4.30	0.05	0.08	—
(b) Rendering of services	**31-Mar-19**	**1,902.29**	**—**	**166.24**	**—**	**—**
	31-Mar-18	735.09	934.11	50.47	107.26	—
(c) Receiving of services	**31-Mar-19**	**7.54**	**—**	**0.46**	**—**	**0.36**
	31-Mar-18	2.18	0.76	1.93	1.42	—
(d) Reimbursements made to parties	**31-Mar-19**	**1.74**	**—**	**0.04**	**—**	**—**
	31-Mar-18	2.89	2.32	—	0.02	—
(e) Reimbursements received from parties	**31-Mar-19**	**0.01**	**—**	**0.20**	**—**	**0.08**
	31-Mar-18	0.17	—	0.12	0.04	—
(f) Loans/Deposits given	**31-Mar-19**	**—**	**—**	**15.00**	**—**	**—**
	31-Mar-18	—	—	—	—	—
(g) Loans received back	**31-Mar-19**	**—**	**—**	**—**	**—**	**—**
	31-Mar-18	—	—	—	25.00	—
(h) Loans Repaid	**31-Mar-19**	**—**	**—**	**—**	**—**	**—**
	31-Mar-18	—	—	—	21.14	—
(i) Interest Income on inter-corporate deposits	**31-Mar-19**	**—**	**—**	**0.01**	**—**	**—**
	31-Mar-18	—	—	—	1.51	—
(j) Interest Paid on Loan	**31-Mar-19**	**—**	**—**	**—**	**—**	**—**
	31-Mar-18	—	—	—	0.86	—
(k) Bad & doubtful debts recognised in respect of dues from related parties	**31-Mar-19**	**—**	**—**	**—**	**—**	**—**
	31-Mar-18	—	—	—	0.29	—
Balances Outstanding with Related Parties						
(a) Trade payables	**31-Mar-19**	**3.55**	**—**	**0.07**	**—**	**0.06**
	31-Mar-18	3.38	—	0.27	0.02	—
(b) Trade receivables	**31-Mar-19**	**104.51**	**—**	**18.87**	**—**	**—**
	31-Mar-18	82.17	—	15.16	6.97	—
(c) Provision of bad & doubtful debts related to amount due from related parties	**31-Mar-19**	**—**	**—**	**—**	**—**	**—**
	31-Mar-18	0.12	—	0.11	0.20	—

Notes:

(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, 2019	For the year ended 31st March, 2018
Short-term employee benefits	**2.08**	1.93
Issue of ESOPs during the year	**0.94**	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, 2019

Note No. 35 – Related Party Transactions (continued)

(iv) Significant related parties transactions are as under:

₹ in Crores

Particulars	Year	Holding Company	Entities having joint control	Fellow subsidiaries	Other related parties	Joint Venture
(a) Purchase of PPE and other assets						
Mahindra & Mahindra Limited	**31-Mar-19**	**0.37**	—	—	—	—
	31-Mar-18	0.13	4.30	—	—	—
Mahindra Integrated Business Solutions Pvt Ltd.	**31-Mar-19**	—	—	**0.04**	—	—
	31-Mar-18	—	—	0.05	0.08	—
NBS International Limited	**31-Mar-19**	—	—	**0.09**	—	—
	31-Mar-18	—	—	—	—	—
(b) Rendering of services						
Mahindra & Mahindra Limited	**31-Mar-19**	**1,902.29**	—	—	—	—
	31-Mar-18	735.09	934.11	—	—	—
Mahindra Vehicle Manufacturers Ltd.	**31-Mar-19**	—	—	**121.00**	—	—
	31-Mar-18	—	—	36.30	44.57	—
Tech Mahindra Ltd	**31-Mar-19**	—	—	—	—	—
	31-Mar-18	—	—	—	39.33	—
(c) Receiving of services						
Mahindra & Mahindra Limited	**31-Mar-19**	**7.54**	—	—	—	—
	31-Mar-18	2.18	0.76	—	—	—
Mahindra Retail Pvt Ltd	**31-Mar-19**	—	—	**0.19**	—	—
	31-Mar-18	—	—	—	0.18	—
Mahindra Integrated Business Solutions Pvt Limited	**31-Mar-19**	—	—	**0.25**	—	—
	31-Mar-18	—	—	0.08	0.10	—
Orizonte Business Solutions Limited	**31-Mar-19**	—	—	—	—	—
	31-Mar-18	—	—	1.82	1.14	—
Transtech Logistics Pvt Ltd	**31-Mar-19**	—	—	—	—	**0.36**
	31-Mar-18	—	—	—	—	—
(d) Reimbursements made to parties						
Mahindra & Mahindra Limited	**31-Mar-19**	**1.74**	—	—	—	—
	31-Mar-18	2.89	2.32	—	—	—
NBS International Ltd..	**31-Mar-19**	—	—	**0.03**	—	—
	31-Mar-18	—	—	—	—	—
Classic Legend Pvt Ltd.	**31-Mar-19**	—	—	—	—	—
	31-Mar-18	—	—	—	0.02	—
(e) Reimbursements received from parties						
Mahindra & Mahindra Limited	**31-Mar-19**	**0.01**	—	—	—	—
	31-Mar-18	0.17	—	—	—	—
Mahindra Retail Pvt Ltd	**31-Mar-19**	—	—	—	—	—
	31-Mar-18	—	—	—	0.04	—
Mahindra Intertrade Ltd.	**31-Mar-19**	—	—	**0.11**	—	—
	31-Mar-18	—	—	0.08	—	—
Mahindra Steel Service Centre Ltd.	**31-Mar-19**	—	—	**0.05**	—	—
	31-Mar-18	—	—	0.03	—	—
Mahindra Lifespace Developers Ltd.	**31-Mar-19**	—	—	**0.03**	—	—
	31-Mar-18	—	—	—	—	—
Transtech Logistics Pvt Ltd	**31-Mar-19**	—	—	—	—	**0.08**
	31-Mar-18	—	—	—	—	—

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 35 – Related Party Transactions (continued)

₹ in Crores

Particulars	Year	Holding Company	Entities having joint control	Fellow subsidiaries	Other related parties	Joint Venture
(f) Loans received back						
Mahindra Retail Pvt Ltd	**31-Mar-19**	—	—	—	—	—
	31-Mar-18	—	—	—	25.00	—
(g) Loans Repaid						
Mahindra & Mahindra Financial Services Limited	**31-Mar-19**	—	—	—	—	—
	31-Mar-18	—	—	—	21.14	—
(h) Interest Income on inter-corporate deposits						
Mahindra Retail Pvt Ltd	**31-Mar-19**	—	—	—	—	—
	31-Mar-18	—	—	—	1.51	—
(i) Interest Paid on Loan						
Mahindra & Mahindra Financial Services Limited	**31-Mar-19**	—	—	—	—	—
	31-Mar-18	—	—	—	0.86	—
(j) Bad & doubtful debts recognised in respect of dues from related parties						
Mahindra CIE Automotive Limited	**31-Mar-19**	—	—	—	—	—
	31-Mar-18	—	—	—	0.29	—

(v) Disclosure required under section 186(4) of the Companies Act, 2013 for Loans given

Name	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Mahindra Rural Housing Finance Limited	**15.00**	—

Above inter corporate loans have been given for general business purposes for meeting their working capital requirements @8.20%

Note No. 36 – Contingent liabilities and commitments

₹ in Crores

Particulars	As at 31st March, 2019	As at 31st March, 2018
Contingent liabilities (to the extent not provided for)		
Claims against the Group not acknowledged as debt		
(a) VAT	**5.41**	7.76
(b) Service Tax	**3.51**	4.27
(c) Income Tax	**0.08**	24.85
(d) Other matters	**11.66**	9.99

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, 2019

Note No. 37 – 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, 2019	As at 31st March, 2018	
Lords Freight (India) Private Limited	Freight Forwarding via sea and air	Mumbai	**82.92%**	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, 2019	As at 31st March, 2018
Lords Freight (India) Private Limited	Mumbai, India	**17.08%**	40%
2 X 2 Logistics Private Limited	Mumbai, India	**45%**	45%

₹ in Crores

Name of the Subsidiary	Profit/(Loss) allocated to non-controlling interest		Accumulated non-controlling interest	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Lords Freight (India) Private Limited	**0.19**	0.94	**3.08**	2.89
2 X 2 Logistics Private Limited	**0.57**	0.32	**4.63**	4.06

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 37 – 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.

₹ in Crores

Particulars	Lords Freight (India) Private Limited		2 X 2 Logistics Private Limited	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Current Assets	**49.68**	31.98	**20.85**	16.79
Non Current Assets	**7.50**	5.67	**23.88**	31.59
Current Liabilities	**48.42**	30.03	**25.47**	21.21
Non Current Liabilities	**0.65**	0.39	**8.94**	18.12
Equity Interest Attributable to the owners	**0.69**	1.43	**0.70**	0.41
Non Controlling Interest	**0.18**	0.95	**0.57**	0.32
Revenue	**174.38**	177.78	**59.24**	52.69
Expenses	**173.44**	175.42	**57.97**	51.97
Profit/(Loss) for the year	**0.94**	2.36	**1.27**	0.72
Profit/(Loss) attributable to the owners of the Company	**0.75**	1.42	**0.70**	0.40
Profit/(Loss) attributable to the non-controlling interest	**0.19**	0.94	**0.57**	0.32
Profit/(Loss) for the year	**0.94**	2.36	**1.27**	0.72
Other Comprehensive Income attributable to the owners of the Company	**(0.06)**	0.01	**0.01**	0.01
Other Comprehensive Income Profit/(Loss) attributable to the non-controlling interest	**(0.01)**	0.01	**—**	—
Other Comprehensive Income	**(0.07)**	0.02	**0.01**	0.01
Total Other Comprehensive Income attributable to the owners of the Company	**0.69**	1.43	**0.71**	0.41
Total Other Comprehensive Income Profit/(Loss) attributable to the non-controlling interest	**0.18**	0.95	**0.57**	0.32
Total Other Comprehensive Income	**0.87**	2.38	**1.28**	0.73
Dividends paid to non-controlling interest	**—**	—	**—**	—
Net Cash Flow from operating activities	**(10.65)**	1.81	**10.54**	7.32
Net Cash Flow from investing activities	**(0.20)**	(0.27)	**(0.01)**	(7.89)
Net Cash Flow from financing activities	**10.35**	(1.60)	**(10.60)**	0.45
Net Cash inflow/(outflow)	**(0.50)**	(0.06)	**(0.07)**	(0.12)

Consolidated Notes to the Financial Statements for the year ended 31st March, 2019

Note No. 37 – 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	95.12%	498.84	97.45%	84.44	-700.00%	0.07	97.54%	84.51
Subsidiaries								
Indian								
a) LORDS Freight (India) Private Limited.....	1.68%	8.79	0.87%	0.75	700.00%	(0.07)	0.78%	0.68
b) 2 X 2 Logistics Private Limited	2.10%	11.02	0.81%	0.70	0.00%	—	0.81%	0.70
Minority Interests in all Subsidiaries.....	1.09%	5.71	0.88%	0.76	100.00%	(0.01)	0.87%	0.75
Total	100.00%	524.36	100.00%	86.65	100.00%	(0.01)	99.99%	86.64

Note No. 38

Previous year numbers are regrouped wherever necessary.

Form AOC-1

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

Part A: Subsidiaries

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

(₹ 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	1.30	5.75
8.	Total assets	44.58	57.17
9.	Total Liabilities	34.27	49.05
10.	Investments	Nil	Nil
11.	Total Turnover	59.23	174.38
12.	Profit before taxation	1.75	1.36
13.	Provision for taxation	0.49	0.42
14.	Profit after taxation	1.27	0.94
15.	Proposed Dividend	Nil	Nil
16.	Extent of shareholding (in percentage)	55.00%	82.92%

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, 2018 to 31st March, 2019.

Part B: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

(₹ in crores)

Sl. No.	Particulars	Joint Venture
1.	Name of Associates/Joint Ventures	Transtech Logistics Private Limited
2.	Latest audited Balance Sheet Date	31 March 2019
3.	Date of which the Associate or Joint Venture was associated or acquired (dd/mm/yyyy)	05/10/2018
4.	Shares of Associate/Joint Ventures held by the Company on the year end	
	– Number of shares	66,088
	– Amount of Investment in Associates/Joint Venture	4.00
	– Extend of Holding (in percentage)	39.79%
5.	Description of how there is significant influence	By virtue of shareholding
6.	Reason why the Associate/Joint Venture is not consolidated	NA
7.	Net worth attributable to shareholding as per latest audited Balance Sheet	–
8.	Profit/Loss for the year	
	i. Considered in Consolidation	(0.25)
	ii. Not Considered in Consolidation	(0.46)

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
DIN:00110373

Pirojshaw Sarkari
Chief Executive Officer

Yogesh Patel
Chief Financial Officer

Brijbala Batwal
Company Secretary

Place: Mumbai
Date: 7th May, 2019

Mahindra LOGISTICS

MAHINDRA LOGISTICS LIMITED

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

Website: www.mahindralogistics.com • **E-mail:** cs.mll@mahindra.com

Phone: +91 22 2490 1441 • **Fax:** +91 22 2490 0833

CIN: L63000MH2007PLC173466 • **ISIN:** INE766P01016

NOTICE

Notice is hereby given that the TWELFTH ANNUAL GENERAL MEETING of MAHINDRA LOGISTICS LIMITED will be held on Thursday, 1 August 2019 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 adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31 March 2019.**

   To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31 March 2019 and the reports of the Board of Directors and the Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended 31 March 2019 and the reports of the Board of Directors and the Auditors thereon laid before this Meeting, be and are hereby considered and adopted."

2. **To adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2019.**

   To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2019 and the report of the Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2019 and the report of the Auditors thereon laid before this Meeting, be and are hereby considered and adopted."

3. **To declare final dividend on equity shares for the financial year ended 31 March 2019.**

   To declare final dividend on equity shares for the financial year ended 31 March 2019 and in this regard, pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** a final dividend at the rate of ₹ 1.80/- (One rupee eighty paise) per equity share of ₹ 10/- (Ten rupees) each, fully paid-up of the Company, be and is hereby declared for the financial year ended 31 March 2019 and the same be paid, as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended 31 March 2019."

4. **To appoint a Director in place of Mr. Zhooben Bhiwandiwala (DIN:00110373), who retires by rotation and, being eligible, offers himself for re-appointment.**

   To appoint a Director in place of Mr. Zhooben Bhiwandiwala (DIN:00110373), who retires by rotation and, being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Zhooben Bhiwandiwala (DIN:00110373), who retires by rotation at the 12th Annual General Meeting, and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

5. **To appoint Mr. S. Durgashankar as a Non-Executive Director of the Company.**

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and basis the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. S. Durgashankar (DIN:00044713), who was appointed as an Additional and Non-Executive Director of the Company by the Board of Directors of the Company

with effect from 7 May 2019 pursuant to provisions of Section 161 of the Act and applicable provisions of the Articles of Association of the Company, and who holds office as an Additional Director up to the date of 12th Annual General Meeting of the Company, and who is eligible for being appointed and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of a Non-Executive Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation."

6. To approve payment of remuneration to the Non-Executive Non-Independent Directors of the Company.

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Sections 197, 198 and others applicable provisions of the Companies Act, 2013 ("the Act") read with rules framed thereunder, other applicable laws/statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), applicable provisions of the Articles of Association of the Company, the Mahindra Logistics Employee Restricted Stock Unit Plan 2018 ("the RSU Plan") of the Company, subject to other approval(s), permission(s) and sanction(s) as may be necessary from time to time and such condition(s) and modification(s) as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s) and pursuant to approval of the Members vide special resolution passed at the 11th Annual General Meeting ("AGM") held on 2 August 2018 interalia approving the grant of upto 10,50,000 Restricted Stock Units ("RSUs") to the eligible employees and Directors of the Company and the eligible employees of its Holding Company and the approval of the Members granted on 27 July 2017, and basis the approval and recommendation of the Nomination and Remuneration Committee, the Audit Committee and the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for grant of upto 80,000 RSUs to the Non-Executive Non-Independent Directors of the Company, from the overall limit of 10,50,000 RSUs already approved by the Members of the Company on 2 August 2018, such that the maximum number of RSUs that may be granted to the Non-Executive Non-Independent Directors of the Company in one or more tranches, in any one financial year shall not exceed 80,000 (Eighty Thousand) RSUs and in aggregate shall not exceed 80,000 (Eighty Thousand) RSUs, in such form, manner and terms as the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include the Nomination and Remuneration Committee or any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) may determine from time to time in accordance with the RSU Plan, notwithstanding that the total annual remuneration payable to all the Non-Executive Directors of the Company may exceed 1% or 3% of the net profits of the Company, as the case may be, as computed in the manner laid down in Section 198 of the Act, or any statutory modification(s) or re-enactment(s) thereof;

RESOLVED FURTHER THAT the grant of upto 80,000 RSUs as aforesaid to the Non-Executive Non-Independent Directors of the Company shall be subject to vesting, exercise and such other terms and conditions as stated in the RSU Plan approved by the Members of the Company at their AGM held on 2 August 2018 and laid out in the explanatory statement of this Resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including to seek all necessary approvals to give effect to this Resolution, to sign and execute all deeds, applications, documents, papers, forms, and writings that may be required, for and on behalf of the Company, to settle all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such steps and decisions in this regard and to delegate all or any of its powers conferred by this Resolution to any Director(s) or to any Committee(s) and/or any Key Managerial Personnel or officer(s) of the Company as it may consider appropriate to give effect to this Resolution and for the matters connected therewith or incidental thereto."

7. To approve entering into Material Related Party Transactions.

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the applicable provisions of the Companies Act, 2013 ("the Act") read with Rules made thereunder, other applicable laws/statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force),

the Company's Policy on Materiality of and on dealing with Related Party Transactions, and subject to such approval(s), consent(s), permission(s) as may be necessary from time to time, and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to enter/continue to enter into Material Related Party Contract(s)/Transaction(s)/ Arrangement(s)/ Agreement(s) with Mahindra & Mahindra Limited ("M&M"), the Holding Company of the Company, and a 'Related Party' under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, in ordinary course of business and on arms length basis, in the nature of availing/rendering of any kind of service(s) including transportation, stores and line feed, pre-outbound, stock yard management, warehousing and warehouse management, payment(s)/reimbursement(s) against services availed/ rendered, payment(s) towards royalty for usage of Trade Mark/Trade name, shared IT and other services, purchase/ sale of asset(s), providing or availing loan(s)/advance(s), providing or availing guarantee(s) or security(ies) for loans taken/given by the Company, making of investment(s), sale, purchase or supply of goods or materials, selling or otherwise disposing of, or buying property(ies) of any kind, leasing of property(ies) of any kind, or any other transaction(s) for transfer of resources, services or obligations ("Related Party Transactions"), starting from 1 April 2019 and every financial year thereafter, such that the maximum value of the Related Party Transactions with M&M, in aggregate, does not exceed ₹ 3,500 crores during any one financial year, notwithstanding that the Related Party Transactions entered/to be entered into, individually or taken together with previous transactions with M&M, during any one financial year exceed 10% of the annual audited consolidated turnover of the Company, on such terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between M&M and the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company ("the Board", which term shall be deemed to include the Audit Committee or any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including to seek all necessary approvals to give effect to this Resolution, to sign and execute all deeds, agreements, contracts, applications, documents, papers, forms, and writings that may be required, for and on behalf of the Company, to settle all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such steps and decisions in this regard and to delegate all or any of its powers conferred by this Resolution to any Director(s) or to any Committee(s) and/or any Key Managerial Personnel or officer(s) of the Company as it may consider appropriate to give effect to this Resolution and for the matters connected therewith or incidental thereto."

By order of the Board
For Mahindra Logistics Limited

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, 7 May 2019

NOTES AND SHAREHOLDER INFORMATION:

1. Explanatory Statement

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out all material facts concerning the special businesses under Item Nos. 5 to 7 of the accompanying Notice, is annexed hereto.

Further additional information with respect to Item Nos. 4 and 5 of this Notice, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and clause 1.2.5 of Secretarial Standard-2 on General Meetings ("SS-2") issued by The Institute of Company Secretaries of India, is also annexed to this Notice and shall be read as part of this Notice.

2. Proxy

a. **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.**

b. A Proxy Form, in prescribed format (Form No. MGT-11), is being sent herewith, with instructions for filling, 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 12th Annual General Meeting ("the Meeting") of the Company. The Proxy Form, if not complete in all respects, will be considered invalid.

c. 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 a Proxy for any other Member.

d. Proxy(ies) submitted on behalf of limited company(ies), body corporate(s), society(ies), etc. must be supported by an appropriate resolution/authority as applicable. The Proxy holder shall prove his/her identity at the time of attending the Meeting.

3. Auditor Ratification

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) as the Statutory Auditor of the Company to hold office for a term of five (5) years commencing from the conclusion of the 10th Annual General Meeting upto the conclusion of 15th Annual General Meeting 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.

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.

4. Corporate Representations

Pursuant to the provisions of Section 113 of the Act, the 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 www.evotingindia.com, 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.

5. Registrar and Share Transfer Agent

The Company's Registrar and Share Transfer Agent for its share registry work (physical and dematerialised) is Link Intime India Private Limited.

Link Intime India Private Limited ("Link Intime")
Unit: Mahindra Logistics Limited
Address: C-101, 1st Floor, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai-400 083.
E-mail ID: rnt.helpdesk@linkintime.co.in
Phone: +91 22 4918 6000 / 6200

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 their correspondence details given above or to the Company's investor desk at: cs.mll@mahindra.com.

6. Dividend on equity shares for the financial year ended 31 March 2019

The Final Dividend on equity shares for the financial year ended 31 March 2019 as recommended by the Board of Directors of the Company, if declared at the Meeting would be paid/dispatched to those Members:

(i) Whose names appears as Beneficial Owners as at the end of business hours on Wednesday, 24 July 2019 in the list of beneficial owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the equity shares held in dematerialised form; and

(ii) Whose names appears as Members in the Register of Members of the Company on Wednesday, 24 July 2019 in respect of the equity shares held in physical form.

7. Book Closure

The Register of Members and Share Transfer books of the Company will remain closed from Thursday, 25 July 2019 to Thursday, 1 August 2019 (both days inclusive) for determining the entitlement of the Shareholders to the Final Dividend for the financial year 2018-19, if declared and approved at the Meeting.

8. Unpaid and Unclaimed Dividend

a. In terms of the applicable provisions of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), dividend(s) which are unpaid and unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund ("IEPF") administered by the Central Government.

b. Members are hereby informed that from the Final Dividend declared by the Company at the 11th Annual General Meeting for the financial year 2017-18, an amount of ₹ 32,883/- is lying unpaid and unclaimed as on 31 March 2019.

The last date for claiming the said unpaid and unclaimed dividend is as under:

Financial year ended	Date of declaration of dividend	Last date for claiming unpaid and unclaimed dividend
31 March 2018	2 August 2018	5 September 2025

The Company has uploaded the Shareholder-wise details of said unpaid and unclaimed amounts lying with the Company as on 31 March 2019 on the website of the Company at: http://www.mahindralogistics.com/investor/shareholder-information

c. **Members who have not encashed their dividend so far in respect of the aforesaid period, are requested to make their claim to Link Intime, the Company's Registrar and Share Transfer Agent well in advance of the above due date.**

d. Further, pursuant to the provisions of Section 124 of the Act read with the IEPF Rules, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

As on 31 March 2019, no shares on which dividend has not been paid or claimed for seven consecutive years or more and no unpaid and unclaimed Dividend of earlier years, has been transferred or is due to be transferred to the IEPF during the financial year 2019-20 in terms of the applicable provisions of the Act read with the IEPF Rules, as amended from time to time.

9. Nomination

Members can avail facility of nomination in respect of equity shares held by them pursuant to Section 72 of the Act and rules made thereunder.

Members holding equity shares in dematerialised form may contact their respective Depository Participant for availing this facility.

Members holding equity shares in physical form 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.

10. Request for updation of Bank Mandate for payment of Dividend

a. The Securities and Exchange Board of India ("SEBI") has made it mandatory for all companies to use the bank account details furnished by Depositories and maintained by the Registrar and Share Transfer Agent for payment of dividend to Members electronically. In the absence of details for electronic payment or in cases where electronic payments have failed/rejected by the Bank, the Company would issue Dividend warrants/ cheques and print the bank account details, as available, on instrument of payment of dividend.

b. The Company is pleased to extend the facility of electronic credit of dividend directly to respective bank accounts of the Members through Electronic Clearing Services (ECS)/National Electronic Clearing Services (NECS)/Real Time Gross Settlement (RTGS)/Direct Credit, etc.

This will facilitate the remittance of the dividend amounts directly to the Bank Account of the Members electronically, as directed by SEBI.

c. **Members are requested to update their Bank Account Number, including 9 Digit MICR Code and 11-digit IFSC Code, E-mail ID and Mobile Number.**

Updation of E-mail IDs and Mobile No(s) will enable sending communication(s) relating to credit of dividend, unpaid and unclaimed dividend, etc.

d. **Members holding equity shares in dematerialised form** are requested to update their Bank Account details with their respective Depository Participant in case of any change therein. The Company or Link Intime cannot act on any request received directly from the Members holding equity shares in dematerialised form for any change of Bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Further instructions, if any, already given by the Members in respect of equity shares held in physical form will not be automatically applicable to equity shares held in dematerialised mode.

e. **Members holding equity shares in physical form** can update their Bank Account details, in case of any change therein, by submitting a written request quoting their folio number along with original cancelled cheque bearing their name on it or bank passbook/statement attested by their Bank to Link Intime at C-101, 1st Floor, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083 or through e-mail on rnt.helpdesk@linkintime.co.in.

11. Transfer of securities only in demat mode

a. SEBI has effective 1 April 2019 mandated that, securities of a listed company can be transferred in dematerialized form only.

b. Accordingly, Members of the Company are requested to note that, with effect from 1 April 2019:

(i) Requests for effecting transfer of equity shares of the Company shall not be processed unless such equity shares are held in dematerialized

form with a Depository Participant. Accordingly, any Shareholder holding equity shares in physical form after 1 April 2019, desirous of transferring his equity shares can do so only after the equity shares are dematerialized. However, this does not prohibit a Shareholder from holding equity shares in physical form even after 1 April 2019;

(ii) Only transmission or transposition requests shall be processed in physical form.

The Company in this regard has sent letters and reminders to its Shareholders holding equity shares in physical form informing them about the above requirement.

We request all Shareholder(s) holding equity shares in physical form to dematerialize their holdings at the earliest.

Process for dematerialisation is available on the website of the Company: http://www.mahindralogistics.com/investor/shareholder-information and websites of the Depository Participant.

12. Dispatch of Notice and Annual Report through electronic means

Pursuant to Sections 101 and 136 of the Act read with rules framed thereunder and Regulation 36(1) of the Listing Regulations, the Notice calling the Meeting along with the Annual Report 2018-19, Attendance Slip and Proxy Form is being sent by electronic mode to those Members whose e-mail address is registered with the Company or Depository Participant(s) or Link Intime, the Company's Registrar and Share Transfer Agent, unless the Members have requested for physical copy of the same. For Members who have not registered their e-mail address, physical copies would be sent by the permitted mode.

Members may note that the Annual Report 2018-19 along with Notice of the Meeting, Attendance Slip and Proxy Form are available on the website of the Company: http://www.mahindralogistics.com/investor/financial-information.

Even after registering for e-communication, Members are entitled to receive such communication in physical form, upon making a written request for the same, by permitted mode free of cost. For any communication, the Members may send a request to Link Intime's e-mail address: rnt.helpdesk@linkintime.co.in or to the Company's investor e-mail address: cs.mll@mahindra.com.

Members are requested to bring their copy of the Annual Report and Attendance Slip enclosed in the Annual Report along with a valid photo identity proof for verification purpose to the Meeting.

13. Green Initiative

Members are requested to support the GREEN Initiative by registering/updating their e-mail address with the Depository Participant (in case of equity shares held in dematerialised form) or with Link Intime (in case of equity shares held in physical form).

This initiative would enable the Members to receive Company communications promptly besides protecting the environment by reducing consumption of paper.

14. Request for updating contact and others details

Members are requested to:

a. **Intimate respective Depository Participant, of the changes, if any, in their registered address, contact numbers or e-mail id at an early date, in case of equity shares held in dematerialised form;**

b. Intimate to the Company's Registrar and Share Transfer Agent - Link Intime, changes, if any, in their registered address, contact numbers and e-mail id at an early date, in case shares held in physical form;

c. Quote their DP ID and Client ID/folio number in all correspondence;

d. 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. Voting

a. 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.

b. 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").

Cut-off date for Voting	Remote e-voting	Voting at the Meeting
Thursday, 25 July 2019	From 9:00 a.m. (IST) Sunday, 28 July 2019 to 5:00 p.m. (IST) Wednesday, 31 July 2019	On Thursday 1 August 2019 at the venue of the Meeting

Note: A Member can opt for only single mode of voting i.e. through remote e-voting or voting

at the venue of 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 at the Meeting.

c. 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.

d. **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.**

e. **The instructions for Members voting electronically are as under:**

(i) **Commencement of remote e-voting: From 9.00 a.m. (IST) on Sunday, 28 July 2019 and End of remote e-voting: Upto 5:00 p.m. (IST) on Wednesday, 31 July 2019.** At the end of the remote e-voting period, the remote e-voting facility shall forthwith be blocked by CDSL and Members shall not be allowed to vote through remote e-voting beyond the said date and time.

(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, 25 July 2019,** may cast their vote electronically.

(iii) Only persons whose name is recorded in Register of Members or Register of Beneficial holders maintained with the Depositories as on cut-off date i.e. **Thursday, 25 July 2019** shall be entitled to avail the facility of remote e-voting as well as voting at the Meeting.

(iv) A 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/her right to vote through remote e-voting but shall not be allowed to vote again.

f. **Process for remote e-voting**

(i) **Website**

– For casting votes, the Members should log on to the CDSL e-voting website www.evotingindia.com

– Click on Shareholders/Members.

(ii) **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 equity shares in Physical Form should enter Folio Number registered with the Company.

– Next enter the Image Verification as displayed and Click on Login.

(iii) **Password**

– If you are holding equity 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.

– **First-Time User,** please follow the steps given below:

	For Members holding equity shares in Demat Form or 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 Depository Participant/the Company 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 the Company please enter the Member id/folio number in the Dividend Bank details field as mentioned in instruction (ii).

– 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.

– After entering these details appropriately, click on "SUBMIT" tab.

– Members holding equity 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.

– For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(iv) **Cast your votes**

– Click on the EVSN for **Mahindra Logistics Limited-190611005.**

– 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/agree to the Resolution and option NO implies that you dissent/disagree to the Resolution.

– Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

– 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.

– Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.

– You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(v) **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 Scrutinizer to verify the same.

(vi) **Contact details in case of e-voting grievances**

In case you have any queries or issues or grievances regarding remote 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.

(vii) **CDSL Mobile App for voting:**

Members 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.

g. **Voting at venue of the 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.

In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

16. Scrutiniser for voting

Mr. Makarand Joshi of M/s. Makarand M Joshi & Co., Practising Company Secretaries, (Membership No.: F5533) has been appointed as Scrutiniser 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.

17. Voting Results

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 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 sent to BSE Limited and National Stock Exchange of India Limited, where equity shares of the Company are listed and shall be displayed at the Registered Office as well as the Corporate Office of the Company.

18. Inspection of relevant documents

a. All relevant documents referred to in this Notice are available for inspection in physical or in electronic form during specified business hours (10:00 a.m. (IST) 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.

b. 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.

19. Queries

Queries on Financial Statements and proposals in this Notice, if any, may be sent to the Company at cs.mll@mahindra.com at least seven (7) days in advance of the Meeting so as to enable the Board/ Management to respond suitably.

20. Route Map to reach the venue of the Meeting

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 to reach the venue is Nehru Planetarium, Worli.

21. Request to Members

As detailed in notes above, we earnestly appeal all the Members to:

a. Update their Bank Account details with their respective Depository Participant/Link Intime for seamless payment of Dividend through electronic mode;

b. Support the GREEN Initiative by registering/ updating their e-mail address with the Depository Participant for receipt of Annual Reports and other communications through e-mail;

c. Cast their votes through remote e-voting or at the venue of the Meeting.

By order of the Board
For Mahindra Logistics Limited

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, 7 May 2019

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 and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, the following Explanatory Statement and annexure thereto setting out all material facts relating to the Special Businesses at Item Nos. 5 to 7 mentioned in the accompanying Notice, should be taken as forming part of this Notice.

Item No. 5

To appoint Mr. S. Durgashankar as a Non-Executive Director of the Company

Pursuant to provisions of Section 152 of the Companies Act 2013 ("the Act"), the Board of Directors of the Company basis the recommendation of the Nomination and Remuneration Committee of the Board, approved the appointment of Mr. S. Durgashankar (DIN:00044713), as an Additional and Non-Executive Director on the Board of the Company, with effect from 7 May 2019 liable to retire by rotation, subject to the approval of the Members of the Company.

In accordance with the provisions of Section 161 of the Act read with the applicable rules made thereunder, Mr. S. Durgashankar being an Additional Director, holds office upto the date of the 12th Annual General Meeting of the Company and is eligible to be appointed as a Non-Executive Director of the Company.

Mr. S. Durgashankar is not disqualified from being appointed as a Non-Executive Director in terms of Section 164 of the Act read with applicable rules made thereunder and has given his consent to act as a Non-Executive Director of the Company. Mr. S. Durgashankar is not debarred from holding the office of a Director by virtue of any SEBI order or order of any other such authority. The Company has received a notice in writing from a Member of the Company under Section 160 of the Act proposing the candidature of Mr. S. Durgashankar for the office of a Non-Executive Director of the Company.

Pursuant to the terms and conditions of appointment, Mr. S. Durgashankar will not be entitled to any remuneration including ESOPs/Restricted Stock Units of the Company under the existing ESOP Scheme/Mahindra Logistics Employee Restricted Stock Unit Plan 2018 of the Company.

Mr. S. Durgashankar does not hold any equity shares of the Company as on date of this Notice and is not related to any Directors or Key Managerial Personnel ("KMP") of the Company.

Brief profile, other details and terms and conditions of appointment of Mr. S. Durgashankar as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India are provided in the Annexure to this Explanatory Statement and should be taken as part thereof.

Mr. S. Durgashankar is interested in this Resolution as it pertains to his appointment as a Non-Executive Director of the Company. The relatives of Mr. S. Durgashankar may be deemed to be interested in this resolution to the extent of their shareholding, if any, in the Company.

Save and except for Mr. S. Durgashankar, none of the other Directors, KMP and their respective relatives are concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 5 of the Notice. None of the Directors and KMP of the Company are inter-se related to each other.

All relevant documents and papers relating to Item No. 5 and 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 12th Annual General Meeting.

The Board recommends passing of the ordinary resolution for appointment of Mr. S. Durgashankar as a Non-Executive Director of the Company as set out at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

Item No. 6

To approve payment of remuneration to the Non-Executive Non-Independent Directors of the Company

As per Regulation 17(6)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Board of Directors shall recommend all fees or compensation, if any, to be paid to Non-Executive Directors, including Independent Directors and shall require approval of the Shareholders in a general meeting. Further pursuant to Regulation 17(6)(c) of the Listing Regulations, the approval sought under Regulation 17(6)(a) shall specify the limits for the maximum number of stock options that may be granted to the Non-Executive Directors, in any financial year and in aggregate.

Background

The Members of the Company, at their 11th Annual General Meeting held on 2 August 2018, had vide special resolution approved the institution and implementation of the Mahindra

Logistics Employee Restricted Stock Unit Plan 2018 ("RSU Plan") and accorded approval for grant of upto 10,50,000 Restricted Stock Units ("RSUs") to the eligible employees and Directors of the Company and to the eligible employees of the Holding Company under the said RSU Plan and in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The RSU Plan approved by the Shareholders at the 11th Annual General Meeting held on 2 August 2018, includes grant of RSUs to the Non-Executive Non-Independent Directors of the Company.

As on 7 May 2019, the Board of the Company comprises of eight Directors, of whom three are Non-Executive Directors, four are Independent Directors and one is a Non-Executive Nominee Director. The Independent Directors of the Company are paid remuneration by way of commission as approved by the Shareholders vide resolution dated 27 July 2017, sitting fees for Board/Committee meetings attended by them and reimbursement of expenses for attending the Board/Committee meetings. They are not entitled to any stock options/RSUs as per Section 149(9) of the Companies Act, 2013 ("the Act") and Regulation 17(6)(d) of the Listing Regulations.

The Non-Executive Non-Independent Directors bring relevant knowledge and experience and provide valuable expertise in the Board's decision-making process.

Since inception, the Company has not paid any remuneration, in any form whatsoever, or sitting fees to the Non-Executive Non-Independent Directors of the Company. Further they do not hold any equity shares of the Company as on date of this Notice.

Rationale and Proposal

The Company is a portfolio company of Mahindra Partners, a private equity investment arm of Mahindra & Mahindra Limited and some of the Non-Executive Non-Independent Directors of the Company are senior Managing Partners of the same and exercise strategic oversight over the business and performance of the Company.

Considering the rich experience and expertise brought to the Board by the Non-Executive Non-Independent Directors and to reward them for the significant contributions made by them in the growth story of the Company and keeping in mind their increased roles, responsibilities and obligations, considerable time devoted and contribution made by them in shaping and directing the future strategy of the Company, setting high corporate governance standards and processes, their future contribution towards propelling the Company performance, and to motivate them to enhance the Company's long-term stakeholders value, the Board of your Company, at its meeting held on 7 May 2019, basis the recommendation of the Audit Committee and Nomination and Remuneration Committee, subject to the approval of the Members, approved grant of RSUs in terms of the RSU Plan, to the Non-Executive Non-Independent Directors of the Company, within the approved aggregate limit of 10,50,000 RSUs, as approved by the Members of the Company at their meeting held on 2 August 2018, such that the maximum number of RSU's that may be granted to the Non-Executive Non-Independent Directors of the Company in any one financial year shall be upto 80,000 (Eighty Thousand) RSUs and in aggregate shall not exceed 80,000 (Eighty Thousand) RSUs.

Key terms of the RSUs proposed to be granted

The Members are further informed that terms and conditions of the grant of RSU's to Non-Executive Non-Independent Directors shall be determined by the Nomination and Remuneration Committee of the Board in accordance with the RSU Plan already approved by the Members at their Annual General Meeting held on 2 August 2018, as summarised hereunder:

- The Non-Executive Non-Independent Directors of the Company shall be allocated upto 80,000 (Eighty Thousand) RSUs in aggregate, to be granted in one or more financial years;
- The RSU Plan shall be administered by the Nomination and Remuneration Committee;
- The appraisal process for determining the eligibility shall be decided from time to time by the Nomination and Remuneration Committee;
- The broad criteria for appraisal and selection may include parameters like qualification and expertise, the length of association with the Company, their contributions to the growth of the Company over the years, time devoted and meetings attended, ability to contribute to the future growth of the Company, achievement of performance linked parameters, etc.;
- The number of RSUs that may be granted to any Non-Executive Non-Independent Director of the Company, in any year under the RSU Plan shall be less than 1% of the issued Equity Share Capital at the time of grant of option;
- The exercise price per RSU proposed to be granted to the Non-Executive Non-Independent Directors shall be the face value of the equity shares of the Company i.e. ₹ 10/- (Rupees Ten Only);
- The RSUs granted shall vest not earlier than a statutory minimum period of one (1) year and not later than a maximum period of five (5) years from the date of grant;
- None of the Directors who are person(s) belonging to the Promoter Group or 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, shall be entitled to RSUs;

– None of the Independent Directors of the Company and the Non-Executive Nominee Director shall be entitled to RSU's;

– Apart from the grant of RSU's as stated above, no monetary benefits are contemplated under the RSU Plan 2018.

As per Section 197 of the Act, approval of the Members is required by special resolution if the total remuneration payable to all the Non-Executive Directors of the Company exceeds 1% or 3% of the net profits of the Company, as the case may be, as computed in the manner laid down in Section 198 of the Act, or any statutory modification(s) or re-enactment thereof.

The Members are informed that pursuant to Section 2(78) of the Act, "remuneration" means any money, or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961. In terms of the Income-tax Act, 1961, perquisite value of the RSUs is computed taking into account the market price of the equity shares of the Company existing at the time of exercise. Hence total remuneration (including perquisite value of the RSUs exercised) payable to the Non-Executive Directors at the time of exercise of the RSUs may exceed 1% or 3%, as the case may be, of the then net profits of the Company computed in terms of Section 198 of the Act. Hence approval of the Members is sought through special resolution.

The proposed remuneration to the Non-Executive Non-Independent Directors is commensurate with the size and scale of the Company. Further the Company has not defaulted in payment of its dues to any Banks/Financial Institutions.

Save and except for the Non-Executive Non-Independent Directors of the Company who shall be entitled to grant of RSUs as aforesaid, and their relatives being interested to the extent of their Shareholding interest, if any in the Company, no other Director of the Company or Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 above.

All relevant documents and papers relating to Item No. 6 as 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 12th Annual General Meeting.

Accordingly, the Board recommends passing of the special resolution set out at Item No. 6 for payment of remuneration to Non-Executive Non-Independent Directors of the Company for approval of the Members.

Item No. 7

To approve entering into Material Related Party Transactions

Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), all Material Related Party Transactions shall require approval of the Shareholders. The said Regulation further defines Material Related Party Transaction as a transaction entered/ to be entered into, individually or taken together with previous transactions, during a financial year, exceeding 10% of the annual consolidated turnover of a listed entity as per its last audited financial statements.

Background

The Members of the Company at their Extraordinary General Meeting, held on 23 October 2017, had accorded their approval for entering into Material Related Party Transactions with Mahindra & Mahindra Limited ("M&M"), Holding Company and a 'Related Party' under the provisions of the Companies Act, 2013 ("the Act") read with the rules made thereunder and the Listing Regulations, in ordinary course of business and on arms length basis for a period starting from date of listing of the Company's equity shares on stock exchanges (i.e. 10 November 2017) and ending on 31 March 2019.

The Board of Directors of the Company at their meeting held on 7 May 2019, basis the approval and recommendation of the Audit Committee and subject to approval of the Members, approved entering into Material Related Party Transactions with M&M, with effect from 1 April 2019, and every financial year thereafter, such that the maximum value of the Related Party Transactions with M&M, in aggregate does not exceed ₹ 3,500 crores in any one financial year.

Rationale

Your Company works closely with its Related Parties to achieve its business objectives and enters into various transactions with its Related Parties, from time to time, in the ordinary course of business and on arms length basis. Amongst the transactions that Company enters into with its Related Parties, only the transactions with M&M, Holding Company (holding 58.52% in the Company as on 31 March 2019) and a 'related party' under the provisions of the Act and the Listing Regulations are likely to exceed the threshold of Material Related Party Transactions within the meaning of Regulation 23 of the Listing Regulations and the Company's Policy on Materiality of and on dealing with Related Party Transactions ("Related Party Transaction Policy").

Your Company was established as a division of M&M in the year 2000 and demerged into a 100% subsidiary in the year 2008. A significant portion of the Company's revenue/turnover, constituting about 49% of Company's annual consolidated turnover as on 31 March 2019, is derived from business with M&M. Your Company plays a vital role in managing the supply

chain covering inbound, in-factory and outbound operations for the Auto and Farm Sector (AFS) of M&M.

In addition to contributing significantly to the Company's business, the Company's association with M&M and the Mahindra Group gives it significant credibility which has assisted the Company in building long-standing relationships with a large number of Non-Mahindra clients and business partners. In order to reduce the dependence on the automotive sector and risk of client concentration, the Company has taken steps to diversify both its customer base and industry verticals.

Details of transactions entered into by the Company with M&M as per Audited Standalone Financial Statements of the Company in the past two financial years is given hereunder for reference of the Members:

(₹ in crores)

Nature of transactions with M&M	FY 2018-19	FY 2017-18
Rendering of services	1,892.50	1,658.18
Availing of services	6.74	2.28
Purchase of assets	0.37	0.15
Reimbursements made	1.71	5.16
Reimbursements received	0.01	–
Total	**1,901.33**	**1,665.77**
% of Consolidated Revenues	**49.37%**	**48.76%**

Transactions with M&M are expected to grow in future and the Company's revenue from M&M business in next few years is likely to be around 45-55% of the annual consolidated turnover of the Company.

Proposal

In line with the Company's vision of becoming a ₹ 6,000 crores Logistics Provider by 2021 and keeping in mind the potential quantum of transactions with M&M over the next few years, it is proposed to seek approval of the Members for Related Party Transactions entered/to be entered into with M&M commencing from 1 April 2019 onwards, upto a maximum limit of ₹ 3,500 crores per financial year.

The relevant information pertaining to transactions with M&M is given below:

Particulars	Information
Name of the Related Party	Mahindra & Mahindra Limited ("M&M")
Nature of relationship	Holding Company of the Company
Name of the Director or Key Managerial Personnel who is related, if any	None of the Directors and Key Managerial Personnel of the Company and their relatives, are directly or indirectly, concerned or interested, financially or otherwise, in Item no. 7 of this Notice, except to the extent of his/her respective shareholding, if any, in the Company.
Nature of the contracts/ arrangement/ transactions	Providing or availing of any kind of Services including Transportation Services, Stores & Line Feed, Warehousing, Pre-Outbound, Yard Management, Warehouse Management Services; Payment(s)/reimbursement(s) against services availed/rendered including shared IT and other services; Payment of royalty towards usage of Trade Mark/trade name*; Purchase/sale of assets; Providing or availing loans/advances, providing or availing guarantee or security for loans taken/given by the Company; Making investments; Sale, purchase or supply of goods or materials; Selling or otherwise disposing of, or buying of property(ies) of any kind, leasing of property(ies) of any kind; Any other transactions for transfer of resources, services or obligations.
Particulars/ Material Terms of the contract/ arrangement/ transactions	As per the terms of the respective contracts or arrangements entered into or to be entered into from time to time.
Monetary Value of contracts/ arrangements/ transactions	Upto ₹ 3,500 crores, individually or in aggregate, per financial year, effective 1 April 2019
Any other information relevant or important for the members to take a decision on the proposed resolution	The proposed transactions with M&M would be in the ordinary course of business and on arms length basis.

* The payments towards royalty for usage of Trade Mark/ Trade Name to M&M is within two percent of the annual consolidated turnover of the Company. Hence separate Shareholder approval is not required in terms of Regulation 23(1A) of the Listing Regulations for the same.

The Company would be revisiting the Material Related Party Transaction limits as proposed, periodically and in the event of any revisions required, shall seek requisite Shareholder approvals.

The Members are further informed that, the transactions entered/to be entered into by the Company with M&M would, at all times, continue to be in the ordinary course of business

and at arms length, and subject to the annual omnibus approval within the proposed Material Related Party limits and quarterly review of the Audit Committee of the Board as per the Company's Related Party Transaction Policy, Regulation 23 of the Listing Regulations and Section 177 of the Act. Further as per Regulation 23 of the Listing Regulations, Related Party Disclosures shall be filed with Stock Exchanges where equity shares of the Company are listed, on a half yearly basis.

As per Regulation 23 of the Listing Regulations, as amended with effect from 1 April 2019, no Related Party shall vote to approve such resolution whether the entity is a Related Party to the particular transaction or not. Further as per Section 188 of the Act read with MCA circular no. 30/2014 dated 17 July 2014, no Member of the Company shall vote on any resolution, to approve any contract or arrangement which may be entered into by the Company, if such Member is a Related Party and interested in the said contract or arrangement. Accordingly, M&M, being a Member of the Company and a Related Party having interest in the ordinary resolution set out at Item no. 7 will not be entitled to vote on the said resolution. Non-interested Related Parties will be permitted to vote against the said resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are directly or indirectly, concerned or interested, financially or otherwise, in Resolution at Item No. 7 of this Notice, except to the extent of their respective shareholding, if any, in the Company. None of the Promoters, Directors and Key Managerial Personnel of the Company hold more than 2% of the paid up share capital of M&M.

All relevant documents and papers relating to Item No. 7 as 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.

The Board recommends passing of the ordinary resolution at Item No. 7 of this Notice for entering into Material Related Party Transactions with Mahindra & Mahindra Limited, Holding Company of the Company.

By order of the Board
For Mahindra Logistics Limited

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, 7 May 2019

Mahindra LOGISTICS

ANNEXURE TO ITEM NOS. 4 AND 5 OF THE NOTICE CONVENING THE 12TH ANNUAL GENERAL MEETING OF THE COMPANY

Details of Directors seeking re-appointment and appointment at the 12th Annual General Meeting pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India

Resolution	**Item No. 4: Re-appointment of Director retiring by Rotation**	**Item No. 5: Appointment of Non-Executive Director**
Name of Director	**Mr. Zhooben Bhiwandiwala, Chairman and Non-Executive Director**	**Mr. S. Durgashankar, Additional and Non-Executive Director**
Director Identification Number (DIN)	00110373	00044713
Nationality	Indian	Indian
Date of first appointment on the Board	28 April 2009	7 May 2019
Tenure with the Company	10 years	Not Applicable since appointed w.e.f. 7 May 2019
Age	59 years	59 years
Qualifications	Bachelor's degree in Commerce and qualified Chartered Accountant	Bachelor's degree in Commerce and qualified Chartered Accountant
Capacity	Non-Executive Non-Independent Director	Non-Executive Non-Independent Director
Brief resume, experience and specific area of expertise in functional areas	Mr. Zhooben Bhiwandiwala has over 32 years of experience in the finance, legal, cross border M&A, HR, marketing, strategy and other commercial functions. He had been involved with international operations, investments in new businesses, start-ups, joint ventures and mergers and acquisitions during his deputation to international assignments in Mahindra Group. He is the chairman of the HR Academy at the Mahindra Leadership University. He is currently the President - Mahindra Partners and Group Legal Head and a member of the Mahindra Group Executive Board. He currently heads the Mahindra Partners division of Mahindra & Mahindra Limited. Mr. Zhooben Bhiwandiwala is also a member of the global advisory board of i-Probono, UK, and Safe Kids Foundation, India. He is on Boards of several Mahindra & Mahindra Group Companies in India and abroad. Mr. Zhooben Bhiwandiwala is an Alumni of Harvard Business School where he had attended the Advanced Management Program for Senior Executives.	Mr. S. Durgashankar, is currently President – Group M&A, Corporate Accounts and Group Secretarial and Member of the Group Executive Board at Mahindra & Mahindra Limited (M&M). He is also Chairman of Mahindra Integrated Business Solutions Pvt. Limited, the service center arm of M&M. During his overall work experience of over 3 decades, he has handled a wide spectrum of Corporate Finance assignments at senior levels and has rich M&A experience. At M&M, he has also headed Treasury and Investor Relations and was instrumental in setting up the Mergers & Acquisitions (M&A) division. Prior to his current assignment, he was CFO of Mahindra Satyam and was responsible for the company becoming current with respect to its Indian GAAP reporting requirements. Mr. S. Durgashankar is an Alumni of Harvard Business School where he had attended the Advanced Management Program. He is also a speaker at many fora on varied topics in M&A and Finance. He was the recipient of CFO 100 Awards in 2010, 2013 and 2014 for his contribution to Corporate Finance in the area of M&A. He was also the recipient of CFO India League of Excellence Award in March 2015.

Resolution	**Item No. 4: Re-appointment of Director retiring by Rotation**	**Item No. 5: Appointment of Non-Executive Director**
Name of Director	**Mr. Zhooben Bhiwandiwala, Chairman and Non-Executive Director**	**Mr. S. Durgashankar, Additional and Non-Executive Director**
List of directorships in other Body Corporates	Indian companies – Mahindra Logistics Limited (Listed) – Mahindra CIE Automotive Limited (Listed) – Mahindra Intertrade Limited – Mumbai Mantra Media Limited – Mahindra Retail Limited – Mahindra Auto Steel Private Limited – Mahindra Susten Private Limited – Mahindra Marine Private Limited – Ekatra Hospitality Ventures Private Limited – Cinestaan Digital Private Limited – Mahindra Tsubaki Conveyor Systems Private Limited – Brainbees Solutions Private Limited	Indian companies – Mahindra Logistics Limited (Listed) – Mahindra EPC Irrigation Limited (Listed) – Swaraj Engines Limited (Listed) – Mahindra Integrated Business Solutions Private Limited – Mahindra HZPC Private Limited – Mahindra Vehicle Manufacturers Limited – Mahindra Agri Solutions Limited – Mahindra Holdings Limited
	Body Corporates – Mahindra MiddleEast Electrical Steel Service Centre (FZC), UAE – The East India Company Group Limited BVI – Mahindra Finance USA LLC, USA – Mahindra Tractor Assembly Inc., USA (GENZE) – The Mahindra Foundation, UK – Scoot Networks, Inc. (USA) – East India Company GIN Limited (UK) – East India Company Fine Foods Limited (UK) – Mahindra Automotive Mauritius Limited – PT Mahindra Accelo Steel Indonesia	Body Corporates – Mitsubishi Mahindra Agricultural Machinery Co. Limited – Mahindra Automotive Mauritius Limited
Chairman in the Committees of the Boards of companies in which he is a Director	– Mahindra Intertrade Limited – Corporate Social Responsibility Committee – Mumbai Mantra Media Limited – Nomination and Remuneration Committee – Mahindra Auto Steel Private Limited – Audit Committee and Corporate Social Responsibility Committee	– Mahindra HZPC Private Limited – Audit Committee
Membership in the Committees of the Boards of companies in which he is a Director	– Mahindra Logistics Limited – Nomination and Remuneration Committee – Mahindra Retail Limited – Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee – Mahindra Susten Private Limited – Finance, Accounts and Audit Committee (non-mandatory Committee)	– Mahindra Logistics Limited – Audit Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee – Mahindra EPC Irrigation Limited – Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee – Swaraj Engines Limited – Audit Committee – Mahindra Vehicle Manufacturers Limited – Audit Committee and Committee of Strategic Investments – Mahindra Agri Solutions Limited – Audit Committee, Risk Management Committee and Committee of Directors for Borrowing

Resolution	Item No. 4: Re-appointment of Director retiring by Rotation	Item No. 5: Appointment of Non-Executive Director
Name of Director	**Mr. Zhooben Bhiwandiwala, Chairman and Non-Executive Director**	**Mr. S. Durgashankar, Additional and Non-Executive Director**
Number of equity shares held in the Company with by themselves or on beneficial basis for any other person	Nil	Nil
Last drawn remuneration from the Company	Nil	Not Applicable since appointed with effect from 7 May 2019.
Terms and Conditions of appointment/ re-appointment	Non-Executive Director, liable to retire by rotation.	Non-Executive Director, liable to retire by rotation.
Details of remuneration sought to be paid	In the capacity of Non-Executive Non-Independent Director of the Company and subject to approval of the Members at the 12th Annual General Meeting, Mr. Zhooben Bhiwandiwala would be eligible for certain number of Restricted Stock Units ("RSUs") to be determined by the Nomination and Remuneration Committee in accordance with the Mahindra Logistics Employee Restricted Stock Unit Plan 2018, approved by the Members of the Company on 2 August 2018. The RSUs granted would be within the overall limit of 80,000 RSUs.	Nil
Number of meetings attended during the year 2018-19	Board Meetings: 8 out of 8 (100%) Nomination and Remuneration Committee Meetings: 6 out of 6 (100%)	Not Applicable since appointed with effect from 7 May 2019.
Relationship with other Directors/KMP/ Manager	He is not related to any other Directors/KMP of the Company.	He is not related to any other Directors/KMP of the Company.

By order of the Board
For Mahindra Logistics Limited

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, 7 May 2019

MAHINDRA LOGISTICS LIMITED

Registered Office: Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400 018.
Website: www.mahindralogistics.com • **E-mail:** cs.mll@mahindra.com
Phone: +91 22 2490 1441 • **Fax:** +91 22 2490 0833
CIN: L63000MH2007PLC173466 • **ISIN:** INE766P01016

Dear Member(s),

Re: Request to opt for 'Green' mode of communication and update your Bank Account details for seamless payment of Dividend

Save the Environment..Go Green

We request you to support the GREEN Initiative by registering/updating your e-mail address for receipt of Annual Reports and other communications through e-mail.

Your Company fully supports the Green Initiative of the Ministry of Corporate Affairs ("MCA") and the MCA circulars issued in this regard permits companies to serve the Notices of general meetings/postal ballots, Annual Reports etc. to the Members through the electronic mode instead of sending the physical copy of the document(s). This commendable green initiative of the Government to protect the environment by reducing consumption of paper also helps in prompt receipt of Notices and communications by Members, reduces costs and avoids delays in transit.

Even after registering for receiving documents through e-mail, Members will still be entitled to receive the Annual Report and all such communications in physical form, upon request made to the Company/the Registrar and Share Transfer Agent.

We request you to update your Bank Account details for seamless payment of Dividend through electronic mode directly to your Bank Account



The Securities and Exchange Board of India has mandated that the Bank Accounts details furnished by Depositories (in case of equity shares held in dematerialized form) and maintained by the Registrar and Share Transfer Agent of the Company (in case of equity shares held in physical form) shall be used for payment of Dividend to Members electronically.

Procedure for updation of details:

Members holding equity shares in dematerialized mode, are requested to contact their respective **Depository Participant only** for registering/ updating their e-mail address & contact information and providing/updating their Bank Account details. The Registrar and Share Transfer Agent of the Company cannot take on record any details/updates and the same needs to be routed only through your respective Depository Participant.

Members holding equity shares in physical form can update their Bank Account details, in case of any change therein, by submitting a written request to Link Intime.

Members who have already registered their e-mail address, will receive this Annual Report electronically through e-mail. This Annual Report is also available on our website http://www.mahindralogistics.com. We wish to place on record our deep gratitude for your support to our Green Initiative.

Soliciting your whole hearted co-operation to our Go-Green initiative and continued patronage.

Thanking you,

For **Mahindra Logistics Limited**

Brijbala Batwal
Company Secretary

Mumbai 7 May 2019

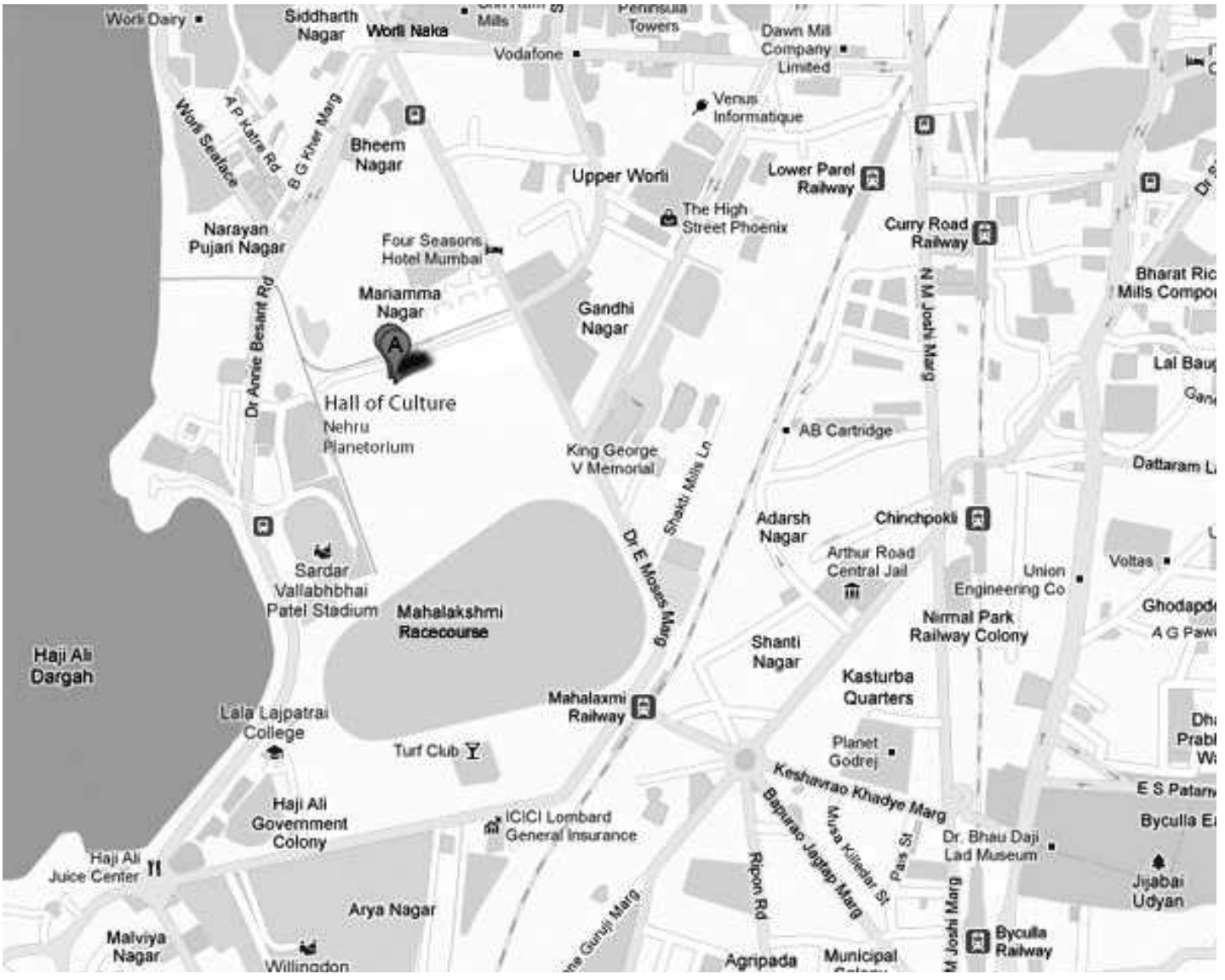
Mahindra LOGISTICS

ROUTE MAP FOR THE 12TH ANNUAL GENERAL MEETING OF MAHINDRA LOGISTICS LIMITED TO BE HELD ON THURSDAY, 1 AUGUST 2019 AT 3:30 P.M. (IST)

Venue of 12th 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





We request you to support the GREEN Initiative by registering/updating your e-mail address with your Depository Participant for receipt of Annual Reports and other communications through e-mail.



We request you to update your bank account details with your Depository Participant for seamless payment of Dividend through electronic mode directly to your bank account.











For enquiries, please write to us,
Retail Investors: cs.mll@mahindra.com & rnt.helpdesk@linkintime.co.in
Institutional Investors: cfo.mll@mahindra.com

Corporate Address: 1A & 1B, 4th Floor, Techniplex 1, Techniplex Complex, Veer Savarkar Flyover, Goregaon (West), Mumbai, Maharashtra 400062.
Tel: +91-22-28716800 | Toll Free: 1800-258-6787 | Website: www.mahindralogistics.com

Mahindra LOGISTICS

Registered Office: Mahindra Logistics Limited,
Mahindra Tower, P. K. Kurne Chowk,
Worli, Mumbai - 400018, Maharashtra.
Tel: +91-22-2490 1441

Website: www.mahindralogistics.com
CIN: L63000MH2007PLC173466

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ATTENDANCE SLIP

12th Annual General Meeting – Thursday, 1 August 2019.

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Name and Address
of the First named Member:

Name of the Joint holder(s), if any:

Name of the Proxy/Authorised Representative:

DP ID & Client ID or Folio No.:

No. of equity shares held:

I/We certify that I/we am/are Member(s)/Proxy for the Member(s) of the Company.

I/We hereby record my/our presence at the 12th Annual General Meeting ("Meeting") of the Company held on Thursday, 1 August 2019 at 3:30 p.m. (IST) at the Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018.

Signature of First holder/Proxy/Authorised Representative: _____

Signature of 1st Joint holder: _____

Signature of 2nd Joint holder: _____

Notes:

1. Only Members of the Company or their Proxy/Authorised Representative(s) will be allowed to attend the Meeting;
2. You are requested to bring your copy of the Annual Report to the Meeting;
3. Joint Shareholders desiring to attend the Meeting may obtain additional attendance slips on request.

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E-VOTING SLIP

Name:

DP ID & Client ID or Folio No.:

ELECTRONIC VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	USER ID	* DEFAULT PAN
190611005		

* Only Members who have not updated their PAN with the Company/Depository Participant shall use default PAN mentioned in the PAN field.

Notes: 1. The remote e-voting period will commence on **Sunday, 28 July 2019 [9:00 a.m. (IST)]** and will end on **Wednesday, 31 July 2019 [5:00 p.m. (IST)].**

2. Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, 25 July 2019, shall be entitled to avail the facility of remote e-voting or voting at the venue of 12th Annual General Meeting.
3. Please read the instructions given overleaf before voting electronically.

Instructions for e-voting:

Members are requested to follow the instructions given below before they cast their votes:

Remote e-voting:

(i) The Members should log on to the e-voting website www.evotingindia.com and click on Shareholders/Members tab and enter their User ID (for CDSL: 16 digits beneficiary ID and for NSDL: 8 Character DP ID followed by 8 Digits Client ID, for Members holding physical shares enter folio number registered with Company) and enter the Image verification and click on Login.

(ii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted earlier for any company, then your existing password is to be used.

(iii) 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 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 the e-voting Slip.
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 the Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (i).

(iv) 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.

(v) After entering these details appropriately, click on "SUBMIT" tab.

(vi) Members holding equity shares in physical form will then directly reach the Company selection screen. However, Members holding equity 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.

(vii) For Members holding equity shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(viii) Click on the EVSN for **Mahindra Logistics Limited – 190611005**

(ix) 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/agree to the Resolution and option NO implies that you dissent/disagree to the Resolution. To view the entire Resolution details click on "RESOLUTIONS FILE LINK".

(x) 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.

(xi) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote. You can take a print of the votes cast by clicking on "Click here to print" option.

(xii) Members can also cast their vote by downloading CDSL's mobile app "m-Voting" available on Google Play Store, Apple and Windows phone and follow the instructions prompted on the mobile app.

(xiii) Non-Individual Members and Custodians are required to log on to www.evotingindia.com to register themselves as Corporates and e-mail the scanned copy of the registration form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com and scrutinisers@mmjc.in for verification. 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 accounts for which they wish to vote on and have to e-mail the list of accounts linked to helpdesk.evoting@cdslindia.com and will be able to cast their vote, on approval of the same. A scanned copy of the Board resolution and Power of Attorney (POA) in favour of the Custodian, if any, should be uploaded in the system and e-mailed to scrutinisers@mmjc.in for verification.

Voting at Meeting:

The facility for voting through electronic voting system or through ballot paper shall be made available by the Company at the Meeting venue for those Members who have not cast their vote through remote e-voting.

Members who have already cast their votes by remote e-voting are eligible to attend the Meeting but shall not be entitled to cast their vote again.

General Instructions:

(i) 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.

(ii) Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

(iii) The voting rights of Members shall be in proportion to their share(s) in the paid up equity share capital of the Company as on the cut-off date i.e. Thursday, 25 July 2019.

(iv) Mr. Makarand Joshi of 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 in a fair and transparent manner.

MAHINDRA LOGISTICS LIMITED

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FORM NO. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	:
Registered address	:
E-mail ID	:
DP ID & Client ID or Folio No.	:

I/We, being the Member(s) of Mahindra Logistics Limited, holding _____ equity shares of the above named Company, hereby appoint:

Name	:
Address	:
E-mail ID	:
Signature	

Or failing him/her

Name	:
Address	:
E-mail ID	:
Signature	

Or failing him/her

Name	:
Address	:
E-mail ID	:
Signature	

[P.T.O.]

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 12th Annual General Meeting of the Company to be held on **Thursday, 1 August 2019 at 3:30 p.m. (IST) at the Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai-400 018** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos.	Nature of Resolutions	Voting (please see note no.4)	
		For/ Assent	Against/ Dissent
	Ordinary Business:		
1.	To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended 31 March 2019 and the Reports of the Board of Directors and Auditors thereon.		
2.	To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31 March 2019 and the Report of Auditors thereon.		
3.	Declaration of final dividend at the rate of ₹ 1.80 per equity share of ₹ 10/- each fully paid, for the financial year ended 31 March 2019.		
4.	Appointment of Director in place of Mr. Zhooben Bhiwandiwala (DIN:00110373), who retires by rotation and, being eligible, offers himself for re-appointment.		
	Special Business:		
5.	**Ordinary Resolution**: Approval for appointment of Mr. S. Durgashankar (DIN:00044713) as a Non-Executive Director of the Company.		
6.	**Special Resolution:** Approval for payment of remuneration to the Non-Executive Non-Independent Directors of the Company.		
7.	**Ordinary Resolution:** Approval for entering into Material Related Party Transactions.		

Signed this _____ day of _____ 2019.

Affix Revenue Stamp

_____
Signature of Shareholder

_____ _____ _____

Signature of first Proxy holder | Signature of second Proxy holder | Signature of third Proxy holder

Notes:

1. A Proxy need not be a Member of the Company and shall prove his/her identity at the time of attending the Meeting. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as Proxy on behalf of not more than fifty (50) Members and holding in 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 Proxy for his/her entire shareholding, who shall not act as Proxy for any other person or Member.
   If a Proxy is appointed for more than fifty (50) Members, the Proxy shall choose any fifty (50) Members and confirm the same to the Company forty-eight (48) hours before the commencement time of the 12th Annual General Meeting ("Meeting"). In case, the Proxy fails to do so, the Company shall consider only the first fifty (50) Proxies received as valid.
2. This form of Proxy in order to be effective should be duly completed, signed, stamped, cancelled and deposited at the Registered Office of the Company at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai-400 018 not less than 48 hours before the time of commencement of the Meeting.
3. Please complete all details of Member(s) in the form before submission.
4. It is optional to indicate your preference. If you leave the 'for'/'assent' and 'against'/'dissent' column blank on all/ any resolutions, your Proxy(ies) will be entitled to vote on Poll (if taken) in the manner as he/she thinks fit.
5. Appointing a Proxy does not prevent a Member from attending the Meeting in person if he/she wishes to attend.