

# CULTURE OF URGENCY

1997

Year of  
commencement

2016

TCI XPS demerged from TCI to  
become TCI Express Limited

TCI EXPRESS IN

NUM

202

Countries  
served

2,800+

Workforce

4,500

Containerized  
vehicles

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message

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**650**

Company owned  
branch setup

**40,000**

Locations  
served

**28**

Sorting  
centres

# B E E D S



**24**

Air  
gateways

**887.16**

Revenues earned,  
FY2017-18 (Rs. crore)

**92.73**

EBITDA, FY2017-18  
(Rs. crore)

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# CULTURE OF URGENCY



**TCI** Express is not just another express company.

It is the fastest growing express service company in India with the largest hub and spoke network.

It is a company addressing the time-critical needs of industrial customers for whom delay could result in major business loss.

It is a company delivering products from one point to

another in the shortest tenure. Delivering these products consistently.

Delivering these products safely.

So that customers can nurse modest inventory.

So that customers be assured that 'If it is TCI Express, we have nothing to worry.'

So that customers can moderate their working capital outlay. So that customers can

do more business with relatively less resources.

The result is that TCI Express does not just transport products from one point to another. It strengthens the business of its customers; it enhances their competitiveness.

And all because of one overriding reason.

**A CULTURE OF URGENCY.**

# 10 THINGS TO KNOW ABOUT TCIEXPRESS

01

## Vision

TCIExpress should be a customer-oriented, multi-technology, multi-specialist transport system in the Indian and International markets, with a proven commitment to excellence in every facet of activity and pursuit of value based policies to satisfy aspirations of society, customers, vendors, employees, shareholders and the transport industry.

## Mission - LEADER

- Loved by customers in Indian and International markets
- Express multimodal fastest company
- Always ahead of the rest in speed and professionalism
- Delight our customers every time
- Excellence in service using the latest in technology
- Reliable to all our customers and respected by all our stakeholders

02

## The journey

TCIExpress was established in 1997 as a multi-specialist express cargo division of the Transport Corporation of India Limited. The division was created to address the growing need for just-in-time inventories and express product delivery. The result is that TCIExpress has now emerged as a respected company in the time-bound express distribution of cargo across India, emphasizing its culture of urgency

03

## Demerger

In 2016, TCI XPS division demerged from the Transport Corporation of India Limited to become TCI Express Limited, an independent company listed on NSE and BSE. This demerger was inspired by the emerging demand of the post GST era of express distribution of goods and a growing need to enhance operational focus and accountability.

04

## Services

TCIExpress provides services across five areas: domestic surface express, domestic air express, international air express, reverse express and e-commerce express. This wide service spectrum makes it possible for Company to address prominent and fast growing industry verticals like automotive, pharmaceuticals, retail, engineering, apparel and e-commerce, among others. In facilitating the rapid growth of these industry verticals through time-bound product delivery, the company is strengthening India's economy and its competitiveness.

05

## Presence

TCIExpress comprises a pan-India network covering 704 of 712 districts with 650+ branches capable of servicing 40,000+ pickup and delivery points through 4,500+ containerised vehicles. TCIExpress established 28 strategically-located sorting centres to enhance operational seamlessness. TCIExpress widened its global footprint by servicing 202 countries through its large IATA-approved agent network. The company is headquartered in Gurugram (NCR), India.



06

**People**

TCIExpress is a prominent sectoral employer. The Company had employed 2,800+ professionals by the close of 2017-18 with an average age of 32 years, indicating a balance of experience and youthfulness.

07

**Credit rating**

TCIExpress is an attractively rated, least leveraged organisation. CRISIL upgraded the Company's rating from 'A+' to 'AA – (stable)' in 2017 for long-term loans, while ICRA affirmed the Company's rating to 'A1+' in 2017 for short-term loans.

08

**Quality**

To provide effective, reliable and on-time delivery, the Company lays a keen emphasis on honing the skills of its personnel, upgrading operational systems, IT platforms, operational infrastructure and adhering to best-in-class quality management protocols, enhancing customer delight.

09

**Dividend**

TCIExpress ensured returns to shareholders by declaring periodic dividends. During the year under review, the Company declared a 125% dividend (₹ 2.50 per share of face value of ₹ 2.00 each) – a payout ratio of 20%.

10

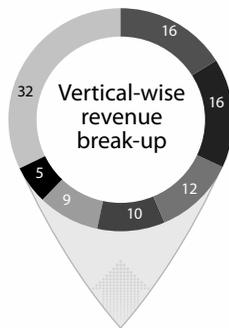
**Technology**

TCIExpress has been in sync with new technologies encompassing automation, safety and security. Amongst the few organised market players, TCIExpress invested in a robust ERP solution that automates back-office operations and ensures seamless connectivity across its network of offices. Its GPS-enabled fleet ensures time-definite and accurate delivery services. Automated systems such as Electronic Data Interchange (EDI) and Application Programme Interface (API) facility have helped cater to the growing technological demand of customers.



**Sectors**

- SMEs and trading business
- Top 1000 manufacturers in the country



- Pharmaceuticals
- Automotive
- Engineering
- Garments and Textiles
- Energy and power
- Machinery and machine tools, Metals and metal scraps
- Others

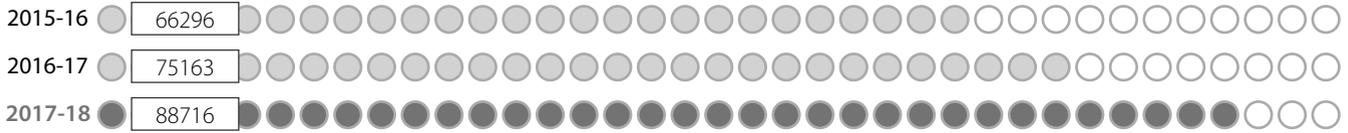


- North zone
- West zone
- South zone
- Eastern zone and special zone



# THIS IS HOW WE HAVE GROWN OVER THE YEARS

## Revenues (Rs. lakh)



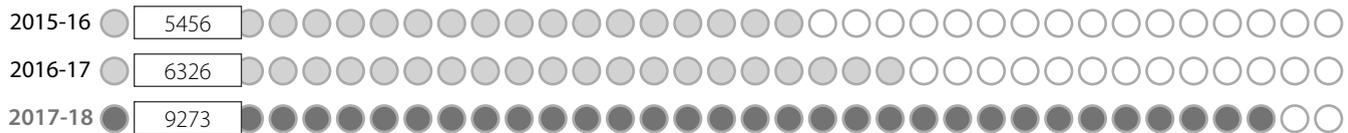
**Definition**  
Growth in sales net of taxes.

**Why is this measured?**  
It highlights the service acceptance and reach of the company in the market.

**What does it mean?**  
Aggregate sales increased by 18.03 % to Rs. 887 crore in FY2017-18 due to increasing demand for services and improved footprints.

**Value impact**  
Improved service offtake enhanced the Company's reputation in the market.

## EBITDA (Rs. lakh)



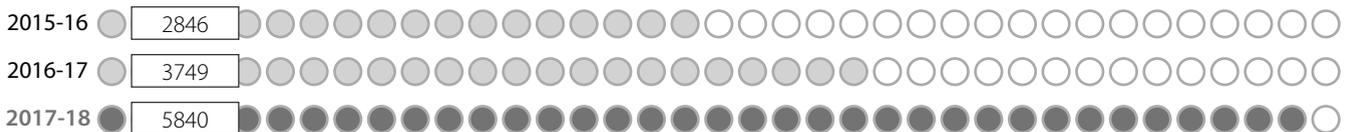
**Definition**  
Earning before the deduction of fixed expenses and taxes (interest, depreciation, extraordinary items, tax and appropriations).

**Why is this measured?**  
It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures.

**What does it mean?**  
Helps create a robust growth engine and allows the Company to build profits in a sustainable manner.

**Value impact**  
The Company's EBITDA increased 46.56% in FY2017-2018 – an outcome of team engagement in enhancing operational efficiency.

## Net profit (Rs. lakh)



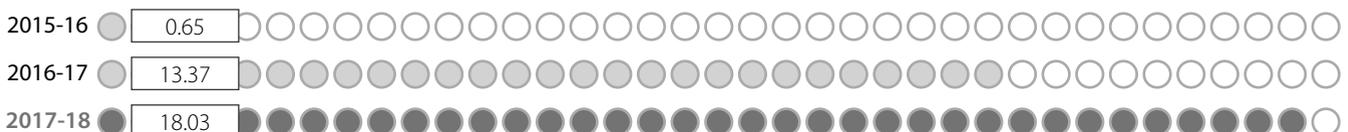
**Definition**  
Profit earned during the year after deducting all expenses, provisions and taxes.

**Why is this measured?**  
It highlights the strength in the business model in generating value for shareholders.

**What does it mean?**  
Ensures that adequate cash is available for reinvestment and allows the Company's growth engine to sustain.

**Value impact**  
The Company's net profit increased 55.71% in FY2017-18 – reflecting the robustness and resilience of the business model.

## Revenue growth (%)



**Definition**  
Percentage growth in sales over the previous year

**Why is this measured?**  
It highlights the improvement in the topline.

**What does it mean?**  
This highlights the Company's focus on new customer acquisition and increased wallet share.

**Value impact**  
High revenue growth results in improved market share



# KEY FINANCIAL NUMBERS

## Achievement in FY2017-18 compared with the previous years

(₹ in Lakhs Except as stated)

PARTICULARS	2017-18	2016-17	2015-16 *	2014-15 *	2013-14 *	2012-13 *	2011-12 *	2010-11 *
Total Income	88716	75163	66319	65863	59997	55573	49501	45925
EBIDTA	9273	6326	5456	5191	4825	4549	4351	4053
Finance Cost	376	244	525	576	512	563	635	537
Depreciation & Amortisation	521	431	579	600	439	444	533	563
Profit Before Tax & Exceptional Items	8376	5651	4353	4015	3874	3542	3184	2952
Taxes	2537	1902	1506	1365	1317	1149	990	981
Net Profit	5840	3749	2846	2651	2557	2393	2062	1972
Cash Profit	6456	4068	3425	3251	2996	2837	2594	2535
Dividend Per Share	2.5	0.80	0	0	0	0	0	0
Earning Per Share (₹)	15.25	9.79	0	0	0	0	0	0
Gross Block	18144	12422	8842	3875	3526	3659	3824	4898
Net Block	16201	10500	7153	1461	1695	1945	2190	2403
Share Capital	766	766	761	0	0	0	0	0
Net Worth	20681	16077	12298	11543	10195	9346	8564	8198
Total Debts	3982	3103	4033	55	112	94	268	486
Capital Employed	21277	16464	12591	11573	10227	9399	8794	8923
Avg. Capital Employed	18870	14528	12082	10900	9813	9097	8859	9039
<b>Return on Net Worth</b>	<b>28.2%</b>	<b>23.3%</b>	<b>23.1%</b>	<b>23.0%</b>	<b>25.1%</b>	<b>25.6%</b>	<b>24.1%</b>	<b>24.0%</b>
<b>Return on Capital Employed</b>	<b>46.4%</b>	<b>40.6%</b>	<b>40.4%</b>	<b>42.1%</b>	<b>44.7%</b>	<b>45.1%</b>	<b>43.1%</b>	<b>38.6%</b>
Debt Equity Ratio (times)	0.19	0.19	0.33	0.00	0.01	0.01	0.03	0.06
Interest Cover (times)	24.68	25.90	10.40	9.02	9.42	8.08	6.85	7.55
Book Value Per Share (in ₹)	54.01	41.99	0.00	0.00	0.00	0.00	0.00	0.00

(\*) The figures belong to the erstwhile TCI XPS division of Transport Corporation of India Limited

# CHAIRMAN'S MESSAGE



AT TCIE Express, our overarching purpose is to redefine the concept of express services by taking the business of our customers ahead on the one hand and making deep investments in a multi-technology, multi-specialist transport system on the other.

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What makes this commitment different is our attempt to extend to excellence and values across every role and function, addressing the growing aspirations of our large family of stakeholders, which comprises the society, customers, employees, vendors, shareholders and the transport sector.

D. P. Agarwal,  
*Chairman*

### Economic momentum

The Indian economy reported steady growth during the year under review. Even as the country's GDP grew 6.7%, slower than in the previous year, growth accelerated to 7.7% in the last quarter of 2017-18, indicating that the country had decisively turned the corner.

As GST implementation stabilized, the benefit of reforms became more evident. Major infrastructure projects were announced and implemented, widening the market for our services. The Make in India initiative strengthened the manufacturing sector, creating a bigger need for companies to source raw materials and deliver finished products more efficiently, integrating our role deeper into customers. There was increased demand from export-import cargo, pharmaceutical, textile, auto and auto ancillary, small-medium enterprise and engineering segments for our express delivery services.

During the year under review, the government's reforms addressed the regulatory framework, strengthening the role of the country's logistics sector. The GST and E-Way bill reforms helped create an efficient streamlined logistics process. The inclusion of

logistics in the Harmonised List of Infrastructure sub-sectors simplified norms related to investments in the sector. The government made it easier to commission multi-modal logistics facilities, encouraging future-facing infrastructure investments.

### Capitalising on reform

TCIExpress, the category leader, is expected to capitalize on the country's landmark macro-economic transformation.

We believe that the need for a prioritized movement of logistics will only increase, strengthening the rationale for our presence in the sector. Robust economic recovery will increase the need for goods transportation from one point to another, widening our express logistics market.

There are a number of reasons why TCIExpress expects to report sustainable growth from this point onwards.

The company possesses the widest network (704 out of India's 712 districts) across any time-definite express distributor in India, providing a seamless multi-regional transfer of consignments and a dependable customer value proposition.

Over the years, the company made cutting-edge IT

investments to optimize logistics costs on the one hand and maximize the use of business-strengthening tracking on the other.

We built scale through operational integration comprising proactive investments in self-owned sorting centres and offices architecture around a hub-and-spoke model.

We specialized in the time-definite express distribution segment, creating an organisation around a focused culture of urgency.

We are respected not merely as vendors but partners, reflected in multi-year relationships across customers, strengthening our revenue visibility.

We created a scalable foundation in our people commitment marked by empowerment, accountability, emotional ownership and performance delivery.

### Outlook

At TCIExpress, we look forward to the future with confidence. As the transportation sector gravitates towards the organized segment following GST implementation, we are optimistic of carving a disproportionate share of the growth. In doing so, we believe we will continue to enhance

value for all our stakeholders.

I acknowledge the contribution of my fellow members on Board, management, employees, customers and bankers. I must assure them that the Company is on the verge of entering a new orbit.

D. P. Agarwal  
Chairman,

TCI Express Limited



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As GST implementation stabilized, the benefit of reforms became more evident. Major infrastructure projects were announced and implemented, widening the market for our services.

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# MANAGING DIRECTOR'S COMMUNIQUE



**At TCExpress, we stand at an inflection moment in our business.**

For long, there was always a premium in India on the need to transport products from one point to another in the shortest time.

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The challenges of the varying terrain, the varying climate, the harshness of a tropical nation and low infrastructural conditions, made it difficult to shrink turnaround times. Besides, there was something else that compounded the country's logistical inefficiency. India was marked by various regulatory, documentation and taxation hurdles that made it challenging to deliver products from one part of the country to another (or even outside the country) with speed, security and cost economy.

Chander Agarwal,  
*Managing Director*

During the last financial year, the country introduced the landmark Goods & Services Tax (GST), which unified the indirect tax structure, increased compliances and facilitated seamless transportation convenience across Indian states. The subsequent introduction of the e-Way Bill from 1 April 2018 could also go a long way in increasing transparency and formalisation of express services. The GST implementation is helping transport products quicker across the country, increasing the cost of business for unorganized competitors while strengthening the overall price-value proposition for organised players.

A second development strengthened prospects of the sector in November 2017. The Indian government granted infrastructure status to the logistics sector. The need for integrated logistics sector development has been felt for some time to increase the competitiveness of Indian logistics in domestic and the export markets.

#### The national momentum

Major infrastructure projects are expected to catalyse demand for logistics services. The Make in India initiative is expected

to strengthen manufacture and India's position as a global provider of industrial products. EXIM cargo, pharmaceuticals, lifestyle, auto & auto ancillaries and small-medium enterprises, among others, could drive the demand for express cargo in India across the foreseeable future.

At TCIEExpress, we stand to benefit considerably from these developments. The company possesses the largest hub and spoke express network in the country providing time-definite express services that take the business of these sectors ahead. Besides, the company operates a large fleet around efficiency; its state-of-the-art infrastructure coupled with an ultra-modern IT base provides an industrial edge.

#### Superior performance

TCIEExpress performed creditably during the financial year under review, the challenging realities notwithstanding. The national logistics sector was affected by progressive fuel price increases, people-intensity of the business, action by local labour bodies and truck unions, slowdown in the retail and lifestyle sectors as well as volatile economic and geopolitical scenarios.

And yet, TCIEExpress reported 18.03 per cent growth in

revenues to ₹887.16 cr and 55.76% increase in profit after tax to ₹58.40 cr, which we believe is only the beginning of a robust long-term growth story. The company reported an increase in EBITDA margin from 8.42% to 10.45%, while Return on Equity strengthened 500 bps to 28%.

In this context, one must draw the reader's attention to the company's Q4 performance: revenues reported a 23.18% growth to ₹249.94 crores, while EBITDA grew a healthy 52.44% to ₹29.01 crores and PAT strengthened 49.42% over the corresponding period of the previous year. The impressive revenue and profit growth figures in Q4 are a reflection of the company's strong fundamentals, which were also reflected in the annual figures.

On the back of this sustained growth, the Company recommended a final dividend @25% (INR 0.50 per equity share on face value of INR 2 per share) for the approval of shareholders

 **40**  
India's rank in the  
Global Competitiveness  
Index

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The Make in India initiative is expected to strengthen manufacturing sector and strengthen India's position as a global provider of industrial products.

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The impressive revenue and growth figures in Q4 are reflections of the company's strong fundamentals, which were reflected in their stellar annual figures as well.

at the forthcoming AGM. The total dividend for the year, including interim dividends, is 125% (INR 2.50 per equity share on face value of INR 2 per share.

**How we strengthened our business**

TCIExpress reported a stellar performance on the back of superior performance of the automobiles, pharmaceutical, lifestyle and SME sectors.

During the year under review, our investments in specific geographies paid off. For instance, we modernised our Hyderabad hub with state-of-the-art facilities, investing in fixed assets to enhance operational efficiency while we commissioned almost 100 branches to strengthen our nationwide presence. I am pleased to report that all our regions reported attractive annualized growth, while our focus on North and Western India translated into disproportionate growth over the previous year.

**Leveraging our strengths**

TCIExpress' principal strengths comprise speed and service excellence on the one hand, combined with the country's largest hub and spoke logistical network on the other. The company enjoys a pan-India presence, serving more than 40,000 pickup and delivery points through 4500+ containerised vehicles. The company is equipped to offer express logistic solutions to 704 districts of 712 districts in India. It comprises 28 state-of-art sorting centers with more than 650 modern branch offices. The company's biggest strength comprises 2,800 skilled people, driving the company with passion, persistence and a new way of doing things.



### Sectoral optimism and corporate outlook

The growth of logistics and supply chain is critical to long-term national competitiveness. It is our understanding that the most competitive nations are also the most efficient when it comes to logistics management. The sectoral inflection during the last financial year provides India's logistics sector with a scalable platform. In view of this, we expect India's logistics sector to report growth double the national GDP. Besides, with road networks widening and strengthening, a robust foundation is being created at an unprecedented pace that will make it possible to transport with higher speed and security than ever before.

At TCIExpress, we have outlined a ₹400 crore expansion programme over five years to capitalize on this projected industry upturn. We intend to add around ten owned sorting centers to the existing seven (overall 28). We intend to double the capacity of sorting centers; we intend to modernise equipment and technologies

across our offices and sorting centers. I am optimistic that the complement of this expansion and investment will make it possible to double revenues in four years.

I must thank the members of the Board of Directors, bankers, financial institutions, employees, shareholders, vendors business associates and other stakeholders for their continued support.

Chander Agarwal  
Managing Director,  
TCI Express Limited

### Growth drivers

- Bharatmala Pariyojana
- Increasing allocation in road building
- Presence in sectors which are on growth trajectory like automobile and pharma
- Designed to suit high-volume and high-value customers
- In-house sorting centres reduce costs
- Better fleet control
- Performance monitoring (lane-wise analysis)
- Per kilometer model
- Diesel surcharge mechanism to pass on fluctuations in diesel costs
- Compulsory change in fleet after seven years
- Geo-tagging ensures on-schedule arrivals and departures
- 20 years of sectoral experience
- Shortening of distribution chain
- Company's owned setup (non-franchisee model)



# WHY THE FUTURE APPEARS BRIGHT FOR THE INDIAN EXPRESS SECTOR

## Sector and TCI

**300** Total logistics spend at 13% of GDP (US\$ billion)



**180** Road transportation of which 90% is un-organised (US\$ billion)



**7** Value of goods carried by TCIExpress (US\$ billion)



## Governmental focus



**20.91** CAGR of budgetary outlay for road transport and highways between FY2008-09 and FY2018-19 (%)



**5.35** Investment over 5 years for construction of 34,800 km of roads under Bharatmala Pariyojana (₹ Lac crore)



**2017** Logistics Sector granted Infrastructure Status

## Growing trade

**303** India's estimated export revenues in FY2017-18 (US\$ billion)



**460** India's estimated import revenues in FY2018 (US\$ billion)



## Make in India

Fostering India's manufacturing sector



# B2B - 95% of revenues, FY18

## Services offered

### Surface express



#### Key differentiators

- Express pick up and delivery in India at 40,000 locations
- IT interfaces with customers
- Sunday and holiday deliveries
- Door-step pick-up and delivery, multimodal service
- GPS enabled fully containerized fleet
- Day define Delivery
- Value Added Services (COD/FOD/DACC/ODA/POD)
- Multi-location delivery process
- Customized transit-based policy

### Reverse express



#### Key differentiators

- Pick-up from anywhere in India from 40,000 locations
- Customized pick-up options
- Packing material procurement
- Centralised control tower for end-to-end visibility

### Domestic Air Express



#### Key differentiators

- Door-to-door service
- Port-to-port service
- Multimodal service
- Enduring arrangement with domestic carriers
- Strategic alliance with multiple carriers
- Customized Pickup/Delivery options

### International Air Express



#### Key differentiators

- Pick-up from exporter's premises arranged for port-to-port shipments
- Value-added service (AD code registration, country of origin certificate, legislation of documents, fumigation, GSP certificate).
- Expertise in handling heavy commercial shipments (both import and export)
- Provides customised pricing based on transit times

## Way forward

Going ahead, the Company will focus on increasing customers, expanding its pan-India presence (locations served), improving parcel turnaround time (handling equipments) and increasing handling capacity (sorting centres). Rising consumption across Tier II, III cities and semi-urban areas coupled with the Company's pan India reach, are expected to deepen its presence in the rapidly growing automotive, pharma, apparel and lifestyle segments, among others.

# B2C - 5% of revenues, FY 18

## Service offered

### E-commerce



#### Key differentiators

- Vendor to warehouse and inter warehouse
- Fulfillment centre to last-mile
- Intra-city distribution
- Cash collection on delivery
- API interchange for transparent end to end visibility
- Linkage between Order and Docket number

## Way forward

The Company provides B2C services to prominent e-commerce companies and expects strengthen its position. B2C segment with the objective to curve out profitable business propositions.

# OUR ROBUST BUSINESS MODEL

## The sectoral context in which we operate

**Indian economic resurgence:** India took six decades to become a trillion-dollar economy; it took only seven years to replicate that growth and is poised to emerge as a US\$7 trillion economy by 2030 according to an estimate. This growth is expected to be derived from a growing population, majority of the population in the working age category, rising per capita incomes, burgeoning rural prosperity and growing investments in infrastructure digitisation.

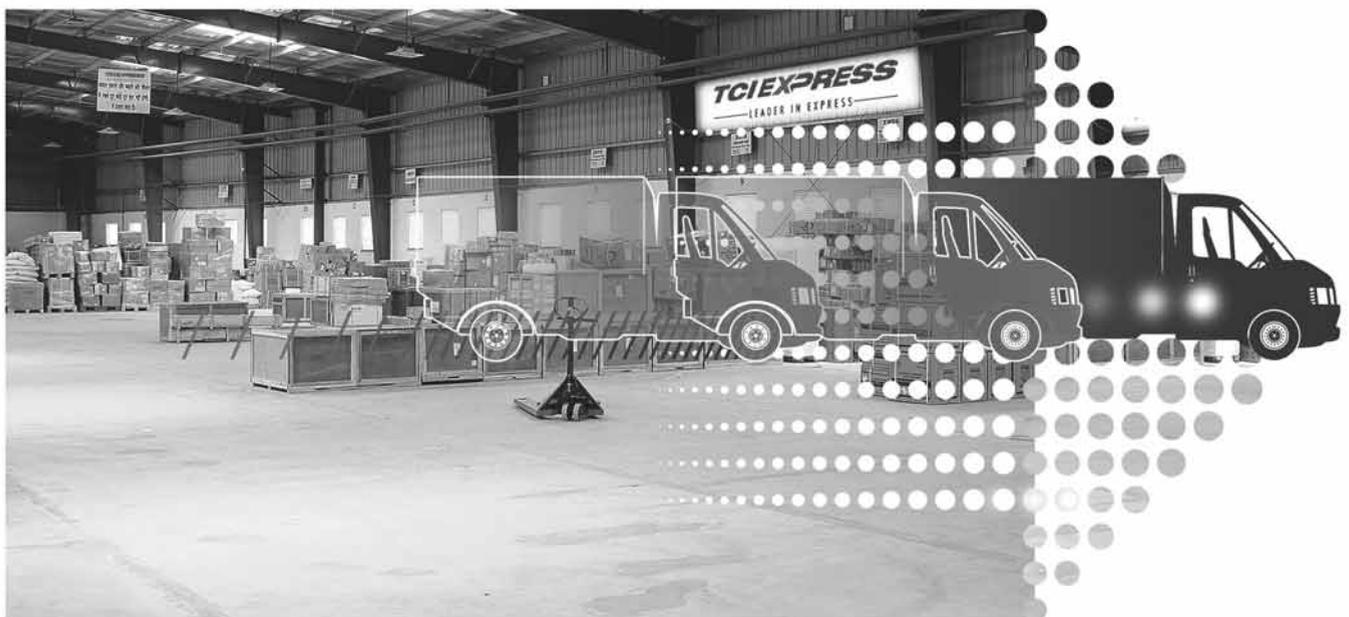
**Widening road network:** The Government of India announced a ₹6.9 lac crore investment outlay to construct 83,677 kilometres of road network over five years. The ambitious programme is expected to generate 14.2 crore person-day jobs for the country.

**The GST gamechanger:** The GST implementation enhanced supply chain efficiencies for India's business and logistics sector, promising to strengthen the face of the country's business.

**Governmental policies:** During Union Budget 2018-19, the Central Government announced that it would develop an online logistics marketplace (National Logistics Information Portal) to aggregate stakeholders (buyers, service providers, Directorate General of Foreign Trade, railway, port and airport authorities). This initiative is expected to rationalise business costs and enhance the ease of goods movement.

**Make in India:** Make in India is an ambitious initiative launched by the Government of India in September 2014 with the mission to transform India into a global design and manufacturing hub. India aims to become the top destination for FDI in the world. The initiative plans to increase the contribution of manufacturing to India's GDP to 25% from 15% and also generate employment. India aims to increase its competitiveness compared to China which is seen as a more favorable destination for manufacturing. India believes it has untapped potential in terms of human resource and infrastructure development which, when prudently utilized, will propel India into an industrial hub. An improved industrial scenario will catalyse the growth of express logistics in the country.

**Overview:** The business of express delivery - fast, safe, controllable and traceable - is growing in relevance because it promises to moderate inventory and related costs. There is a premium to be paid on dependable time-sensitive delivery and customers who engage vendors generally do so for the long-term.



## How TCIEExpress aligns with the sectoral context

The hub-and-spoke model: TCIEExpress expedited time-sensitive cargo, resulting in extended customer relationships on the one hand and a sensitive understanding of the needs of industries on the others. The hub-and-spoke model has facilitated prompt cargo movement, driving efficiencies and generating higher yields per route.

Distribution: The Company established proprietary distribution infrastructure capable of servicing 40,000+ pick-up and delivery points, 28 sorting centres and 650 branches ensuring time-bound delivery across 704 of the 712 districts of India.

The Company increased presence from 550 locations in 2016 to 650 locations in 2018 to service the widening and deepening needs of customers.

Costs: The Company's policy to engage vendors and their vehicles instead of direct ownership helped moderate upfront investments and allocate savings in business-strengthening initiatives.

Besides, stringent controls on other fixed costs enhanced profitability.

Technology: TCIEExpress has a robust ERP solution that automates back-office operations and ensures seamless connectivity. Its GPS-enabled fleet monitors locations ensuring time-definite and accurate delivery services. The Company offers app-based services for all platforms along with EDI and API.

Offerings: The Company enhances customer delight because of the synergies provided by experienced vertical level heads. The services can be customised for different industry verticals. For example, the Company provides just-in-time delivery for the automotive vertical and reverse express for apparel etc.

Capex: The Company planned to spend ₹400 crore in capex over five years, the majority directed to improve infrastructural capabilities by acquiring new land and

constructing new sorting centers with a focus on automation to enhance operational efficiencies.

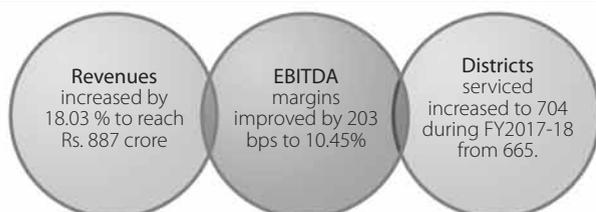
Revenue diversification and customer base: The Company has a huge customer base varying from top manufacturers to SMEs and small traders – a 2,00,000 customer base, marked by a dependence on any single customer. Nearly ~95% of the Company's business is derived from the B2B segment, the rest from B2C clients. SMEs contribute ~50% of revenues. Top 25 customers contributed not more than 11% of revenues of the Company.

Service differentiation: TCIEExpress has a large network and has mapped 95% of pin codes in the country. The Company possesses the capacity of customized delivery days based on locations.

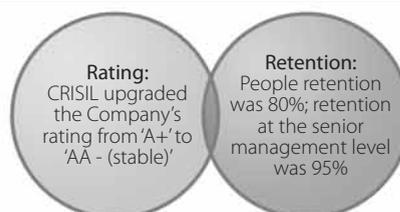
Asset-lightness: TCIEExpress has allocated a majority of its investments in expanding its handling capacity (72% of the gross block in land and buildings) while refraining

from outright truck ownership, entering into long-term contracts with truck owners. ~92% of the fleet is managed through vendors while the remaining 8% is hired on-the-spot. The services of these trucks plying between the sorting centres are accessed by contractual agreements renewed annually and paid on the basis of per km distance covered.

### Tangible impact, 2017-18



### Intangible impact, 2017-18





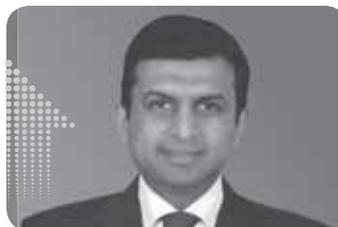
# BOARD OF DIRECTORS



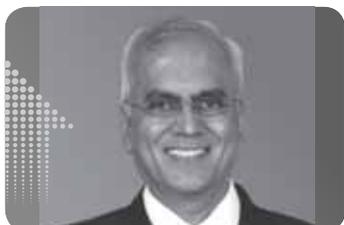
D.P. Agarwal - Chairman & Director



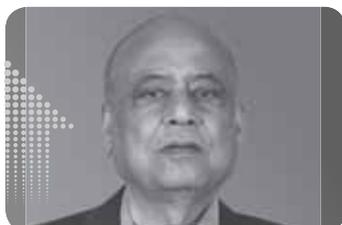
Chander Agarwal - Managing Director



Vineet Agarwal - Director



Murali Krishna Chevuturi - Director



Ashok Kumar Ladha - Director



Taruna Singhi - Director



Prashant Jain - Director



Phool Chand Sharma - Whole Time Director & CEO



# CORPORATE INFORMATION

## Board of Directors

Mr. D.P. Agarwal: *Chairman*

Mr. Chander Agarwal: *Managing Director*

Mr. Vineet Agarwal: *Director*

Mr. Murali Krishna Chevuturi: *Independent Director*

Mr. Ashok Kumar Ladha: *Independent Director*

Mrs. Taruna Singhi: *Independent Director*

Mr. Prashant Jain: *Independent Director*

Mr. Phool Chand Sharma: *Whole Time Director*

## Other Information

Mr. Mukti Lal: *Chief Financial Officer*

Mr. Vinay Gujral: *Company Secretary & Compliance Officer*

## Statutory Auditors

M/s. R.S Agarwala & Co., Chartered Accountants

## Principal Bankers

State Bank of India

HDFC Bank

**Registered Office:** Flat No. 306 & 307, 1-8-27 1 To 273,  
3rd Floor, Ashoka Bhoopal Chambers, S.P

Road, Secunderabad-500003, Telangana

Tel: +91-40-27840104, Website: [www.tciexpress.in](http://www.tciexpress.in)

Email: [secretarial@tciexpress.in](mailto:secretarial@tciexpress.in)

CIN: L62200TG2008PLC061781

**Corporate Office:** TCI House, 69

Institutional Area, Sector-32,

Gurugram-122001 (Haryana)

Tel: +91-124-2384090-94, Email [info@tciexpress.in](mailto:info@tciexpress.in)

## Registrar & Share Transfer Agent

Karvy Computershare Pvt Ltd

Karvy Selenium, Tower-B,

Plot No. 31 & 32, Financial District

Gachibowli, Hyderabad-500032

Tel: +91-040-67161524,

Website: [www.karvycomputershare.com](http://www.karvycomputershare.com)

Email: [Rajeev.kr@karvy.com](mailto:Rajeev.kr@karvy.com)



# MANAGEMENT DISCUSSION AND ANALYSIS

## Global economic overview

The year 2017 saw several decisive reform measures being undertaken across the global economic landscape in the aftermath of the United States adopting a new economic stance, emerging protectionism in advanced economies, recovery in global trade, a turnaround in China's economic growth and various geopolitical issues. Every major economy

expanded and the consequent growth wave created jobs. This reality was manifested via the ongoing growth in the eurozone, modest growth in Japan, a belated revival in China and improving conditions in Russia and Brazil, allowing the global economy to grow by ~3.7% during 2017, ~60 bps higher than the previous year. Crude oil prices increased in 2017 from US\$54.13 per barrel

to US\$61.02 per barrel at the end of the year, the highest since 2013.

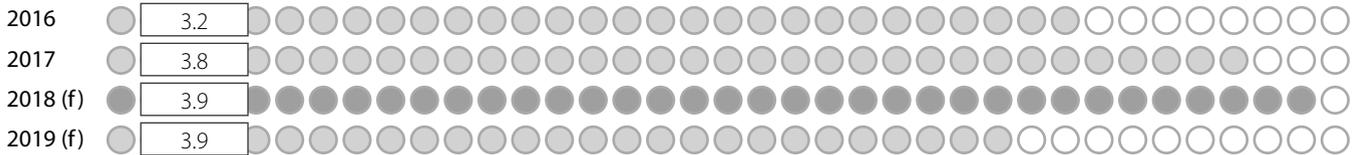
## Outlook

The outlook for several advanced economies improved, especially those in the eurozone. However, in many countries inflation remained weak, indicating that prospects for growth in GDP per capita were held back by

weak productivity growth and rising dependency ratios. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting improved momentum and the impact of tax policy changes in the US. (Source: WEO, IMF)

## Global economic growth

### Real GDP growth (%)



[Source: World Economic Outlook, January 2018] f: forecasted



### Indian economic overview

Much like the world at large, India faced several ups and downs during FY2017-18. Major developments included the implementation of the GST, an improvement in India's rankings on the Ease of Doing Business Index, Logistics Performance Index and Prosperity Index, the opening of the floodgates in terms of FDI regulations and staggered GDP growth during Q2 of the fiscal gone by.

India's merchandise exports grew by 9.07% in January 2018 to reach US\$ 24.38 billion compared to US\$ 22.35 billion, a year back. Cumulative value of exports for the period between April 2017 and January 2018

stood at US\$ 247.89 billion compared to US\$ 221.82 billion, registering a growth of 11.75%. On the other hand, India's merchandise imports witnessed expansion, growing by 26.1% to value at US\$ 40.68 billion in January 2018 compared to US\$ 32.261 billion, a year back. Cumulative value of imports for the period between April 2017 and January 2018 stood at US\$ 379.05 billion compared to US\$ 310.16 billion, registering a growth of 22.21% y-o-y.

After registering a GDP growth of >7% for the third year in succession during FY2016-17, the Indian economy headed for slower growth estimated at 6.7% in 2017-18 (despite

India reporting a growth rate of 7.6% during Q4). India's GDP growth saw a temporary dip in Q1 of FY2017-18 due to disruptions surrounding the implementation of the GST. However, growth recovered owing to strong industrial growth. Commendably, the Central Government took significant efforts to revive the growth trajectory whenever growth dipped.

Going ahead, FY2018-19 is going to be critical not just for the overall economy but also for the common man owing to the upcoming elections.

### Outlook

The World Bank announced

that India's economic growth could accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and services are expected to continue to support this surge in economic activity. Private investments are expected to revive as soon as the corporate sector adjusts to the GST. (Source: IMF, World Bank)

### Exports from India FY2017-18 versus FY2016-17

Countries	Exports in 2017-18 (US\$ million)	Exports in 2016-17 (US\$ million)
China	13,336.78	10,171.18
Hong Kong	14,690.27	14,047.24
Australia	4,012.33	2,957.79
Singapore	10,202.12	9,564.58
Thailand	3,653.66	3,133.44
Malaysia	5,700.09	5,224.86
Myanmar	966.19	1,107.89

(Source: Department of Commerce)

### Imports to India FY2017-18 versus FY2016-17

Countries	Imports to 2017-18 (US\$ million)	Imports to 2016-17 (US\$ million)
China	76,271.72	61,281.57
Hong Kong	10,676.09	8,204.18
Australia	13,993.75	11,154.48
Singapore	7,466.99	7,086.57
Thailand	7,134.55	5,415.40
Malaysia	9,011.58	8,933.59
Myanmar	639.64	1,067.25

(Source: Department of Commerce)

### Global logistics industry overview

The global logistics industry, in terms of revenue, is set to expand to US\$15.5 trillion by 2023 from US\$8.1 trillion in 2015, growing at a CAGR of 7.5%. In volume terms, the

market is expected to clock a CAGR of 6% between 2016 and 2024. The growth of the industry is directly correlated to the development of international trade flows and the global economic environment. (Source: PRNewswire)

### Indian logistics industry overview

India's logistics industry is worth US\$300 billion and is estimated to grow at a CAGR of 12.17% by 2020. In 2016, India was ranked 35<sup>th</sup> on the World Bank's Logistics Performance Index,

moving up from the 54<sup>th</sup> spot in 2014. India registered an overall 30-point-rise and stood at the 100<sup>th</sup> position on the World Bank's Ease of Doing Business Index in 2017. India expended ~14.4% of its GDP on logistics and transportation compared to

countries like the US (9.5%) and Germany (8%). The country's logistics industry provides employment to >22 million people and has been growing at a CAGR of 7.8% between 2013 and 2018. The result is that India's logistics sector now finds a place in the harmonised master list of the infrastructure sub-sectors, which could help provide access to cheaper long-term credit, simplify the approval process for the

construction of multimodal logistics parks, encourage market accountability through regulation and attract investments from debt and pension funds into recognised projects. (Source: *Logistics Market in India 2015-2020, Economic Times, NITI Aayog*)

**Outlook**

The growth of the logistics sector is directly related to the growth prospects of India and has clocked a growth rate

twice as fast as India's GDP. Overall, the domestic logistics industry is poised for growth on the back of changing sectoral dynamics. Logistics firms are moving from traditional setups to IT-integrated operations so as to reduce costs and address incipient demands. With respect to India's GDP growth, the logistics industry is expected to grow at 2x as the logistics business is directly correlated with the pace of economic

activity within the country. The development of new highways, roads, logistics parks, among others coupled with fresh investments should allow the industry to grow at a CAGR of 16% between 2016 and 2020. As India becomes more open to trade and investments, the need for logistics services will increase, providing bigger opportunities to key sectoral players. (Source: *Financial Express, NITI Aayog*)

**Indian express shipping industry overview and TCI Express**

**The express shipping industry – a fast-growing sector**

The express industry provides guaranteed, fast, reliable, on demand, world-wide, integrated, door-to-door movement of shipments that can be tracked and controlled throughout the journey. It is the 'business class' of cargo services. The express industry simplifies and accelerates the process of transporting goods and thereby makes a significant contribution to the economy. The robust growth of the Indian economy has come about on the back of an improvement

in the core sectors of the economy with the speed of industrialisation amplifying over the last five years. The need for becoming more efficient and competitive has resulted in an increase in the usage of express shipping by customers in industries such as automobile and pharmaceuticals. These industries are fairly predictable in terms of their demand barring a few seasonal fluctuations. By creating an integrated sequence including multiple modes of transportation, air and surface, the express shipping

industry has fine-tuned the logistics process to guarantee time-bound deliveries of shipments across India and other parts of the world. With the GST being implemented, taxation efficiency and not arbitrage will be the key determinant in the success of the express logistics industry. TCIExpress is the fastest-growing express shipping service company in India with the largest hub-and-spoke network. TCIExpress has mapped 95% of the pin codes around the country. The Company has a huge

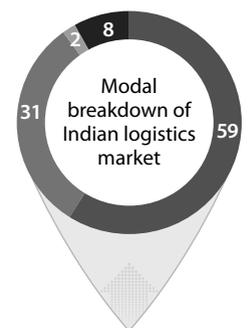
customer base including top manufacturers to SMEs and small traders, comprising >2,00,000 customers, ensuring that the Company is not overtly dependant on any single customer. ~95% of the Company's revenues are derived from the B2B segment and the rest from B2C. The Company plans to take ownership of the leased sorting centres over the medium-term so as to streamline processes further.



- Transportation
- Inventories
- Losses
- Packaging
- Handling and warehousing
- Customer shopping



- Value-added logistics
- Freight
- forwarding
- Warehousing
- Transportation

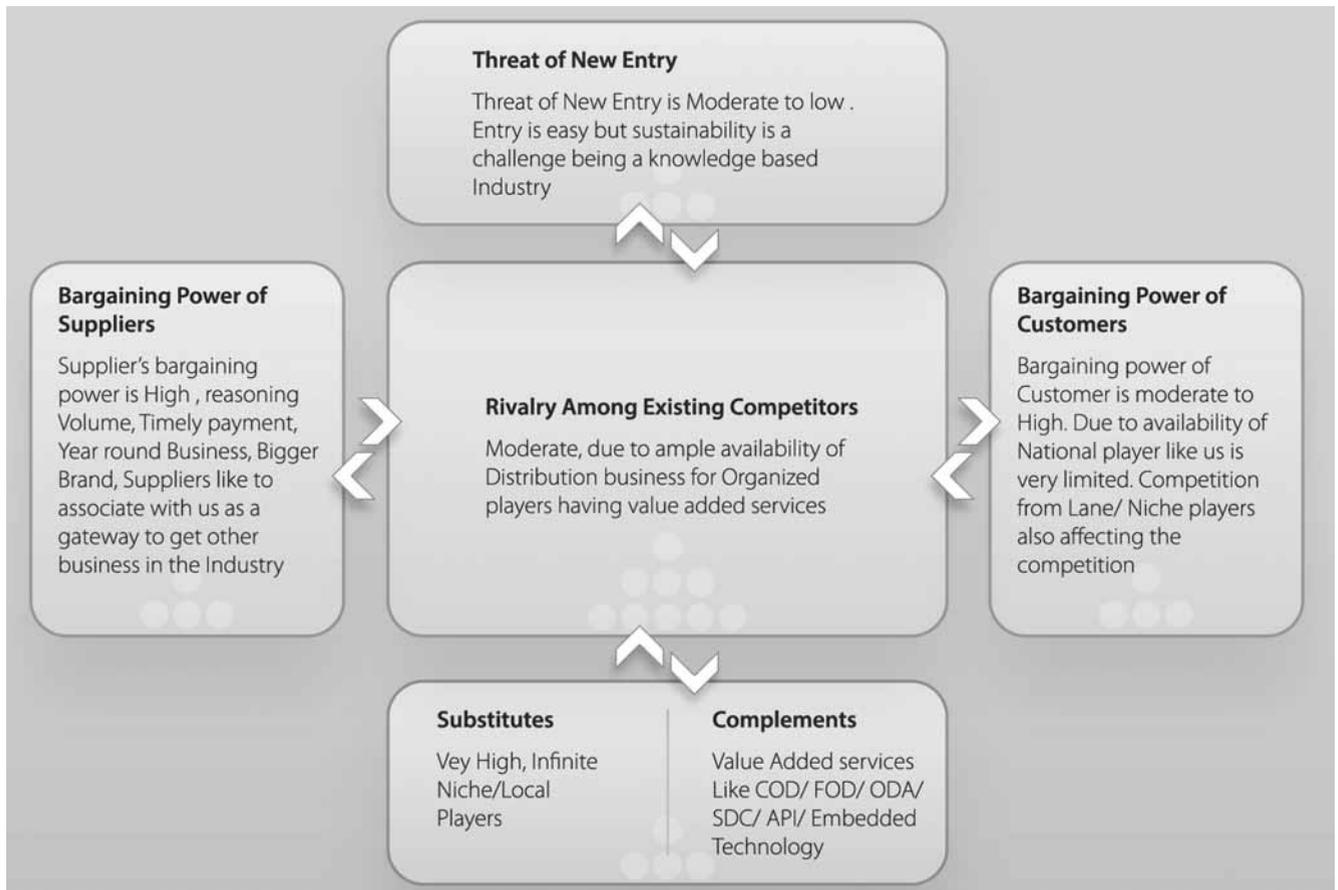


- Road
- Rail
- Air
- Water

Source: Medium

## Porter five force model

Porter's Five Forces Analysis is an important micro tool for understanding the forces that shape competition within the Express industry. Also helping us to adjust our strategy to suit the competitive environment and improve our potential profit.



### Outlook

With the introduction of the GST, interstate transportation has become more efficient due to the removal of multiple taxes at the State and Central

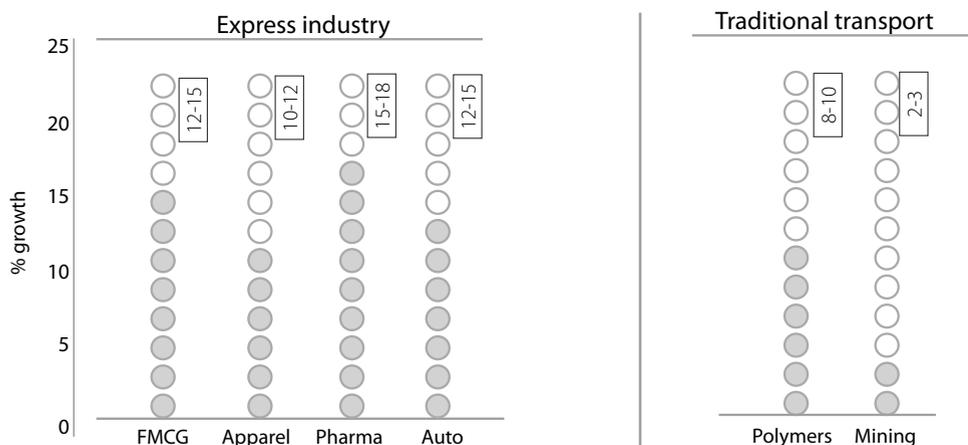
Government level. The express shipping sector is likely to grow substantially in the upcoming years. Integration of IT and technology to meet emerging demands will play a key role

in the growth of the industry. Governmental initiatives like Make in India is expected to boost the growth of the manufacturing sector to 10%. EXIM cargo, automotive, textiles

and engineering, among others, as well as booming e-commerce segment, have been identified as key growth drivers of the express shipping sector.

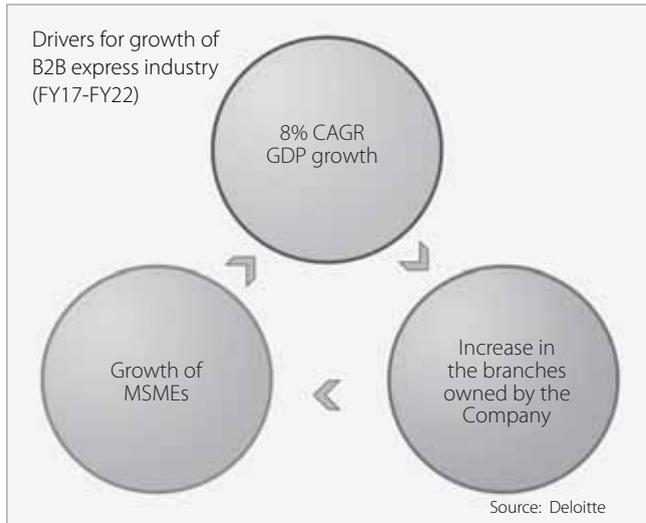
## Consumer-oriented sectors remain the biggest contributors to growth of the express shipping sector

Premium Industry vertical having valuable products uses Express Industry as their preferable partners as early to market strategy, where as commodity and low value products still uses conventional transport system which is highly unorganized and fragmented.



(Source: FSC DRHP, ICICI)

## Growth drivers of the B2B express industry



## GST rate card - Logistics players.

Sector	Tax rate earlier	Amended Tax rate under GST
Express industry	15%	18% (With input tax)
Rail & coastal shipping	4.5-6%	5% (With input tax)
Container rail	6%	12% (With input tax)
Road transport	4.5-6%	5% - No input tax 12% - With input tax

Source: Company, ICICI direct.com Research)

## The GST impact

The inter-state taxation system compelled companies to create warehouses in each state. There were ~20-30 warehouses per company, one in every state, in addition to 20-30 carrying and forwarding agents per state, making the supply chain longer

and more inefficient. Following the implementation of GST, the express shipping sector will touch new heights due to an increase in revenues. Earlier, companies used to directly ship small packages to their wholesalers. Now with several

corporate sales and interstate taxes being phased out, this reality is expected to change. Furthermore, the GST, through its provision of the E-Way bill, will reduce check-posts at state borders, enabling the seamless inter-state movement of goods.

As per an estimate by the World Bank, simply halving delays due to roadblocks, tolls and other stoppages could moderate freight tenures by two to three hours.

### Advantages of GST

#### Regional hubs will emerge:

Under the previous tax structure, manufacturers in India were required to maintain warehouses in every state. The implementation of the GST will facilitate the emergence of key hubs in major states that will streamline process and provide manufacturers the flexibility to maintain warehouses in select states.

#### Reduced turnaround times:

In a bid to endure compliance with state laws and taxation regulations, the trucking industry spent a large amount of time at interstate checkpoints. Following the implementation of the GST, lowered inter-state compliances and reduced paperwork are expected to shrink turnaround times for trucks.

**Unified taxation system:** Prior to the implementation of the GST, all states had their own tax systems and different taxed goods moved across their borders differently, resulting in freight being taxed multiple times. This has now been replaced with a unified system.

**Streamlined processes:** The fragmented nature of the Indian transportation was the result of engagements with unorganised players. GST implementation is expected to create larger opportunities and incentives for companies to enter the organised sector.

## Government initiatives

**Infrastructure status granted to logistics:** To catalyse the development of an integrated logistics framework including industrial parks, cold chains and warehousing facilities, the Central Government granted infrastructure status to the logistics sector, making it possible for the industry to access cheaper funds. The Central Government defined

'logistics infrastructure' to include a multimodal logistics parks comprising inland container depots with a minimum investment of ₹50 crore and minimum area of 10 acres, cold chain facility with a minimum investment of ₹15 crore and minimum area of 20,000 square feet, and a warehousing facility with a minimum investment of ₹25

crore and a minimum area of 100,000 square feet. (Source: *Livemint*)

**Digital India:** The Central Government doubled the budgetary allocation towards Digital India to ₹3,073 crore. The Central Government will encourage investment, training and skilling in robotics, digital manufacturing, big data

analytics and IoT, led by the NITI Aayog launching a nationwide programme in the realm of AI. These investments could strengthen the logistics industry by catalysing the adoption of cutting-edge technologies.

**Sagarmala:** The Sagarmala project aims at doubling the share of seaways in the country's transport mix over the

coming decade by executing multiple projects related to the expansion and modernisation of various ports.

**Make in India:** The initiative was launched in 2014 with the objective of making India a global manufacturing hub. The initiative aims to raise the GDP contribution of manufacturing to 25% from 16%. It targets 25 sectors including automobiles, construction, electronics, oil and gas, pharma, textiles and garments, food processing,

roads and highways, ports and railways, among others. The initiative is expected to brighten prospects for logistics service providers. (Source: *Make in India*)

**Ease of doing business:** India climbed 30 positions in the latest ease of doing business ranking by World Bank, ranking at 100 among 190 countries. The enhanced business ease shall catalyse the growth of the industrial sector in India, resulting in an increased need for logistics.

**High budgetary allocation for roads:** Between FY2008-09 and FY2018-19, the budgetary outlay for road transport and highways increased at a CAGR of 20.91%. The Central Government allocated funds amounting to ₹649 billion to MoRTH during Union Budget 2017-18, increasing from the revised estimate of ₹524.47 billion in FY2016-17.

**Increased outlay:** Over the next five years, the Central Government plans to build

83,677 kilometres of roads at an investment of around ₹7 lac crore. This is the largest outlay for road construction in India and the length of the proposed roads will be >2x the Earth's circumference (~40,000 kilometres). (Source: *Hindustan Times*)

## Budgetary allocations

During the Union Budget 2018-19, the Central Government announced that it would develop an online logistics marketplace - the National Logistics Information Portal for bringing various stakeholders (buyers, service providers, the

Directorate General of Foreign Trade as well as railway, port and airport authorities) under a common platform. This initiative could bring down costs and increase the ease of goods movement within the country.

The allocation towards highway construction was increased from ₹57,976 crore to ₹64,900 crore while 2,000 kilometres of coast-connected roads were identified for development. The total length of roads, including those under the Pradhan

Mantri Gram Sadak Yojana built between 2015 and 2018 stood at ~140,000 kilometres, significantly higher than what they were in the previous three years.

## Risk management

**Price risk:** Rising diesel prices could impact the profitability of the Company

**Mitigation:** As TCIEXP operates on a contractual trucking agreement, an increase in diesel prices could have a modest impact on the Company's profitability. Apart from a delay in revision of freight rates, the entire price fluctuation can be passed through.

**Infrastructure risk:** Inefficient modal and terminal transport infrastructure and ill-designed storage facilities could be detrimental to the Company's performance

**Mitigation:** TCIEXP has one of the largest pan-India networks with >650 branches offering time-bound deliveries across 704 of the 712 districts in India via 4,500 containerised trucks. The Company renews its fleet every seven years, improving efficiency.

**Competition risk:** Increasing competition could impact the Company's market share

**Mitigation:** The Company's rich experience of two decades has resulted in improved recall. TCIEXP continued spreading its strategic presence across all e-tailing logistics partners. A wide spectrum of services offered by TCIEXP lends it an edge over its peers.

**Manpower risk:** Lack of skilled manpower and inadequate training can have an adverse impact on growth prospects

**Mitigation:** The Company's manpower strength stood at 2800 plus as on 31<sup>st</sup> March 2018. The average age of the employees stood at 32 years, ensuring a balance of experience and enthusiasm.

## Financial review

### Revenues

Revenue during the year stood at ₹887 crore, increasing by 18.03 % as compared to ₹752 crore in FY2016-17.

### Interest and finance costs

Net interest and finance costs increased to ₹3.76 crore during the year.

### EBITDA

The Company registered a EBITDA of ₹92.73 crore compared to ₹63.26 crore in the previous year.

### Profit after tax

The Company registered a profit after tax of ₹58.40 crore compared to ₹37.49 crore in the previous year.

## Key ratios

	2017-18	2016-17
Turnover (₹ crore)	887	752
Debt-equity ratio	0.19	0.19
Return on capital employed (%)	46.40	40.60
Book value per share (₹)	54.01	41.99
Earnings per share (₹)	15.25	9.79

## Internal control systems and their adequacy

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organisation. It is an

integral part of the general organisational structure of the Company and Group and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities.

The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees. The control and risk committee and the head

of the audit department work under the supervision of the Board-appointed Statutory Auditors.

## Human resources

The Company believes that its intrinsic strength lies in its dedicated and motivated employees. As such, the Company provides competitive

compensations, an amiable work environment and acknowledges employee performance through a planned reward and recognition

programme. The Company aims to create a workplace where every person can achieve his or her true potential. The Company encourages individuals to go

beyond the scope of their work, undertake voluntary projects that enable them to learn and devise innovative ideas.

## Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of

applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations

are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control

of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

# DIRECTORS' REPORT

Your Directors take immense pleasure in presenting their 10th Annual Report on the business and operations of the Company along with the Audited Financial Statements for the year ended March 31, 2018.

## FINANCIAL HIGHLIGHTS AND PERFORMANCE

Ministry of Corporate Affairs has, vide notification dated February 16, 2015 introduced Indian Accounting Standards (Ind-AS) thereby repealing the earlier Accounting Standards. Ind-AS has become applicable to your Company w.e.f April 1, 2017. Accordingly, the Company has adopted and implemented the same for the preparation of Financial Statement for the financial year ended March 31, 2018. Kindly refer the Annual Financial Statement for further details of the transition to Ind-AS.

The summarized financial highlights of the Company for the year under review along with previous year figures are given below:

Particulars	₹ in Lakhs	
	2017-18	2016-17
Total Income	88,716.05	75,163.43
<b>Profit/(Loss) before Interest, Depreciation, Taxation &amp; Exceptional Item</b>	9,273.08	6,326.45
Less: Interest (Net)	375.74	244.30
Less: Depreciation (Net)	520.86	431.39
<b>Profit/(Loss) before Tax &amp; Exceptional Item</b>	8,376.48	5,650.76
Less: Exceptional Item	-	-
Profit/ (Loss) before Tax (PBT)	8,376.48	5,650.76
Less: Provision for Tax	2,536.88	1,902.06
<b>Profit/(Loss) after Tax (PAT)</b>	5,839.60	3,748.70

During the financial year ended March 31, 2018, your Company earned total income of ₹ 88,716.05 Lakhs as compared to ₹ 75,163.43 Lakhs in previous financial year and made a profit before tax of ₹ 8,376.48 Lakhs as compared to ₹ 5,650.76 Lakhs in previous financial year, and profit after tax of ₹ 5,839.60 Lakhs as compared to ₹ 3,748.70 Lakhs in previous financial year.

No material changes and commitments have occurred after the close of the financial year till the date of this Report, which affect the financial position of the Company.

## DIVIDEND

Based on the Company's performance, your Board of Directors declared Interim Dividends as under:

Date of Declaration	Dividend Type	%age of Dividend Declared	Dividend Per Equity Share
November 1, 2017	1st Interim Dividend	50%	₹1.00
January 31, 2018	2nd Interim Dividend	50%	₹1.00

Further, the Board of Directors in its meeting held on May 25, 2018, has recommended a Final Dividend of 25% (₹ 0.50 per equity share of ₹2/- each) for the financial year ended on March 31, 2018. The proposal is subject to the approval of Shareholders at the ensuing Annual General Meeting.

The Final Dividend, if approved shall be paid to the members whose names appear on Company's Register of Members and whose name appear in the list of Beneficial Owner to be furnished by NSDL and CDSL as on the date of Book Closure.

## TRANSFER TO GENERAL RESERVE

For Financial year ended March 31, 2018, the Company has transferred ₹ 4,000.00 Lakhs from its retained earnings to General Reserve.

## SHARE CAPITAL AND LISTING OF EQUITY SHARES

During the year under review, there was no change in Share Capital of the Company. The Authorized, Issued, Subscribed and Paid up Capital of Company is as under:

Particulars	No. of Equity Shares of ₹2/- each	Amount (₹ in Lakhs)
Authorised Share Capital	5,00,00,000	1,000.00
Issued, Subscribed and Paid Up Share Capital	3,82,88,725	765.77

The Company's Equity Shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE), having nationwide trading terminals.

## EMPLOYEE STOCK OPTION

The shareholders of the Company in the 8th Annual General Meeting held on November 4, 2016, approved the Employee Stock Option Plan-2016.

During the year under review, the Nomination and Remuneration Committee of the Board of Directors granted Stock Option to the eligible employees. The vesting under the grant will start from the financial year 2018-19 and conclude in the year 2020-21.

In terms of the provisions of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014, the detail of Employee Stock Option Plan-2016 is as under:

S. No	Particulars	Disclosure
1	Date of Shareholder's approval	November 4, 2016
2	Total number of options approved under Employees Stock Option Plan 2016	9,57,218
3	Vesting requirements	Vesting period shall commence after 1 (One) year from the date of grant of Options and may extend upto 5 (Five) years from the date of grant in the manner prescribed by the Nomination & Remuneration Committee.
4	Exercise price or pricing formula	Under the Employee Stock Option Plan, the Exercise price of the Shares, will be the Market Price of the Shares one day before the date of the meeting of the Nomination & Remuneration Committee wherein the grants of options of that particular year will be approved. The Committee has a power to provide suitable discount or charge premium on such price as arrived above.
5	Maximum term of Options granted	The vesting of options granted under Employee Stock Option Plan, will take place maximum period of five years from the date of grant
6	Sources of shares (Primary, Secondary or Combination)	Primary
7	Variation in terms of Option	Not Applicable
8	Method used for accounting of ESOS (Intrinsic or fair value)	Fair value method

#### Options Movement - Financial Year 2017-18

S. No	Particulars	ESOP-2016									
1	Number of options outstanding at the beginning of the period i.e. April 1, 2017	Nil									
2	Number of options granted during Financial Year 2017-18	73,000									
3	Number of options forfeited/ lapsed during Financial Year 2017-18	-									
4	Number of options vested during Financial Year 2017-18	-									
5	Number of options exercised during Financial Year 2017-18	-									
6	Number of shares arising as a result of exercise of options	-									
7	Money realized by exercise of options if scheme is implemented directly by the Company (In ₹)	-									
8	Loan repaid by the Trust during the year from exercise price received	Not Applicable									
9	Number of options outstanding at the end of the year i.e. March 31, 2018	73,000									
10	Number of options exercisable at the end of the year i.e. March 31, 2018	73,000 (The options will be exercisable after One year from the date of grant of Option)									
11	Employee's details who were granted options during the year:										
	(a) Key Managerial Personnel/ Senior Managerial Personnel	<table border="1"> <thead> <tr> <th>S. No</th> <th>Name of the KMP</th> <th>No. of Option Granted</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mr. Phool Chand Sharma</td> <td>40,000</td> </tr> <tr> <td>2</td> <td>Mr. Mukti Lal</td> <td>5,000</td> </tr> </tbody> </table>	S. No	Name of the KMP	No. of Option Granted	1	Mr. Phool Chand Sharma	40,000	2	Mr. Mukti Lal	5,000
S. No	Name of the KMP	No. of Option Granted									
1	Mr. Phool Chand Sharma	40,000									
2	Mr. Mukti Lal	5,000									
	(b) Any other employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	-									
	(c) Identified Employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	-									
12	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options (In ₹)	15.24									
13	Where the Company has calculated employees compensation cost using the intrinsic value of stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if they had used fair value of the options. The impact of this difference on EPS of the Company	Not Applicable									

S. No	Particulars	ESOP-2016		
14	Weighted average exercise price of options whose Exercise price is less than market price (In ₹)	225.00		
15	Weighted average fair value of options whose Exercise price is less than market price (In ₹)	245.72		
16	Method and Assumptions used to estimate the fair value of options granted during the year:			
<b>Fair value has been calculated using the Black-Scholes Option Pricing model. The assumptions used in the model are as follows:</b>				
	Date of grant	May 23, 2017		
	Vesting Particulars	<b>Vest-1</b>	<b>Vest-2</b>	<b>Vest-3</b>
	Vesting %age	30%	30%	40%
	Risk Free Interest Rate	6.476%	6.556%	6.675%
	Expected Life	1.08 yrs.	2.08 yrs.	3.08 yrs.
	Expected Volatility	32.08%	32.08%	32.08%
	Dividend Yield	0.26%	0.26%	0.26%
	Price of the underlying share in market at the time of the option grant (In ₹)	440.85		

During the year under review, the Board of Directors has not issued Equity Shares to the employees in terms of Employee Stock Option Plan-2016. The abovementioned details may be accessed on the Company's website at the following link: <http://www.tciexpress.in/annual-reports.asp>

#### SUBSIDIARY, HOLDING, JOINT VENTURE AND ASSOCIATE COMPANIES

As on March 31, 2018, the Company did not have any subsidiary or holding or joint venture or associate company as defined under Companies Act, 2013.

#### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### Board of Directors

In terms of Article of Association and provisions of the Companies Act, 2013, Mr. Phool Chand Sharma, Director, is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. The Board of Directors recommend his re-appointment for the consideration of the members of the Company at the ensuing AGM.

Brief resume of the Director being re-appointed, nature of his expertise in specific functional areas, details of Directorship in other Companies, Membership / Chairmanship of Committees of the Board and other details, as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are forming part of the Annual Report.

The Company has received necessary declaration from all the Independent Directors under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Company's Directors are disqualified from being appointed as a Director as specified in section 164 of the Companies Act, 2013.

The terms and conditions of appointment of the Independent Directors are placed on the Company's website <http://www.tciexpress.in/appointmentletters.asp>

The Company has also placed the Director's familiarisation program on its website and the same can be accessed at [http://www.tciexpress.in/pdf/FAMILARIZATION\\_PROGRAM.pdf](http://www.tciexpress.in/pdf/FAMILARIZATION_PROGRAM.pdf)

##### Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act,

2013, the Key Managerial Personnel of the Company are Mr. Chander Agarwal-Managing Director, Mr. Phool Chand Sharma-Whole Time Director, Mr. Mukti Lal-Chief Financial Officer and Mr. Vinay Gujral-Company Secretary.

##### INDEPENDENT DIRECTORS' MEETING

The details pertaining to separate meeting of Independent Directors, held during the year are provided in the Corporate Governance Report forming part of the Annual Report.

##### ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEE AND INDIVIDUAL DIRECTORS

Pursuant to applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual Directors, including Independent Directors.

The performance of the Board was evaluated after seeking inputs from the Directors on the basis of the criteria such as the structure of Board, Meeting and Functions of the Board, evaluation of the performance of the Management, Committees of the Board etc. The criteria for performance evaluation of the individual Directors includes aspects such as qualification, experience, knowledge, contribution to the Board and Committee meetings etc.

##### MEETING OF BOARD OF DIRECTORS

During the year under review, Four (4) Board Meetings were convened and held. The details of the composition of the Board and of the Meetings held, attendance of the Directors at such meetings and other relevant details are provided in the Corporate Governance Report forming part of Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

##### DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, state the following:

- That in the preparation of the Annual Financial Statements for the year ended March 31, 2018 all the applicable Accounting

Standards have been followed and there were no material departures therefrom:

- II. That such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- III. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. That the Annual Financial Statements have been prepared under the going concern assumption;
- V. That proper internal financial controls are in place and that the financial controls are adequate and are operating effectively;
- VI. That proper systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.

#### **COMPOSITION OF AUDIT, NOMINATION & REMUNERATION, STAKEHOLDERS' RELATIONSHIP AND CSR COMMITTEE**

The composition of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and CSR Committee of the Board of Directors and the details of meetings held, attendance of members at such meetings and other relevant information is provided in the Corporate Governance Report forming part of Annual Report.

#### **RELATED PARTY TRANSACTIONS**

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered into by the Company during the financial year, were in the ordinary course of business and on an arm's length basis.

During the year, the Company had not entered into any contract or arrangement with related parties which could be considered material. Accordingly, there are no transactions that are required to be reported in form AOC-2. Details of the Related Party transactions is disclosed, pursuant to Ind AS 24 "Related Party Disclosures" in Note no. 37 of the Financial Statements forming part of the Annual Report.

The policy on Related Party Transactions may be accessed on the Company's website at the following link: [http://www.tciexpress.in/pdf/Policy\\_on\\_Related\\_Party\\_Transactions.pdf](http://www.tciexpress.in/pdf/Policy_on_Related_Party_Transactions.pdf)

#### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has adopted Whistle Blower Policy for reporting of instance of wrongful conduct including instances of unethical behavior, fraud or violation of Company's Code of Conduct.

The Whistle Blower Policy is available on the website of the Company [www.tciexpress.in](http://www.tciexpress.in)

#### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has in place a proper and adequate system

of Internal Financial Controls which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. In house Internal Audit department independently evaluates the adequacy of such controls. Independence of the audit and compliance is ensured by direct reporting of Internal Auditor to the Audit Committee of the Board. During the year, such controls were tested and no reportable material weakness in their design or operation was observed.

#### **RISK MANAGEMENT**

The Company has implemented a mechanism for Risk Management which is aimed at creating and protecting shareholders value by minimizing threats and losses and identifying and maximizing opportunities. The Audit Committee of the Board of Directors periodically reviews the Risk Management framework, identified risks with criticality and mitigation plans.

#### **FIXED DEPOSITS**

During the year under review, your Company has not accepted any fixed deposits in terms of the provisions of the Companies Act, 2013.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo, as stipulated under the Companies Act, 2013, as amended from time to time, is attached herewith as **Annexure A**.

#### **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return as on March 31, 2018 in the prescribed form pursuant to the Companies Act, 2013 is attached herewith as **Annexure B**.

#### **AUDITORS**

##### **Statutory Auditors**

The Shareholders of the Company in the 7th Annual General Meeting had appointed M/s. R.S. Agarwala & Co., Chartered Accountants, (Firm Registration No. 304045E) as Statutory Auditors of the Company for a period of five years to hold office till the conclusion of Annual General Meeting to be held in calendar year 2020.

The Company has obtained consent from the Auditors to such continued appointment and that they are eligible for such continuation of their appointment.

The report of the Statutory Auditors along with notes to Schedules is enclosed to this Report. There are no qualifications or observations in Auditors Report for the financial year 2017-18 which call for any explanation from the Board of Directors.

During the year under review, the Auditors have not reported any matter under Section 143(12) of the Act and therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

##### **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had re-appointed M/s. Vinod Kothari & Company, Practicing Company

Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report submitted by Secretarial Auditor in the prescribed form is attached herewith as **Annexure C**.

There are no qualifications or observations or other remarks of the Secretarial Auditors in their Report for the financial year 2017-18 which call for any explanation from the Board of Directors.

#### **SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no material/significant orders passed against the company by the regulators as on March 31, 2018. Details of litigation on tax matters are disclosed in the financial statements.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

There were no Loans, Guarantees and Investments made by the Company under Section 186 of the Companies Act, 2013.

#### **CORPORATE SOCIAL RESPONSIBILITY**

In terms of section 135 and Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, the Board of Directors of your Company have constituted a CSR Committee.

During the year under review, the initiatives taken by your Company, towards CSR have been detailed in the Annual Report on CSR Activities which is set out in **Annexure-D** to this Report.

The Company has in place a CSR policy in conformity with the provisions of Companies Act, 2013 which can be accessed at [http://www.tciexpress.in/pdf/CSR\\_Policy.pdf](http://www.tciexpress.in/pdf/CSR_Policy.pdf)

#### **REMUNERATION POLICY AND DISCLOSURE**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are explained in the Corporate Governance Report forming part of Annual Report.

The information as required under the provisions of Section 197(12) of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time is attached herewith as **Annexure E**.

#### **CORPORATE GOVERNANCE REPORT**

Corporate Governance refers to a set of systems, procedures and practices which ensures that the Company is managed in the best interest of all Corporate Stakeholders i.e. Shareholders, Employees, Suppliers, Customers and Society in general. Fundamentals of Corporate Governance includes transparency, accountability and independence.

A separate Corporate Governance compliance report as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 alongwith the required Certificate from the Statutory Auditor regarding compliance with the conditions of Corporate Governance forms part of the Annual Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed Management Discussion and Analysis Report as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section forming part of Annual Report.

#### **CHANGE IN NATURE OF BUSINESS**

During the year, there was no change in nature of business of the Company.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS**

During the year, the Company has complied with all the applicable Secretarial Standards as issued by ICSI and MCA from time to time.

#### **SEXUAL HARASSMENT POLICY**

TCIEXPRESS is committed to promoting a work environment that ensures all employees are treated with dignity and there is no discrimination between individuals on the basis of their race, colour, gender, religion, political opinion, social origin, sexual orientation or age.

In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, for protection against sexual harassment, your Company has formed a Complaint Committee to which employees can submit their complaints. There were no such complaints received during the year or pending as on March 31, 2018 for redressal.

#### **HUMAN RESOURCES**

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of its business. The company has well defined employee policies for all the stages of Employee Life Cycle (ELC), from hire-to-retain. The Company has structured talent management interventions from training programs to upgrade skills of employees to initiatives towards nurturing and retaining talent through Superior Learning & Organizational Development. This is a part of corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.

#### **CAUTIONARY STATEMENT**

Statements made in the Annual Report, including those stated under the caption "Management Discussion and Analysis" describing the Company's plans, executions, achievements, projections and expectations may include approximations and may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

#### **ACKNOWLEDGEMENT**

Your Directors place on record their sincere appreciation for the assistance and co-operation received from Government of India and various State Governments, Financial Institutions, Banks, Shareholders, Business Associates of the Company etc.

The relationship with the employees remained cordial during the year. Your Directors wish to place on record their appreciation for the impressive growth achieved through the competence, hard work, solidarity, cooperation and support of the company's employees at all levels.

**For & on behalf of the Board**

Place: Gurugram

Date: 25.05.2018

**D.P Agarwal**

*Chairman*

## ANNEXURE-A

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

### Conservation of Energy and Research & Development

Considering the nature of business, the Company strives to conserve energy on a perpetual basis. Your Company has procured various energy saving devices and systems, which help in conserving energy. The details of the efficiency initiatives taken by the Company are as hereunder:

- The vehicles operated for the company are in compliance of all pollution control regulations.
- Company ensures that all its vehicles go through periodic PUC and maintenance checks to maintain minimum pollution levels and that all vehicles are in order of the prescribed norms for optimal operations by the manufacturer in terms of fuel consumption and better vehicle through-put and better vehicle efficiency are maintained.
- Company's 24x7 Operation Control Centre (OCC) operating at the corporate office at Gurugram command system to provide support to drivers when they are on the road.
- Company conducted various activities to encourage its employees to contribute towards the critical cause of saving the environment. Company practices frugal and optimal energy consumption policies at all its work locations
- Vehicles that are compliant with low emission norms such as Bharat Stage (Euro) norms i.e. BS III /BS IV models are being encouraged in replacing of vehicles more than 5 years old contracted by the Company.
- Drivers' training programs are being organized and conducted periodically to improve their driving skills, safe driving, better vehicle maintenance and improved fuel efficiency of vehicle.

- LED lights are being used at corporate office and all sorting centers. Providing cross ventilation for light and air, thus reducing power consumption in day time. All the sorting centers have provided and maintained rain harvesting pits & greenery.

### Technology Absorption, Adoption and Innovation

The details of technology absorption and innovation adopted by the Company, during the year is as hereunder:

**Cloud Adoption:** Cloud solutions is a next generation technology, which is being adopted in TCIEXPRESS in phased manner. Accordingly, we have implemented a cost-effective HR Solution that enabled employees to view/apply/update their attendance/ leaves/reimbursements, etc. from any authorized system/mobiles.

We have also implemented a Cloud based mailing solution, which enabled the employees/users to access their mails from any location from authorized devices, thereby resulting in increase in their productivity.

**GST Compliance:** TCIEXPRESS has completely automated all its requirements for compliance with Goods and Service Tax implemented with effect from July 1, 2017.

### Foreign exchange earnings and Outgo:

	(₹ In Lakhs)	
Particulars	2017-18	2016-17
Foreign Exchange Outgo	238.84	117.44
Foreign Exchange Earnings	-	-

**ANNEXURE-B**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

(as on financial year ended on 31st March, 2018)

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

**I REGISTRATION & OTHER DETAILS:**

I.	CIN	L62200TG2008PLC061781
II.	Registration Date	10.11.2008
III.	Name of the Company	TCI Express Limited
IV.	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non- Government Company
V.	Address of the Registered office & contact details	Flat No. 306 & 307, 1-8-271 to 273, 3rd Floor, Ashoka Bhoopal Chambers, S.P. Road, Secunderabad- 500003 (Telangana) Tel:- +91 40-27840104
VI.	Whether listed company	Yes
VII.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Karvy Computershare Private Ltd. Karvy Selenium, Tower B, Plot No. 31-32, Financial District, Gachibowli, Hyderabad- 500 032. Tel: +91 40-67161524 Email: rajeev.kr@karvy.com, Website: www.karvycomputershare.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

S. No.	Name & Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1	Cargo handling incidental to land, water & air transport	52241, 52242 and 52243	100%

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

S. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
N.A					

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

**(i) Category-wise Shareholding**

Category Code	Category of Shareholder	No. of Shares at the beginning of the year				No. of Shares at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	Promoter & Promoter Group									
(1)	<b>Indian</b>									
(a)	Individual /HUF	82,53,013	-	82,53,013	21.55	82,53,013	-	82,53,013	21.55	-
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	1,70,52,452	-	1,70,52,452	44.54	1,70,65,677	-	1,70,65,677	44.58	0.04
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A(1) :</b>	<b>2,53,05,465</b>		<b>2,53,05,465</b>	<b>66.09</b>	<b>2,53,18,690</b>	<b>-</b>	<b>2,53,18,690</b>	<b>66.13</b>	<b>0.04</b>
(2)	<b>Foreign</b>									
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	<b>Sub-Total A(2) :</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total A=A(1)+A(2)</b>	<b>2,53,05,465</b>		<b>2,53,05,465</b>	<b>66.09</b>	<b>2,53,18,690</b>	<b>-</b>	<b>2,53,18,690</b>	<b>66.13</b>	<b>0.04</b>
(B)	Public Shareholding									
(1)	<b>Institutions</b>									
(a)	Mutual Funds /UTI	27,80,540	250	27,80,790	7.26	23,54,703	250	23,54,953	6.15	-1.11
(b)	Financial Institutions /Banks	-	10,338	10,338	0.03	4,725	10,338	15,063	0.04	0.01
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-

Category Code	Category of Shareholder	No. of Shares at the beginning of the year				No. of Shares at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	3,188	2,759	5,947	0.02	-	2,759	2,759	0.01	-0.01
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
	Alternate Investment Funds	-	-	-	-	5,80,819	-	5,80,819	1.52	1.52
	Foreign Portfolio Investors	7,27,968	-	7,27,968	1.90	12,99,829	-	12,99,829	3.39	1.49
	<b>Sub-Total B(1) :</b>	<b>35,11,696</b>	<b>13,347</b>	<b>35,25,043</b>	<b>9.21</b>	<b>42,40,076</b>	<b>13,347</b>	<b>42,53,423</b>	<b>11.11</b>	<b>1.90</b>
<b>(2)</b>	<b>Non-Institutions</b>	-	-	-	-	-	-	-	-	-
(a)	Bodies Corporate	12,39,213	23,930	12,63,143	3.30	9,39,266	23,513	9,62,779	2.51	-0.79
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	41,17,170	10,52,786	51,69,956	13.50	39,24,434	9,95,198	49,19,632	12.85	-0.65
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	10,15,856	-	10,15,856	2.65	9,90,793	-	9,90,793	2.59	-0.06
(c)	Others									
	Non Resident Indian	3,64,025	1,22,763	4,86,788	1.27	2,25,256	1,18,924	3,44,180	0.90	-0.37
	Non Resident Indian Non Repatriable	4,89,892	-	4,89,892	1.28	4,64,146	-	4,64,146	1.21	-0.07
	Overseas Corporate Bodies	-	10,15,482	10,15,482	2.65	-	10,15,482	10,15,482	2.65	0.00
	Trusts	17,100	-	17,100	0.04	19,600	-	19,600	0.05	0.01
	<b>Sub-Total B(2) :</b>	<b>72,43,256</b>	<b>22,14,961</b>	<b>94,58,217</b>	<b>24.70</b>	<b>65,63,495</b>	<b>21,53,117</b>	<b>87,16,612</b>	<b>22.77</b>	<b>-1.93</b>
	<b>Total B=B(1)+B(2) :</b>	<b>1,07,54,952</b>	<b>22,28,308</b>	<b>1,29,83,260</b>	<b>33.91</b>	<b>1,08,03,571</b>	<b>21,66,464</b>	<b>1,29,70,035</b>	<b>33.87</b>	<b>-0.04</b>
	<b>Total (A+B) :</b>	<b>3,60,60,417</b>	<b>22,28,308</b>	<b>3,82,88,725</b>	<b>100</b>	<b>3,61,22,261</b>	<b>21,66,464</b>	<b>3,82,88,725</b>	<b>100</b>	<b>0.00</b>
(C)	Shares held by custodians, against which depository receipts have been issued									
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A+B+C) :</b>	<b>3,60,60,417</b>	<b>22,28,308</b>	<b>3,82,88,725</b>	<b>100</b>	<b>3,61,22,261</b>	<b>21,66,464</b>	<b>3,82,88,725</b>	<b>100</b>	<b>0.00</b>

## (ii) Shareholding of Promoters

Sl No.	Name of the Promoter	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	M/s. Bhoruka Finance Corporation of India Ltd	79,52,339	20.77	-	79,52,339	20.77	-	-
2	M/s. Bhoruka International (P) Ltd	52,80,877	13.79	-	52,94,102	13.83	-	0.04
3	M/s. Dharpal Agarwal-TCI Trading	24,87,497	6.50	-	24,87,497	6.50	-	-
4	M/s. TCI India Ltd.	20,22,782	5.28	-	20,22,782	5.28	-	-
5	M/s. TCI Global Logistics Ltd.	11,53,455	3.01	-	11,53,455	3.01	-	-
6	Mr. Chander Agarwal	10,52,131	2.75	-	10,52,131	2.75	-	-
7	M/s. Dharm Pal Agarwal- HUF	10,19,878	2.66	-	10,19,878	2.66	-	-
8	Mr. Vineet Agarwal	9,91,467	2.59	-	9,91,467	2.59	-	-
9	Mrs. Priyanka Agarwal	9,72,604	2.54	-	9,72,604	2.54	-	-
10	Mrs. Urmila Agarwal	9,25,295	2.42	-	9,25,295	2.42	-	-
11	M/s. XPS Cargo Services Ltd.	4,86,427	1.27	-	4,86,427	1.27	-	-
12	Mr. Dharpal Agarwal	4,19,314	1.10	-	4,19,314	1.10	-	-
13	Mrs. Chandrima Agarwal	3,70,528	0.97	-	3,70,528	0.97	-	-
14	M/s. TCI Exim (P) Ltd.	1,56,572	0.41	-	1,56,572	0.41	-	-
15	M/s. Vineet Agarwal -HUF	10,382	0.03	-	10,382	0.03	-	-
16	Master Vihaan Agarwal	3,500	0.01	-	3,500	0.01	-	-
17	Master Nav Agarwal	417	0.00	-	417	0.00	-	-
	<b>Total</b>	<b>2,53,05,465</b>	<b>66.09</b>	<b>-</b>	<b>2,53,18,690</b>	<b>66.13</b>	<b>-</b>	<b>0.04</b>

(iii) Change in Promoter's Shareholding

Sl No.	Name of Promoter	Shareholding at the beginning of the year		Date	Increase/Decrease in Share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	M/s. Bhoruka International (P) Limited	52,80,877	13.79	01.04.2017			52,80,877	13.79
				20.04.2017	11,100	Purchase	52,91,977	13.82
				24.04.2017	2,125	Purchase	52,94,102	13.83
	Shareholding at the end of the year			31.03.2018			52,94,102	13.83

Except above, there has been no change in Promoters Shareholding during the year.

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

Sl No.	Name of Shareholder	Shareholding at the beginning of the year		Date	Increase/Decrease in Share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	M/s. IDFC Premier Equity Fund	13,91,562	3.63	01.04.2017			13,91,562	3.63
				14.07.2017	-45,191	Sale	13,46,371	3.52
				21.07.2017	-20,000	Sale	13,26,371	3.46
				28.07.2017	-30,000	Sale	12,96,371	3.39
				04.08.2017	-25,000	Sale	12,71,371	3.32
				11.08.2017	-49,000	Sale	12,22,371	3.19
				20.10.2017	-12,880	Sale	12,09,491	3.16
	Shareholding at the end of the year			31.03.2018			12,09,491	3.16
2.	M/s. Arcee Holdings Limited	10,15,482	2.65	01.04.2017			10,15,482	2.65
	Shareholding at the end of the year			31.03.2018			10,15,482	2.65
3	M/s. Canara Robeco Mutual Fund A/C Canara Robeco Emergi	9,81,370	2.56	01.04.2017			9,81,370	2.56
				14.04.2017	10,000	Purchase	9,91,370	2.59
				21.04.2017	5,000	Purchase	9,96,370	2.60
				28.04.2017	9,656	Purchase	10,06,026	2.63
				12.05.2017	4,879	Purchase	10,10,905	2.64
				26.05.2017	8,055	Purchase	10,18,960	2.66
				02.06.2017	37,706	Purchase	10,56,666	2.76
				30.06.2017	2,537	Purchase	10,59,203	2.77
				07.07.2017	-41,516	Sale	10,17,687	2.66
				14.07.2017	-68,873	Sale	9,48,814	2.48
				21.07.2017	-16,930	Sale	9,31,884	2.43
				28.07.2017	30,000	Purchase	9,61,884	2.51
				04.08.2017	-25,000	Sale	9,36,884	2.45
				29.09.2017	-1,004	Sale	9,35,880	2.44
				06.10.2017	-9,200	Sale	9,26,680	2.42
				13.10.2017	-11,500	Sale	9,15,180	2.39
				20.10.2017	4,921	Purchase	9,20,101	2.40
				20.10.2017	-4,600	Sale	9,15,501	2.39
				27.10.2017	-11,500	Sale	9,04,001	2.36
				03.11.2017	-2,300	Sale	9,01,701	2.36
				10.11.2017	-5,896	Sale	8,95,805	2.34
				24.11.2017	-95,136	Sale	8,00,669	2.09
				01.12.2017	7,500	Purchase	8,08,169	2.11
				12.01.2018	55,000	Purchase	8,63,169	2.25
				12.01.2018	-55,000	Sale	8,08,169	2.11
				19.01.2018	-10,000	Sale	7,98,169	2.08
				26.01.2018	-30,240	Sale	7,67,929	2.01
				02.02.2018	32,200	Purchase	8,00,129	2.09
				16.02.2018	13,180	Purchase	8,13,309	2.12
				02.03.2018	19,145	Purchase	8,32,454	2.17
				16.03.2018	24,422	Purchase	8,56,876	2.24

Sl No.	Name of Shareholder	Shareholding at the beginning of the year		Date	Increase/Decrease in Share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
				16.03.2018	-23,200	Sale	8,33,676	2.18
				23.03.2018	37,000	Purchase	8,70,676	2.27
				30.03.2018	4,646	Purchase	8,75,322	2.29
	Shareholding at the end of the year			31.03.2018			8,75,322	2.29
4.	M/s. Motilal Oswal Focused Multicap Opportunities Fund	0	0.00	01.04.2017			0	0.00
				21.07.2017	1,17,000	Purchase	1,17,000	0.31
				28.07.2017	1,80,000	Purchase	2,97,000	0.78
				04.08.2017	40,780	Purchase	3,37,780	0.88
				11.08.2017	1,43,039	Purchase	4,80,819	1.26
				24.11.2017	1,00,000	Purchase	5,80,819	1.52
	Shareholding at the end of the year			31.03.2018			5,80,819	1.52
5.	M/s. Sangeeta Nirmal Bang	4,33,960	1.13	01.04.2017			4,33,960	1.13
	Shareholding at the end of the year			31.03.2018			4,33,960	1.13
6.	M/s. Alquity Sicav - Alquity Indian Subcontinent Fund	0	0.00	01.04.2017			0	0.00
				16.06.2017	6,069	Purchase	6,069	0.02
				23.06.2017	66,911	Purchase	72,980	0.19
				07.07.2017	13,676	Purchase	86,656	0.23
				14.07.2017	23,281	Purchase	1,09,937	0.29
				04.08.2017	500	Purchase	1,10,437	0.29
				11.08.2017	16,976	Purchase	1,27,413	0.33
				18.08.2017	11,898	Purchase	1,39,311	0.36
				01.09.2017	4,629	Purchase	1,43,940	0.38
				08.09.2017	22,334	Purchase	1,66,274	0.43
				22.09.2017	11,461	Purchase	1,77,735	0.46
				29.09.2017	9,346	Purchase	1,87,081	0.49
				06.10.2017	13,631	Purchase	2,00,712	0.52
				27.10.2017	12,012	Purchase	2,12,724	0.56
				10.11.2017	34,994	Purchase	2,47,718	0.65
				12.01.2018	10,659	Purchase	2,58,377	0.67
				19.01.2018	34,867	Purchase	2,93,244	0.77
				09.02.2018	34,611	Purchase	3,27,855	0.86
				23.02.2018	17,852	Purchase	3,45,707	0.90
				02.03.2018	12,912	Purchase	3,58,619	0.94
	Shareholding at the end of the year			31.03.2018			3,58,619	0.94
7.	Mrs. Sushma Chamaria	3,37,332	0.88	01.04.2017			3,37,332	0.88
	Shareholding at the end of the year			31.03.2018			3,37,332	0.88
8.	M/s. Padmavati Properties & Trust Pvt. Ltd.	2,53,716	0.66	01.04.2017			2,53,716	0.66
				21.04.2017	-11,100	Sale	2,42,616	0.63
				28.04.2017	-2,125	Sale	2,40,491	0.63
				30.03.2018	-2,552	Sale	2,37,939	0.62
	Shareholding at the end of the year			31.03.2018			2,37,939	0.62
9.	M/s. Principal Trustee Co. Pvt Ltd. - Principal Mutual	2,37,860	0.62	01.04.2017			2,37,860	0.62
				02.06.2017	-5,035	Sale	2,32,825	0.61
				09.06.2017	-3,965	Sale	2,28,860	0.60
				16.06.2017	-2,165	Sale	2,26,695	0.59
				23.06.2017	-1,800	Sale	2,24,895	0.59
				30.06.2017	2,985	Purchase	2,27,880	0.60
				11.08.2017	10,222	Purchase	2,38,102	0.62
				18.08.2017	10,298	Purchase	2,48,400	0.65

Sl No.	Name of Shareholder	Shareholding at the beginning of the year		Date	Increase/Decrease in Share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
				29.09.2017	4,814	Purchase	2,53,214	0.66
				06.10.2017	773	Purchase	2,53,987	0.66
				22.12.2017	6,003	Purchase	2,59,990	0.68
				12.01.2018	-8,100	Sale	2,51,890	0.66
				23.02.2018	3,000	Purchase	2,54,890	0.67
				02.03.2018	12,000	Purchase	2,66,890	0.70
				23.03.2018	3,000	Purchase	2,69,890	0.70
	Shareholding at the end of the year			31.03.2018			2,69,890	0.70
10.	M/s. New Horizon Opportunities Master Fund	2,36,500	0.62	01.04.2017			2,36,500	0.62
				12.01.2018	-9,500	Sale	2,27,000	0.59
	Shareholding at the end of the year			31.03.2018			2,27,000	0.59

(v) Shareholding of Directors and Key Managerial Personnel (KMPs)

Sl No.	Name of Director/KMP.	Shareholding at the beginning of the year		Date	Increase/Decrease in Share holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1.	Mr. D.P. Agarwal-Director	4,19,314	1.10	01.04.2017	-	-	4,19,314	1.10
	Shareholding at the end of the year			31.03.2018	-	-	4,19,314	1.10
2.	Mr. Chander Agarwal-Managing Director	10,52,131	2.75	01.04.2017	-	-	10,52,131	2.75
	Shareholding at the end of the year			31.03.2018	-	-	10,52,131	2.75
3.	Mr. Vineet Agarwal-Director	9,91,467	2.59	01.04.2017	-	-	9,91,467	2.59
	Shareholding at the end of the year			31.03.2018	-	-	9,91,467	2.59
4.	Mr. Phool Chand Sharma-Whole Time Director	40,250	0.10	01.04.2017	-	-	40,250	0.10
	Shareholding at the end of the year			31.03.2018	-	-	40,250	0.10
5.	Mr. Mukti Lal- CFO	6,250	0.01	01.04.2017			6,250	0.01
				03.07.2017	-85	Sale	6,165	0.01
				04.07.2017	-165	Sale	6,000	
				05.07.2017	-250	Sale	5,750	
	Shareholding at the end of the year			31.03.2018			5,750	0.01

Note: Apart from above, none of the Directors and / or KMP held any share of the Company during the financial year 2017-18.

(vi) Indebtedness

(₹ in Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,161.41	2,000.00	-	3,161.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.35	-	-	0.35
<b>Total (i+ii+iii)</b>	<b>1,161.76</b>	<b>2,000.00</b>	<b>-</b>	<b>3,161.76</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	2,986.44	-	-	2,986.44
Reduction	82.21	2,000.00	-	2,082.21
<b>Net Change</b>	<b>2,904.23</b>	<b>-2,000.00</b>	<b>-</b>	<b>904.23</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4,065.99	-	-	4,065.99
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.22	-	-	1.22
<b>Total (i+ii+iii)</b>	<b>4,067.21</b>	<b>-</b>	<b>-</b>	<b>4,067.21</b>

## (vii) Remuneration of Directors and Key Managerial Personnel

## A. Remuneration to Managing Director, Whole time director and or Manager

(₹ in Lakhs)

Particulars of Remuneration	Mr. Chander Agarwal (Managing Director)	Mr. Phool Chand Sharma (Whole Time Director)	Total Amount
<b>Gross salary</b>			
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	323.00	89.00	412.00
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	25.12	47.21	72.33
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
Stock option	-	-	-
Sweat Equity	-	-	-
Commission as % of profit	100.00	-	100.00
Others	-	-	-
<b>Total</b>	<b>448.12</b>	<b>136.21</b>	<b>584.33</b>
Ceiling as per the Act	₹ 903.94 Lakhs (10% of the net profits of the Company as computed under section 198 of the Companies Act, 2013)		

## B. Remuneration to other Directors

## I. Independent Directors

(₹ in Lakhs)

Sl No.	Particulars of Remuneration	Mr. Murali Krishna Chevuturi	Mr. Ashok Kumar Ladha	Mr. Prashant Jain*	Mrs. Taruna Singhi*	Total Amount
(a)	Fee for attending Board/Committee meetings	1.50	1.50	-	-	3.00
(b)	Commissions	3.50	3.50	3.50	3.50	14.00
	<b>Total (I)</b>	<b>5.00</b>	<b>5.00</b>	<b>3.50</b>	<b>3.50</b>	<b>17.00</b>

\*Mr. Prashant Jain and Mrs. Taruna Singhi did not accept the sitting fee.

## II. Non-Executive Non Independent Directors

(₹ in Lakhs)

Sl No.	Particulars of Remuneration	Mr. D.P Agarwal	Mr. Vineet Agarwal	Total Amount
(a)	Fee for attending Board/Committee meetings	-	-	-
(b)	Commissions	3.50	3.50	7.00
	<b>Total (II)</b>	<b>3.50</b>	<b>3.50</b>	<b>7.00</b>
	<b>Ceiling as per Resolution dated November 4, 2016</b>	₹ 45.20 Lakhs (0.5% of the Profit as computed under section 198 of the Companies Act, 2013)		
	<b>Total Managerial Remuneration (A+B) (excluding sitting fee)</b>	₹ 605.33 Lakhs		
	<b>Overall Ceiling as per the Act</b>	₹ 949.14 Lakhs (10.5% of the net profits of the Company as computed under section 198 of the Companies Act, 2013).		

## C. Remuneration of Key Managerial Personnel (Other than MD/Manager/WTD)

(₹ in Lakhs)

Particulars of Remuneration	Mr. Mukti Lal (CFO)	Mr. Vinay Gujral (C.S.)	Total Amount
<b>Gross salary</b>			
(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	22.42	5.10	27.52
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	10.55	4.97	15.52
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
Stock option	-	-	-
Sweat Equity	-	-	-
Commission as % of profit	-	-	-
Others	-	-	-
<b>Total</b>	<b>32.97</b>	<b>10.07</b>	<b>43.04</b>

## (viii) Penalties / Punishment / Compounding of Offences

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

**ANNEXURE-C**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2018

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
**TCI Express Limited**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company as specified in Annexure I 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 period covered by our audit, that is to say, from April 01, 2017 to March 31, 2018 (hereinafter referred to as "Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
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;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");

- c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. 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;
6. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
    - a. The Indian Carriage of Goods by Road Act, 2007;
    - b. Motor Vehicles Act, 1988

We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India;

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

**Management Responsibility:**

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or

effectiveness with which the management has conducted the affairs of the Company.

**We further report that:**

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

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

Majority decision is carried through while dissenting members' views were not required to be captured and recorded as part of the minutes as there were no such instance.

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, the Company has not incurred any specific event/ action that can have a major bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guidelines, standards.

**For M/s Vinod Kothari & Company**  
*Company Secretaries in Practice*

**Vinita Nair**  
*Partner*

Place: Mumbai  
Date: 15.05.2018

Membership No: A31669  
CP No.: 11902

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**ANNEXURE I**

**LIST OF DOCUMENTS**

1. Corporate Matters
  - 1.1 Minutes books of the following meetings were provided in original
    - 1.1.1 Board Meeting;
    - 1.1.2 Audit Committee;
    - 1.1.3 Nomination and Remuneration Committee;
    - 1.1.4 Stakeholders Relationship Committee;
    - 1.1.5 Corporate Social Responsibility Committee;
    - 1.1.6 General Meeting;
  - 1.2 Agenda papers for Board Meeting along with Notice;
  - 1.3 Annual Report for the Financial year 2016-2017;
  - 1.4 Memorandum and Articles of Association;
  - 1.5 Disclosures under Act and Listing Regulations;
  - 1.6 Policies framed under Act and Listing Regulations;
  - 1.7 Documents pertaining to Listing Regulations compliance;
  - 1.8 Documents pertaining to proof of payment of Dividend;
  - 1.9 Register maintained under Act;
  - 1.10 Forms and returns filed with the ROC & RBI;
  - 1.11 Checklists duly filled for specific laws;
  - 1.12 Documents under SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - 1.13 Disclosures under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

## ANNEXURE-D

### ANNUAL REPORT ON CSR INITIATIVES TAKEN BY THE COMPANY

**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:**

TCI Express Limited management believes that corporations are socio-economic citizens and that their objectives have to be congruent with society's goals. Therefore, it is the core corporate responsibility of TCI Express to practice its communal values through its commitment to grow in a socially and environmentally conscientious way, while protecting interests of its stakeholders.

TCI Express Limited also understands that its business activities have extensive impact on the society in which it operates and therefore an effectual practice is required giving due consideration to the welfare of its stakeholders. Therefore, it is committed to its stakeholders to conduct its business in a conscientious manner that builds a sustained optimistic impact on society. Our Company is committed towards aligning with environment and has adopted green practices.

As a corporate entity, the Company is committed towards sustainability and to move ahead in this direction in an organized manner. The Company has its duly enacted Corporate Social Responsibility Policy in place.

Through its societal investments, TCI Express Limited concentrates on the needs of communities residing in the areas from where it operates, taking sustainable initiatives in community development

- Integration of social, environmental and ethical responsibilities for long term success and sustainability.
- Economic and social development of communities

- Expand the knowledge horizons to channelize the skilled youth power in the development of the nation

In compliance with schedule VII of the Companies Act, 2013 including any statutory modification or amendment thereto, TCI Express Limited acknowledges the community development activities under its Corporate Social Responsibility.

The CSR policy of the Company may be accessed on the website at the web link: [http://www.tciexpress.in/pdf/CSR\\_Policy.pdf](http://www.tciexpress.in/pdf/CSR_Policy.pdf)

The detail of the CSR activities undertaken by the Company can be accessed on the website of the Company [www.tciexpress.in](http://www.tciexpress.in)

**2. The Composition of CSR Committee:**

Name of Director	Designation	Chairman/Member
Mr. D.P Agarwal	Non-Executive Director	Chairman
Mrs. Taruna Singhi	Non- Executive Independent Director	Member
Mr. Chander Agarwal	Managing Director	Member

**3. Average net profit of the Company for the last three financial years: ₹ 2165.04 Lakhs**

**4. Prescribed CSR Expenditure: ₹ 43.31 Lakhs**

**5. Detail of CSR spent during the financial year 2017-18:**

a) Total Amount to be spent for the financial year	During the year, the Company has spent ₹ 50.00 Lakhs against mandated amount of ₹ 43.31 Lakhs
b) Total unspent, if any	None
c) Manner in which the amount spent during the financial year is detailed below	

S. 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 was undertaken	Amount outlay (Budget) projects or programs wise (₹ in Lakhs)	Amount spent on projects or programs sub-heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period (₹ in Lakhs)	Amount spent Direct or through implementing agency
1.	National Sports Development	National Sports	Urmila Sports Academy, Village Nayngal Bari, Tehsil Rajgarh, Distt. Churu (Rajasthan)	43.31	Direct	50.00	Implementing Agency - TCI Foundation
<b>Grand Total</b>				<b>43.31</b>		<b>50.00</b>	

**6. Confirmation:** We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Date: 25.05.2018  
Place: Gurugram

**D.P Agarwal**  
*Chairman of the Committee*

**Chander Agarwal**  
*Managing Director*

## ANNEXURE-E

Statement under section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

### I. Remuneration details of Directors and Key Managerial Personnel (KMPs)

Name of the Director/KMP	Designation	% increase in remuneration over last year	Ratio of Remuneration of Directors with Median Remuneration of employees
<b>a) Executive Directors</b>			
Mr. Chander Agarwal	Managing Director	13	243.03
Mr. Phool Chand Sharma	Whole Time Director	17	77.23
<b>b) Non-Executive Directors</b>			
Mr. D.P Agarwal	Chairman and Non-Executive Director	-	1.93
Mr. Vineet Agarwal	Non-Executive Director	-	1.93
Mr. Murali Krishna Chevuturi	Independent Director	-	1.93
Mr. Ashok Kumar Ladha	Independent Director	-	1.93
Mr. Prashant Jain	Independent Director	-	1.93
Mrs. Taruna Singhi	Independent Director	-	1.93
<b>c) Key Managerial Personnel (other than Executive Directors)</b>			
Mr. Mukti Lal	Chief Financial Officer	18	Not Applicable
Mr. Vinay Gujral	Company Secretary	18	Not Applicable

II. Total employees on the payroll of the Company: 2,608

III. Percentage increase in the median remuneration of employees during FY 2017-18: 12.28

IV. Remuneration of Managerial Personnel Vis a Vis other employees: During the year, average percentile increase in the salary of employees other than management personnel was 13.39% as against 12.22% average percentile increase in the salary of managerial remuneration. The average increase every year is an outcome of the Company's market competitiveness, salary benchmark survey, inflation and talent retention.

V. Pursuant to Rule 5(1) (xii) of the companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, it is hereby affirmed that the remuneration paid as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

VI. Details of top ten employees in terms of remuneration drawn including the employees who, if employed throughout the year, were in receipt of remuneration at the rate of not less than ₹ 102.00 Lakhs per annum, and if employed for part of year, were in receipt of remuneration at the rate of not less than ₹ 8.5 Lakhs per month.

Sl. No	Name	Designation	Remuneration (₹ in lakhs)	Qualification/ Experience (in years)	Date of commencement of employment	Age (In years)	Last employment	No. of Equity Shares
1	Mr. Chander Agarwal	Managing Director	448.12	B.Sc/16 years	18.08.2016	39	Joint Managing Director- Transport Corporation of India Ltd	10,52,131
2	Mr. Phool Chand Sharma	Whole Time Director	136.21	B.Com/34 years	01.04.2016	57	CEO of erstwhile TCI-XPS, a division of Transport Corporation of India Ltd	40,250
3	Mr. S. Narayana Das	HOD-OPS & ECOM	36.59	S.Sc/39 years	01.04.2016	59	Regional Manager in erstwhile TCI-XPS, a division of Transport Corporation of India Ltd	8,650
4	Mr. Mukti Lal	Chief Financial Officer	32.97	Chartered Accountant/ 14 years	01.04.2016	40	CFO of erstwhile TCI-XPS, a division of Transport Corporation of India Ltd	5,750
5	Mr. Manish Jain	National Head-Sales & Marketing	26.66	B.Sc/22 years	01.04.2016	42	National Head-Sales & Marketing in erstwhile TCI-XPS, a division of Transport Corporation of India Ltd	--
6	Mr. L. Murali Krishna	Regional Head	25.23	H.SC/34 years	01.04.2016	55	Regional Manager in erstwhile TCI-XPS, a division of Transport Corporation of India Ltd	3,500
7	Mr. Amresh Mishra	HOD-Human Resource	22.74	M.B.A/23 years	01.04.2016	44	GM-T&D in Transport Corporation of India Ltd	-
8	Mr. Noratmal Sarva	Regional Head	21.05	HSC/32 years	01.04.2016	53	Regional Manager in erstwhile TCI-XPS, a division of Transport Corporation of India Ltd	500
9	Mr. Rambali Singh Yadav	Regional Head	19.89	HSC/34 years	01.04.2016	55		2,925
10	Mr. Arun Chaturvedi	AVP-OPS	18.46	B.Sc/25 years	01.04.2016	49		3,665

**Note:** None of the employees is covered under rule 5(2) (ii) and (iii) of the Companies (Appointment & Remuneration) Rules, 2014 of section 197 of the Companies Act, 2013.

# Report on Corporate Governance

Corporate Governance is a mechanism of governing an entity which includes its systems, procedures and practices to confirm that entity is managed in the interest of its stakeholders i.e. shareholders, employees, customers and society in general. Corporate Governance Practices also enable every stakeholder to have access to appropriate information about the Company and its functioning thereby achieving stakeholder's satisfaction.

## Company's framework and Philosophy on Corporate Governance

At TCIEXPRESS, Corporate Governance is an ongoing process and the Company persistently strives to improve its system, procedures and practices in line with the changing demands of the working environment. These governance structure and systems assist & ensure that the Board of Directors is well informed and well equipped to discharge its overall responsibilities and provide the management with the strategic direction catering to exigency of stakeholder's satisfaction and value creation.

## 1. The Board of Directors

The Board of Directors, along with the Committees, provide direction and guidance to the Company's Management while discharging its fiduciary responsibilities. The Board also directs as well as reviews the business objectives, management strategic plans and monitors the performance of the Company. The Company believes that an active, well-informed and independent Board is necessary to ensure good Corporate Governance.

As on March 31, 2018, TCIEXPRESS Board consists of 8 (eight) members. Besides the Chairman, a Non-Executive Promoter Director, the Board comprises two Executive Directors, one Non-Executive Promoter Director and four Non-Executive Independent Directors (including one Woman Director). The composition of the Board is in conformity with the Companies Act, 2013 and Listing Regulations enjoining specified combination of Executive and Non-Executive Directors with at least One Women Director.

The names and categories of Directors, their attendance at the Board Meeting held during the year and at the last Annual General Meeting (AGM) held on August 1, 2017 and also the number of Directorships and Committee positions held by them in Companies are as follows:

Name of Director	Category	No. of Directorship held in Companies		No. of Committee Position held		No. of Board meetings		Attended last AGM held on 01.08.2017
		Public	Pvt.	Member	Chairman	Held	Attended	
Mr. D.P. Agarwal	Chairman & Non-Executive Director	6	0	2	0	4	4	Yes
Mr. Chander Agarwal	Managing Director	4	2	1	0	4	4	Yes
Mr. Vineet Agarwal	Non- Executive Director	5	3	7	0	4	4	Yes
Mr. Murali Krishna Chevuturi	Non-Executive Independent Director	1	0	0	1	4	4	Yes
Mr. Ashok Kumar Ladha	Non- Executive Independent Director	7	2	1	3	4	4	Yes
Mr. Prashant Jain	Non-Executive Independent Director	2	1	1	0	4	3	No
Mrs. Taruna Singhi	Non- Executive Independent Director	1	5	0	1	4	3	Yes
Mr. Phool Chand Sharma	Whole Time Director	3	1	1	0	4	4	Yes

### Notes:

- 1) Directorship held in Foreign Companies and Section 8 Companies are excluded.
- 2) Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee in Indian Public Companies including TCI Express Limited. Members of the Board of the Company do not have membership of more than ten Committee or Chairman of more than five such committees.
- 3) Mr. D.P Agarwal, Mr. Chander Agarwal and Mr. Vineet Agarwal are related to each other
- 4) Details of the directors being re-appointed/appointed are given in the notice of Annual General Meeting.
- 5) Brief profile of each of above directors is available on the website of the Company [www.tciexpress.in](http://www.tciexpress.in)

### A. Board Meetings

Minimum four Board meetings are held every year with one meeting in every calendar quarter. Additional meetings are held to address specific needs of the Company. In case of any exigency/emergency, resolutions are passed by circulation and later placed in the ensuing Board Meeting for ratification/adoption. The maximum gap between any two consecutive meetings was less than one hundred and twenty days, as stipulated under Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards.

During the year under review, the Board met four (4) times. The details of Board Meetings held during the Financial Year 2017-18 are as under:

Sl. No.	Date of the Board meeting	Board Strength	No. of Directors Present	City
1	May 23, 2017	8	8	Gurugram
2	August 1, 2017	8	7	Hyderabad
3	November 1, 2017	8	8	Gurugram
4	January 31, 2018	8	7	Gurugram

Besides above, meeting of Board of Directors was held on May 25, 2018, to consider and approve the audited financials of the Company for the year ended March 31, 2018, which was attended by all Board members.

### B. Information available to the Board

The Board has complete access to all information with the Company. In advance of each meeting, the Board is presented with well-structured Agenda papers in the defined agenda format including relevant information on various matters related to working/operation of the company, finance, revenue, business opportunities, business strategy and risk management practices before taking on record the quarterly/half yearly/annual financial results of the Company. In case where it is not practicable to forward the document(s) with the agenda papers, the same are circulated before the meeting/placed at the meeting. In special and exceptional circumstances, with the permission of Chairman and other Directors, additional or supplementary item(s) are permitted.

### C. Post Meeting Mechanism

The Company has an effective post Board Meeting mechanism. Minutes of the Board/Committee meeting are circulated to Board/Committee members for their comments, thereafter signed by the Chairman of the next Board/Committee meeting. Action taken report on the decisions taken in a meeting is placed at the immediately succeeding meeting for information of the Board/Committee members.

### D. Familiarization Programme for Directors

In term of SEBI Listing Regulations and applicable provisions of Companies Act, 2013, the Company has adopted Familiarization Program for Directors to familiarize them with regard to their roles, rights, responsibilities in the Company, nature of industry, business operations, business model, code of conduct and policies of the Company etc.

The details of the familiarization programme for Directors are available on the Company's website at the following link: [http://www.tciexpress.in/pdf/FAMILARIZATION\\_PROGRAM.pdf](http://www.tciexpress.in/pdf/FAMILARIZATION_PROGRAM.pdf)

### E. Code of Conduct for Board of Directors and Senior Management

The Company has formulated and adopted a Code of Conduct for Board of Directors and Senior Management ("the Code") which is intended to serve as a basis for ethical decision making in conduct of professional work. The duties of Independent Director as laid down in the Companies Act, 2013 also forms part of the Code of Conduct. The Code has been communicated to the Directors and the members of Senior Management.

The Code has also been posted on the Company's website at [www.tciexpress.in](http://www.tciexpress.in). All Board members and senior management have confirmed compliance with the Code for the year ended March 31, 2018.

### F. Insider Trading Code

The Company has adopted an Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders ("the Code") in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations. The Company has also formulated the 'Code of Fair Disclosure & Conduct' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 and same is displayed on the Company's website [www.tciexpress.in](http://www.tciexpress.in)

### G. Separate Meeting of Independent Directors

Independent Directors of the Company met separately without the presence of Non-Independent Directors and Members of management. In accordance with the Listing Regulations, following matters were, inter alia, reviewed and discussed in the meeting:

- Performance of Non-Independent Directors, Executive Directors and Board as a whole and Committees thereof.
- Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors.
- Assessment of 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.

### 2. The Committees of the Board

The Board has constituted several Committees of Directors with adequate delegation of powers to focus effectively on the issues and ensure expedient resolution of diverse matters. Each Committee has its own terms of reference setting forth the purpose, goals and responsibilities of the Committee.

The Minutes of meetings of all the Committees of the Board are placed at the Board meetings for noting. The Committees of the Board are:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Corporate Social Responsibility Committee
- D. Stakeholders' Relationship Committee
- E. Share Transfer Committee

The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are as follows:

#### A. Audit Committee

The Audit Committee of the Company is constituted in line with regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with Section 177 of the Companies Act, 2013.

The role of the Audit Committee inter alia include the following:

- I. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- II. Recommendation to the Board for appointment, remuneration and terms of appointment of auditors of the Company;
- III. Review and monitor the auditor's independence and performance and effectiveness of audit;
- IV. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval with particular reference to;
  - a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report;
- V. Reviewing, with the management, the quarterly/half yearly/ annual financial statements before submission to the board for approval;
- VI. Approval or any subsequent modification of transactions with related parties;
- VII. Scrutiny of inter-corporate loans and investments;

- VIII. Evaluation of internal financial controls and risk management systems;
- IX. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- X. Reviewing the adequacy of internal audit function, if any, 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;
- XI. Discussion with internal auditors of any significant findings and follow up thereon;
- XII. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- XIII. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- XIV. To review the functioning of the whistle blower mechanism;
- XV. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- XVI. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- XVII. The audit committee shall mandatorily review the following information:
  - a. management discussion and analysis of financial condition and results of operations;
  - b. statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - c. management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d. internal audit reports relating to internal control weaknesses; and
  - e. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - f. Monitoring the end use of funds raised through public offers and related matters
  - g. Inter-Corporate loans and investment

Apart from the above, the Audit Committee also exercises the role and powers entrusted to it by the Board of Directors from time to time.

Members of the Audit Committee are financially literate and bring in expertise in the field of Finance, Taxation, Economic and Risk Management. The Chairperson of the Audit Committee has accounting and financial management expertise. The Chairman of the Committee attended the AGM held on August 1, 2017 to answer the shareholders queries. Senior Management Personnel

including Chief Financial Officer, representative of Statutory Auditors and Internal Auditors are invitees to the meetings. The Company Secretary acts as the Secretary to the Committee.

During the financial year ended March 31, 2018, all the recommendations made by the Audit Committee were accepted by the Board.

During the financial year ended on March 31, 2018, the Audit Committee met four (4) times i.e on May 23, 2017, August 1, 2017, November 1, 2017 and January 31, 2018. The details of Composition of the Committee and attendance of members at meeting is given as under:

Name of Director	Category	Position Held	Number of Meetings attended
Mr. Murali Krishna Chevuturi	Non-Executive Independent Director	Chairman	4
Mr. Ashok Kumar Ladha	Non-Executive Independent Director	Member	4
Mr. Vineet Agarwal	Non-Executive Director	Member	4
Mr. Prashant Jain	Non-Executive Independent Director	Member	3

Besides above, meeting of the Audit Committee was held on May 25, 2018, to consider and approve the audited financials of the Company for the year ended March 31, 2018.

#### B. Nomination and Remuneration Committee

The composition and terms of reference of the Nomination and Remuneration Committee are in conformity with Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the Nomination & Remuneration Committee inter alia, include the following:

- I. Identification and recommendation to Board, of persons who are qualified to become Director & Key Managerial Personnel (KMP) in accordance with the criteria laid down;
- II. Considering recommendations of the KMPs w.r.t. appointment & removal of Senior Management Personnel (SMPs) in accordance with the criteria laid down and forwarding their recommendations to the Board accordingly;
- III. Assist the Board in ensuring that plans are in place for orderly succession for appointment to the Board & Senior Management;
- IV. Ensure that the Board is balanced & follows a diversity policy in order to bring in professional experience in different areas of operations, transparency, corporate governance & financial management etc;
- V. Formulation of the criteria for determining qualifications,

positive attributes and independence of a director;

- VI. Formulation of evaluation criteria for Independent/Non Independent/Executive Directors & the Board as a whole & the KMPs;
- VII. Ensure that directors are inducted through suitable familiarization process & that proper & regular training is given to Independent Directors to update & refresh their skills, knowledge and familiarity with the Company;
- VIII. Formulation & supervision of the Remuneration Policy of the Company; &
- IX. Oversee the formulation and implementation of Employee Stock Option Plan, its administration, supervision and formulating detailed terms and conditions in accordance with SEBI rules, regulations and guidelines.

All the members of the Nomination and Remuneration Committee are Non-Executive Directors.

During the year under review, the Nomination and Remuneration Committee meetings were held on May 23, 2017 and January 31, 2018. The details of Composition of Committee and attendance at the meeting is given as under:

Name of Director	Category	Position Held	Number of Meetings attended
Mr. Ashok Kumar Ladha	Non-Executive Independent Director	Chairman	2
Mr. D.P. Agarwal	Non-Executive Director	Member	2
Mr. Murali Krishna Chevuturi	Non-Executive Independent Director	Member	2
Mr. Prashant Jain	Non-Executive Independent Director	Member	2

Besides above, meeting of the Committee was held on May 25, 2018, to determine the remuneration to be paid to Executive Directors and Commission to be paid to Non-Executive Directors.

#### Performance evaluation criteria for Directors

The Annual performance evaluation and other relevant information is provided in the Directors Report forming part of Annual Report.

#### Nomination and Remuneration Policy

The Company has adopted a Nomination and Remuneration Policy for its Directors, KMPs and other employees. The Remuneration Policy has laid down the criteria for determining qualifications, positive attributes, independence of Director and Board diversity. The Policy lays down the factors for determining remuneration of Whole-time Directors, Non-Executive Directors, KMPs and other employees.

#### • Remuneration to Executive Directors

The Managing Director and Whole Time Director are paid remuneration within the range recommended by the Nomination and Remuneration Committee which is further approved by the Board of Directors and the Shareholders of the Company in Annual General Meeting. The remuneration is decided considering various factors such as qualification(s), experience(s), expertise, and capability of the appointee, contribution to the Company's growth, remuneration prevailing in the Industry, Financial Position of the Company etc. The remuneration structure comprises basic salary, perquisites and allowances, contribution to provident and gratuity funds etc.

#### • Remuneration to Non-Executive Directors

Independent Directors of the Company are paid remuneration by way of fees for meetings attended of the Board or Committee thereof as approved by the Board from time to time within the prescribed limits. Non-Executive Directors also paid commission as approved by the shareholders subject to a limit of 0.5% of the net profits of the Company computed under the applicable provisions of the Companies Act, 2013. The Commission payable to the Non- Executive Directors is determined by the Board within the aforesaid limit of 0.5% of the net profits after taking into account their attendance and roles and responsibilities in various Committees of the Board.

#### Details of remuneration to Executive Directors during the year ended March 31, 2018

(₹ in Lakhs)

Name of Director	Salary	Perquisites*	Commission	Total	No. of Equity Shares Held
Mr. Chander Agarwal	323.00	25.12	100.00	448.12	10,52,131
Mr. Phool Chand Sharma	89.00	47.21	-	136.21	40,250

\*Perquisites include Company's contribution to provident fund, medical, leave travel allowance, special allowance, etc. as well as monetary value of perquisites as per Income Tax Rules.

#### Details of remuneration to Non-Executive Directors during the year ended March 31, 2018

(₹ in Lakhs)

Name of Director	Sitting Fee*	Commission	Total	No. of Equity Shares Held
Mr. D.P Agarwal	-	3.50	3.50	4,19,314
Mr. Vineet Agarwal	-	3.50	3.50	9,91,467
Mr. Murali Krishna Chevuturi	1.50	3.50	5.00	-
Mr. Ashok Kumar Ladha	1.50	3.50	5.00	-
Mr. Prashant Jain	-	3.50	3.50	-
Mrs. Taruna Singhi	-	3.50	3.50	-

\* Include sitting fee for Board & Committee meetings.

#### Notes:

- The Company has no financial association or dealings with its Independent Directors other than payment of sitting fees and/ or disbursement of commission to them.
- Mr. D.P Agarwal, Mr. Vineet Agarwal, Mr. Prashant Jain and Mrs. Taruna Singhi did not accept any sitting fees for the year ended March 31, 2018.
- None of Directors holds any stock options as March 31, 2018, except Mr. Phool Chand Sharma.

#### C. Corporate Social Responsibility Committee

The Company has a Corporate Social Responsibility Committee of directors to look into its CSR Activities, which strives to create value in the society and in the community in which it operates, through its services, conduct & initiatives.

The terms of reference of Corporate Social Responsibility Committee include:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in the Companies Act, 2013;
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor process;
- Recommend the amount of expenditure to be incurred on CSR activities; and
- Institute a transparent monitoring mechanism for implementation of CSR projects or program or activities undertaken by the Company.

There was one (1) meeting of the Committee held during the year ended March 31, 2018, i.e. on May 23, 2017.

The details of the Composition of the Committee and attendance of members at meeting is given as under:

Name of Director	Category	Position Held	Number of Meetings attended
Mr. D.P. Agarwal	Non-Executive Director	Chairman	1
Mr. Chander Agarwal	Managing Director	Member	1
Mrs. Taruna Singhi	Non-Executive Independent Director	Member	1

Besides above, the meeting of the Committee was held on May 25, 2018 to recommend the expenditure to be incurred on CSR activities during financial year 2018-19.

#### D. Stakeholders' Relationship Committee

The composition and terms of reference of the Stakeholders' Relationship Committee are in conformity with Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There were four (4) meetings of the Stakeholders' Relationship Committee held during the year ended March 31, 2018, i.e. on May 23, 2017, August 1, 2017, November 1, 2017 and January 31, 2018. The details of the Composition of the Committee and attendance of the members at meeting is given as under:

Name of Director	Category	Position Held	Number of Meetings attended
Mrs. Taruna Singhi	Non-Executive Independent Director	Chairperson	3
Mr. Vineet Agarwal	Non -Executive Director	Member	4
Mr. Phool Chand Sharma	Whole Time Director	Member	4

Besides above, meeting of the Stakeholders' Relationship Committee was held on May 25, 2018, which was attended by all the committee members.

The terms of reference of Stakeholders' Relationship Committee include:

- Review of statutory compliance relating to shareholders
- Consider and resolve the grievances of shareholders of the company
- Oversight of compliances in respect of payment of dividend
- Oversight and review the matter regarding transfer of shares

Apart from the above, the Committee also exercises the role and powers entrusted to it by the Board of Directors from time to time.

Mr. Vinay Gujral, Company Secretary of the Company is the Compliance Officer of the Company.

#### Detail of investor complaints received, disposed off and outstanding as on March 31, 2018

No. of Investor complaints balance at the beginning of the year	No. of Investor complaints received during the Year	No. of Investor complaints disposed-off during the Year	No. of Investor complaints outstanding at the end of the Year
Nil	4	4	Nil

No investor complaint was outstanding as on March 31, 2018.

#### E. Share Transfer Committee

The Share Transfer Committee is formed to look into share transfer and related applications received from shareholders. The members of the Committee are Mr. Chander Agarwal, Managing Director, Mr. Vineet Agarwal, Non-Executive Director and Mr.

Phool Chand Sharma, Whole Time Director.

The terms of reference of the Committee includes transfer/transmission of shares and such other securities as may be issued by the Company from time to time, to approve and monitor dematerialization of shares /debentures / other securities and all matters incidental thereto, issue of duplicate share certificates, subdivision of shares etc.

#### 3. Disclosures

##### a. Related Party Transactions

The Company has formulated a Policy on dealing with Related Party Transactions, in accordance with relevant provisions of Companies Act, 2013 and Listing Regulations. The Policy for Related Party Transactions as approved may be accessed on the Company's website at the following link: [http://www.tciexpress.in/pdf/Policy\\_on\\_Related\\_Party\\_Transactions.pdf](http://www.tciexpress.in/pdf/Policy_on_Related_Party_Transactions.pdf)

There were no material significant related party transactions with the Company's promoters, directors, management or their relatives which could have had a potential conflict with the interest of the Company. During the year, the Company has not entered into any contract or arrangement with related parties which could be considered material. All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business.

##### b. Compliance with Regulations

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and Regulation 46 of SEBI Listing Regulation, 2015.

##### c. Disclosure of Accounting Treatment

Ministry of Corporate Affairs has, vide notification dated February 16, 2015 introduced Indian Accounting Standards (Ind-As) thereby repealing the old Accounting Standards. Ind-As has become applicable on your Company w.e.f April 1, 2017. Accordingly the Company has adopted the same for the preparation of Financial Statement for the financial year ended March 31, 2018. The significant accounting policies are set out in the Notes to the Financial Statement.

##### d. Detail of Non-Compliance by the Company/Penalties/Strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to the Capital markets during last 3 years

There were no instances of non-compliance by the Company on any matters related to the capital markets or penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority on any matter related to Capital Markets, during the last three years.

##### e. Vigil Mechanism/Whistle Blower Policy

Pursuant to the Companies Act, 2013, and the SEBI Listing Regulations, the Company has adopted a Whistle Blower Policy through which Directors and Employees may report unethical behavior, malpractices, wrongful conduct, fraud and violation of Company's code of conduct without fear. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy can be accessed on the website of the

Company at [http://www.tciexpress.in/pdf/Whistle\\_Blower\\_Policy.pdf](http://www.tciexpress.in/pdf/Whistle_Blower_Policy.pdf)

**f. Code of conduct on Insider Trading**

Code of conduct for prevention of Insider Trading, as approved by the Board of Directors, inter alia, prohibits dealing in securities of the Company by Directors, Designated Employees and Other Employees while in possession of Unpublished Price Sensitive Information in relation with the Company.

The code can be accessed on website of the Company at [http://www.tciexpress.in/pdf/Code\\_of\\_Fair\\_Disclosure\\_and\\_Conduct.pdf](http://www.tciexpress.in/pdf/Code_of_Fair_Disclosure_and_Conduct.pdf)

**g. CEO/ CFO certification**

In compliance with Listing Regulations, the CEO & Whole Time Director and the Chief Financial Officer have given the compliance certificate which is annexed to this report.

**4. General Body Meetings**

**a. Details of last three Annual General Meetings are as under:**

F.Y ended	Date, Time and Venue		Summary of Special Resolution(s) Passed
<b>Annual General Meetings(AGMs)</b>			
March 31, 2017	August 1, 2017 11.30 a.m	Salon II & III, Basement 1, Park Hyatt Hyderabad, Road No.2, Banjara Hills, Hyderabad-500034, Telangana	<ul style="list-style-type: none"> <li>Approval of remuneration of Managing Director in excess of 5% of the profit computed in accordance with section 198 of the Companies Act, 2013</li> </ul>
March 31, 2016	November 4, 2016 1130 a.m	Emerald II, H- Floor, Taj Krishna, Road No. 1, Banjara Hills, Hyderabad-500034, Telangana	<ul style="list-style-type: none"> <li>Appointment of Mr. Chander Agarwal as Managing Director and approval of remuneration thereof</li> <li>Appointment of Mr. Phool Chand Sharma as Whole Time Director and approval of remuneration thereof</li> <li>Limit of borrowing pursuant to Section 180(1)(c) of the Companies Act, 2013.</li> <li>Creation of mortgage/charges pursuant to Section 180(1)(a) of the Companies Act, 2013.</li> <li>Approval of Employee Stock Option Plan-2016.</li> <li>Approval to extend the benefits of Employee Stock Option Plan-2016 to Employees of Holding and Subsidiary(s).</li> <li>To approve fee to be charged from Shareholder for service of documents in a particular mode.</li> </ul>
March 31, 2015	July 28, 2015 1100 a.m	Flat No. 306 & 307, 1-8-271 To 273, 3rd Floor Ashoka Bhoopal Chambers, SP. Road Secunderabad Hyderabad Telangana 500003	-

**b. Postal Ballot**

During the financial year ended March 31, 2018, no resolution has been passed through postal ballot.

**c. Annual General Meeting for the Financial Year 2017-18**

Day and Date	Wednesday August 1, 2018
Time	12.00 noon
Venue	Drawing Room, Basement 1, Park Hyatt Hyderabad, Road No 2, Banjara Hills, Hyderabad – 500034, Telangana.
Financial Year	2017-18
Book Closure Date	Friday July 27, 2018 to Wednesday August 1, 2018 (both days inclusive)
Dividend Payment Date	The final dividend, if approved shall be paid within 30 days from the date of shareholders' approval

**d. Tentative Calendar for Financial Year 2018-19**

The tentative dates for Board Meetings for consideration of quarterly/ half yearly/ year ended financial results are as follows:

For the FY 2018-19	Results likely to be announced*
Quarter ended June 30, 2018	On or before August 14, 2018
Quarter & Half year ended September 30, 2018	On or before November 14, 2018
Quarter & Nine months ended December 31, 2018	On or before February 14, 2019
Quarter & Year ended March 31, 2019	On or before May 30, 2019

\*tentative and subject to change

e. Means of Communications

<b>Financial Results</b>	The Company's quarterly/half yearly/ annual results are intimated to Stock Exchanges and also published in prescribed format within 48 hours of the conclusion of the meeting of Board of Directors in which they are considered, in a national English newspaper and in local language (Telugu) newspaper,  The Company's financial results and official press releases are sent to the stock exchanges and displayed on the Company's website www.tciexpress.in
<b>Website</b>	The Investor Relation section on the website provides information to the shareholders pertaining to Financial Results, Annual Reports, Shareholding Pattern, Schedule of Investor meet and General Information about the Company etc.,
<b>News Release</b>	The official news releases are sent to Stock Exchanges and simultaneously displayed on the website of the Company
<b>Investor Presentations</b>	The Schedule of Investor Meet and presentation are sent to Stock Exchanges and simultaneously displayed on the Company's website.
<b>Annual Report</b>	The Company sends Annual Reports by emails to those shareholders whose email ids are registered with the Company/Depository. Physical copies are sent to those shareholders whose email ids are not registered

f. Listing Information

<b>Listed on</b>	National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)
<b>Stock Code</b>	NSE: TCIEXP and BSE: 540212
<b>Listing &amp; Custodian Fee</b>	Annual Listing and Custodian Fees has been duly paid to Stock Exchanges & Depositories, respectively
<b>ISIN</b>	INE586V01016
<b>CIN</b>	L62200TG2008PLC061781

g. Unclaimed Dividends/Fractional Shares proceeds entitlement

Pursuant to the provisions of Companies Act, 2013, dividend/fractional entitlements lying un-claimed for a period of seven years from the date of their transfer to unpaid/un-claimed account have to be transferred to the Investor Education and Protection Fund (IEPF). The details of un-claimed dividend/fractional entitlement is posted on the website of the Company. The due date for transfer of unclaimed dividend/fractional entitlement to Investor Education and Protection Fund is as under:

Year	Fractional/ Dividend	Date of Declaration	Due date for transfer to IEPF
2016-17	Fractional Amount	January 18, 2017	February 17, 2024
2016-17	Interim Dividend	January 31, 2017	March 3, 2024
2016-17	Final Dividend	August 1, 2017	September 4, 2024
2017-18	1st Interim Dividend	November 1, 2017	December 7, 2024
2017-18	2nd Interim Dividend	January 31, 2018	March 6, 2025

h. Distribution of Shareholding and Shareholding pattern as on March 31, 2018

a. Distribution of Shareholding:

Sl. No.	Category	No. of Cases	% of Cases	Amount in ₹	% of Amount
1	01-5000	25668	98.66	75,73,810	9.89
2	5001-10000	171	0.66	12,37,994	1.62
3	10001-20000	85	0.33	12,27,326	1.60
4	20001-30000	23	0.09	5,69,624	0.74
5	30001-40000	16	0.06	5,68,470	0.74
6	40001-50000	5	0.02	2,24,726	0.29
7	50001-100000	11	0.04	7,20,162	0.94
8	1000001 & above	38	0.15	6,44,55,338	84.17
	<b>Total</b>	<b>26,017</b>	<b>100</b>	<b>7,65,77,450</b>	<b>100</b>

b. Shareholding Pattern

Sl. No.	Category	No. of Shareholders	No. of Shares held	%age of shares held
A	Promoters and Promoters Group	17	2,53,18,690	66.13
B	Public Shareholding			
I	Mutual Funds	4	23,54,953	6.15
II	Alternate Investment Fund	1	5,80,819	1.52
III	Foreign Portfolio Investors	26	12,99,829	3.39
IV	Financial Institutions/Banks	9	15,063	0.04
V	Foreign Institutional Investors	4	2,759	0.01
VI	Overseas Corporate Bodies	1	10,15,482	2.65
VII	Indian Public	24,076	58,93,229	15.40
VIII	NBFC Registered with RBI	2	176	0.00
IX	Trusts	1	19,600	0.05
X	Non Resident Indians	1,117	8,08,326	2.11
XI	Clearing members	50	17,196	0.04
XII	Body Corporate	333	9,62,603	2.51
	<b>Total</b>	<b>25,641</b>	<b>3,82,88,725</b>	<b>100.00</b>

i. Dematerialization of Shares and Liquidity

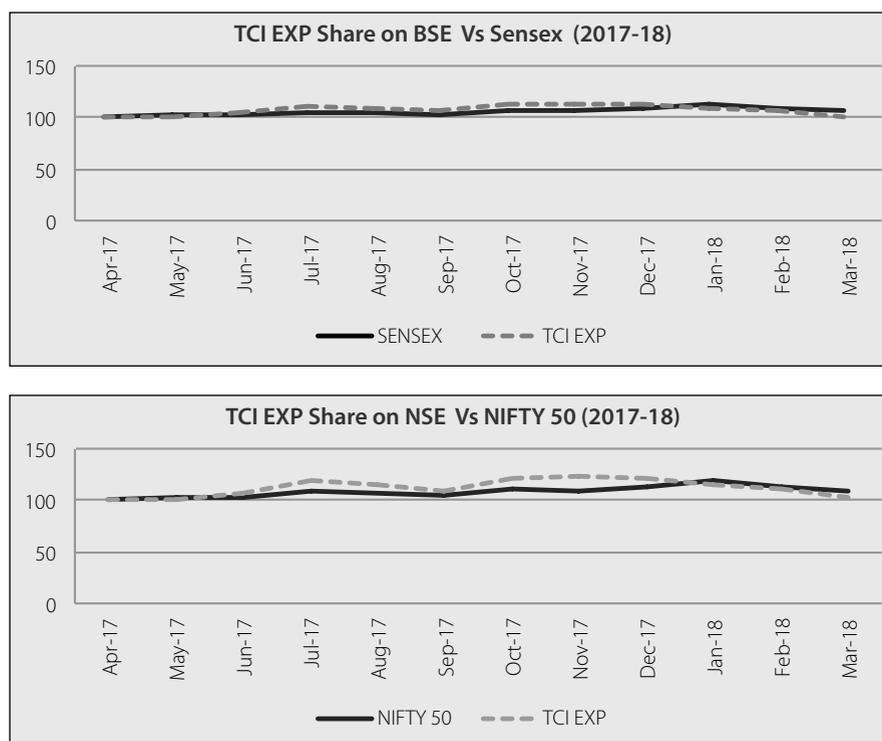
As on March 31, 2018, the status of equity shares in Demat and Physical form is provided hereunder:

Particulars	No. of Shares	%age of share capital
Shares held in Demat form with NSDL	3,46,32,942	90.45
Shares held in Demat form with CDSL	14,89,319	3.89
Shares held in Physical	21,66,464	5.66
<b>Total</b>	<b>3,82,88,725</b>	<b>100</b>

j. Market Price Data during financial year ended March 31, 2018

Particulars	NSE		BSE	
	High Price	Low Price	High Price	Low Price
April, 2017	508.70	390.05	507.00	382.00
May, 2017	484.00	424.00	488.00	421.00
June, 2017	510.90	436.55	511.70	421.00
July, 2017	667.00	490.60	603.95	490.05
August, 2017	582.65	459.10	590.00	475.50
September, 2017	559.00	473.00	560.00	475.00
October, 2017	608.70	482.50	608.65	485.20
November, 2017	610.00	526.10	610.00	526.30
December, 2017	584.95	530.85	579.80	536.10
January, 2018	645.00	515.00	645.00	516.00
February, 2018	549.85	440.05	550.00	445.05
March, 2018	520.90	425.00	519.25	425.05

k. TCI Express Share movement



i. Transfer of shares

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of fifteen days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the SEBI Listing Regulations, 2015, a Practicing Company Secretary carries out audit of the system of transfer and a certificate to that effect is issued.

m. Outstanding GDR/Warrants and Convertible Notes, conversion date and likely impact on the equity

The Company has not issued any GDRs/ADRs/Warrants or any other convertible instruments apart from Stock Options, details of which are given in Boards Report and accordingly, as on March 31, 2018 the Company does not have any outstanding GDRs/ ADRs/ Warrants or Convertible instruments.

n. Address for Correspondence

**Mr. Vinay Gujral**

*Company Secretary*

TCI Express Limited

Corporate Office: TCI House, 69, Institutional Area

Sector 32, Gurugram -122001, Haryana

Tel. 0124-2384090-94

E-mail: [secretarial@tciexpress.in](mailto:secretarial@tciexpress.in)

Website: [www.tciexpress.in](http://www.tciexpress.in)

**Registrar & Share Transfer Agent**

Karvy Computershare Pvt. Ltd.

Karvy Selenium, Tower B, Plot No. 31 & 32,

Financial District, Gachibowli, Hyderabad 500 032,

E-mail: [rajeev.kr@karvy.com](mailto:rajeev.kr@karvy.com)

Website: [www.karvycomputershare.com](http://www.karvycomputershare.com)

**Non Mandatory Requirements**

Adoption of non-mandatory requirements of SEBI Listing Regulations, 2015 is being reviewed by the Board from time to time.

For and on behalf of the Board

Place: Gurugram

Date: 25.05.2018

**D.P. Agarwal**

*Chairman*

**Declaration pursuant to Schedule V of the Listing Regulation**

In accordance with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. I hereby declare that the Directors and Senior Management of the Company have affirmed Compliance with Code of Conduct as applicable to them for the year ended March 31, 2018.

For TCI Express Limited

Place: Gurugram

Date: 25.05.2018

**P.C. Sharma**

*Whole Time Director*

## CEO/CFO Certification

We the undersigned, in our respective capacities as Whole Time Director and Chief Financial Officer of TCI Express Limited ("the Company") to the best of our knowledge and belief certify that:

- i. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief, we state that:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- ii. We further state that to the best of our knowledge and belief, no transactions were entered into by the Company during the year, which were fraudulent, illegal or violation of the Company's code of conduct.
- iii. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and

have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- iv. We have indicated to the Auditors and the Audit Committee:
  - a. significant changes, if any, in internal control over financial reporting during the year;
  - b. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.

For TCI Express Limited

Place: Gurugram  
Date: 25.05.2018

**P.C. Sharma**  
*Whole Time Director*

**Mukti Lal**  
*CFO*

## Auditors' Certificate on Corporate Governance

To  
The Members  
TCI Express Limited

We have examined the compliance of conditions of Corporate Governance by TCI Express Limited (hereinafter referred as 'the Company') for the year ended 31st March, 2018, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "LODR") for the period ended on 31st March, 2018.

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in LODR.

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

For M/s. R.S. Agarwala & Co.  
*Chartered Accountants*

**R.S. Agarwala**  
*Partner*  
M. No. F-5534

Place: Gurugram  
Date: 25.05.2018

# Independent Auditor's Report

To the Members of  
TCI Express Limited

## Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of TCI Express Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, 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 the significant accounting policies and other explanatory information (hereinafter referred to as 'Ind AS Financial Statements').

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Accounting Principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; for safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether these Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs of the Company as at 31st March, 2018 and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## Other Matter

The financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended 31st March, 2017 and 31st March, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated 23rd May, 2017 and 18th August, 2016 respectively. The adjustments to those financial statements for the difference in accounting principles adopted by the Company on transition to the have been audited by us.

### Report on Other legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, (hereinafter referred to as the "order"), and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
  - c) the Ind AS financial statements in dealt with by this Report agree with the books of account;
  - d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards Specified under Section 133 the Act, read with relevant rule issued thereunder.
  - e) on the basis of written representations received from the directors as on 31st March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of section 164(2) of the Act.

- f) with respect to the adequacy of the internal financial control over financial reporting of the company as on 31st March, 2018, refer to our separate report as per Annexure "B".
- g) with respect to other matter to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - i) As detailed in Note 31 of the notes to the Ind AS financial statements, the Company has disclosed the impact of pending litigation on its Ind AS financial statements.
  - ii) The Company did not have any long terms contract including derivative Contracts for which there were any material foreseeable losses.
  - iii) There was no amount which required to be transferred to the Investor Education and Protection Fund by the Company.

**For R.S. Agarwala & Co.**  
*Chartered Accountants*  
Firm's Regn No:-304045E

**(R.S.Agarwala)**  
*Partner*

Camp:-Gurugram  
Date: 25.05.2018

Membership No.005534

### Annexure "A" to Independent Auditors' Report of even date to the members of TCI Express Limited, on the Ind AS Financial Statement for the year ended 31st March, 2018.

#### Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date.

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

Fixed Assets is reasonable having regards to the size of the Company and nature of its assets.
- b) We are informed that a test of physical verification of these assets was carried out by the management at reasonable intervals and no material discrepancies were noticed. In our Opinion, the frequency of verification of
- c) Most of the immovable properties as disclosed in the financial statement have been transferred on demerger. Out of the total properties transferred on demerger nine (9) number of properties have already been transferred in the name of the Company and title deeds of balance

thirty-eight (38) immovable properties are in the process of transfer. Properties purchased during the financial year are held in the name of the Company.

2. The Company does not holding any inventory. Accordingly the provisions of Clause 3 (ii) of the order, 2016 are not applicable.
3. The Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of Clause 3 (iii) of the said order are not applicable.
4. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of clause 3(iv) of the said order are not applicable.
5. The Company has not accepted any deposits from the public.
6. The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act in respect of any activities of the Company.
7. (a) According to the information and explanation given to us and records of the Company examined by us, in our opinion the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, custom duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and any other statutory dues to the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax or sales tax or service tax or duty of excise or value added tax or cess or Employees' State Insurance as at March 31, 2018 which have not been deposited on account of any dispute are as under:

Nature of the Statute	Nature of the dues	Amount (In Lakhs)	Period to which amount relates	Forum where dispute is pending
Sales Tax Act	Trade Tax	33.94	2014-15	Various Authorities
Various States		1.8	2016-17	
Labour Act	Labour Laws	0.40	2016-17	Various Authorities

8. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institutions or bank or Government during the year. The company has not issued any debentures.
9. The company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Therefore, the provisions of Clause 3(ix) of the said order are not applicable to the company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such cases by the management during the course of our audit.
11. The company has paid /provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
12. The company is not a Nidhi Company.
13. The transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act. The details of the related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standard.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of Clause 3 (xiv) of the order are not applicable.
15. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of Clause 3 (xv) of the order are not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For R.S. Agarwala & Co.**  
Chartered Accountants  
Firm's Regn No:-304045E

**(R.S. Agarwala)**  
Partner

Camp:-Gurugram  
Date: 25.05.2018

Membership No.005534

## Annexure B to The Independent Auditors' Report

Referred to in paragraph 2(g) of the Independent Auditors' Report of even date to the members of TCI Express Limited on the Ind AS financial statements for the year ended 31st March, 2018

### Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the companies Act, 2013.

We have audited the internal financial controls over financial reporting of TCI Express Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the 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 controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, 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 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For R.S. Agarwala & Co.**  
Chartered Accountants  
Firm's Regn No:-304045E

**(R.S. Agarwala)**  
Partner

Camp:-Gurugram  
Date: 25.05.2018

Membership No.005534

# Balance Sheet as at 31 March 2018

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	2	16,023.32	9,552.12	6,039.20
Capital Work-In-Progress	3	2.06	785.36	907.34
Intangible Assets	4	175.72	162.09	206.94
Loans	5	-	-	160.19
Other Non-Current Assets	6	515.15	497.76	214.32
Current Tax Assets ( Net)	7	-	0.15	-
		<b>16,716.25</b>	<b>10,997.48</b>	<b>7,527.99</b>
<b>Current Assets</b>				
<b>Financial Assets</b>				
Trade Receivables	8	15,438.06	11,309.27	10,461.41
Cash and Cash Equivalents	9	1,169.31	853.79	1,089.96
Other Bank Balances	10	48.52	24.57	-
Loans	5	711.38	633.14	428.42
Other Current Assets	6	301.30	622.95	952.75
		<b>17,668.57</b>	<b>13,443.72</b>	<b>12,932.54</b>
<b>Total Assets</b>		<b>34,384.82</b>	<b>24,441.20</b>	<b>20,460.53</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity Share Capital	11	765.77	765.77	760.74
Other Equity	12	19,915.26	15,311.45	11,936.48
		<b>20,681.03</b>	<b>16,077.22</b>	<b>12,697.22</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	13	165.75	51.76	58.03
Deferred Tax Liabilities (Net)	14	429.90	334.98	446.79
		<b>595.65</b>	<b>386.74</b>	<b>504.82</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	15	3,816.14	3,051.72	3,974.83
Trade Payables	16	6,459.28	3,719.87	2,315.96
Other Financial Liabilities	17	1,049.75	874.54	727.67
Other Current Liabilities	18	1,433.51	89.31	61.08
Provisions	19	328.05	241.80	178.95
Current Tax Liabilities (Net)	20	21.41	-	-
		<b>13,108.14</b>	<b>7,977.24</b>	<b>7,258.49</b>
		<b>13,703.79</b>	<b>8,363.98</b>	<b>7,763.31</b>
<b>Total Equity and Liabilities</b>		<b>34,384.82</b>	<b>24,441.20</b>	<b>20,460.53</b>

The accompanying summary of significant accounting policy and other explanatory notes are an integral part of the financial statements.

In terms of our Report of even date

**For R S Agarwala & Co.**

Chartered Accountants

Firm Reg No. 304045E

**For and on behalf of Board of Directors of TCI Express Limited**

**R S Agarwala**

Partner

(Membership No. 005534)

**D P Agarwal**

(Chairman)

**Chander Agarwal**

(Managing Director)

**Murali Krishna Chevuturi**

(Director)

Camp: Gurugram

Date: 25.05.2018

**P C Sharma**

(Whole Time Director)

**Mukti Lal**

(AVP & CFO)

**Vinay Gujral**

(Company Secretary)

# Statement of Profit and Loss for the year ended 31 March 2018

(₹ in Lakhs)

Particulars	Note No.	Year ended 31 March 2018	Year ended 31 March 2017
<b>REVENUE</b>			
Revenue from Operations	21	88,508.17	75,026.78
Other Income	22	207.88	136.65
<b>Total Income</b>		<b>88,716.05</b>	<b>75,163.43</b>
<b>EXPENSES</b>			
Operating Expenses	23	66,442.87	57,658.20
Employee Benefits Expense	24	7,252.45	5,881.76
Finance Costs	25	375.74	244.30
Depreciation and Amortisation Expense	26	520.85	431.39
Other Expenses	27	5,747.66	5,297.02
<b>Total</b>		<b>80,339.57</b>	<b>69,512.67</b>
<b>Profit/(Loss) Before Tax</b>		<b>8,376.48</b>	<b>5,650.76</b>
<b>Tax Expense (Refer Note 29)</b>			
Current Tax		2,419.51	2,013.87
Income tax expense pertaining to Earlier years		22.45	-
Deferred Tax (Credit)		94.92	(111.81)
		<b>2,536.88</b>	<b>1,902.06</b>
<b>Profit/(Loss) for the Year</b>		<b>5,839.60</b>	<b>3,748.70</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified subsequently to profit or loss			
Re-Measurement of Defined Benefit Liability		(40.19)	-
Tax on Above Items		11.59	-
<b>Total Other Comprehensive Income, net of tax</b>		<b>(28.60)</b>	<b>-</b>
<b>Total Comprehensive Income for the Year</b>		<b>5,811.00</b>	<b>3,748.70</b>
<b>Earning Per Equity Share</b>			
--Basic (₹)	28	15.25	9.79
--Diluted (₹)		15.24	9.79

The accompanying summary of significant accounting policy and other explanatory notes are an integral part of the financial statements.  
In terms of our Report of even date

For R S Agarwala & Co.  
Chartered Accountants  
Firm Reg No. 304045E

For and on behalf of Board of Directors of TCI Express Limited

R S Agarwala  
Partner  
(Membership No. 005534)

D P Agarwal  
(Chairman)

Chander Agarwal  
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(Director)

Camp: Gurugram  
Date: 25.05.2018

P C Sharma  
(Whole Time Director)

Mukti Lal  
(AVP & CFO)

Vinay Gujral  
(Company Secretary)

# Statement of Changes in Equity for the year ended 31 March 2018

## A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Balance as at 1 April 2016	Changes in equity share capital during the year	Balance as at 31 March 2017	Change in equity share capital during the year	Balance as at 31 March 2018
Equity Share Capital	-	765.77	765.77	-	765.77

## B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserve & Surplus			Other Comprehensive Income Reserve	Total
	Retained Earnings	General Reserve	Share Options Outstanding Account		
Balance as at 1 April 2016	397.48	11,539.00	-	-	11,936.48
Profit for the year	3,748.70	-	-	-	3,748.70
Other Comprehensive Income	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>3,748.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,748.70</b>
<b>Transaction with owners in their capacity as owners:</b>					
Interim Dividend paid during the year	(306.34)	-	-	-	(306.34)
Tax on Dividend paid	(62.36)	-	-	-	(62.36)
Issue of equity shares	-	(5.03)	-	-	(5.03)
Transfer In/Out General Reserve	(2,500.00)	2,500.00	-	-	-
<b>Balance as at 31 March 2017</b>	<b>1,277.48</b>	<b>14,033.97</b>	<b>-</b>	<b>-</b>	<b>15,311.45</b>
<b>Balance as at 1 April 2017</b>					
<b>Balance as at 1 April 2017</b>	<b>1,277.48</b>	<b>14,033.97</b>	<b>-</b>	<b>-</b>	<b>15,311.45</b>
Profit for the year	5,839.60	-	-	-	5,839.60
Share Options Outstanding Account	-	-	83.18	-	83.18
Other Comprehensive Income	-	-	-	(28.60)	(28.60)
<b>Total comprehensive income for the year</b>	<b>5,839.60</b>	<b>-</b>	<b>83.18</b>	<b>(28.60)</b>	<b>5,894.18</b>
<b>Transaction with owners in their capacity as owners:</b>					
Dividends paid during the year	(1,072.11)	-	-	-	(1,072.11)
Tax on dividend paid	(218.26)	-	-	-	(218.26)
Transfer In/Out General Reserve	(4,000.00)	4,000.00	-	-	-
<b>Balance as at 31 March 2018</b>	<b>1,826.71</b>	<b>18,033.97</b>	<b>83.18</b>	<b>(28.60)</b>	<b>19,915.26</b>

The accompanying summary of significant accounting policy and other explanatory notes are an integral part of the financial statements.

In terms of our Report of even date

For R S Agarwala & Co.

Chartered Accountants

Firm Reg No. 304045E

For and on behalf of Board of Directors of TCI Express Limited

R S Agarwala

Partner

(Membership No. 005534)

D P Agarwal

(Chairman)

Chander Agarwal

(Managing Director)

Murali Krishna Chevuturi

(Director)

Camp: Gurugram

Date: 25.05.2018

P C Sharma

(Whole Time Director)

Mukti Lal

(AVP & CFO)

Vinay Gujral

(Company Secretary)

# Statement of Cash Flow for the year ended 31 March 2018

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	8,376.48	5,650.76
<i>Adjustments for:</i>		
Depreciation and Amortisation	520.85	431.39
Loss/(Profit) on Disposal of Property, Plant and Equipment (Net)	47.63	14.96
Employee Stock Option Compensation	83.18	-
Allowances on Credit Losses on Financial Assets	(11.39)	104.23
Miscellaneous Provisions Written Back	(10.25)	(6.41)
Finance Cost	375.74	244.30
Interest Received	(2.54)	(1.06)
	<b>1,003.22</b>	<b>787.41</b>
<b>Operating profit before working capital changes</b>	<b>9,379.70</b>	<b>6,438.17</b>
<i>Changes in Operating Assets and Liabilities:</i>		
Trade Receivable	(4,107.16)	(945.69)
Loans, Other Financial Assets and Other Assets	243.40	125.09
Trade Payables	2,699.22	1,403.91
Other Financial Liabilities and Provisions	1,580.44	227.35
<b>Cash Generation From Operations</b>	<b>9,795.60</b>	<b>7,248.83</b>
Direct Taxes Paid	(2,408.80)	(2,014.02)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>7,386.80</b>	<b>5,234.81</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(6,288.83)	(3,806.36)
Proceeds on Sale of Property, Plant and Equipment	18.81	13.93
Long-Term Advances	(17.40)	(123.25)
Interest Received	2.54	1.06
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(6,284.88)</b>	<b>(3,914.62)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES *</b>		
Short Term Borrowings	764.41	(923.11)
Proceeds from Term Borrowings	222.37	55.80
Repayment of Term Borrowings	(82.21)	(51.89)
Payment of Dividends	(1,072.11)	(306.34)
Payment of Dividend Tax	(218.26)	(62.36)
Interest Paid	(376.65)	(243.89)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(762.45)</b>	<b>(1,531.79)</b>
Net Increase in Cash and Cash Equivalents (A+B+C)	339.47	(211.60)
Cash and Cash Equivalents at 1 April	878.36	1,089.96
<b>Cash and Cash Equivalents at 31 March #</b>	<b>1,217.83</b>	<b>878.36</b>

\* Refer note 43 for Net debt reconciliation

## Statement of Cash Flow (contd...)

# Cash and Cash Equivalent at the end of the year includes:

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Cash on hand	80.53	22.02
Cheques, Draft on Hand	1,087.67	831.77
Other Balance with banks		
In current Account	1.11	0.00
Others	48.52	24.57

The accompanying summary of significant accounting policy and other explanatory notes are an integral part of the financial statements.  
In terms of our Report of even date

**For R S Agarwala & Co.**

Chartered Accountants

Firm Reg No. 304045E

**R S Agarwala**

*Partner*

(Membership No. 005534)

Camp: Gurugram

Date: 25.05.2018

**For and on behalf of Board of Directors of TCI Express Limited**

**D P Agarwal**

*(Chairman)*

**Chander Agarwal**

*(Managing Director)*

**Murali Krishna Chevuturi**

*(Director)*

**P C Sharma**

*(Whole Time Director)*

**Mukti Lal**

*(AVP & CFO)*

**Vinay Gujral**

*(Company Secretary)*

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### i) Corporate Information

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

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

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

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

### ii) Basis of preparation of financial statements

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

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

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

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

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

### iii) Use of estimates

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

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

### v) Significant Accounting Policies

#### (a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

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

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

## (b) Property, Plant and Equipment

### *Recognition and initial measurement*

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

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

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

### *Subsequent measurement (depreciation and useful lives)*

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

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

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

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

### *De-recognition*

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

## (c) Intangible Assets

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

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

transition date i.e. 1 April 2016.

## **Recognition and initial measurement**

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

## **Subsequent measurement (depreciation and useful lives)**

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

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

## **De-recognition**

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

## **(d) Impairment of non-financial Assets**

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

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

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

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

## **(e) Borrowing Costs**

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

## **(f) Functional and presentation currency**

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

### **Foreign Currencies**

#### **Transactions and balances**

##### **Initial recognition**

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

##### **Subsequent measurement**

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

##### **Exchange differences**

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

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

## (g) Leases

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

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

### Company as a Lessee

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

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

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

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

### Company as a Lessor

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

## (h) Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, company determines whether

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

transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

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

## (i) Revenue Recognition

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

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

### **Sale of services:**

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

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

### **Rental Income:**

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

### **Interest Income:**

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

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

## (j) Financial Instruments

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

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

### **Financial assets**

#### **Classification and subsequent measurement**

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

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

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

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

#### **De-recognition of financial assets**

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

### **Financial liabilities**

#### **Subsequent measurement**

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

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral

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

part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

## **De-recognition of financial liabilities**

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

## **Offsetting of financial instruments**

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

## **Impairment of financial assets**

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

### ***Trade Receivable***

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

### ***Other Financial assets***

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

## **(k) Retirement and other employee benefits**

### **Defined Contribution plan**

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

### **Defined benefit plans**

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

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

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

### **Other Employee Benefits**

#### ***Compensated absences***

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

#### **Other short term benefits**

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

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

## (l) Employee stock option plan

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

## (m) Provisions

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

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

## (n) Earnings per share

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

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

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

## (o) Taxes

### Current income tax

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

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

### Deferred tax

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

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

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

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

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

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

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

**(p) Segment reporting**

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

**(q) Cash and cash equivalents**

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

**(r) Dividend distribution to equity holders**

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

**(s) Contingent liabilities**

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

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

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

- a. Allowance for doubtful debts – The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognized in the financial statements.
- b. Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.
- c. Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- d. Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- e. Recognition of deferred tax assets – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.
- f. Contingent liabilities – The Company is the subject of legal proceedings and tax issues which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

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

### 2. PROPERTY, PLANT AND EQUIPMENT

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

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

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

b) Includes internal assets transfer including depreciation thereon.

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

### Capitalised Borrowing Cost

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

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

## 3. CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

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

### Movement in Capital Work in Progress:

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

## 4. INTANGIBLE ASSETS

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

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

## 5. LOANS

(₹ in Lakhs)

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

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

## 6. OTHER ASSETS

(₹ in Lakhs)

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

## 7. CURRENT TAX ASSETS

(₹ in Lakhs)

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

## 8. TRADE RECEIVABLES

(₹ in Lakhs)

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

## 9. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

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

## 10. OTHER BANK BALANCES

(₹ in Lakhs)

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

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

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

## 11. EQUITY SHARE CAPITAL

(₹ in Lakhs)

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

## (b) Reconciliation of Number of Shares

(₹ in Lakhs)

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

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

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

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

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

## (e) Share Reserved under Employee Stock Option Plan

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

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

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

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

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

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

## 12. OTHER EQUITY

(₹ in Lakhs)

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

### Nature and purpose of other reserves

#### Employee's Stock Options Outstanding Account

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

#### Other Comprehensive Income (OCI) Reserve:

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

## 13. BORROWINGS

(₹ in Lakhs)

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

### Other Information Pertaining to Nature of Security and Terms of Repayment

(₹ in Lakhs)

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

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

## 14. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

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

### Movement in Deferred Tax Liabilities (Net) in FY 2016-17

(₹ in Lakhs)

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

### Movement in Deferred Tax Liabilities (Net) in FY 2017-18

(₹ in Lakhs)

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

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

*Refer note 45 for reconciliation of deferred tax balances*

## 15. BORROWINGS

(₹ in Lakhs)

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

### (a) Security Details

#### Particulars of Nature of Security :

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

## 16. TRADE PAYABLES

(₹ in Lakhs)

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

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

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

## 17. OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

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

## 18. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

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

## 19. PROVISIONS

(₹ in Lakhs)

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

## 20. CURRENT TAX LIABILITIES

(₹ in Lakhs)

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

## 21. REVENUE FROM OPERATIONS

(₹ in Lakhs)

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

## 22. OTHER INCOME

(₹ in Lakhs)

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

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

## 23. OPERATING EXPENSES

(₹ in Lakhs)

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

## 24. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

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

## 25. FINANCE COSTS

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest expenses	324.62	187.32
Bank charges	51.12	56.98
<b>Total</b>	<b>375.74</b>	<b>244.30</b>

## 26. DEPRECIATION & AMORTIZATION

(₹ in Lakhs)

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

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

## 27. OTHER EXPENSES

(₹ in Lakhs)

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

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

## Corporate Social Responsibility

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

(₹ in Lakhs)

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

## 28. EARNINGS PER EQUITY SHARE

(₹ in Lakhs)

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

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

## 29. INCOME TAX EXPENSES

(₹ in Lakhs)

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

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

(₹ in Lakhs)

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

## 30. CONTINGENCIES AND COMMITMENTS

(₹ in Lakhs)

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

## 31. FINANCIAL INSTRUMENTS

### A. Financial assets and liabilities

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

(₹ in Lakhs)

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

### B. Fair values hierarchy

The different levels of fair value have been defined below:

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

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

The categories used are as follows:

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

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

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

## Fair value of instruments measured at amortised cost

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

## 32 RISK MANAGEMENT

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

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

### A. CREDIT RISK

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

#### Credit risk management

##### Credit risk rating

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

A : No Risk

B: Low credit risk

C: Moderate credit risk

D: High credit risk

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

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

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

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

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

Financial Assets that exposes the entity to credit risk:

(₹ in Lakhs)

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

## Cash and cash equivalents and bank deposits

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

## Trade receivables

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

## Other financial assets measured at amortised cost

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

## Credit risk exposure

### Provision for expected credit losses

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

As at 31 March 2018

(₹ in Lakhs)

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

As at 31 March 2017

(₹ in Lakhs)

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

As at 1 April 2016

(₹ in Lakhs)

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

## Reconciliation of loss provision – lifetime expected credit losses

(₹ in Lakhs)

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

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

## Expected credit loss for trade receivables under simplified approach :

As at 31 March 2018

(₹ in Lakhs)

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

As at 31 March 2017

(₹ in Lakhs)

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

As at 1 April 2016

(₹ in Lakhs)

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

## Movement of doubtful advances

(₹ in Lakhs)

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

## B. LIQUIDITY RISK

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

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

### (i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Lakhs)

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

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

## (ii) Contractual Maturities of financial liabilities

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

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

As at 31 March 2018

(₹ in Lakhs)

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

As at 31 March 2017

(₹ in Lakhs)

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

01 April 2016

(₹ in Lakhs)

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

## C. MARKET RISK

### a) Interest Rate risk

#### i) Liabilities

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

#### Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

(₹ in Lakhs)

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

#### Sensitivity

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

(₹ in Lakhs)

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

\* Holding all other variables constant

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

## 33 CAPITAL MANAGEMENT

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

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

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

### a) Debt-equity ratio

(₹ in Lakhs)

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

### b) Dividends

(₹ in Lakhs)

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

## 34 EMPLOYEE BENEFIT OBLIGATIONS

### 1) Gratuity

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

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

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

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

(₹ in Lakhs)

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

#### b. Changes in defined benefit obligation

(₹ in Lakhs)

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

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

## c. Amount Recognized in the Statement of Profit and Loss

(₹ in Lakhs)

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

## d. Change in the Fair Value of Plan Asset :

(₹ in Lakhs)

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

## e Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Actuarial gain/(loss) on arising from change in financial assumption	39.99	Nil
Actuarial gain/(loss) on arising from experience adjustment	0.20	Nil
<b>Unrecognised actuarial gain/(loss) at the end of the year</b>	<b>40.19</b>	<b>Nil</b>

## f Actuarial Assumption

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

## g Demographic Assumption

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

## h Sensitivity analysis for gratuity liability

(₹ in Lakhs)

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

## i Sensitivity Analysis for Gratuity Liability

(₹ in Lakhs)

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

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

## j Maturity Profile of Defined Benefit Obligation

(₹ in Lakhs)

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

### Defined Contribution Plans

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

## 2) Leave Obligations

The leave obligations cover the Company liability for earned leaves. Since the Company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(₹ in Lakhs)

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

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

(₹ in Lakhs)

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

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

(₹ in Lakhs)

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

### Actuarial Assumptions

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

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

## 35. ALLOTMENT OF SHARES, PURSUANT TO SCHEME OF ARRANGEMENT

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

## 36. LEASES

### Operating Lease:

#### In case of assets taken on lease

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

The total of minimum future lease payments under non-cancellable operating lease is as under:

(₹ in Lakhs)

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

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

### I. List of Related Parties

#### i) Key Managerial Personnel:

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

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

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

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

#### A. Enterprises over which KMPs/ relatives of KMPs exercise significant influence

(₹ in Lakhs)

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

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

## B Key Managerial Personnel Compensation

(₹ in Lakhs)

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

## III. Balance as at the year end :

(₹ in Lakhs)

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

## 38. SEGMENT REPORTING

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

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

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

## 41. ADDITIONAL INFORMATION

### Remittance in Foreign Currency :

(₹ in Lakhs)

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

## 42. RECENT ACCOUNTING PRONOUNCEMENTS

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

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

### The standard permits two possible methods of transition:

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

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

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

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

## 43. NET DEBT RECONCILIATION

(₹ in Lakhs)

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

## 44. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

(₹ in Lakhs)

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

(₹ in Lakhs)

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

## 45. FIRST TIME ADOPTIONS

### Explanation of transition to Ind AS

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

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

### A. Ind AS optional exemptions

#### Deemed cost for property, plant and equipment and intangible assets

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

### B. Ind AS mandatory exceptions

#### 1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made

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

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

## 2 Classification and measurement of financial assets and liabilities

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

## 3 Impairment of financial assets

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

## C. Reconciliations between previous GAAP and Ind AS

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

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

(₹ in Lakhs)

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

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

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

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

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

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

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

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

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

(₹ in Lakhs)

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

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

(₹ in Lakhs)

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

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

### Note 1: Leasehold Land adjustment (Operating lease)

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

### Note 2: Trade receivables (ECL)

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

### Note 3: Deferred revenue and cost (POCM)

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

### Note 4: Deferred tax

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

### Note 5: Retained earnings

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

### Note 6:

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

### Note 7:

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

# Notice of Annual General Meeting

NOTICE is hereby given that the 10th Annual General Meeting of the Company will be held on Wednesday, August 1, 2018 at 12.00 noon at the Drawing Room, Basement 1, Park Hyatt Hyderabad, Road No 2, Banjara Hills, Hyderabad – 500034, Telangana, to transact the following business(es):

## Ordinary Business:

1. To receive, consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2018 & the report of the Board of Director's and Auditor's thereon
2. To declare Final Dividend on Equity Shares @ 25% (₹ 0.50 per equity share of ₹ 2/- each)
3. To appoint a Director in place of Mr. Phool Chand Sharma (DIN: 01620437) who retires by rotation and being eligible, offers himself for re-appointment.

## Special Business:

4. To consider and if though fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of section 181 and other applicable provisions including any modification or re-enactment thereof, if any, of the Companies Act, 2013 & rules made thereunder (the Act), consent of the Company be and is hereby accorded to the Board of Directors to contribute, donate, subscribe or otherwise provide assistance from time to time to any charitable, public, social, benevolent or general fund, society, association, institution,

trust, organization, not directly relating to the business of the Company or the welfare of its employee, for taking up of any programme, activities of social, cultural, educational, sports, economic, rural development of people at large and/or incur any expenditure on their behalf, upto an amount not exceeding to ₹ 5,00,00,000/- (Rupees Five Crore only) in any financial year, notwithstanding the fact that said amount may exceed 5% of the Company's average net profit as determined in accordance with the provisions of the Companies Act, 2013 during the three years immediately preceding the current Financial Year.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be expedient to give effect to this resolution."

By Order of the Board  
For TCI Express Limited

Place: Gurugram  
Date: 25.05.2018

Vinay Gujral  
Company Secretary

## Registered Office:

Flat No. 306 & 307, 1-8-271 to 273,  
3rd Floor, Ashoka Bhoopal Chambers, S.P. Road  
Secunderabad - 500003, Telangana  
CIN: L62200TG2008PLC061781  
E-mail: secretarial@tcexpress.in  
Website: www.tciexpress.in, Tel: 91-40-27840104

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, ON A POLL, INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
3. An Explanatory Statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013 is annexed to and forms part of this Notice.
4. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of Board Resolution authorising their representatives to attend and vote on their behalf at the meeting.
5. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, additional information on directors recommended for appointment/re-appointment, if any at the Annual General Meeting and directors liable to retire by rotation and seeking re-election is contained in the Statement annexed to Notice.
6. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the Company's Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. upto the date of this Annual General Meeting ("AGM") and also at the AGM. The relevant documents may be accessed at the website www.tciexpress.in
7. The Register of Members and Share Transfer Books of the Company will remain closed from Friday July 27, 2018 to Wednesday August 1, 2018 (both days inclusive) for determining the names of the members eligible for dividend on Equity Shares, if approved.
8. Members who are holding shares in physical form are requested to notify the change in their respective addresses or Bank details to the Company and always quote their Folio Numbers in all correspondence with the Company. Those holding shares in electronic form are requested to notify any change in addresses or Bank details to their respective Depository Participants.
9. Members who are still holding shares in physical form are

advised to dematerialize their shareholding to avail of the benefits of dematerialization which include easy liquidity since trading is permitted only in dematerialized form, electronic transfer, savings in stamp duty, prevention of forgery, etc.

10. Non-resident Indian members are requested to inform Company on:
  - a. the change in the residential status on return to India for permanent settlement, and
  - b. the particulars of the bank accounts maintained in India with complete name of Bank, branch, account type, account number and address of the bank, if not furnished earlier.
11. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form. Therefore, it shall be mandatory for the transferee(s) to furnish a copy of the PAN card to M/s. Karvy Computershare Pvt Ltd /Investor Service Department of the Company for registration of such transfers. Members/ Investors are therefore requested to make note of the same and submit their PAN card copy to M/s. Karvy Computershare Pvt. Ltd /Investor Service Department.
12. It may be noted that SEBI has vide its Circular dated April 28, 2018, mandated to transfer of unpaid dividend directly to the Bank Account of Shareholders. Therefore, you are requested to update your Bank details with Company's RTA.
13. Pursuant to Section 72 of the Companies Act, 2013 individual shareholders holding shares in the company singly or jointly may nominate an individual to whom all the rights in the Shares in the Company shall vest in the event of death of the sole / all joint shareholders.
14. The members are requested to address all their communications Karvy Computershare Pvt Ltd., Karvy Selenium Tower B, Plot Number 31 and 32, Financial District, Gachibowli, Hyderabad-500032, the common agency to handle electronic connectivity and the shares in physical mode or at the Corporate Office of the Company for prompt redressal.

#### Voting through Electronic mean

- i. Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014 as substituted vide Companies (Management & Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Company is pleased to offer the option of e-voting facility to all the members of the Company. The Business mentioned in this Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means (e-voting). The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

- ii. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM
- iii. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
- iv. For this purpose, the Company has engaged the services of Karvy Computershare Private Limited ("KCPL" or "Karvy") as the Authorised Agency (Service provider) to provide e-voting facilities. The manner of carrying out e-voting are provided herein below.
- v. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date being Thursday, July 26, 2018
- vi. The Board of Directors has appointed Mr. Vasanth Kumar Bajaj, of M/s. V.K Bajaj & Associates, Company Secretaries, as a Scrutinizer to scrutinize the process of remote e-voting and voting at the venue of the meeting in a fair and transparent manner.
- vii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, July 26, 2018 only shall be entitled to avail the facility of remote e-voting /voting at the meeting through Ballot Papers.
- viii. The Scrutinizer shall immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizers Report of the total votes cast in favour of or against, if any, not later than forty eight hours of the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith.
- ix. The resolutions will be deemed to be passed on the AGM date i.e August 1, 2018, subject to receipt of the requisite numbers of votes in favour of the Resolutions. Please read the instructions given below before exercising the vote.  
The instructions for the Shareholders for remote e-voting are as under:
  - a) The remote e-Voting will be kept open From 10.00 A.M (IST) on July 29, 2018 and End up to 5.00 P.M. (IST) on July 31, 2018.
  - b) Launch internet browser by typing the URL: <https://evoting.karvy.com>
  - c) Enter the login credentials (i.e. User ID and password mentioned below). Your Folio No. /DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

User – ID	For Members holding shares in Demat Form:- a) For NSDL : 8 Character DP ID followed by 8 Digits Client ID  b) For CDSL :- 16 digits beneficiary ID  For Members holding shares in Physical Form:- Event no. followed by Folio Number registered with the company
Password	Your Unique password is printed in this communication/ or sent via email along with the Notice sent in electronic form.
Captcha	Enter the Verification code i.e. please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- d) Please contact our toll free No. 1800-34-54-001 for any further clarifications.
- e) After entering these details appropriately, click on "LOGIN".
- f) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with atleast one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- g) You need to login again with the new credentials.
- h) On successful login, the system will prompt you to select the E-Voting Event Number for TCI Express Limited.
- i) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number of shares held, "FOR" and partially "AGAINST" but the total number of shares mentioned both "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date, as mentioned above. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- j) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- k) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- l) You may then cast your vote by selecting an appropriate option and click on "Submit".
- m) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- n) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [scrutinizer\\_tciexp@vkbajajassociates.com](mailto:scrutinizer_tciexp@vkbajajassociates.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO.
- o) In case a person has become a member of the Company after dispatch of the AGM Notice but on or before the cut-off date i.e. July 26, 2018 may write to Karvy on the email id [einward.ris@karvy.com](mailto:einward.ris@karvy.com) or call to Mr. Rajeev Kumar contact no 040-67161524 at Karvy (Unit TCI Express Limited) Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad -500 032, requesting for the user id and password. After receipt of the same, please follow all the steps as from Sr. No. a. to g. as mentioned above to cast the vote.
- p) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.
- q) In case of Members receiving physical copy of the AGM Notice by Post/Courier [for Members whose email IDs are not registered with the Bank/ Depository Participant(s)]:
- User ID and initial password. These will be provided in the Attendance Slip for the AGM
  - Please follow all steps from Sr. No. a. to g. as mentioned above, to cast your vote.
- r) The remote e-voting period commences on July 29, 2018 at 10:00 A.M. and ends on July 31, 2018 at 5:00 P.M. During this period, the Members of the company holding shares in physical form or in dematerialized form, as on the cut-off date, being July 26, 2018, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter.
- s) The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

- t) The Members who are entitled to vote but have not exercised their right to vote through remote e-voting may vote at the AGM through Ballot Papers.
- u) In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com> or contact Mr. Rajeev Kumar, Contact No. 040-67161524 at Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.
- v) The Results declared along with the Scrutinizer's Report(s) will be placed on the website of the Company [www.tciexpress.in](http://www.tciexpress.in) immediately after the result is declared by the Chairman. The Company will simultaneously forward the results to the stock exchanges, where the shares of the company are listed and also to Karvy's website (<https://evoting.karvy.com>).

## Explanatory Statement under section 102 of the Companies Act, 2013

### Item No. 4

The shareholders, in the AGM held on November 4, 2016 had granted its approval to the Board of Directors in order to enable them to contribute and/or donate to any charitable and other funds not directly relating to the business of the Company or welfare of its employees amount not exceeding in aggregate of ₹ 2.50 crores (Rupees Two Crores Fifty Lakhs) during any financial year of the Company.

Now, the company wishes to take up the CSR initiatives on a larger scale. In order to fulfil this, it may be necessary to contribute/

donate over and above this amount. Therefore, it is hereby proposed to enhance the current limit in this regard from ₹ 2.50 crores (Rupees Two Crores Fifty Lakhs) to ₹ 5.00 crores (Rupees Five Crores).

The Directors recommend the resolution for members' approval as an Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in the resolution set out at Item No. 4.

## A brief profile of the Directors seeking appointment/re-appointment

Particulars	Mr. Phool Chand Sharma
Age	57 yrs
Qualifications	<ul style="list-style-type: none"> <li>Graduate</li> <li>Alumni of Harvard Business School and National University of Singapore</li> </ul>
Expertise in specific functional Area	He has in-depth knowledge about the Express distribution which helped him in expanding the business network and maintain the growth and success of the Company. He has been guiding force for the team and has strong management skills.
Terms and Conditions of Appointment/Re-appointment	As per existing terms and conditions approved by the Shareholders in 8th Annual General Meeting held on November 4, 2016
Remuneration Last drawn (including sitting fee, if any)	₹ 136.21 Lakhs
Remuneration Proposed to be paid	Basic salary, perquisites and other allowances as approved by the Shareholders in 8th Annual General Meeting held on November 4, 2016
Date of first appointment on the Board	August 18, 2016
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
Number of meetings of the Board attended during the year	04
Directorship held in other Companies	XPS Cargo Services Limited Bhoruka Supply Chain Solutions Holdings Limited Bhoruka International Private Limited
Membership/Chairmanship of the Committees of other Companies	<b>TCI Express Limited:</b> Member: Stakeholders' Relationship Committee Member: Share Transfer Committee
Number of Equity Shares held in the Company	40,250



**TCIEXPRESS**  
LEADER IN EXPRESS

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TCI house, 69 Institutional area  
Sector - 32, Gurgaon 122001  
Haryana, India  
P: +91 124 2384090-94  
E: [info@tciexpress.in](mailto:info@tciexpress.in)  
W: [www.tciexpress.in](http://www.tciexpress.in)  
Toll free: 1800 2000 977